“Globalization” is at once an economic imperative and a scheme for undermining local cultures and exploiting Third World labor. In France, a man became a hero for burning down a MacDonald’s; in Seattle, Washington, and Prague, self-righteous demonstrators tried to shut down global institutions forcibly.

It is possible to distinguish at least five different aspects of globalization: international trade, capital movements, migration of people, migration of exotic biota, including pathogens, and the diffusion and possible homogenization of culture and ideas of all kinds. At the same time, international institutions have evolved to encourage these broad movements and to meet the problems they create.

Why the pace of globalization has been stepped up is hardly a mystery. As in the past, the fall in the costs of communication and transportation have been decisive. To be sure, some of its effects can be offset by adverse nationalistic policies as in the interwar period. The great increase of international trade relative to world income is most well known. Specialization has increased along the lines that economic theory would predict. There are, of course, disruptions as well as gains; trade restrains inflation, permits real economic growth, and stimulates economic development abroad, while imposing costs on parts of the labor force.

Capital movements have been more troublesome in some ways. Indeed, capital markets in general, domestic as well as foreign, are always unstable, for understood reasons. Foreign investment has in general been good for developing countries and at least for the rich, if not the poor, in developed countries.

The economic effects of increased migration are complex. Economic growth and falling birthrates have created a demand for labor in developed countries, in European countries even more than in the United States. But immigration is not inevitable. Japan has shown that even a virtual ban on immigration is compatible with rapid economic growth, if not with generosity toward the deprived.

The migration of alien species, including pathogens, has many consequences, even apart from the spread of diseases such as AIDS. The introduction of alien species without local predators has in many cases led to a loss of biodiversity.

What can be said about the global diffusion of ideas and culture? McDonald’s is not the only example of culinary globalization. A visitor anywhere in Europe cannot help notice the Irish pubs. With regard to languages, English has indeed become the business norm. But languages with few speakers are headed for extinction everywhere. It is estimated that of the 6,000 languages currently spoken, only 600 will survive the next century.

It is true, though perhaps surprising to some, that all these aspects of globalization have historical precedent. Today’s trade and capital movement are no bigger in proportion to world income than they were in the 30 years preceding World War I. It is the interwar period that is exceptional. Many of today’s problems also existed then. If anything, today’s foreign investment is more directed to developing countries and less to countries already prosperous.

Instability in foreign capital markets is indeed an ancient phenomenon. As early as 1300, the leading banking firm of Florence, the New York or London of its day, was forced into bankruptcy by the loan default of King Edward I of England. This was at a time when Florence was further in time from England than the Moon is today.
The English and the Dutch lost money in United States railroad investments and even in defaults by states. Gunboats and military intervention were powerful methods of debt collection against weaker countries.

International cultural globalization has even more precedents. McDonald’s is much like the omnipresent Chinese restaurant or the introduction of pizza in the United States. For even earlier episodes, try to think of Italian cuisine before the tomato or Szechwan or Indian cooking before the chili pepper, both imports from the New World. What more remarkable examples of cultural diffusions can be thought of than the worldwide spread of two obscure Semitic religions called Christianity and Islam from backward corners of the world?

As for disease and the spread of biota, they are also of long standing. Bubonic plague, syphilis, and smallpox are but a few of the diseases that have spread across nations and continents during periods of much less intensive globalization.

Turning briefly to the development of an institutional infrastructure for globalization, it can be said that institutions, in the sense of standing visible organizations with headquarters and staff, have been around for at least a century, with the International Postal Union and the international agreements on patents and copyrights.

After World War I and World War II, there was a further proliferation. There were also many regional organizations, such as the Organization of American States, but the most remarkable of this type is certainly the European Union.

It is necessary, however, to call attention to a common feature: They are all far removed from democratic control. Even the European Union, which is closest to a classical state, locates its parliament far from the seat of administrative power where the important decisions are made. An extreme case is the European Central Bank, a monetary authority with no parallel political authority. There are good reasons in terms of efficiency and practicality for this development. But the long-run implications of the growing importance of responsible agencies have not been thought about.

And finally, what are the implications of globalization for international security? On the whole, one would suppose that globalization furthers world peace. Surely, greater contact should both mitigate differences and permit greater understanding of others. The economic links should also be important. If nothing else, they create mutually profitable relations that would suffer in case of war. One doesn’t have to subscribe to an economic interpretation of history to believe that interests in trade and foreign capital should at least be considered in the scale against war.

The history thus sketched is not kind to such optimism. The previous age of globalization, the late nineteenth and early twentieth centuries, culminated in World War I. This war was indeed economically destructive, breaking up long-lasting profitable ties, just as was predicted at the time. But the potential destruction of economic links and those of the cultural connections at least within Europe had no force against those of nationalism.

It may be, though, that the pressures toward globalization already reflect an attenuation of the kind of nationalism that makes war so acceptable. Certainly, the probability that two members of the European Union will go to war must be regarded as negligible. The world’s greatest military power seems to have the greatest aversion to casualties. Its military leadership combines an insatiable demand for more weapons with an equal aversion to their use.
I offer, then, this tentative optimism: It is not so much globalization as the factors encouraging it that may well signal a reduction in the possibility of international armed conflict.

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