

Globalization and Cultural Encounters

Alvin G. Edgell

Department of Political Science, Kent State University, Kent, OH 44242

Introduction

This paper intends to frame in broad-brush fashion the huge canvas where globalization encounters present day Third World cultures, an engagement that will be of critical importance to Third World aspirations and prospects. It will, of course, be hard to give a *measured* place to culture in any model, given its uniqueness to every society, its penetration of all levels of experience and because of its unconscious, emotional and long lasting prevalence in each society. So the first part of this paper is explicitly about the *development* role of culture. My thesis is that culture is embedded in all of the economic, political and social institutions of the Third World nations being prescribed for. This is not to say that culture is a straight-line determinant of where countries stand in the regularly published development league standings. Too many other interacting variables are present in each nation's unique constellation of influences.

For present purposes I will *not* be dealing with Third World cultures as they were before substantial contact with cultures of the western explorers, traders, imperialists and entrepreneurs of salvation. The cultures that I have in mind are those we find today. But I believe that every culture has some lingering addictions to more or less ancient traditions, most commonly those associated with religions, in the blend.

The material on culture's role that I draw on in the following, is largely taken from the multiple articles in editors Lawrence E. Harrison and Samuel P. Huntington's *Culture Matters: How Values Shape Human Progress*, a collection of numerous conference papers.¹ While tilted toward the editors' point of view, there is a wide range of positions, including some complete opposition. In some papers the word *culture* seems to have been slighted, although one can readily infer that it lurks behind many commonly cited "determinants" such as social institutions, human and social capital, quality of the work force, even forms of governance. The very complexity of culture's interactions with other variables should challenge scholars to further work at sorting out these interactions, since culture is too commonly only off-handedly acknowledged as present and is of some relevance for socio-economic development.

Culture

I define culture for my purposes as values, attitudes, beliefs, mindsets, central tendencies, worldviews and orientations that are prevalent in a given society. It is emotionally held and long lasting rather than instrumental short-term behavior and "pop culture." Orlando Patterson con-

tends that culture is what one must know to be effective in one's own environment, and it is transmitted over the generations and is influenced by peers and evolved by trial and error.² Michael Fairbanks and Stace Lindsey seem to substitute "mental models" for what I take as culture, and they claim, "Mental models are deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action."³ With equal sweep, Mariano Grandona says that by choosing a "value system," one chooses to develop or not.⁴ However, one must ask, in what sense does a *society choose* a value system?

Culture is Always There

Culture is always there, however mediated by other, more proximate determinants. The following citations give a sense of culture's elusive role, but one not to be ignored, however variously perceived. Lawrence E. Harrison says: "There is an intense interplay of cause and effect between culture and progress, but the power of culture is demonstrable."⁵ Nathan Glazer notes the confusing overlap and embeddedness of culture in other variables.⁶ David Landes says, "Determinants of complex processes are invariably plural and interrelated."⁷ Among the modifiers and dissenters, Jeffrey Sachs argues that the macro-statistics and assumptions are unconvincing about culture having an explanatory role.⁸ Earlier, he identifies geography, "social systems" and "positive feedback" as helpful explanations "to account for the growth puzzle."⁹ Sachs gives heavy weight to geography: its tropical diseases, degraded soils, discouraging landforms and locations, echoing Paul Harrison.¹⁰

Sachs's concept of *social systems* is more expansive, including political, cultural and economic factors. He looks at various large regions and concludes that in all of them, culture's—including religion's *slight*—role is subsidiary to political and economic determinants, and that economic success comes from increasing use of scale, positive feedback—which seems to mean momentum and chain reaction—and critical mass of technology and ideas.¹¹ Thus, he seems largely concerned with relatively *proximate* influences, without looking behind these variables to check *their* etiology. Sachs does admit the impossibility of "dise ntangling" culture's role and the ambiguity of its influence as he scans the major regions.¹² But, per Sachs, "[c]ontrolling for such variables [presumably politics, economics and culture] sharply reduces the scope for an important independent role of culture." It seems clear that Sachs is using an idiosyncratic definition of culture, which he never specifies. If cul-

ture is embedded—not to be disentangled—in political and economic institutions, as I and others maintain, it is hard to give credibility to his *separating* and “controlling of such variables.”¹³ Sachs seems to leave “social change” interpretable as fundamental for arriving at the right policies for growth. Yet he concedes that we haven’t found a “general theory of social evolution.”¹⁴

The “designated skeptic” Richard Shweder in Harrison and Huntington (H&H), resents *any* effort to measure cultures against one another on any grounds.¹⁵ If one must account for modernizing successes, he would point to the following: some having guns, some having Jews, for some immigration policy, in some freeing of serfs, in some availability of fossil fuel, the weather, willingness to trade with outsiders, good colonial masters, high consumer demand and luck.¹⁶ He completely opposes “cultural developmentalism,” which he sees as the message of most of his fellow contributors, “the new evangelists.”¹⁷ Shweder sees “other cultures as sources of illumination,” not as evidence of “our moral superiority over the rest.”¹⁸ Let me quote his definition of *culture*, which I find difficult to summarize.

By culture, I mean community-specific ideas about what is true, good, beautiful and efficient. To be ‘cultural,’ those ideas about truth, goodness, beauty and efficiency must be socially inherited and customary; and they must actually be constitutive of different ways of life.¹⁹

He allows an alternative definition by Isaiah Berlin: “goals, values, and pictures of the world that are made manifest by speech, laws and routine practices of self-monitoring groups.”²⁰ This latter definition is very close to my own above.

While Schweder does accept some universal values, e.g., “justice, beneficence, autonomy, sacrifice, liberty, loyalty, sanctity, duty,”—and just “too many” more—they have many specific forms and cannot be reduced to common denominators.²¹ For Shweder, progress, or decline, is determined by *more*, or *less*, of what is good and desired, as defined by the culture itself, and that is arbitrary.²² He seems to leave some room for *his* judgment, when he refers to “genuine” cultures, implying that there may be cultures that are *not genuine*, by his definition.²³

Shweder’s agnosticism outrages Carlos Alberto Montaner over his blindness to suffering and oppression in some cultures. Montaner, quite willing to be judgmental, says that it is all very well to blame national leadership and elites, but that these reflect the norms of society, with few exceptions.²⁴ Note that this contradicts Sachs’s *separating* of culture from politics. Thomas Weisner, too, is ready to set criteria for judgment: “Cultures should be judged on their ability to provide well being, basic support and sustainable daily lives for children and families.”²⁵ Shweder might accept this as conforming to his idea of “genuine” culture.

Culture as Shaper and Filter

While deep culture may be obscured in visible polities, its influence is clear to many observers. Daniel Etounga-Manguelle of Cameroon tells us that since culture guides institutions, cultural inhibitors of desired change must be addressed. Among the most inhibiting and generalizable African characteristics that he finds are fixed hierarchies of wealth and power.²⁶ Lindsey offers: “Cultural values matter because they form the principles around which economic activity is organized.”²⁷

Fukuyama uses “social capital” as critical for economic growth, and defines it as “informal values and norms shared among members of a group...[which] permit them to cooperate. Trust is the ‘lubricant.’”²⁸ He concedes that social capital cannot be measured yet, but says that it cannot be developed without reasonable economic distribution and civic participation.²⁹ Fukuyama claims that *formally* prescribed institutions require undesirable enforcement costs, not needed by *informal*—for which one can read ‘culture-based’—institutions.³⁰

Lawrence Harrison, with his enthusiasm for cultural determinism, rules out dependency and imperialism in preference for his favorite explanation, as causing the development status among the Third World countries.³¹ Harrison asserts that similar cultural patterns have had similar *consequences* in different parts of the world, for example, where British colonialism (imperialism) has had a major role in reshaping cultures.³² Evidence for this seems mixed at best.

Tu Wei-Ming throughout his chapter refers to Confucian cultural influences that underlie East Asian successes, i.e., alternative forms of modernization. This suggests that culture often filters and modifies imported institutions.³³ Suzanne Berger and Ronald Dore support this, saying that technological determinism is diluted by national (may we read cultural) modes of organization and management, institutions and structures, causing *varieties* of capitalism.³⁴ Doesn’t this mean that modernization and westernization are not quite the same?

Non-Cultural Variables

A great number of variables can be strung out that have affected, and may affect, any particular society’s socio-economic development, but I think a few are more universally involved and can embrace many, and varied, specifics. Aside from the always-present *culture*, a consensual list should include:

- Technology, sources and access
- The world economic structure, for which *globalization* now seems central
- The imbalances in world political and military power
- The *cluster* of domestic governance, leadership and policy
- The geographical location, natural environment and resources
- History, military conquests and colonialism

And here are some other comments on causal elements. As noted above, Sachs offers three broad explanations for developmental growth: geography, momentum and social system. His more or less unique contribution is in the importance he places on *geography*, and he knocks his fellow economists for ignoring this and the rest of his big three and for being locked into “convergence” assumptions. He goes on to spell out the more limiting aspects of geography: soils, erosion, water control; location, land locked, mountainous; tropical conditions with agricultural pests and spoilage; animal and human diseases.³⁵ Sachs also observes that colonialism was a poor preparation for Third World capitalistic development. However, Daniel Etounga-Manguella asserts that Africa is no longer justified in blaming colonialism for its plight.³⁶ Michael Porter also looks at locational factors, and in considering a list of successful nations, he says that they reveal “wide and subtle cultural differences associated with improving economic circumstances that further belie a *simple* connection between culture and prosperity.” He does see importance in the right cultural behavior at the right time and in the right situation.³⁷

Cultural Lag; Values That Once Worked

Probably present in every society, in greater or lesser degree and importance, are beliefs and practices that were once entirely functional—or believed to be. Having been deeply assimilated, they are no longer questioned for present relevance, or even possible self-wounding. V.S. Naipaul seems to capture some of this when he recalls that at an “early age” in Trinidad:

wondering whether the culture—the difficult religion, the taboos, the social ideas—which in one way supported and enriched some of us, and gave us solidarity, wasn’t the very thing that disposed us to defeat.

Richard Silberg finds a basic need for “positive affect,” the comforts of secure tradition and an unquestioned religion, which are eroded by modernization, and which seem to account for the tenacity of cultural lag.³⁸ Psychologist Kenneth Kenniston discusses social conditioning as related to social change, and he notes the cross-generational transmission of values, interpretable as supporting cultural lag.³⁹

Robert Edgerton observes that all cultures are somewhat maladaptive, but that the spectrum is broad; and that while many cultures may have evolved originally for environmental mastery, they are also “maintaining beliefs, values and social institutions that result in senseless cruelty, needless suffering and monumental folly.”⁴⁰ The fact that many societies have come to assume that cultural beliefs and practices are sacred, with religious sanction, also underpins resistance to change. Ronald Inglehart finds that historical values color present values in spite of changes.⁴¹ And Weisner says since cultural traits are *emotionally* learned, they resist change.⁴²

Cultural Change

Bronislaw Malinowski told us that cultural traits exist to serve institutional functions. If aspirations require new institutions, traits, as central tendencies, must shift to support them, or they become cultural inhibitors.⁴³ Similarly, Weisner says that successful societies must at times somehow change culture to persist intact.⁴⁴ Harrison argues plausibly that values change more slowly than attitudes. This seems reflected in changes in the *form* of governments, particularly in ostensibly adopting “democracy,” a widespread and applauded recent phenomenon,⁴⁵ while the content and practical effects are strongly skewed by persisting, deeper values that undermine the ideal.⁴⁶

Assuming for the moment, that culture is central to socio-economic growth, and that it should change appropriately where and if this aspiration and expectation is present, then, just how does culture change and how can it be *induced* to change? Or is every national context so situational, so unique, that only quite abstract strategies and tactics can be identified, and that those generalities then need super-sensitive, thoughtful adaptation and policy selection in each case?

All I offer here are some plausible suggestions of others, which may often sound like truisms or platitudes, but could still lead to further specification for unique, concrete national circumstances. Porter argues that cultures are changeable through education (well, OK—but what kind?). He adds that it also can come from the dedicated efforts of groups, which may be small in number, on behalf of their special interests.⁴⁷ Others have of course pointed to the cultural influence of rising minorities, often driven by a sense of their earlier cultural disadvantages, e.g., the Scots in Great Britain and the Samurai in Japan. In Edgerton’s view, “Large changes...are typically imposed by some external event or circumstance...invasion, epidemic, and drought. In the absence of such events, people tend to muddle through by relying on traditional solutions that arose in response to previous circumstances.” Edgerton goes on to observe that even promising risks are often avoided; people settling, rather, for just *acceptable* results;⁴⁸ something observed, to their frustration, by many an American agricultural extensionist in Third World peasant-farmers’ fields. Sachs is one among many to see social change usually coming from major trauma, largely external shocks, including past defeat and oppression.⁴⁹

Harrison uses the example of Singapore and Lee Kwan Yew to illustrate how strong leadership can shape culture.⁵⁰ Porter also observes that, “A strong government can impose a productive *economic* culture, at least for a time, but that these values must be absorbed by business leaders and their allies in order to be sustained.”⁵¹ The two Koreas illustrate how one culture can be twisted, on the surface at least, to produce two quite different polities. But the resurgence of the Orthodox religion in Russia after the long endured Soviet suppression suggests how temporary or superficial

the official “disappearance” of core cultural values may be. Ataturk’s “take no prisoners” reshaping of Turkey, culture and all, bears reflection. While many of his secularizing reforms persist, there has certainly been major stress on them as Islam has come back strongly, arguably held in check only by the Ataturkist military.

China scholar Lucien Pye notes how traditional regimes in China limited the scale of business to immediate families. Mao of course nixed all private economic entrepreneurship. But all the while Chinese in the Diaspora, in permissive overseas settings, were flourishing commercially, largely by building extensive family-like trading networks. Deng and his successors reversed the economic policy of Mao, and China now seems to be taking off.⁵² This pattern fits with Tu Wei-Ming’s assertion that Confucian cultural values underlie an alternative approach to modernization achievement once they are allowed to follow once suppressed aspects of that value system.⁵³

Sachs assumed that international contacts of the wide variety now available would inevitably change Third World cultures, with such camels’ noses under the tent as music, clothing, and fast food—popular western culture in general—appearing to lead the way.⁵⁴ My question is: How superficial are these intrusions? Will deeper values on more fundamental fronts present surprising, continuing resistance which will catch the globalizers off guard and frustrate overconfident initiatives, even foster angry backlash?⁵⁵

George Foster held that contact with other cultures is the most common stimulant to cultural change; but, again, imitated *form* (visibility) may not have the same *meaning* in the new context. He cites newly Christianized societies considering Christian saints as identified with pagan icons of similar attributes.⁵⁶ Everett Hagen also looks at the contact variable, but he sees its influence ranging from almost nothing to substantial, depending on cultural receptivity or necessity.⁵⁷

Berger and Dore find that cases where industrial development has taken hold have resulted from external market and political pressure meeting with internal “pull” to *shape* the particular development,⁵⁸ leaving the impression that culture does play a ‘filtering’ role to influence variant forms of modernization.

Cultural Traits That Affect Development

Lucien Pye says that since many contextual variables influence cultural effects in different ways, universal good and bad traits and weighting of variables are impossible. To illustrate this match or mismatch of cultural patterns with changing contextual events, Pye cites recent Japanese experience. Economic growth based on *relationships*, with a minimum of legal regulation and transparency, and accepting cronyism and elements of corruption, worked in good times. But hard times called for formal regulation and other (outside) economic models. However, the Japanese ‘culture’ of faith in the long term, and even in the heroism of suffering for the long term, inhibited *prompt*, necessary adjust-

ments.⁵⁹ Fukuyama seems to agree with Pye’s analysis.⁶⁰

In spite of these wise considerations, others have had the courage, or temerity, to present more specific cultural traits that in their view foster or inhibit economic and/or social development. Harrison may be the most prominent and fearless of these. He gives ten values and attitudes of progressive cultures to consider, condensed and paraphrased here:

1. Time orientation; future oriented, hopeful, not fatalistic.
2. Work is a good; creativity, achievement and self-respect ensue.
3. Frugality, saving is the mother of investment and financial security.
4. Education is the key to progress.
5. Individual merit for advancement, not family connections.
6. Radius of identification and trust must go beyond family.
7. Rigorous ethics are found in advanced countries.
8. Justice and fair play to be objectively (law) determined.
9. Authority should be dispersed and horizontal, not vertical and concentrated.
10. Secularism best in civil life, and heterodoxy and dissent encouraged.⁶¹

Expanding on Harrison’s list, Grandona gives us a typology of 20 value-attitude categories.⁶²

For his part, Etounga-Manguelle presents a quite grim picture of African cultural traits, which he argues are widely generalizable:

- Hierarchies of power and wealth are fixed generationally, even contrary to current law; overthrow is the only alternative option.
- Uncertainty, passivity, pro-status quo; religion the only certainty; fatalistic.
- Regarding time; follow own relaxed rhythm, focus on fabled past; no future concern.
- Unseen powers; leaders are sanctified or overthrown, magic used for explanations, authority figures Lordly in manner and image.
- Family and immediate community over the individual as chief trait, as context of identity; ancestral beliefs fundamental, oral traditions trusted; mid-level officials least trusted, no delegation.
- Conflict resolution evaded; rather social celebrations and ceremonies, without thought of cost; friendship more important than business; whenever conflict resolution is unavoidable, it’s done in secret.
- Efficiency of little concern; consumption favored over saving; economic success shared out with extended family.
- High cost of irrationality; sorcery central; narrow clan loyalty; witchcraft and magical sects assure believers with fantasies; leaders sometimes use witchcraft advisors.

- Metaphorical cannibalism, with the lawmakers the violators; collective progress of no concern; achievement through work resented, limited trust; an “authoritarian way of life.”⁶³

My own experience in Africa, Nigeria and Somalia, suggests that this is hardly a perfectly balanced view, even if there are strong elements of truth. For example, among the Igbo, I found strong entrepreneurial qualities, including close concern for the best use of time.

A wide “radius of trust,” in Harrison’s formulation, seems to be most universally recommended trait, and everything that compromises this is seen as negative. Inglehart finds the data suggest that trust is fostered by “horizontal institutions,” such as a common religion.⁶⁴ Trust is the “lubricant” for Fukuyama.

Tu describes an ideal Confucian polity, to explain its constituents’ success. The principal elements of that polity include the following:

- Government leadership in the market for well-being and order
- Law needs “organic solidarity” for stability and for necessary “sense of shame” for misconduct
- Family structure, with reciprocity, as core value
- Civil society with interplay between family and state and private and public
- Education as quasi-religion to build character for “social capital” and linkages
- Self-cultivation as core of civil society.⁶⁵

One of the most fundamental and influential cultural antinomies is the *impersonal*, exemplified by the western “rule of law,” on the one hand, and the *personal*, exemplified by transcendent family/group loyalty (labeled *relational* by Tarik Banuri).⁶⁶ The latter may be associated with “amoral familism,” seen by Harrison *et al.* as anti-developmental. But it seems to have a place in Confucianism, which has been linked to East Asian successes. Is it possible that our sacred rule of law is a *Western* cultural artifact, not necessarily a universally valid value, outside *our* system, where indeed it may be essential? After all, sometimes, even in the West, the “law is an ass”!

Amartya Sen, the Indian Nobel Economics Laureate, seems to take the Western part when, under the heading “reach of reason,” he says that Western values amount to “reasoned humanism.” However he cannot resist noting that they were anticipated in India by the Emperor Asoka before the Common Era and by the later Moghul syncretizer, Akbar.⁶⁷ This line of inquiry is beyond further exploration here but shouldn’t be cast aside.

Globalization

Here globalization is defined as the present pressure for a uniform world economic system, primarily capitalistic, market-centered, as evolved and practiced in, and favorable first and foremost to Westernized nations, now spear-

headed by the U.S.; and *carried* by apparently unstoppable—barring catastrophic acts of nature, or mankind—marvels of technology. This present *content* will evolve and might even shift direction to counter or modify capitalism’s guarantee of great wealth gaps. Accordingly, Huntington feels this movement should be aimed at human progress, defined as “economic development, material well being, social and economic equity and political democracy.”⁶⁸ For both moral reasons and practical long-term interests of the rich, I believe that the growing enthusiasm, at least rhetorical, for reducing poverty must be vigorously acted upon.⁶⁹

Key Institutions

The prime mover institutions in this movement of tectonic proportions are of course the World Bank (WB), the International Monetary Fund (IMF) and the World Trade Organization (WTO), all with preponderant influence wielded by the U.S. and its followers in the rest of the capitalist First World. (Ironically, most of the specific trade disputes before the WTO are between the U.S. and Europe.)

There have long been rumblings that the IMF and World Bank have been doing little but harm in the Third World, and certainly their impact on poverty has been disappointing. The recent United Nations Conference in Monterrey, Mexico on “Financing Development” in its “Monterrey Consensus” report, goes some modest way in recognizing the problems, raised by economist Dani Rodrik (see below), resulting in unfair global wealth distribution sustained under the above definition of globalization, the “Washington Consensus” of long practice. But this smoothly written Monterrey report still in the main supports that “consensus,” seeming to modify only “comparative advantage,” in favor of diversified exports. And, of course, advocating action against poverty.⁷⁰ Some observers see in this the emergence of a *neo*-Washington Consensus.

I will focus at this point on the WTO as the highest development of the present globalizing institutions. The WTO, which has inherited the long evolving GATT legacy, is the agency of concrete rule-making for international trade, the main arena for legally enforcing globalization through rules and procedures for adjudicating and sanctioning violations.

The First World has dominated the GATT rule making and does so now at WTO in Geneva headquarters by several means, most simply by having full specialist staffs with the expertise, information sources and detailed studies which can overawe many weakly staffed, poorly funded Third World missions (not even always present) there. This has resulted in the big boys generally writing the rules, without the presumed equal weight participation of all members, a situation recognized in the Monterrey report.⁷⁰ Usually this results in the rule formulations being presented for the Third World nations’ representatives’ approval. This usually is forthcoming, because the latter’s analytical skills are often—though improving—inadequate, and in this hesitation they feel the pressure to go along with the powerful, or abstain, thus permitting the new rules to pass through the process.⁷¹

The WTO gives its purposes as sustainable economic development and reduction of poverty for all members, approximately 140 in number, through an open, free, equitable and fair trading system to maximize and distribute the world's tradeable productive potential. The economic assumptions have been neo-classical, the "Washington Consensus," traditionally relying on each trading country's *comparative advantage* as leading toward *convergence* by everyone benefiting through "*openness*" (e.g., lowered tariff and other barriers) to expanded trade via the "market mechanisms."

Poor nations, which typically see cheap labor and absence of regulation as their comparative advantages, suspect the introduction of such standards would serve as further protectionism by the First World against Third World exports, already a source of Third World complaint. First World protection of "intellectual property rights" (patents, etc) is also an area of contention. However, Dr. Supachai Panitchpakdi, a Thai, is scheduled to replace Mike Moore from New Zealand as Director General of WTO on 1 September 2002. It is understood that Supachai will place much more concern on issues important to the poorer countries. The "one nation, one vote" decision-making arrangements may also become more fully realized, with growing Third World skills, perhaps shifting but not radically changing the Western domination of WTO focus.

In the (*Manchester*) *Guardian Weekly* (26–31 May 2000), Gregory Palast reported on the meeting of the TransAtlantic Business Dialog, a meeting attended by 100 of "the most powerful CEOs in the West." Among other matters, they provided—the reporter didn't exactly say *dictated*—agenda items for the WTO. Regular Davos-type meetings of the Great and the Good of the world to confer on the mega-economic issues seem influenced largely by the globe's top CEOs and other First World champions of unfettered capitalism.

Yes, But . . .

In *The New Global Economy and the Developing Nations: Making Openness Work*, Dani Rodrik accepts the trend for globalization and its *potential* advantages for the Third World.⁷² He feels that the WTO *could* provide guides that might motivate the Third World, and that openness encourages civil and political freedom. But he is concerned over the many ways things that could go wrong, perhaps not for the First World, but for the Third. A running concern of his is that enthusiasm for globalization, in my first definition, is becoming a form of uncritical "groupthink," where it is seen as an unquestioned, inevitable good, and must be pushed forward with unhampered speed, brushing doubters aside.⁷²

To the question about who assesses and acts to critically affect the globalized economies, their worthiness, and the quality of a Third world nation's economic conditions and policies, Rodrik answers, "foreign investors, country

fund managers in London and New York, and a relatively small group of domestic exporters." For them, assets are valued in "expectations," with the potential for leading to "bubbles." So a poor nation's policy makers must often guess what will please the international money movers, rather than address clear domestic needs. Herd contagion among money managers can lead to severe cross-border volatility.⁷³

Whatever Happened to Sovereignty?

One very big question is that of choice, if any, for Third World nations in the face of globalization. Can a state follow its own development design, or must it attempt to make the best of working within the "rules" of the globalization regime? Dwight Perkins says,

Small and poor developing economies can opt out of the system or can be treated as exceptions, but the nations of East and Southeast Asia are not small and they are no longer poor. . . . They want and need access to the markets of Europe and North America.⁷⁴

What may have worked well for them in the past won't sustain them in the emerging world economic environment. To me, this implies that the *personal* relationships ("Asian values") way of doing business must change to the Western designed *impersonal*, rule of law centered modality.

Rodrik puts the question his own way: How can "developing nations . . . engage the world economy on their own terms, not on terms set by global markets or multinational institutions?" In answer, he argues that international governance must recognize and allow for unique development styles if general benefit is intended. "Countries have rights to their own aspirations and special institutions, and these arrangements will vary across nations because of our differences in *norms* (my italics), historical *traditions* (mine, too) and levels of development. A suitable international economic system is one that allows different styles of national capitalism to co-exist with each other—not one that imposes a uniform model of economic governance."⁷⁵ But Rodrik notes that many policy makers claim that the Third World has *no* choice in the global economy, for there is no place for idiosyncrasy; only to "privatize, open up and attract DFI" (more commonly called FDI, Foreign Direct Investment).⁷⁶ Rodrik tells us that investment is crucial for exports and growth, and for this, poorer nations will need their *own* government's help, and he warns that over enthusiasm from early success with FDI can have a dependency and vulnerability effect, perhaps leading to a backlash.⁷⁷

As noted above, Berger and Dore see national modes of organization and management, institutions and structures as causing *varieties* of capitalism.⁷⁸ On the other hand, Porter expects *convergence* in structures of production and economic policies, a convergence on a core set of values, attitudes and beliefs to underpin his "productive paradigm," in which case *this culture* will be important and positive.⁷⁹

Challenging the ‘Consensus’

Rodrik finds overwhelming evidence that alternatives, even opposition, to the Washington Consensus (on openness, privatization, market freedom, etc.) have worked quite successfully, notably in East Asia. South Korea’s government in the 1960s directed and led in high domestic investment policies. The government of Taiwan similarly led internal investment, in their case largely by tax breaks. Both governments were very controlling and centrally directive, and many industries were publicly owned.⁸⁰

Compared to more open policies, *import substitution* (ISI) was found by Rodrik to have worked well in East Asia until the mid-1970s. Even today, “Experimentation with a certain dose of import substitution policy in a few sectors of the economy may also prove productive,” especially until a “mature” (his term, used elsewhere) economy is achieved.⁸¹ The downturns there came from external shocks, mainly oil prices; ISI had little to do with the crisis. However, the failure to *promptly* adjust macroeconomic policies led for a time to the following: inflation, foreign exchange shortages, external payments imbalances, black markets in currencies, and debt. Is this cultural lag persisting in the economic, perhaps *via* the political? From Rodrik, I understand that privatization works best in economies that have already become mature and modern, as demonstrated by Hong Kong, present day South Korea and Taiwan.

It occurs to me that for Taiwan and South Korea, earlier import substitution policies probably prepared the way for later success with more open, export-led policies. This interpretation supports the view that different economic policies, rather than a universal prescription, must be appropriate for different domestic and macro contexts. But the ability and willingness to *quickly* make difficult policy shifts seems critical. In my own view, cultural lag may play a spoiler role here.

Domestic Conflict Management Institutions

A major prescriptive theme appearing regularly in Rodrik concerns a developing nation’s ability to manage domestic conflict arising from inevitable external shocks; when harsh policy decisions are faced, which often lead to, devaluation and reduced social expenditures, and the resultant unfair distribution of pain (among other things). “It is the quality of the *domestic institutions* of conflict management that determines a country’s capacity for [such] macroeconomic adjustment” when necessary.⁸²

To escape such conflict and pain in the 1970s, Turkey (where I lived in the late 1960s), for one, perhaps insecure about the adequacy of their domestic conflict management institutions, borrowed heavily and soon faced collapse, leading to very distasteful IMF medication, which arguably encouraged the military coup in 1980.

South Korea did manage to recover quickly at that time with IMF aid, apparently because, despite protests, they did have better quality institutions for conflict management. For

Rodrik, domestic conflict management capability is a *sine qua non* for sustained economic development, not least where there is uneasiness between different ethnic groups. It is not hard to see the roots in culture of the relative presence or absence of this capacity.

Over-Confident Prescriptions

Rodrik finds the neo-liberal economists’ mantra of “*openness*,” to be dangerously over simple. At the very start of his book he announces, “The relationship between growth rates and indicators of openness—levels of tariff and non-tariff barriers or controls of capital flows—is weak at best.”⁸³ He notes that the East Asian shocks of 1997 were most painful in *open* trading countries such as South Korea, Thailand and Indonesia, but that democratic Korea and Thailand did best at recovering with civil society’s acquiescence, while openness itself contributed little. Openness must be fitted, he says, as only one part, into an embracing national development strategy.⁸⁴ And he warns us that openness can widen inequality by powerful special interest groups or those highly skilled at appropriating the benefits, and that openness to trade can trap a nation in low growth specialization.⁸⁵

Rodrik’s first priority, by far, regarding imports is capital goods and others related to production, but he quickly adds ideas, institutions and services to capital in his list of priority imports, the first two of which are somewhat less *proximate*.⁸⁶ He offers a cautionary note, that capital imports by foreign investors can crowd out domestic investment, and credits, especially short term, when pushed by international lenders. This played a role in the earlier debt crises such as are still not resolved; and more recently played a significant role in the East Asian crises of the late 1990s.⁸⁷

Obviously, as Rodrik observes, high tariffs on *investment* goods are a “fatal mistake.” Trade widens the *possibility* of technological capability and growth, but does not guarantee it, and it can trap a Third World nation in low technology production.⁸⁸ Lindsey and Fairbanks agree that a presumed comparative advantage strategy of keeping wages low as a competitive device is to simply stay poor.⁸⁹ Porter says that to become effectively competitive, cheap labor is not a resource.⁹⁰ Endowments for comparative advantage are of course notoriously unequal, and comparative advantage can easily change (be lost or gained) through new technology, raw materials demand, and other factors.

Final Reflections

Although I have pointed to the underlying influence of culture on many of the globalization issues discussed, I suspect that readers are able to make the connections noted and others on their own, however convoluted and still imprecisely mapped the paths of linkage. Given this imprecision, plus the multitudinous other dimensions of globalization, it is “too soon to tell” (in the words of Cho En Lai on the effects of the French Revolution) where the tracks of globalization will lead.

Will convergence be advanced on the rules favored (and imposed?) however subtly, and indirectly, by the First World policies, or will distributional injustice persist, or even worsen and fester until some disaster eventuates? Of course we may get some degree of convergent justice sooner by other means, a genuine commitment to raise those in poverty to security in their basic needs. Whatever the handicaps impeding the economic development of Third World nations, there seems no absolute bar to escaping perpetual poverty. The few countries which have fairly recently left that condition behind are the exemplars of that possibility.

Asymmetry

The uneven starting points and advantages are obvious: great disparities in wealth, market power, information, experience, technology, science, natural resources, along with cultures with fundamentally different worldviews. Whose “World” is being asked to change most quickly and wrenchingly? The Third World must move (more likely, lurch) to become compatible with the First World’s system: the latter having had two centuries to reach this presumed pinnacle. Berger and Dore recognize that: “Everywhere asymmetries of information and power, organizational factors, different social infrastructure and effects of scale” mark the economic constraints on convergence.⁹¹ As Rodrik noted, only mature, modern economies are likely to benefit from the policies prescribed by globalization *a la* the Washington Consensus, and most of the Third World is at a youthful, early stage regarding modernization. To quickly conform and be at all competitive, in many cases they probably cannot afford efforts at poverty reduction and social programs, even those necessary to build the essential human and social capital.

The prescribed openness may simply become a welcome to the First World to pursue its own competitive interests with fewer restraints, with the Third World salvaging what little it can in the *neutral* market process. After all, the market is only concerned with process, not the results. As to the blind, unbiased application of the rule of law, the law is usually drawn with a tilt to and by the most powerful. Where then is the symmetry?

Really Final Reflections

If I have a ‘policy’ message in all this, it is that globalizers of all sorts should deeply assimilate the cautionary tales and issues sketched above; that without the closest understanding of cultures, including one’s own, efforts to push global change on others—and on one’s own—may encounter unexpected setbacks and even conflict, in one form or another.

My own wish is for a “capitalism with a human face.” For our time, capitalism has proven the most productive general paradigm. It would be best partnered with a democratic socialism similar to that pursued in northern Europe—until today’s rightward drift there. That is, let us use capitalism’s productive superiority for its capacity to make

the goods needed in a more just distribution of its benefits and a higher level of general welfare. It would still be nice for alternative experiments to have room if capitalism cannot bend to accommodate *justice* along with its, often abused, *freedom*.

Appendix: Apologia

About my own credentials for my presumption to address these issues, I was 69 years old before coming to teach (and that part time—actually, I prefer “Adjunct”)—in academic USA. Immediately before coming to Kent State, I did teach college, for the first time, full time, for six years in Belize, part of the Third World. For some 25 years before my Belize teaching, I was involved in specific, on the ground, projects in the Third World: Korea (in the 50s), Turkey, British Honduras (becoming Belize in 1981, six years before my teaching there), Nigeria, Afghanistan, Bangladesh, Belize again, Somalia, and Belize again.

My bent toward the relevance of cultures in development evolved almost unconsciously, and I believe I never articulated it until, in the library of the University College of Belize, I found and read Lawrence Harrison’s *Underdevelopment Is a State of Mind*. That seemed to kick all my subliminal observational learning into consciousness. A review of my field experience, with this new consciousness, significantly advanced my understanding of my years working in Third World polities. Having personally continued to spend time analyzing my own and other recorded observations in this cultural context, I have come to feel Harrison’s insights opened the door to more sophisticated analysis of culture’s very complicated influence in the Third World’s efforts to benefit from globalization, or somehow come to terms with it.

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