

Selected Topics in Business Administration:

Globalisation

Prof. Dr. Panayotis ZAMAROS

Originally written as course notes in 1999; reviewed and augmented in 2021

For reference:

Online, ZAMAROS, PANAYOTIS (2021), *Selected Topics in Business Administration: Globalisation*, The DrZ Network, URL, date of retrieval.

A THE VOICE OF ALTERNATIVISTS

The traditional way of looking at the relationship culture-economy is, following Marx (Du Gay, 1997b: 286), that culture is determined by the economic structure of a society. This is because economics deals with material processes which constitute the “structural base” of a society, whereas culture deals with meanings and values which constitute the “superstructural” phenomena reflecting the material base.

The consequence of such a view is that it is profit maximisation that determines the cultural values, beliefs, norms, and meanings given that production decisions are driven by profit and capital accumulation following Marx.

This situation for Marx (Du Gay, 1997b: 291-293) leads to an antagonism between the classes of owners of capital who, to maximise profits, seek to keep wages low, and the owners of labour who, to maximise work satisfaction, seek increases in wages.

However, this view has a number of drawbacks. First, the distinction between owners of capital and owners of labour does not hold. Example: one can be shareholder in a corporation while holding a position. Second, capital accumulation is not an on-going phenomenon. Example: companies can also go bankrupt or be taken over. Third, profit maximisation is not the only parameter for labour-demand decisions. Example: personnel are hired on the basis of skills and experience. And last, utility maximisation is not the only parameter for labour-supply decisions. Example: working conditions and commuting distances can affect work decisions

One could ask then: how should economic processes consequently be viewed?

As the contingent interactions between economic agents, in other words, that no economic agent is able to control entirely economic processes. Example: in producer-consumer relationships advertising can only be convincing so long as consumers want to be convinced that a product can meet their expectations.

B CULTURALISTS: AN ALTERNATIVE (!) VIEW

Following Du Gay (1997a: 3-7), culture and economy are linked in two ways. On the one hand, there is production of culture: the set of economic activities aiming at producing specific commodities which are cultural as they are encoded with meaning. Example: a business organisation such as Disney corporation produces films and other cultural products aimed at a specific market. On the other, the culture of production: the set of cultural

practices that determine a way of life with its values, beliefs, and rules of conduct within a business structure and environment. Example: the articles of incorporation, policies, organisational structure, and management styles at Disney corporation are different from another company even if operating in the same market segment.

Thus “production of culture” and “culture of production” are conceptualised in a “cultural economy”, which for Du Gay (1997a: 3-7) has a number of notable features. To start with, meaning is produced in economic sites of production. Example: a restaurant as a cultural site where meaning is encoded in menus. Next, meaning is circulated through economic practices. Example: marketing and advertising hospitality products. And last, meaning is contested. Example: discrepancy between what is advertised and what is interpreted.

It follows that culture economy can be represented as consisting of layers where the production of culture (explicit layer) includes the culture of production (implicit layer) (Trompenaars, 1993: 22-24).

C CULTURE IMPERIALISM THESIS

The ‘cultural imperialism thesis’ is a critique of the phenomenon of ‘globalisation’ as characterised by increased information flows, economic exchange, travel and migration.

It stresses the attempt by western-based profit centres to predominate over the global scene of production and consumption following the expansionist logic of capitalism and rational profit maximisation. In addition, it shows that this logic results not only in the progressive standardisation of productive processes and commodities leading to the homogenisation of consumer culture, but also in the emergence of a common discourse that regulates social and private life in similar ways across the globe.

According to this thesis (Tomlinson, 1997: 140), globalisation has come about through the global expression of the capitalist logic. It is the logic of corporations which, in order to maximise their profits and take advantages of economies of scale, seek to find cheaper resources and create new markets.

This logic has therefore spatially divided the world according to the degree of capital accumulation and economic power. Thus, for Wallerstein (Sanderson & Hall, 1995: 96-97) the capitalist world economy consists in a hierarchical system divided into zones:

- “core”: at the top of the hierarchy where capital and wage-labour are mostly concentrated, one can find those societies which dominate economically and politically as they make use of advanced forms of technology
- “periphery”: at the opposite of the ‘core’ one can identify societies using outmoded forms of technology and which are economically the least developed
- “semi-periphery”: a buffer zone whose role is to stabilise the polarity between the ‘core’ and ‘periphery’

The underlying argument of this world division is that, in its attempt to maintain its hegemony, that is, the ceaseless accumulation of capital, the west has been exploiting other economies economically and politically and in consequence, culturally - an argument based on Marx’s claim that the superstructure of a society is determined by the structure of its economic base.

But as it is argued by Tomlinson (1997: 141-143) and Roudometof and Robertson (1995: 288), from an economic viewpoint, it seems difficult nevertheless to find empirical evidence of a ‘core-periphery’ exploitative relationship in contemporary history. The economic power of Japan and the emergence of the Asian tigers show that capitalism has no loyalty to a particular nation-state let alone it has been absorbed uniformly across the globe. Hence, power has shifted away from the ‘post war west’ to other power centres to the extent of causing the economic impoverishment of certain regions within the so-called ‘core’ zone.

It follows, according to Gills (1995: 142-145), that ‘world capitalism’ is better viewed as multipolar with multiple centres and peripheries where hegemony is shared. This implies that there is a complex information network that links these centres thus leading to their economic unification.

D POWER CENTRE UNIFICATION

From the ‘cultural imperialism’ standpoint (Tomlinson, 1997: 134, 144-145), one can argue that the emergence of new cultural power centres has been the result of western capital investments, the search for cheaper resources, the creation of new markets and increase in trade, the expansion of information technology easing communication between financial and profit centres. These trends have been facilitated by the conclusion of international agreements under the aegis of the WTO as well as the financial operations of the IMF and World Bank. In addition, not only western goods and practices are becoming global, but also western cultural tastes and preferences as they are transmitted through visual and graphic representations and the imagery of mass advertising and representation.

With no surprise then have we observed the progressive installation of western conceptions and interpretations of social realities: the adoption of western values, beliefs, and rationality at the expense of other forms and conceptions.

In other words, the growth of capitalism and its modernisation effects have progressively eroded the social practices and eventually absorbed non-western cultural communities, thus rendering them dependent.

Yet, the following arguments can be made against the cultural unification of cultural centres (Roudometof & Robertson, 1995: 288; Tomlinson, 1997: 129-130, 141-142; Evers & Gerke, 1997: 9-10). First, the emergence of other cultural centres and markets determined by geo-linguistic factors. Example: the rise of non-anglophone media centres such as Bombay for Hindi films, Hong Kong for Chinese movies or the success of Latin movies in the US show that the pre-eminence of English as a global language cannot be taken for granted. Second, individual entrepreneurs of the so-called 'periphery' may also seek to take advantage of the logic of capital as well as adapt new technologies for their own innovation. Example: in broadcasting, despite the attractiveness of some commercial programmes – one immediately thinks of 'Dallas', domestic productions tend to predominate. Third, linguistic differences and meaning distortion in dubbing processes, to which we can add the lack of cultural reference in imported programmes. Example: there is a tendency by cinephiles to watch foreign movies in their original version even if the audience does not speak the language. Fourth, global communication provides cultural communities with new opportunities for identity construction. Example: the myriad of local television channels across the globe which coexist with the main channels of a country. Last, imported western consumerism tends to be more of an urban phenomenon rather than a rural one because the consumption of mass-produced goods and the promotion of lifestyling are a middle-class phenomenon. Example: displacing older values in cities rather than in the countryside where traditions are stronger as in Southeast Asia despite the threat by mass tourism.

Overall, the 'core-periphery' paradigm fails to capture the transnational complexity and the changes in global cultural interrelations.

E GLOBAL CONSUMERS

The 'cultural imperialism thesis' tends to view consumers as passive ignoring the complexities of reception and appropriation (fallacy of internalism) since globalisation is read from a structural viewpoint considering that power as unidirectional from centre to periphery (Tomlinson, 1997: 134-135, 137, 144).

Put differently, the thesis claims that western goods are transferred from specific points of origin, the centres of cultural production where power is concentrated, to global sites of consumption as the continuation of a long historical process of imperialist expansion. Thus, regions are affected by social events distant from them since globalisation is a web binding all cultures.

Should one examine the terms of trade of several economies, one can see that the US is no longer as powerful a trading economy as it was during the Marshall Plan years and that inter-European trade is more important than trade with non-EU economies. In addition, since there is no distinct direction in global processes, we are witnessing the loss of a western cultural grip over other cultures.

In addition, the 'indigenisation' of western cultural goods as a result of what Cohen (in Roudometof & Robertson, 1995: 284) has referred to as "selective receptiveness" as a feature of cross-cultural exchange, has led to '*glocalisation*', that is, the simultaneous adaptation and transformation of the same cultural items in different places.

The consequence of selective receptiveness is "cultural hybridisation" (Tomlinson, 1997: 138, 145-147), rather than a western cultural imposition which is not an exclusive feature of the 'periphery' but increasingly so in the west. Examples: the 'westernisation' of Asian cuisine with meals that are less hot and spicy to accommodate European palates, or as the diverse mutations in popular music attest.

In addition, the increased mobility of populations has led to diasporic identities and to a 'de-territorialisation' that undermines hitherto neat distinctions between 'us' and 'them'.

Therefore, since cultures have become interdependent and globalisation has become a lived experience of hybridity clashing with a rhetoric of authenticity (essentialism), we can no longer see it as a western project, nor of the newly rising power centres, but rather as a global one in the sense that *globalisation has become everybody's project*.

Supporters of the 'cultural imperialism thesis' (Thompson, 1997: 30; Sanderson & Hall, 1995: 96-98) would argue that although commodities embody local cultural practices, their structure is predominantly western. Example: the rapid development non-US convenience food restaurants such as 'Dicos' in China or 'Quick' in France show that not only are they structured organisationally in a similar way as 'McDonalds' is, but also the ways to conceptualize the production and products are alike.

What this example equally shows is the loss of originality and the proliferation of 'simulacra' for the purposes of commercial gain. Therefore, the global capitalist economy tends to

deepen (evolutionary dynamics) through continual structural change as well as broaden so as to incorporate any area that does not participate in global capitalism (expansionary dynamics). This leads to the 'commodification' of all the aspects of social life and the widening polarisation between 'cores' and 'peripheries' (Sanderson & Hall, 1995: 96-98).

This polarisation might not be readily accepted because capitalist dynamics are met with resistance: cross-cultural exchange may lead to friction and conflict since the decrease in the physical distance between cultures tends to destroy the hitherto unquestioned cultural assumptions and stereotypes that keep the 'other' at a distance (Robins, 1997: 18, Tomlinson, 1997: 147). Globalisation has made nation-states more socially plural and multicultural; it has yet brought about counter-pressures for re-regulation to maintain or to restore a national or ethnic social order and cultural heritage – to a certain extent moral re-regulation appears to be inversely proportionate with economic de-regulation. Since the state establishes what part of knowledge counts as legitimate (procedure of rarefaction) as well as controls, selects, organises, and distributes a set of discourses via a number of procedures aiming at reducing uncertainty, one can expect that the state is able to implement whatever policy it sees fit (Tomlinson, 1997: 121, 131-133).

However, the difficulty to implement cultural protectionism is not because of the increased transnationalisation of information flows, but because of the divergence between the desires of people in the everyday routines and the state's interest in preserving a national culture. To this one can add that cultural protectionism clashes with western ideals about human rights, let alone that states appear increasingly incapable to sustain such policies in the longer run as well as autonomously take decisions within a global context.

F ASSESING THE 'CULTURAL IMPERIALISM THESIS'

One can say that the 'thesis' provides us with a coherent model of globalisation that highlights the mechanistic reproduction of capitalism stemming not from one unique centre, but through multipolar centres.

However, one cannot say that this reproduction is faithful. One can thus claim that there is a variety that capitalism creates and in consequence globalisation is a heterogeneous process although it appears to have a unique structure.

G GLOBAL TENSIONS

Let us therefore seek to capture some glimpses of this global heterogeneity and the tensions it produces.

We start with businesses. Globalisation involves the exploitation of markets on a world scale where global corporations transcend national boundaries by enlarging the scope of their operations through export, or by their presence in other locations via business expansion. However, these have been met by resistance in the sense of a 'defender strategy'. Example: the end of Swiss protectionism in the mid-2000s, and the arrival of 'Lidl' and 'Aldi', German hard discounters, brought about a response by the main distributors 'Migros' and 'Coop' in the development of their own range of inexpensive products, such as 'M-Budget' by 'Migros' as well as buyouts to secure sales locales and to widen the product offer (Online 1). Under the globalisation logic, profit maximisation has been enhanced via production delocalisation, a trend that was very strong in 1990s and 2000s – arguably less currently, or by remote services, or by importing foreign workforce. If the effect in some sectors was a total collapse. Example: some European airlines have exported their ticketing services in 'periphery' regions, adding online ticketing, resulting in the collapse of traditional travel agencies. In other situations, there has been business resurgence by putting forward the superiority of national products. Example: numerous farms hire low-wage workers from across the borders to produce veggies and fruit in Southern Spain, resulting into a low-quality produce, which is countered by a nationally based produce of higher quality assured by labels, even if this can be more expensive, e.g., Swiss vs Spanish strawberries or the superior quality of French garlic (Online2).

Next, markets and products. Globalisation tends to homogenise and standardise products by considering the world as one identical entity while at the same time there is a growth in ethnic markets and brands, which are, in turn, found in locations where they would not traditionally be found. Example: the 2014 Olympics in Athens brought about an interest in Greek products boosting yogurt exports into Switzerland, a nation that is traditionally self-sufficient in dairies. The same goes for designs: they tend to be more regional rather than global. Example: a number of car manufacturers, especially Asian, such as 'Toyota', produce vehicles with a distinctive Asian design and concept, whereas in Europe and North America, the concept is different and thus the models on sale.

The media business. Globalisation has enabled the proliferation of national and regional media as a result of a re-assertion of cultural identity in face of globalising forces despite the development of a global culture has taken place by those media organisations that are able to operate in transnational spaces. Example: local television networks as those found in Zurich and Lake Geneva region. In some other cases we have witnessed resistance and

state intrusion to regulate this business. Example: some states control satellite broadcasting and web access, as in China, to prevent external influences, posing difficulties for companies operating in these sectors such as 'Google' who see in state protectionism the hampering of their market share and business in such places of the world (Online 3).

G WHAT'S THE STATUS IN 2021?

After twenty years that the original paper was written, there is, since 2019, talk of "slowbalisation", a term used since 2015 by Adjiedj Bakas, a Dutch trend-watcher (The Economist, *Globalisation has faltered*, January 24, 2019).

The analysis by Titievskaja et. al. (2020) seeks to establish whether this phenomenon is mere academic concept or reality. They conclude:

Slowbalisation in 2007-2020 proven to be myth or reality? When compared to the high point of hyperglobalisation, there has in particular been a slowdown in terms of cross-border merchandise trade, capital flows and bank loans. However, a broader analysis shows that the onset of the slowdown is more nuanced and path-dependent than highlighted by the numbers alone. International trade statistics miss out parts of services trade and also aspects of value-added trade. Cross-border bank lending has in part declined due to a desire to decrease risks and regulatory reforms, but balance of payments statistics still tend to underestimate the degree of interconnectedness in the financial sphere.

They quote a similar thesis from Bloomberg News (*Have We Reached Peak Globalisation?* January 24, 2020) that globalisation is not waning, but is merely changing shape and form:

Economic theory and history both suggested this was an unsustainable kind of globalisation, and so it has proven. International economic integration came at the expense of domestic disintegration, deepening pre-existing economic, spatial, and cultural divides between winners and losers. It was also predicated on the unrealistic and unfulfilled approaches of countries with very different economic and social models, such as the US and China, would tend to converge. – A complete collapse seems unlikely. But we will have to settle for a thinner model of globalisation that leaves nations room for rebuilding domestic social contracts.

Yet Antras (2020: 39) who has run a detailed study on the topic claims: "views on globalisation are strongly correlated with economic cycles, regardless of how widely spread the benefits of economic growth are." This implies that 'slowbalisation' is a conceptual

epiphenomenon a fad that is likely to fade once the pandemic is met by global economic growth, a viewpoint shared by Antras (ibid.): “As puzzling as this may be, ... as long as the world avoids long recessions, we may also avoid de-globalisation.”

H OBSERVATIONS

‘Globalisation’ is certainly a broad topic that could gain from further study, yet it does call for a conclusion at this point by offering some observations.

To start with, debates on ‘globalisation’ tend to put forward two opposing tendencies (Wilk, 1997: 61), namely, the globalisation of all social aspects, thus a tendency to homogenisation, while at the same time the localisation of the same aspects, thus a tendency towards heterogeneity.

At the same time the focus of the discussion is either economic (at times political) or social, bringing about a confusion. This stems from treating the question from an economic viewpoint thinking it is social, hence the debates around ‘slowbalisation’ or ‘de-globalisation’ which are nothing more than are just another business cycle theorisation next to those propounded by Marx, Keynes, or the monetarists. A comprehensive study would need to encompass all the areas, and critically so.

The “cultural imperialism thesis” focuses on the social consequences of an economic system, and thus, in satisfying the stated criteria, is comprehensive. Yet, as much as it serves its purpose of a ‘paradigm’ well, it leaves out the nuances that are much needed to capture a phenomenon as complex as globalisation is, especially the relational aspects which touch all societies and their actors at various degrees.

In order to achieve this another conceptualisation of ‘globalisation’ is needed than the traditional one as “an increasing internationalisation of markets for goods and services, the means of production, financial systems, competition, corporations, technology and industries” (Online 4), especially if we are to capture relational complexity.

I GLOBALISATION

Formally put, I claim that *globalisation is the space between the self, whether this be the individual or a community, that is articulated with different proximate contexts, where meaning is in motion from one locale to another.*

Simply put, one is connected with different locales and the various events wherein and as one moves from one locale to another, meaning changes. Movement implies a dynamic conceptualisation. The emphasis on locales also implies that there is no international context as such as one cannot experience it its totality; it is a made-up context by juxtaposing the various local experiences.

The space that is articulated between self and the context, always in movement, highlights relational change where new meanings are juxtaposed and combined with older ones. In this way complexity and diversity are preserved by the fact that as a process, globalisation is experienced differently by oneself relative to an economic, geographical, or social localisation on the globe.

REFERENCES

- ANTRAS, P (2020), "De-Globalisation? Global Value Chains in the Post-COVID-19 Age", Harvard University
- DU GAY, P. (1997a), 'Introduction', in DU GAY, P. (ed) *Production of Culture / Cultures of Production*, SAGE/ The Open University.
- DU GAY, P. (1997b), 'Organising Identity: Making up People at Work', in DU GAY, P. (ed) *Production of Culture / Cultures of Production*, SAGE/ The Open University.
- EVERS, H. & GERKE, S. (1997), 'Global Market Culture and the Construction of Modernity in Southeast Asia', *Thesis 11*, Number 50.
- GILLS, B. (1995), 'Capital and Power in the Processes of World History', in SANDERSON, S. (ed) *Civilisations and World Systems: Studying World-Historical Change*, AltaMira.
- GILPIN, R. (1987) *The Political Economy of International Relations*, Princeton University Press.
- ROBINS, K. (1997), 'What in the World's Going On?', in DU GAY, P. (ed) *Production of Culture / Cultures of Production*, SAGE/ The Open University.
- ROUDOMETOF, V. & ROBERTSON, R. (1995), 'Globalisation, World System Theory, and the Comparative Study of Civilisations', in SANDERSON, S. (ed) *Civilisations and World Systems: Studying World-Historical Change*, AltaMira.
- SANDERSON, S. & HALL, T. (1995), 'World System Approaches to World-Historical Change', in SANDERSON, S. (ed) *Civilisations and World Systems: Studying World-Historical Change*, AltaMira.
- THOMPSON, K. (1997), 'Regulation, De-regulation and Re-regulation', in THOMPSON, K. (ed) *Media and Cultural Regulation*, SAGE / The Open University.
- TOMLINSON, J. (1997), 'Internationalism, Globalisation and Cultural Imperialism', in THOMPSON, K. (ed) *Media and Cultural Regulation*, SAGE / The Open University.
- TROMPENAARS, F. (1993) *Riding the Waves of Culture*, Nicholas Brealey Publishing.
- TITIEVSKAIA, J & KONONEKO, V. & NAVARRA, C. & STAMEGNA, C. & ZUMER, K (2020) Slowing down or changing track? Understanding the dynamics of 'Slowbalisation' , EPRS | European Parliamentary Research Service
- WILK, R. (1997), 'Learning to be Local in Belize: Global Systems of Common Difference', in MACKAY, H. (ed) *Consumption and Everyday Life*, SAGE / The Open University.
- Online 1: Swissinfo.ch, *Big distributors are ready to counter Aldi*, October 27, 2005
<https://www.swissinfo.ch/fre/les-gros-distributeurs-sont-pr%C3%AAAts-%C3%A0-contrer-aldi/4811876>,
retrieved on 29.9.21

Selected Topics in Business Administration: Globalisation

Online 2: Ail Echalotte Certifiée, Focus on the Global Garlic Market, May 15, 2021, <https://ail-echalote-certifie.org/zoom-sur-le-marche-mondial-de-lail/>, retrieved on 29.9.21

Online 3: MIT Technology Review, How Google took on China—and lost, December 19, 2018, <https://www.technologyreview.com/2018/12/19/138307/how-google-took-on-china-and-lost/>, retrieved on 29.9.2021

Online 4, OECD Glossary, Globalisation, June 10, 2013, <https://stats.oecd.org/glossary/detail.asp?ID=1121>, retrieved on 29.9.2021