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Collaborations and Disaffections

A Search for Identity

Akio Morita, co-founder of the Japanese consumer electronics giant Sony, felt proud in opening a Sony store on New York's Fifth Avenue, home to fashionable stores from several nations, in 1962. He looked forward to the Japanese flag fluttering outside the store, as he saw his company representing Japan. He wrote in his autobiographical book *Made in Japan*, "All of our Sony factories today fly the Japanese flag, the Sony flag, and the flag of the host country they are in. Like Olympic athletes, we are, in a concrete way, representing Japan and should wear the symbol of our country proudly" (Morita, 1986).

While our products and companies go global, the streak of nationalism is not too far away. Belonging to a nation evokes a sense of pride. Yet, as globalization proceeds, the increased sharing and exchange may seem to downplay national pride and the patriotism that goes with it. Even as new countries like Timor-Leste and Montenegro celebrate their independence, they are increasingly dependent on other countries for their survival, and it raises the need for new meanings for the term *independence*. Political independence often does not mean economic independence. Meanwhile, the desire of disaffected groups inside nations for their own independence does not seem to diminish. Perhaps independence as a solution for past wrongs cannot be dealt with rationally and from an economic perspective alone, without also dealing with layers of emotional issues tied to history. At the same time, patriotism and cultural roots do not stop the search, at an individual level, for a better life elsewhere as people migrate. All these issues present to us the coexistence of collaborations and disaffections within the societies of the globe.

The European Union

In 1950, French businessman Jean Monnet and the French foreign minister Robert Schuman, with the aim of coordinating the decisions on their coal and steel industries, inspired a union of six countries called the European Coal and Steel Community (ECSC). France and Germany had fought three wars between 1870 and 1950, and the new hope was that lasting peace would be achieved through an economic and political union. The ECSC came into effect in 1951 comprising Belgium, West Germany, Luxembourg, France, Italy, and the Netherlands. This was just the beginning of what is now an archetype for the world.

The WTO reports that there are over 250 regional trading areas in the world, but none has moved to the degree of integration that the EU has reached with its objective of the “four freedoms”—namely, freedom of movement for goods, services, people, and capital. The group has grown through several stages of collaboration: from being a free trade area (i.e., eliminating tariffs within the group) to a customs union (levying a common external tariff) to a common market (where restrictions in movement of labor and capital are eliminated). Meanwhile, membership has grown from the original 6 to 27 countries (see Table 5.1 and Figure 5.1). A subgroup of 12 countries took a further step in 1999 and subscribed to a closer economic entity in the form of a monetary union with a common currency, the euro. This requires not only closer coordination of monetary and fiscal policies but also abandoning national currencies like the franc and the mark to which people had emotional attachments. This could only have happened if the desire to find commonality was greater than a desire to maintain differences.

Table 5.1 EU Membership

<i>Current Members of the EU (Year Joined)</i>	<i>Countries Who Declined</i>	<i>Countries Waiting to Join</i>
Belgium (1951)	Greenland	Croatia
West Germany (1951)	Iceland	Former Yugoslav
Luxembourg (1951)	Liechtenstein	Republic of
France (1951)	Norway	Macedonia
Italy (1951)	Switzerland	Turkey
Netherlands (1951)		
Denmark (1973)		
Ireland (1973)		
United Kingdom (1973)		
Greece (1981)		
Spain (1986)		
Portugal (1986)		
Austria (1995)		
Finland (1995)		

<i>Current Members of the EU (Year Joined)</i>	<i>Countries Who Declined</i>	<i>Countries Waiting to Join</i>
Sweden (1995)		
Cyprus (2004)		
Czech Republic (2004)		
Estonia (2004)		
Hungary (2004)		
Latvia (2004)		
Lithuania (2004)		
Malta (2004)		
Poland (2004)		
Slovakia (2004)		
Slovenia (2004)		
Bulgaria (2007)		
Romania (2007)		

Source: Europa, www.europa.eu



Figure 5.1 European Union

Source: Taken from the Web site of the European Union (http://europa.eu/abc/european_countries/index_en.htm)

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At every stage in its expansion, the EU has had to deal with skeptics from within and outside Europe. Treaties have had to be ratified by national parliaments or approved through countrywide referendums. Thus, the progress toward union requires participation by the public in debates and through voting. Outsiders, such as in the United States, wondered at one time if Europe was going to become an economic fortress and make it difficult for non-European countries to do business there. The EU collaborates closely not just on economic but also political and social issues, and while some countries seeking benefits wish to join, those within the group are not always keen on expanding membership and have their own ideas on who they want to let in. Meanwhile, there are also those who have declined membership. Thus, it would be useful to reflect on the reasons that continue to drive the growth of the EU and what it would take to replicate the example elsewhere.

Among the nations that rejected EU membership, Norway makes for an interesting example. Although it initially negotiated membership, when the issue was put to a referendum in 1972 and again in 1994, the citizens rejected it. Some of the reasons advanced to explain the “no” vote include the Norwegians’ desire to maintain their Norwegian culture and keep it distinct from other Scandinavian and European identities and to protect their welfare-state model. Being wealthy with oil and gas reserves has helped. The country is a part of the European Economic Area, giving it access to the four freedoms of the EU. Norway is also a member of several EU agencies and makes financial contributions to EU projects. The EU also accounts for 70% of Norway’s exports. Norway, one may say, is almost a member of the EU without voting rights. However, regular polls that gauge support for the EU find that, in general, the nays continue to have the majority. The citizens are as yet unwilling to make a final commitment.

In a similar situation, Switzerland rejected membership in a referendum in 1992 but has negotiated various agreements with the EU to grant its citizens and companies similar advantages as membership would have given them.

Regular polls conducted within the EU about the efficacy and progress of the Union give us an indication of who are in favor of closer collaboration and why. These studies show that individuals with higher levels of education and occupation status favor integration, and they benefit from the integration of labor markets, while others see their positions as threatened. Immigration is a sensitive issue that many see as an unwanted effect of integration. Moreover, if the domestic economy is doing well, there is usually a favorable attitude toward integration, and if there is a negative perception of the incumbent government, it leads to less support for integration issues. Thus, apart from economic issues, factors such as migration affect the political and cultural arenas as they influence the fundamental questions of how each nation sees itself and how all the nations see themselves collectively as European. The EU, far from being a

monolith, is in a constant state of compromise and collaboration, with continuing introspection underlying it all. Considering the wide variations among the different nations in how they approach several questions, European integration results in a complex identity for its people. Their feelings of national pride coexist with positive feelings about Europe, and it is this combination that appears to define the European identity.

Two issues that confront the EU currently are also those that challenge the very foundation of the union. They pertain to having a constitution for the EU and the question of Turkey wanting to join the EU. How the EU deals with these issues can help us understand what it takes to collaborate across the world.

The constitution was part of a continuing effort toward strengthening their union from an economic to a political one. It was drafted by a committee consisting of representatives of national parliaments and governments and headed by French statesman Giscard D'Estaing. Among the main aims were to make future decision making easy and to bring under one umbrella the host of existing treaties between the countries. The document enshrined two important principles: the principle of subsidiarity, to ensure that the Union will exercise powers only if it is more effective than action taken by a member state; and the principle of proportionality, that the action taken by the Union should not exceed the objectives set for the treaty. This was done to assuage fears that the constitution will give the EU more powers than was intended. The constitution would have also allowed for having a foreign minister, giving one external voice to the Union. On these principles, after the 25 governments agreed on the document, it began making its rounds through the countries for approval. Although 15 countries approved, it failed in referendums in France and the Netherlands. The heads of EU members subsequently met to substitute the constitution with a treaty to achieve some of the objectives of the constitution while giving up provisions that were making it difficult for some nations to vote in its favor. Such back and forth has often been the hallmark of progress in the EU. The treaty would not require referendums, although some nations did want to take the matter to their citizens for approval.

While the requirement of ratification through parliament or a referendum tells us how the nation stands on the important agreements, since 1970 the European Commission has conducted regular public opinion polls, now called the Eurobarometer, on key issues facing the EU. This has allowed the people and the policymakers to judge the mood of the public response and has allowed for adjustments along the way. Of course, apart from voicing their opinions through their elected representatives and through opinion polls, the citizens have also taken to the streets to protest, and it happened during the constitutional debate, too. Eurobarometer surveys have suggested

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a strong support for the constitution among the public. The debate about the need for a constitution and its provisions in some countries even went back to questioning the need for the EU, which is not surprising, for each time the EU has taken a major step, there has been a conflict about whether it should only achieve a minimal economic integration or also head toward a political union.

Countries that are unified political entities have a constitution. Regional trading groups have treaties, not constitutions. Thus, those who are opposed to the EU constitution were doing so partly for the reason that they wanted to stick to trade issues and not dissolve their national political identities and get what they thought would be a supra-government representing Europe. Although citizens of EU countries can freely move within the EU, only 1.6 % of them live permanently in an EU country other than their own. National identities within the EU have remained strong in spite of the Union.

The other issue of admitting Turkey has again raised the question of what is Europe? Turkey was first admitted as an Associate Member in 1963 and made a formal application in 1987. Progress since then has been slow, with conditions being placed on Turkey, such as being asked to resolve its stand on Cyprus, improve the condition of its economy, and improve upon its human rights record. In response to EU requirements, Turkey has abolished the death penalty, accepted Kurdish as a language in the schools, increased civilian oversight of the army, and revised the penal code. Many opinion leaders in the EU have questioned whether Turkey will fit into the EU, on grounds of geography (that it is only on the periphery of Europe) and culture (its residents are Muslim, versus the rest of Europe, which is predominantly Christian). Others wonder if voting structures within the EU will have to be reconfigured with the admission of a populous nation like Turkey. Many Turks are convinced that the EU is not serious about admitting them and that the conditions are only delay tactics. One survey conducted by Eurobarometer showed that 52% of the EU population opposed admission, although opinions varied between nations, with some strongly supporting and others opposed.

Even while the EU grapples with the question of its identity, its membership will continue to expand, for it has an active waiting list. Yet, it presents us with a fascinating model of how a group of countries, with a history of violent attempts at settling conflicts, are now able to unite to share common dreams and to settle their differences even while keeping their own national interests in mind. The one lesson the EU can offer us is the ability to resolve differences through negotiations and compromises rather than picking up guns and walking into the streets. Other lessons can be found in the transparency of the process of collaboration, the effort to take the people along, and the need for patience among the leadership who subscribe to a larger vision and have been willing to pay the price of slow progress.

National and Other Identities

There are not many examples as successful as the EU of countries voluntarily coming together. One example from Africa is that of Tanganyika and Zanzibar, who, after achieving their respective independence, joined to form the United Republic of Tanzania in 1964, which continues to this day. Others have tried in vain. Singapore joined Malaysia in 1963 but resumed being a separate nation in 1965. Egypt and Syria joined to form the United Arab Republic in 1958 and then went their separate ways 3 years later.

The dissolution of the USSR also presents us a contrast to the collaboration within the EU. The Russian Revolution of 1917 brought an end to the old Russian Empire and formed the foundation of the union of several socialist republics. The revolution initially was a popular one in response to the crisis in the economy and the war situation and in opposition to an unpopular monarchy. When the communists took control of the government, they established a one-party rule, and central control of the economy, nationalized industries, and collectivized farming. Beginning in 1922, the USSR finally grew to include 15 republics: Armenia, Azerbaijan, Byelorussia, Estonia, Georgia, Kazakh, Kirghiz, Latvia, Lithuania, Moldavia, Russia, Tajik, Turkmen, Ukraine, and Uzbek. It came close to reestablishing the old borders of the Russian Empire. The republics were initially independent of each other, acted in close coordination, and had the right to secede. Some were formed from acquired territories and others by splitting existing ones. They were usually named after a dominant ethnic group.

The planned investments made in infrastructure, heavy industry, extractive industries, and so on resulted in the rapid growth in industrial and agricultural output of the union in the early years. It also demonstrated significant achievements in military advancements and space exploration. However, it was a union held by force of military power and not by choice of the people. With the communist ideology failing in its ability to hold the populace, the member republics were looking for freedoms and could not see logic for the group to stay together. In addition to the declining political legitimacy of the Soviet system, an economic crisis came about with production in steady decline since the 1970s. Added to this, crises in ethnic and cultural relationships forced the union's collapse in 1991 when all 15 republics became independent countries. An attempt to maintain links resulted in the Commonwealth of Independent States, of which now only Russia, Belarus, and Kazakhstan are members.

Historians saw the Peace Treaties of Westphalia in 1648 as the beginning of nation-states in Europe. It came at the end of Thirty Years War involving many of the major continental European powers at that time. Several conflicts with Protestants fighting the Catholics, the Hapsburg dynasty fighting its rivals, and French–German enmity were all wrapped into those wars, and the treaties brought an end to the Holy Roman Empire and created the forerunners of the

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nations of today. The treaties laid the seeds for a new order and incorporated several principles that we now take for granted and that guide the existence and relationships between nations. These included the following:

- a. Recognition of the existence of territorial sovereign states, without the need for a superior authority.
- b. Accepting that the states would settle their differences through the use of force, as and when necessary, between themselves without involving others.
- c. Individual states would make their own laws and settle disputes.
- d. Cross-border wrongful acts are a private matter only concerning those affected.

However, their respect for borders did not extend to states outside the group of signatories. These states, having agreed to a set of “rules of engagement” amongst themselves, sought to expand their power through territories elsewhere, which drove colonization and proxy wars on other continents for a couple of centuries.

Countries do not go to bloody wars anymore in search of new territories, but that does not mean that national borders are losing their significance. When a group within a nation does not see eye-to-eye with the rest of its compatriots, or perceives slights and differences that are greater than the commonality amongst them, independence movements are born. Thus, disaffection is a symptom of weak notions of nationalism. Some groups have been successful in getting their independence, but many other movements survive, festering within the larger community. Examples can be found all around the world, and not all of them are on a violent campaign to achieve their ends. See a sample in Table 5.2.

Table 5.2 Independence Movements

<i>Country</i>	<i>Independence-Seeking Group (Region, Ethnic Group, etc.)</i>
Canada	Parti Quebecois
China	Tibet, Uyghurs
India	Kashmir, Mizos
Indonesia	Banda Aceh
Morocco	Berbers
Russia	Chechnya
Spain	Basque, Catalan
Sri Lanka	Tamils
Turkey	Kurds
UK	Scotland
USA	Puerto Rico

The formation of a nation follows a convoluted path. The transition from empires to nation-states is recent in human history. Empires had loose boundaries, defended by the power of the emperor at the center and held in place by various satraps along the boundaries who owed allegiance to the powerful emperor and most often were waiting for an opportunity to break loose. Many nations were formed through conquests, and lines were drawn through peoples speaking a common language, following the same religion, or belonging to the same ethnicity. These are also reasons why many nations try to unite, but they are not sufficient conditions to maintain unity. Nationalism requires both a concept of a nation and an emotional desire to be connected to that nation. While Japan was able to leverage its unilingual, monocultural population to drive patriotism during WWII, many other nations have been forged by cutting across linguistic, religious, and cultural differences.

As nations face the globalization of today, they must often wonder whether political independence alone is sufficient to survive without adequately securing an economic future. Thus, in 2006, in spite of previous history, common language, and ethnic identity, Montenegro decided to break away from the remains of Yugoslavia, but at the same time, it hopes to join the EU. This is one way by which it can ensure its viability as a nation and also get a European identity. Similarly, Timor Leste gained its independence from Indonesia in 2002 with many wondering if it would become a failed state. However, it has since signed an agreement with Australia giving it rights to revenues from oil in the Timor Sea that may help finance its nation building.

Concerns of identity must surely be most directly experienced by those seeking a new one, or giving up an old one. Partitioning a nation raises the question of a new national identity and can be as wrenching as independence movements. When Turkey was formed from the remnants of the Ottoman Empire, about 2 million people had to cross over between Turkey and Greece to new homelands, having been expelled from their previous residences. Toward the end of the Ottoman Empire, suspicions that Armenians within Turkey's borders would seek independence resulted in their expulsion, resulting in about 600,000 to 1.1 million being killed, a historical event still being disputed with regard to causes and responsibilities. A traumatic exchange took place when Britain partitioned India to create a new country, Pakistan, in 1947, and about 14.5 million people crossed in both directions with several thousands dying in the ensuing violence. Building, maintaining, and valuing a national identity often costs lives.

Although we tend to use *state* and *nation* synonymously, we can make a distinction between them: A state, or country, is a political entity, and a nation is a cultural entity. The Kurds and Native Americans are nations without a state. Iraq is a state with many nations. Patriotism is love of one's country, and nationalism is a stronger feeling of placing one's country above all others. While a feeling of national pride is not the same as being nationalistic, it is a prerequisite.

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One of the complaints against globalization is that when we take a transnational view of issues affecting the globe, it dilutes our feeling of nationalism. The National Opinion Research Center at the University of Chicago has been studying the issue of national pride across 33 nations. Their study comparing responses between 1995–1996 and 2003–2004 shows mixed results; national pride grew consistently in the United States, Australia, Hungary, Philippines, Spain, Czech Republic, and Slovakia, while it dropped in Austria, Japan, Ireland, Norway, Sweden, and Latvia. The authors of the study attribute nation-based reasons, such as whether the country experienced terrorism in the intervening period or their membership in a previous communistic alliance, for the difference. It is understandable that national pride is affected by national circumstances, but it is not being swept away by global trends.

The researchers also found that the less educated a person is, the greater their general national pride, a result similar to that found in surveys in the EU referred to earlier. The criteria pertaining to general national pride were if the respondents would rather be the citizens of their country than any other, if there is anything that makes them feel ashamed of their country, and if they thought the world would be a better place if all nations were like their own.

The team that competed as the “Serbia and Montenegro” national football team during the 2006 Football World Cup had inherited the membership of FIFA held by Yugoslavia when it was one country. Even by the time the matches began, Montenegro had obtained its independence from Serbia, and you can wonder what national spirit would have pervaded the team as it played in a competition that is known to inflame national passions. After the competition was over, the membership of FIFA was retained by Serbia, and Montenegro would have to apply for a new membership. Similar situations have occurred during the Olympics over the years.

Thus, nationalism is a powerful emotion that places people willingly or unwillingly in violent situations to defend what they perceive as their identity. The United Nations charter eschews war in reaffirming its faith in the equal rights of “men and women and of nations large and small.” Nationality only provides one of our identities. There are times when we seek to protect it by fighting battles. Globalization has created a feeling amongst many that nations seem to be giving over their rights of decision making to other supra-national bodies such as the UN or the WTO. There are tradeoffs involved, sometimes voluntarily, and sometimes involuntarily. Nations that have joined the EU have made many such tradeoffs.

Since most countries in the developing world secured their independence in the years between 1947 and 1963, and many constituents of the communist bloc regained their status only recently, the overwhelming majority of countries in the world are about 60 years old or younger. Many are still trying to understand political independence and are building their notions of national identity.

It should therefore be no surprise to us that we see so many border disputes and independence movements challenging globalization.

Migration

People also make tradeoffs at an individual level when they move from their nation to live and work in another nation. This move may be forced (say, due to slavery) or voluntary. The migration could be temporary, to work for a period in another place and then return, or it could be permanent. National identities change along the way. Like an onion, identities seem like layers on an individual. At any point, we maintain several identities (personal, familial, cultural, professional, and national), and globalization forces us to face them and make choices.

About 13% of the U.S. population is Black, and many have descended from slaves who were brought from Africa to have a new identity forced on them. Many now prefer to be referred to as African American to reflect their origins, although they may not personally feel any trace of their African identity. After the Japanese attack on Pearl Harbor in Hawaii on 1941, which drew the United States into World War II, President Roosevelt authorized the internment in 1942 of immigrants of foreign enemy ancestry. About 100,000 Japanese were held for 3 years in 10 detention camps. This was done to prevent them from assisting the enemy. They were seen as having loyalties to their country of origin, although over 60% of them were U.S. citizens. Some Italian Americans and German Americans were also subjected to internment at that time. Thus, origins can continue to tag along in laying a claim to identity even after years of residency or changing nationalities.

SLAVERY: FORCED MIGRATION

Restrictions on movement of labor between countries are a recent phenomenon. As the economies of the new territories in the Caribbean and Americas grew, there was a great demand for labor, especially in the sugar plantations. Labor needs of these societies were initially met largely by the slave trade, and when slavery was abolished in several countries, it was met through a system of indentured laborers. More recently, workers from labor surplus countries have been migrating to rich countries to meet the same need.

Between the 16th century and the mid-19th century, the slave trade accounted for a large amount of forced migration. Using people who had been captured in local wars, criminals, or kidnapping victims as slaves was not uncommon in Africa. When the demand for slaves arose from outside the continent, African slave traders began to hold them in centers along the west coast until they were sold to the Europeans and shipped across the oceans.

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Non-Africans engaged in the slave trade were initially the Portuguese and Spanish, followed by the English, Dutch, and French. It is estimated that about 10 to 12 million slaves were transported from the west coast of Africa to the New World (the Americas and the Caribbean). Slowly, national companies began forming in Europe to pursue the trade. The Royal African Company, a venture jointly set up by the royal Stuart family and the merchants of London, was given a monopoly and operated between 1660 and 1752 and is estimated to have transported between 90,000 and 100,000 slaves. Spain even instituted a system of licensing to regulate the export of slaves to the colonies in America.

When emancipation did come, it wasn't as liberating as the word suggests. In the British West Indies, the former slaves were made apprentices to their old masters and had to provide their erstwhile masters with about 40 hours of unpaid labor each week. While compensation was paid to slave owners, none was paid to the former slaves to start a new life. Nation building as an effort at rehabilitation was not too successful either. Liberia was a nation founded on the west coast of Africa in 1847 by freed American slaves. However, divisions grew between the descendants of the former slaves and the indigenous population, and the country has not been able to live up to its ideals and continues to be one of the poorest in the continent.

After the abolition of slavery, labor requirements in the plantations were met through recruitment of freed slaves elsewhere and by hiring or encouraging people to migrate from China, Africa, and India. From 1834 to 1937, there was a net migration of indentured labor from India of about 6 million. These migrants signed contracts that usually stipulated a 5- or 10-year stay, the hours of work, and wages. They were free to change employers after the stipulated contract period ended.

ECONOMIC MIGRANTS

For a brief period in October 2005, several hundred Africans tried to climb over high security fences separating Morocco from the tiny enclaves of Melilla and Ceuta. Some made it, although many were bloodied and injured; a few even died in the process. Most were turned away by security guards. Melilla and Ceuta are Spanish colonies in North Africa and remnants from Spain's colonial past. Those climbing over were hoping to gain access to Spain. Scenes of desperation are common at the borders of nations where people seek to cross illegally to another country.

The United States is hoping that a fence along a part of its 3,200-km border with Mexico will prevent illegal immigration. The Pew Hispanic Center in the United States estimates that in 2004 there were 35.7 million foreign born in the United States, the largest number ever in the nation's history. Of these, about 10 million are illegal immigrants, of whom about 87% are Latin American.

Restrictions on legal immigration result in hundreds of men, women, and children trying to enter the United States every day by illegally crossing over the border. The Mexican government continues to push the U.S. government to facilitate legal immigration through temporary worker visas so as to reduce the extent of illegal immigration that takes place. The issue is politically sensitive in the states that border Mexico, and vigilante groups have formed in the United States to monitor the border and assist the border patrols in apprehending illegal immigrants.

In recent years, immigration has become a sensitive issue in France, Germany, and the Netherlands, where immigrant Muslim populations have grown significantly. In France, immigrants from North Africa estimated to be about 10% of the population rioted in 2005, protesting their living conditions and lack of opportunities. Until the 1970s, France encouraged many from North Africa to come in order to meet the labor shortage.

Lack of opportunities at home often causes these workers to move overseas in search of jobs. One in 35 persons in the world is a migrant today. Between 1970 and 2000, the stock of migrants as a share of destination countries' population has increased from 4.3% to 8.3% in the case of the developed countries. Trying to retain their many identities, some re-create islands of their culture in the places they migrate to, such as Chinatowns in American cities such as Boston, New York, and San Francisco. When the migrants maintain their traditional links and interests, they become powerful political groups influencing the policies of the country. Migrants from the Indian subcontinent in the UK are powerful enough in 70 out of 600 parliamentary constituencies that the ethnic vote can make a difference as to who wins or loses.

Immigration can have various consequences. In earlier times, immigration arose mostly out of religious and political persecution. In Africa, with its internecine wars, there have been immigrations of people in significant numbers moving to neighboring countries seeking escape from warfare. When people leave out of such persecution, they often may not return to the home country even if conditions improve, and hence many countries are reluctant to let them in and temporarily host them in relief camps, so as to monitor their return. According to the UN High Commissioner for Refugees, there are over 8 million such stateless people around the world today.

The country that receives immigrants benefits from the skills and contributions of the people. Early in its history, the United States was populated by, and benefited from, the skills of such people. Even today, Canada and Australia identify skills that are considered to be in short supply and give preference in immigration to individuals with those skills. When the migrants are skilled, then the country from which they migrate suffers from "brain drain." This may not, in and of itself, be a bad thing if the country has surplus manpower and the outflow does not cause a shortage. On the other hand, if those who migrate

from the poor to the rich countries cause a significant depletion of the pool of skilled people, and if they have studied in subsidized educational systems, then such migration becomes a form of aid being given by the poor to the rich. Looking from this perspective, some studies have estimated that the "aid" from the poor to the rich has been far greater than the reverse. Policy specialists wonder if there is a need for restrictions to prevent the depletion of resources in these poor countries.

Even if there is brain drain, the country the migrants exit from benefits in other ways. If you visit Hong Kong on a Sunday, you will find sections of major roads in the Central area closed to traffic with scores of women milling about and having a picnic without any other apparent sign of a festival. The city recognizes the significance of the migrant workers in Hong Kong and provides the public place as a venue for their getting together. Migrants sometimes accumulate wealth and new skills in their adopted country and return to their country of origin to invest. Countries such as India, Ireland, China, and South Korea have seen such a flow. China, in particular, has benefited significantly from the investment of the diaspora in the mainland. When the migration is temporary, these workers send home money, called remittances, which can be significant and sustain their national economies. In 2004, the Philippines received US \$12 billion as remittance from its overseas workers all around the world, amounting to about 12% of its GNP. In the case of Haiti, remittances amounted to 53% of GDP in 2004.

The remittances received by all developing countries were estimated at \$167 billion in 2005 and had doubled in the preceding 5 years. They are the second largest source of external funding for developing countries after foreign direct investment. The top three recipients of inward remittances in 2004 were India (\$22 billion), China (\$21 billion), and Mexico (\$18 billion). The top three sources of the remittances (i.e., countries from which the remittances were sent home) were the United States (\$39 billion), Saudi Arabia (\$14 billion), and Switzerland (\$13 billion).

Not many countries have been able to channelize such inflow into productive investments, and it often flows into house construction and consumption expenditure such as consumer appliances. Yet, the significance of the remittances to the recipients' economies has resulted in several countries facilitating the process, by seeking easier rules for immigration from countries to which their citizens go, and issuing special savings accounts and bonds to attract more inflow. However, the risk of the countries becoming dependent on this inflow lessens the pressure for reform within the country, which would help provide the citizens the opportunities they lack, which triggers the migration in the first place.

By restricting the issue of visas and categories of visas, some countries make sure that the migrant is temporary and comes alone. About 15% of the Malaysian workforce is said to be foreign. One in seven Singaporean households has a foreign maid, usually a Filipina. More than 50% of the residents of

Kuwait are non-nationals. When the migrants are purely guest workers, other problems follow. They have no prospect of settling in the new country, and this status is often reflected in the treatment they receive. They are subject to social abuses and often have little recourse to legal protections. In Saudi Arabia, about 60% of the workforce is migrant workers from abroad, and government policies now try to reduce this dependence on an overseas workforce. In some countries, the passports of these migrant workers are retained by the employer to ensure that the person does not leave before the contract or change jobs, similar to treatment of workers during the era of indentured workers we saw earlier. Cases of physical abuse, wages not being paid, and other violations of the employment contract are the hardships they suffer, without adequate recourse for redress in the judicial systems of their host countries.

Sometimes, demographic trends may force a country to take a different view of migration. Low birth rates and an aging population in Japan are creating a demographic crisis with serious implications for the future. Apart from a dwindling workforce, it means higher social costs to support an aging population. However, a desire to protect the homogeneity of the people stands in the way of the nation adopting liberal immigration policies like those in the United States. Very cautiously, the country revised its immigration rules, creating a new category of "long-term resident." This was made available to third-generation South American–Japanese descendants (called *Nikkeijin*) as well as spouses of second- and third-generation *Nikkeijin*. Japan hopes that bringing in people of its own kind would help assimilation.

Disaffections and Democracy

As globalization proceeds, national borders seem to be simultaneously soft and inviolable. It is soft in the sense that globalization is promoting the exchange of ideas and people freely across the borders, but it is inviolable at the same time because, whatever the basis on which a border was drawn, no nation can get away with invading another and claiming territory or have people migrating freely. Hence, when former dictator Saddam Hussein of Iraq decided to occupy Kuwait in 1990 claiming historical rights to the territory dating back to the carving of the region by Britain and other European powers, the UN had no hesitation in authorizing a multinational force in 1991 to evict Hussein. Hussein's approach to acquiring territory belonged to a bygone era such as when China occupied Tibet in 1951.

The greatest threat to a nation today is not an avaricious neighbor but non-state groups that use violent means to achieve some political, territorial, religious, or ideological objectives. The causes for the disaffection may arise as they seek to correct the perceived wrongs of history or demand rights denied

to them as minorities. Their sense of powerlessness often results from political marginalization. They are more commonly labeled terrorists, but, for instance, the Tamil Tigers in Sri Lanka are considered terrorists by their government while they consider themselves freedom fighters. The label "terrorist" can easily apply to several of the groups listed in Table 5.2.

The UN, while struggling to arrive at a definition, looks upon terrorism as any action intended to kill or seriously harm civilians or noncombatants, with the purpose of intimidating a population or compelling action by a government or international organization. Scholars struggle with this and other definitions for which exceptions can be found. The UN's description neatly fits the attack by Al-Qaeda on the World Trade Center in New York in 2001. While several terrorist movements are localized, others are international. How does one classify the act of (late) Ayatollah Khomeini, former spiritual leader of Iran, for his issue of a fatwa in 1989, proclaiming death sentence on the novelist Salman Rushdie, a British national living in England, on grounds that his literary work, *The Satanic Verses*, was blasphemous? The fatwa enjoined all Muslims to find and kill him.

Terrorist groups essentially use terror (a combination of violence, fear, and disruption to civic life) to achieve their ends. While initially their support comes from disaffected sections of the people, they also use the same terror to maintain support (or at least compliance) and are able to fund their efforts by raising resources from sympathizers within and outside the area they operate. When the activities of the group are not just narrowly focused within a territory (such as the Irish Republican Army) but spread across regions, such as with Al-Qaeda, they exhibit their global reach and require the coordination of several governments to deal with them. While the motives of the Tamil or Basque separatists are clear (independence), those of others are not. Al-Qaeda presumably seeks to establish an Islamic caliphate, wants the United States and other Western forces out of the Middle East, demands the establishment of a Palestinian state, and so on. These are transnational demands, giving terrorism a new meaning as part of globalization.

While terrorism requires an appropriate response by any responsible government, an armed response is only a partial solution. If the root causes in society that gave rise to the terror are not addressed, it will only raise its head elsewhere. More recently, democracy has been a part of the discourse as a solution for social ills by giving people a role, and the opportunity, to do something about the perceived ills. In 2003, President George W. Bush declared that the support given by the U.S. government and its allies to undemocratic governments in the Middle East has not worked and promised that in the future the United States would push for more democracy. Democratic political processes helps to shift the decision making down to the lowest levels and allows minorities a voice in local issues related to education, religion, and other community needs. After the

war in Afghanistan in 2001 overthrew the Taliban-controlled regime, the international effort to organize the nation to have an election was to ensure that it got on the road to democracy, which would hopefully prevent fundamentalist regimes such as the Taliban from taking the reins of government.

Democracy, in popular usage, is considered synonymous with elected governments based on universal suffrage. Media images of long lines of people waiting to cast their vote comforts us that Afghanistan is on the right track with regard to governance. Freedom House, which propagates democracy around the world, estimates that 63% of the nations now practice democracy, its highest historical following. Even North Korea, an isolationist and totalitarian regime that has been referred to as a monarchical dictatorship, would like a democratic mantle and officially calls itself the “Democratic People’s Republic of Korea.”

There are various forms of democracy practiced around the world, all of which have different degrees of participation by the people. The United States is the oldest continuous democracy, and a study of the early efforts and circumstance of democracy in America can be illustrative of the time it takes to build the system (see Table 5.3). The founding fathers stated in the U.S. Constitution that “all men are created equal,” yet many of the founders held slaves, and slavery was abolished 76 years later. They believed in the right of the people to elect their government, yet women, Blacks, and landless Whites were not given the right to vote until much later. The founders were unsure if the people would exercise their choice wisely and so created an intermediary stage of an electoral college elected by the people who in turn will elect the president (the system nominally continues to this day).

Table 5.3 Progress in the United States Toward Universal Suffrage

<i>Year</i>	<i>Event</i>
1776	Declaration of Independence.
1789	Constitution takes effect; White male property owners could vote.
1820	Property requirements removed.
1840	Taxes, religion, literacy tests removed; all adult White males could vote.
1870	Blacks could vote.
1920	Women could vote.
1924	Native Americans could vote.
1965	Voting Rights Act prevents obstructions placed in some states to minority voters.

In short, democracy, which literally means “rule by the people,” takes time to take root. In some countries like Australia and Brazil, voting is mandatory. Democracies usually place a limit on the power of the state and its military in relation to the people, the rule of law is consistent, and there is freedom of

religion, of assembly, and to form political parties. For the system to work, it requires participation of the people not just through voting at the time of elections but participation by keeping an eye on their elected representatives and putting pressure on them to serve their constituencies. It requires the elected representatives to give up power and step down from office when defeated in an election. If democracy gives a voice to the people regarding who they want to serve in the government, it requires the people to exercise that voice. It requires supportive practices such as a flow of information so the people know how their government is functioning. It requires a level of literacy and education so the people understand the functioning of government and the rights that they have. It must tolerate dissent. As we look around the democracies in the world and watch their functioning, it becomes clear that it takes time for these supporting values and practices to be established in a society to make a nominal democracy a real one.

The many conditions that make for a successful democracy also suggest how, in their absence, it can be an extremely fragile system. Countries such as Fiji, Nigeria, Pakistan, and Thailand, while desiring democracy, have seen the military seizing power after deposing elected governments because they were unhappy with some of the decisions of the elected representatives. Some of the military dictators at least initially after a coup have enjoyed popular support, suggesting that they have been the voice of the people who were frustrated by elected but corrupt and ineffective governments. As against the concentrated power in an autocracy, the distributed power in a democracy can also be subverted. In other cases, elected heads of government who wanted to stay in office beyond their term have manipulated elections. Elected leaders, like Adolf Hitler in Germany, have also become dictators. Countries in Latin America have had their share of switching between dictatorship and democracy. A survey of 18 countries in that region conducted by Latinobaremetro in 2005 showed that support for democracy was lower than it was in 1996 in 12 countries, although 62% said that they would not support a military coup under any circumstances. There was also a general distrust of political parties, and only about one in three was satisfied with the way their democracy works. As Winston Churchill, former British prime minister, is reported to have said, democracy is the least bad system of government.

Does society have to wait for the requisite conditions to become established before it attempts democracy, or does one plunge in and wait for systems to catch up? This is a difficult and debatable issue among political theorists. The issue of democracy versus monarchy is very much in the news in Nepal and Bhutan, two landlocked countries on the border between India and China. Nepal's experience with democracy has been rocky, with its king frequently dismissing elected governments and an armed insurgency fighting to overthrow the king because they saw him as repressive and not alleviating the vast poverty of the nation. The country is on its way to abolish the monarchy. In Bhutan,

on the other hand, the king's efforts in bringing more representation by the people in the government is looked on with alarm by sections of the public who feel that the people are not yet ready for it, and the king is moving too fast!

After the overthrow of President Saddam Hussein and while occupying Iraq, the U.S. government gave a contract to an organization called the Research Triangle Institute to coach Iraqis in the process of democracy, conducting proceedings, and electing a representative government. Yet, even after elections were held in Iraq, with all the training and external assistance, it was not easy for the elected representatives to agree on a government, which party would hold what portfolio, and how to arrive at a consensus on policies. It would be a mistake to assume that democracy is an easily understood and implemented process.

Taking a System Perspective

An *articulation* of a globalization issue discussed in this chapter could be, "Can a country retain its national identity while collaborating with others?" *Cogitation* reveals several interesting interactions between the domains of the system.

The nation enters into trade agreements (economic) to improve its growth prospects, yet it needs the stability of a participative governance system (political) to ensure that the people are supportive of the direction it is taking. This also builds confidence in the future and allows corporations (business) to make the requisite investments. As trade brings foreign goods and ideas, conservatives often oppose the changes, fearing dilution of their values (social). Greater economic prosperity often downplays tradition and nationalism, giving rise to trends of divergence and challenging those who worry that their uniqueness is threatened. Collaborative agreements often contain clauses to require changes in domestic rules (political), making nations feel powerless and forced to participate.

Governance structures around the world have evolved over time to be more responsive to the needs of the people. Political power has devolved from the few who ruled the nation to the many who now have a say in who rules them. When nations are stable and there are few threats to their existence, people have the space to pursue higher objectives. Economies thrive, businesses grow, and poverty falls.

Democratic nations where people participate in the governance do a better job of building a consensus on the direction the people want to take their nation. This is most apparent in the example of the nations that have formed the EU through a deliberative process. Although the Westphalian model of a nation-state was initially intended to produce stability in Europe and remove interference from neighbors, it has evolved into a model of stability with cooperation among neighbors, giving rise to a spirit of regionalism.

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Regional trading groups are well set to explore other areas of cooperation, such as health and security, that go beyond their economic underpinnings. As other trading groups watch the progress of the EU, it is likely that they would also be similarly inspired to greater modes of collaboration. Regional cooperation may well be a required stepping stone for a full spirit of globalization to develop.

Evaluation suggests that nations and regions where democratic processes are not followed are often unstable, such as in Africa or the Middle East. The dictatorships that dominate those regions stifle dissent, giving rise to disaffection and underground movements. Unfortunately, instability is rarely localized and slowly spreads to other nations in a process of *convergence*, and terrorism is one form that it has taken. The wide-ranging effects, from a systems perspective, requires that it should be the collective responsibility of several governments to do something about it. The principle of noninterference in the internal affairs of a nation is less relevant when it becomes apparent that the fallout from that nation, in terms of wars, refugees, or terrorist movements, affects everyone else. The sharing between peoples that globalization entails is not just in times of prosperity but also in misery, as a consequence of failed governance.

Individuals take on varied identities. A greater loyalty to one's profession than one's nation, for instance, can make a scientist move to another country to pursue his field of research, such as with stem cells. Globalization allows individuals to trade off different identities and layer them as they see fit. The possibility of migration and tolerance of diversity among nations makes it easier for individuals in pursuit of economic success to settle in another country and yet maintain cultural ties with their origin. Globalization has allowed for multiple identities to thrive and be valued. I began this chapter with a quote from Sony's Morita, who saw the company as predominantly Japanese. The board of Sony recently brought in a non-Japanese person, Howard Stringer, to challenge the traditions of a now global company and revive the slackening performance. I wonder what Morita, who died in 1999, would say if he knew that Stringer, a Welshman who spoke no Japanese, was now the CEO.

Discussion Questions

1. Why have most regional groups not been able to integrate beyond trade issues the way the EU has been able to?
2. Why do people cling to a national identity? Is it possible to have a global identity?
3. Will increased migration be a necessary consequence of globalization? Does that destabilize societies?