Globalisation and Economic Determinism


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The aim of this paper is to defend explanations of globalisation that emphasise economic determination, against criticisms of economic determinism.

I think it’s important to retain an emphasis on the economy because:

a) this shows a better understanding of what is often driving globalisation;
b) leaving out the economy too much leads to glossing over power, inequality and conflict in globalisation. These often have their roots in the economy.

Anti-economic determinism

I am focusing on sociology, and British and European sociology especially. Anti-economic determinism may be less prevalent in some other disciplines and countries. For instance, in the USA a political economy approach seems more common amongst sociologists of globalisation. But there is anti-economism more widely than just Britain or Europe, and beyond sociology.

Anti-economic determinism is partly a reaction against Marxism. It is against too much emphasis on neo-liberal globalisation. It is also a response to the first wave in globalisation theory that tended to emphasise economic globalisation and homogenisation. If globalisation is about things other than just economics then it is more diverse, has non-economic aspects, and doesn’t just turn out the same in every place. So with the critique of economic determinism comes a view of globalisation as a pluralist phenomenon.

A pluralist view stresses that:

1) globalisation has different effects in different places depending on local cultures;
2) it says that globalisation operates at different levels, cultural and political as well as economic;
3) that cultural and political globalisation are not determined by the economy;
4) globalisation has multiple causes – ie cultural and political causes as well as economic;
5) globalisation is hybrid and mixed and not just homogeneous and westernised. All of this goes against reducing globalisation to economic causality.

I don’t have time to give a list of anti-economic determinists in globalisation studies. But Larry Ray has mentioned a ‘cultural inflection’ in the sociology of globalisation (Globalization and Everyday Life, 2007, p.16. See also his and Sayer’s Culture and Economy after the Cultural Turn). The mission statement of the journal Globalizations says:
“Globalizations is dedicated to opening the widest possible space for discussion of alternatives to a narrow economic understanding of globalization. The move from the singular to the plural is deliberate and implies skepticism of the idea that there can ever be a single theory or interpretation of globalization. Rather, the journal will seek to encourage the exploration and discussion of multiple interpretations and multiple processes that may constitute many possible globalizations, many possible alternatives”.

This emphasises anti-economism and the pluralist approach I have mentioned. In the first session of this conference Roland Robertson argued against economic determinism and for a cultural emphasis in understanding globalisation. So there is another example.

But there are dangers in a pluralist view of globalisation. It is important to recognise multiple levels and causes in globalisation. But it’s also important not to see them as all autonomous from each other and equal. We need to see how some aspects may influence others, and how some may have more causal power than others.

Anti-economists are pro-economists

I want to give various reasons why we shouldn’t push the economy out too much. One thing that undermines anti-economic determinism is that anti-economic-determinists often end up being quite pro-economic determinism themselves.

The historian David Fieldhouse is one example. He argues against economic determinist explanations of British empire (see Economics and Empire: 1830-1914). He says that extensions of British empire:
a) were caused by problems in colonies rather than economic motivations at home;
b) and had to do with non-economic motives such as - extending political control abroad; maintaining power, prestige and security; and mobilising jingoistic attitudes in Britain.

However, Fieldhouse also argues that economic factors were influential in almost every situation outside Europe which led to empire, and that the value of many of these territories to Europeans lay in trade, investment opportunities or other forms of economic activity.

So, an attempt to argue against economic explanations in favour of more political/cultural ones ends up saying that economics was the original driving force and that political interventions were a response to solving problems in what were economically created structures.

There is a similar dynamic in other anti-economistic arguments (e.g. Beck argues in What is Globalization? against economic determinism but also outlines how the mobility of capital has undermined the power of the state and labour in Germany).

Economic determinism is complex

So, one argument in favour of economic determinism is that anti-economistic critics sometimes end up being economistic themselves.
Another point I want to make is that economic determinism can’t be written off by over-simplified reductions of it to something crude. Economic determinism can be quite complex. In what ways is this the case?

1. Economic determinism doesn’t necessarily mean that the economy is determinant. I think the key factor is economic motivations. These can come from origins other than the economy or economic agents. For instance, political actors can be the ones who pursue economically motivated action. So economic determinism, if it’s about motivations, doesn’t have to mean reducing everything to the economy.

2. Economic determinism doesn’t have to mean that things are determined by impersonal economic structures out of our control. As just mentioned economic aims can be pursued by active agents such as political actors rather than impersonal structural forces.

3. Economic determinism doesn’t mean that political and cultural factors don’t play a part. Economic motivations can be the primary driving force behind globalisation, but which direction they go in, or what form they take, can depend on political institutions or agents or local cultures. These can shape the way that economic motivations go, without meaning those economic motivations are not a driving force. This also shows that economic determinism is compatible with pluralism, as such factors can lead economic motivations to turn out differently in different places.

4. To say that economic motivations are a primary force behind globalisation does not mean they are always the prime force. Other influences, such as religion or patriarchal ideology, can be important. I am saying it is more common for economic factors to be significant. But not all the time. In some cases such other factors will be more important.

So economic determinism need not be crude. This doesn’t detract from economic motivations being a key driving force. Where such complexities play a part economics can still be important.

Examples of economic determinism.

What factors are determinant in globalisation is an empirical question. You have to study the reality of globalisation to see what’s important. I think there is a significant role for economically determinant factors in many areas of globalisation. I am going to mention two – discourses and migration. I choose these partly because I think they provide strong examples against economic determinism.

Discourses of globalisation

The idea that discourses of globalisation are more important than globalisation itself has become a common theme in globalisation studies. The argument is that we respond to what we think is happening rather than what is happening (eg see Cameron and Palan’s The Imagined Economies of Globalization). So globalisation has an ideational force. For example, we go along with things like lower taxes and regulations on businesses because we think we live in a highly globalised world in
which capital will otherwise move elsewhere, rather than because there really is such a world.

This seems to undermine economistic explanations, because ideational forces are important here rather than actual economic forces. However, even if you accept the discourse explanation, this doesn’t undermine economism. You have to look at why certain discourses are promoted and how certain discourses become powerful and others don’t. Behind this you find material interests and economics. In the case I’ve just given, sections of business promote the idea of globalisation because they benefit from lower taxes and regulations, and want to exploit trading opportunities in other countries, and have protectionist blocks on this removed.

In short, an anti-economistic explanation – discourse - actually needs to be explained in terms of economic interests. (Bruff has discussed this in BJPIR 2005).

**Migration**

Migration may seem like a good case against economic determinism. People often don’t migrate when they have the chance of better economic circumstances. Non-economic factors play a role in decisions to migrate – such as family and community bonds at home, or whether there are networks of migrants from your home country elsewhere. It is agents and actors that make the decision to migrate rather than impersonal economic forces.

But economic causes do play a big part in migration. This relates to what I have said about economics not being as crude as it may appear.

1) For a start, *lots of migration is economic* – e.g., labour migration, in search of a better income, prompted by host countries wanting labour to promote economic growth.

Migration goes back to:
- premodern plundering and trading
- European imperial migration to colonies
- the slave trade
- postcolonial migration to Europe
- Asian migration more recently to America
- Latin America migration to the Northern hemisphere

These have been dominated by economic expansionism in search of profits, or the movement of people in search of better economic opportunities. As such, migration is linked to economic inequality, which I will come back to at the end. The freedom to migrate is also unequal, along economic lines.

2) I am saying *economic motivations* are the key economic factor rather than impersonal economic structures. So if structures are not determinant that does not mean that economic factors aren’t a driving force.

3) Focusing on motivations means that actors make decisions rather than economic structures driving things – although structures such as investment, inequality and the
capitalist basis for economic motivations are key influences. You can’t write off economic explanations of migration for being too impersonal and structural, as economic motivations have a lot to do with agency in deciding whether to move.

4) While economic motives may be important in migration, it can be **non-economic actors** that pursue them.
- Governments encourage migration because they need labour, or taxpayers to support an ageing population.
- Individuals or households may decide whether to take up the economic opportunities of migration.
- Migrant networks play a part in ensuring whether migration in pursuit of a better economic life stands a chance of success.

In short, economic motivations are compatible with non-economic actors making decisions on whether to act on them.

5) Economic explanations of migration need not assume **rational individual actors**. Influential actors can be states (encouraging or restricting migration). Someone who has an economic motivation to move may decide whether to on the basis of family bonds or politically enabling factors. At the same time, the fact that migration is not just a rational individual decision does not mean that it isn’t economically motivated.

6) That **people don’t move when economic gains can be made** does not mean that migration does not have economic motivations. It may mean that other factors come into play, family or community roots or politics as I have said. But it may still be economic motivations that are behind whether a person is contemplating migration. It means that non-economic factors inhibit them, but not that the economic factors are not the motivating ones.

7) There are other influences that are relevant – e.g. demographic factors, postcolonial links, costs and risks of migration, distance, and degree of gain to be made. Economic explanations are compatible with such more complex influences. Economic motivations may be filtered through such **intermediary factors**, but this does not mean the former aren’t the driving force.

8) Because of these intermediary influences, economic motivations lead to a variety of different decisions. People may or not move. But that there are a **variety of outcomes** because of such other factors doesn’t mean that economic motivations are still not the driving force. It means that where they exist the outcome varies because of other factors.

9) Where economic factors are **not the most direct explanation** for migration they are often a cause behind what is. For instance, where people flee war this is not economic. People are fleeing for their lives. But it can sometimes be economic issues that are behind the wars. E.g. wars over resources like oil, water or land.

10) **Economic circumstances that affect migration can be varied.** They can involve push or pull factors, wage differentials, employment opportunities, the possibility of remittances, or general economic buoyancy. So economic explanations can’t be ruled out if, say, wage differentials between countries don’t lead to migration. There may be other economic influences.
In short, I’m trying to say that economic causes are complex. They can’t be dismissed for being too simplistic. At the same time that they are complex doesn’t mean the sort of economic factors I have outlined are not often behind migration.

Finally – the political importance of ensuring a place for economic explanations

Economic factors need to be given a significant place to ensure an accurate explanation of globalisation. But this is also politically important.

Some perspectives see globalisation as cosmopolitan, to do with the extension of universal human rights, and greater equality and hybridity. There is an optimistic and positive picture.

However this comes about partly by a focus on culture at the expense of economics, and culture in richer countries, and amongst elites.

One consequence is that the influence of economics on peoples’ life chances gets excluded (and the world beyond rich elites doesn’t get much consideration). 20% of people in the world live on less than $1 a day and 40% on less than $2 a day. Such circumstances don’t fit with anti-economist views of cosmopolitan hybridity and greater equality and rights.

Structures of power and inequality in the economy get left out by an anti-economistic perspective, leaving an over-benign and equalised picture of globalisation.

Such a positive picture validates what is actually unequal globalisation. A focus on culture and anti-economic determinism leaves out some of the darker sides of globalisation.