

## REFLECTION, EVALUATION, INTEGRATION

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### The Third Wave in Globalization Theory

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This essay examines a proposition made in the literature that there are three waves in globalization theory—the globalist, skeptical, and postskeptical or transformational waves—and argues that this division requires a new look. The essay is a critique of the third of these waves and its relationship with the second wave. Contributors to the third wave not only defend the idea of globalization from criticism by the skeptics but also try to construct a more complex and qualified theory of globalization than provided by first-wave accounts. The argument made here is that third-wave authors come to conclusions that try to defend globalization yet include qualifications that in practice reaffirm skeptical claims. This feature of the literature has been overlooked in debates and the aim of this essay is to revisit the literature and identify as well as discuss this problem. Such a presentation has political implications. Third wavers propose globalist cosmopolitan democracy when the substance of their arguments does more in practice to bolster the skeptical view of politics based on inequality and conflict, nation-states and regional blocs, and alliances of common interest or ideology rather than cosmopolitan global structures.

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Some recent contributions in the globalization literature have identified three waves or perspectives in globalization theory—the globalists, skeptics, and transformationalists or postskeptics (for example, Held et al. 1999; Holton 2005). Globalization theory, viewed as coming into its own in the 1980s, is said to have begun with strong accounts of the globalization of the economy, politics, and culture and the sweeping away of the significance of territorial boundaries and national economies, states, and cultures. Kenichi Ohmae (1990, 1995) is often selected to represent this wave in globalization theory and other proponents are said by some (Hay and Marsh 2000:4) to include writers like Robert Reich (1991) and Martin Albrow (1996) and discourses in the business world, media, and politics (for an example, see Blair 1997). The first wave in globalization theory is said to be a “hyper” globalist account of the economy, suggesting that national economies are much less significant, or even no longer existent, because of the role of capital mobility, multinational corporations, and economic interdependence. As a result of reduced political restrictions on the movement of money and technological change in the form of the computerization of financial transactions, large amounts of money can be moved almost instantaneously with little to constrain such flows within national boundaries. Many corporations are viewed as multinational rather than national in their ownership, having internationally distributed production facilities, workforces, and consumers. The corporations that often get mentioned in such

discussions include Coca-Cola and McDonalds as well as media multinationals such as News Corporation that have stakes in many forms of media, from newspapers to book publishing, the internet, and TV, and cross different areas of the globe (Thompson 1995; McChesney 1999). Consequently, the global economy is seen to have opened up, integrated, and included more parts of the world, although whether this has been a positive thing or not is debated—both Marxists and economic liberals perceive the world as globalized and can agree on it as a fact even though they disagree on whether or not such change is good (for example, Sklair 2002; Wolf 2004). Along these lines, there is also debate about whether or not globalization has had an equalizing and leveling effect (for example, Wolf and Wade 2002; Friedman 2006).

The globalist perspective is sometimes viewed as “economistic” (Held et al. 1999:3–4) with economic changes having political and cultural implications. Nation-states have lost power and influence—even sovereignty—because they have to (or choose to) tailor their policies to the needs of mobile capital, which, in turn, has consequences for the viability of social democracy and the welfare state as these are curtailed to fit the wishes of business interests (for example, Gray 1996; Strange 1996; Cerny and Evans 2004; Crouch 2004). Such behavior is said to lead to the decline of national cultures and a more homogenized (or sometimes hybridized) global culture. National differences have become less marked as people consume culture from around the world rather than being so dependent on that of their own nation (Tomlinson 1999; Sklair 2002; Nederveen Pieterse 2004). This is facilitated further by global electronic communications such as the internet, globalized TV broadcasts, migration, and tourism. The role of new technologies has made globalization seem to some a relatively recent phenomenon, perhaps of the post-1960s or post-1980s period (for example, Scholte 2005). Politically nation-states in the hyperglobalist perspective are seen as being superseded by international organizations such as the United Nations (UN) and International Monetary Fund (IMF), by social movements that are global in nature, and even by a global civil society (for example, Gill 2000; Keane 2003). Economically, politically, and culturally globalists see transnational, global forces taking over from nations as the main sources in considerations of the economy, sovereignty, and identity. For some (for example, Urry 2000; Beck 2006; but see a response from Outhwaite 2006), this means that social science has to move away from the methodological nationalism to which it is attached to more cosmopolitan and global perspectives on social relations.

Then, it is said by writers on the three waves of globalization theory, there was a more sober set of accounts, reacting against what has just been described with skepticism and arguing that globalization is not new and that probably the processes being described are not very global either (for example, Hirst and Thompson 1996; see also Krugman 1996). We will return to the second and third-wave perspectives in more detail throughout this essay and wish to avoid repetition but an initial outline is possible here. Skeptics are concerned with the abstract nature of globalist perspectives, arguing that these views are thin on empirical substantiation and make sweeping claims about processes as if they affect all areas of the world evenly and with the same responses. The skeptics see evidence of the continuing role of nation-states, both within their own boundaries and as agents of the transnational processes of globalization, through which they maintain as much as lose power. In the cases of the core, for instance in North America and Europe, states continue to be very powerful. National identities have a history and a hold on the popular imagination that global identities cannot replace, evolving rather than being swept away. There is even evidence of a resurgence of nationalism as old nations come under challenge from strongly held nationalisms as much as from transnationalism (for example, see Smith 1990; Kennedy and Danks 2001).

Skeptics have tested the claims of globalism against evidence and sometimes have found it wanting. They have been concerned with whether or not globalization is received evenly and with the same response everywhere and, not surprisingly, have found signs of differentiation in its spread. Skeptics have tended to see the global economy as not globally inclusive. For instance, areas of Sub-Saharan Africa are much less integrated than the powerhouses of East Asia, Europe, and North America, with global inequality rising and protectionism still rife, for example in Europe and the United States, in response to imports from the growing Asian economies. As we shall see, skeptics argue that the global economy is internationalized and triadic rather than global and that its internationalization is not unprecedented in recent years, in fact the world may even have been more internationalized a hundred years ago than it is now (see O'Rourke and Williamson 1999; Osterhammel and Petersson 2005 on historical forms of globalization and, going even further back in time, Abu-Lughod 1989; Frank and Gills 1993). Whether globalization or free trade, insofar as there really is free trade, is the answer to global poverty is questioned. Liberal policies and integration into the global economy may have helped some parts of the world—China, India, and other parts of Asia, for example. But in these places, protectionism and state intervention may also have been an important part of the story. In other parts of the world—for instance, Africa—countries and peoples have fallen prey to greater inequality and poverty and are increasingly less likely to stand any chance in the open global economy, which some see as the solution to their problems (for example, Rodrik 2000; Wolf and Wade 2002; Kaplinsky 2005).

Politically the effects of globalization could be said to be uneven—states have gained as well as lost power. Indeed, some have been able to continue with more social democratic policies in defiance of the hyperglobalist perspectives that see globalization putting pressure on them to comply with neoliberalism (Mann 1997; Mosley 2005). This finding suggests that nation-states retain autonomy and sovereignty in many ways, but unevenly so (see also Weiss 1998). Bodies like the United Nations seem to be as much international as transnational, composed of nation-states and driven by them as much as above and beyond them. Global governance, as viewed in the UN Security Council as well as in agreements on global warming, nuclear proliferation, and international justice, is treated with skepticism by some critics; it is viewed as inevitably the tool of the most powerful nations, who bypass or exempt themselves from their rules when it does not suit them and use such bodies to impose their will for their own benefit when it does (Zolo 1997, 2002).

Culturally, it is said that nations may well respond to globalization differently. McDonalds may have proliferated around the world, but the ingredients vary to fit local customs (from shrimp burgers in Japan to kosher burgers for Jewish customers), its consumers are more working class or middle class depending on location, and eating customs vary from fast to leisurely in different contexts. From France to parts of the Middle East, not everyone responds positively to the globalization of American culture. In fact, a retreat to fundamentalism and greater rather than lesser nationalism are seen to be notable reactions to globalization in some places (Robins 1997). It is noteworthy, too, that it is the culture of the American nation that is often talked about in relation to cultural globalization as much as culture originating from other parts of the world (Beck, Sznaider, and Winter 2003). There have even been well-known predictions of clashes of culture arising from globalization that go against hyperglobalist assumptions about the homogenization or hybridization of culture (Barber 1996; Huntington 1996). However, such clashes, insofar as they are real, may have more to do with economic interests and foreign policy than culture; indeed, ideas concerning civilizational clashes often overhomogenize cultures and have the effect of demonizing them and provoking clashes as much as accurately analyzing the world. Skeptics like Paul Hirst and Grahame Thompson (1996) would

not want to have too much to do with the suggestion that there is a clash of civilizations. Nevertheless, such perspectives are among those which are skeptical about the growth of a globalized culture.

There has been another set of reactions, though, alongside and in response to the skeptic alternative to hyperglobalism. There are those who share the concerns of the skeptics about evidence but cannot help but see processes of globalization before their eyes, moving ahead at unprecedented levels in recent times. Economic interdependence, for instance, is viewed as having increased significantly so that national economies are no longer contained within national territorial boundaries. These third wavers have been keen to critically reassess the claims of globalism but without throwing out the baby with the bathwater (for example, Held et al. 1999; Held and McGrew 2003 who name Giddens 1990 and Rosenau 1997 as other fellow “transformationalists”). The outcome has been a departure from some of the conclusions of the skeptics and, instead, a more complex picture of globalization in which it is seen as occurring but without sweeping away all before it as the hyperglobalists have argued (see also Scholte 2005).

The global nature of institutions dealing with finance; problems such as the environment, drugs, and crime; and developments in international communications and transport have led to more global political forums. In such forums, national economic, political, and cultural forces are transformed and have to share their sovereignty with other entities (of global governance and international law as well as with mobile capital, multinational corporations, and global social movements) but their own sovereignty does not disappear. Globalization may have a differentiated effect depending on its type (for example, economic, cultural, or political) or the location in which it is experienced, while still being a force. Global inequality is seen as having moved from a simple core-periphery issue to more of a three-tier structure that includes a middle group, without clear geographical demarcations because, for instance, the marginalized may live in the same cities as the elites (for example, Bauman 1998; Hoogvelt 2001). All of these involve both the continuation and transformation of existing structures, a process in between what is described by skeptics and hyperglobalists.

Globalization’s future is uncertain and open-ended according to these third wavers; it can take different forms (perhaps more neoliberal or more social democratic) or even be reversed rather than giving rise to ever increasing globalization or the continuation of the nation-state structure. With a recognition of uncertainty comes also a recognition of the importance of agency in deciding what happens to globalization rather than an assumption that it is predetermined or inevitable as is suggested in some first-wave accounts (Holton 2005).

In short, a third wave has emerged that is critical of hyperglobalism and wishes to formulate a more sophisticated picture but feels, contrary to skepticism, that globalization is changing the world. The third-wave perspectives have been ones that do not go as far as the skeptics in that they do not deny that real significant changes have happened. They acknowledge the reality of globalizing changes and so defend a globalist position but one that is modified to be more complex than that of the hyperglobalists. To avoid repetition, let us not dwell further just yet on the claims of the third wave. This essay is focused on this third wave in globalization theory and we will see more of its detailed claims on the economy, politics, and culture as the piece proceeds.

Table 1 below summarizes the three waves or perspectives as they have been presented in the literature. The table presents images of the three waves. Individual contributors, including those cited above, do not always fit neatly into one wave. As we shall see, although a wave may present itself in one way, when you look more closely at the details it seems to actually reinforce one of the other waves it seeks to criticize. So the emphasis in the table is on how the three waves

TABLE 1. Images of the Three Waves of Globalization

	Globalists	Skeptics	Transformationalists
Globalization	Globalization is causal	Globalization is a discourse; internationalization is effect of other causes	Global transformation, but also differentiation and embeddedness
Method	Abstract, general approach	Empirical approach	Qualitative rather than quantitative approach
Economy	Global economy; integration; open free trade	International economy is triadic, regional, unequal; there is state intervention and protectionism	Globally transformed; new stratification; globalized but differentiated
Politics	Global governance or neoliberalism; decline of nation-state; loss of national sovereignty	Nation-states, regional blocs, international power, and inequality; political agency is possible	Politics globally transformed; nation-states important but reconstructed; sovereignty shared
Culture	Homogenization	Clashes of culture; nationalism; Americanization; globalization is differentiated	Globally transformed; hybridization; complex, differentiated globalization
History	Globalization is new	Internationalization is old	Globalization is old but present forms are unprecedented
Normative politics	Global governance or neoliberalism; end of social democratic welfare state	Reformist social democracy and international regulation possible	Cosmopolitan democracy
Future	Globalization	Nation-state, triad, conflicts, inequality	Uncertain; agency left or right; continued, stalled, or reversed

are presented. What the reality is, we will explore in the rest of this essay (see also Held et al. 1999:10).

### **Three Waves Identified**

The three waves are not absolutely clear-cut from one another. As already noted, some authors fit into more than one, although in the current essay we will see how this overlap leads to some contradictions. But the three waves do show different visions regarding globalization theory as Table 1 indicates. This essay will focus on the third wave and will be examining the work of Colin Hay and David Marsh (2000) who outline three waves and associate themselves with what they see as an emerging third wave as well as David Held and his colleagues (1999) who outline three perspectives that match the three waves. The latter define their views in terms of the third perspective, transformationalism, which has similarities with Hay and Marsh's third wave (see also Held and McGrew 2003). We will look briefly at Jan Aart Scholte's (2005) concept of globalization, which does not explicitly talk of three waves but is based on providing a more complex definition of globalization than more extreme globalists while maintaining globalization rather than lapsing into skepticism. In this way, he is a third waver on globalization.

For reasons of space and to ensure greater depth of analysis, this essay focuses on particular representatives of skepticism and transformationalism or postskepticism. Hirst and Thompson (1996) and Held et al. (1999) are of interest because they are widely viewed as representatives of the second and third waves, respectively, much read, and cited as such. Their perspectives are theoretically and empirically developed and they have addressed each others' findings (for example, *Open Democracy* 2002). The work of Hay and Marsh (2000) is examined because they have reflected explicitly on the second and third waves, advocated the latter, and have been cited as important authors in this area (see Holton 2005). Some third wavers, although practicing a third perspective, do so without conscious reflection on the fact as Hay and Marsh do. Scholte (2005) falls into the former category. He does not refer to the notion of waves but his ideas include all the characteristics of the third wave. His book is clear, accessible, user-friendly, and widely discussed and cited. He provides a good example of the third wave in practice and the tensions to be discussed in this essay.

A number of others, such as A.G. Hopkins (2002), Angus Cameron and Ronen Palan (2004), Robert Holton (2005), and Paul Hopper (2007), also identify three waves but without going into any greater detail on this issue than the above thinkers. Eleonore Kofman and Gillian Youngs (1996) made an early brief outline of perspectives on globalization but discuss two waves rather than three. That they have done this is significant for the current argument and we will come to their approach at the end of this piece.

Although Ian Bruff (2005) talks about three waves, he categorizes them differently; his first wave includes more moderate globalizers such as Held and Scholte whom most others categorize within the third wave, excludes hyperglobalists from the first wave within which most place them, and his third wave involves neo-Gramscian and poststructuralist perspectives. The present essay touches on the power of discourse as highlighted in neo-Gramscian and poststructuralist perspectives but there is not space here to expand further on such approaches. Neo-Gramscian and poststructuralist perspectives like those of Bruff (2005) and Cameron and Palan (2004) provide important advances with regard to thinking about globalization but the argument here is that there is a problem in some of the earlier wave debates that has gone without being noted and that third-wave theories reinforce the skepticism they seek to undermine.

Even though there is a large and growing literature on cultural globalization (Tomlinson 1999; Nederveen Pieterse 2004) and on transnational civil society

(Keane 2003), there is not enough space in this essay to cover all areas of globalization. Thus, the present essay will focus primarily on the economic and political dimensions of globalization that are the main emphasis of the authors being examined here.

### Beyond the Second Wave?

As already noted, this essay is concerned with the second and third waves of globalization theory. The first wave is seen by those in the second and third waves as having exaggerated the extent of globalization and as having argued for globalization in an abstract and generalized way that does not account sufficiently for empirical evidence or for the unevenness and agency in processes of globalization. Third-wave theorists try, to different degrees, to distance themselves from both more radical globalists and outright skeptics. They try to defend an idea of globalization and, as a result, distance themselves from the skeptics, albeit in a more complicated way than has been put forward by the first wave. The core argument to be presented here is that in so doing they add qualifications and complexities that actually bolster second-wave skeptics' proposals. This is not always the case and there are some differences between third wavers and skeptics. But third wavers in trying to rescue globalization theory by adding complexities and qualifications actually in some ways undermine it and add to the case made by the skeptics.

Third-wave analysts claim to either rescue globalist arguments (Held et al. 1999) or propose a more sophisticated advance on second-wave arguments (Hay and Marsh 2000). As such, they direct readers away from skeptical viewpoints to either a modified globalism (Held et al.) or what is said to be a more sophisticated skepticism (Hay and Marsh); the latter is couched in terms that accept a form of globalization as an actuality. The theory of second-wave skeptics is projected as a weaker analysis. But if it transpires that third wavers are, in fact, confirming the second wave, whether they intend to or not, then it is important that the skeptical view is validated rather than treated as a less adequate analysis by third wavers who are claiming to be able to provide something better. Getting a correct understanding of what the third wave is actually saying is important to our understanding globalization properly. Skeptics and third wavers have argued over which of their perspectives is more adequate (for example, *Open Democracy* 2002) but if it is the case that, in fact, third wavers are in practice reinforcing second-wave skepticism then this overlap needs to be identified.

As will be outlined in more detail later, there are political consequences of this argument. By drawing globalist conclusions, albeit more complex ones, from their analysis and arguing that they have shown the flaws in skepticism, some third wavers, such as Held et al. (1999), go on to conclude that forms of politics such as cosmopolitan global democracy become the most appropriate ways for trying to direct globalization along more progressive paths. Surmising that their analysis supports globalist perspectives leads them to such conclusions. By drawing conclusions that go against skepticism, they appear to undermine the skeptical analysis of politics, which argues for a more realist view of the world in which such global forms are not possible because of the superior power of advanced states, especially Western states and the G3; the conflicting interests and ideologies of global actors; and the importance of politics at the level of nation-states, regional blocs, and other alliances.

Skeptical analysis leads to conclusions that stress power, inequality, conflict, and the importance of the nation-state, all of which point to a politics other than (or as well as) global democracy. Such a politics might rely on states; political alliances at a more decentralized level between states with similar objectives or interests, for instance perhaps a shared antipathy to what are perceived as neoliberalism or US imperialism; and specific global social movements that have

related objectives. This is rather than, or in addition to, more global universal structures in which common agreement may not be possible and which may be hijacked by more powerful actors. If third-wave analysis leads more in the direction of the skeptics' findings than it says it does, as is the argument of this essay, then an analysis of global power inequalities and nation-state power, of the sort highlighted by the skeptics, should become part of the picture and cosmopolitan global democracy looks more problematic. It may be significant that Hay and Marsh (2000) do not show the same faith in cosmopolitan global democracy as do Held et al. (1999). Their political conclusions are based more on the possibilities of nation-state politics, which may be one reason why, as we shall see, they teeter between the second and third waves in their chapter on the topic.

### **The Second Wave**

Much of the case to be made here will focus on what implications third-wave arguments have for the second wave. To pursue this discussion, we need to consider some of the claims of the second wave. When looking at the third wave, we can then compare arguments. The crux of this essay is an argument about the status of third-wave proposals in relation to second-wave proposals but, first, an outline of both waves is necessary. Hirst and Thompson (1996) are frequently cited as leading proponents of the skeptical, or second wave, point of view and have engaged directly in discussions with third wavers, for instance in Hirst's *Open Democracy* (2002) debate with Held. Theoretically and empirically their analysis makes them a good choice to focus on for an outline of the skeptic case.

Hirst and Thompson's claims are mainly economic and rely on using empirical data to test an ideal type of globalization. The ideal type they use is, they say, an extreme one, but represents what globalization would be if it were occurring and they say it is one that shapes discussions in business and political circles. Although they do not address culture, they argue that many of the changes in culture and politics claimed by globalization theorists follow from economic globalization, so that if claims about the latter are found wanting then claims about the former look problematic also. What are their main points (see Hirst and Thompson 1996: Chapter 1)?

- There has been internationalization of financial markets, technology, and some sections of manufacturing and services, especially since the 1970s, and some of these changes have put constraints on radical policies in national-level governance. For instance, it is risky to pursue radical policies at a national level because internationalization allows investment to flee across national boundaries more easily.
- The current highly internationalized economy is not unprecedented. In particular, the international economy was more open between 1870 and 1914, its international dimensions are contingent, and some have been interrupted or reversed. For instance, Hirst and Thompson present figures that show high levels of trade and migration before 1914, much of which was reversed in the interwar period, suggesting that globalization is not going along an evolutionary or predetermined path, but one that can stop or even go into reverse.
- Greater international trade and investment is happening but within existing structures rather than there being a new global economic structure developed. What is happening is between nations, that is, international, especially between dominant states or regions, rather than something that has extended globally or gone above and beyond nations, the international, or the interregional.

- Transnational corporations (TNCs) are rare. Most companies are nationally based and trade multinationally (that is we have MNCs rather than TNCs). There is no major tendency toward truly global companies. So a company may be based in one country and sell its goods or services abroad. But this makes it a national company operating in the international marketplace rather than a global company.
- Foreign direct investment (FDI) is concentrated among advanced industrial economies rather than there being any massive shift of investment and employment toward third-world countries. The latter remain marginal in trade. The exceptions to this are some newly industrializing countries (NICs) in Latin America and East Asia.
- The world economy is not global but trade, investment, and financial flows are concentrated in the triad of Europe, Japan, and North America. Something that falls so short of being inclusive on a worldwide scale cannot be seen as a global economy.
- The G3 have the capacity to exert powerful economic governance over financial markets but choose not to for reasons of ideology and economic interest. They have an ideological commitment to unfettered finance or find that they benefit from it. This is the reason for any restraint in economic governance rather than because it is impossible. States, by themselves, or in regional or international collaborations have the capacity to regulate the global economy and pursue reformist policies if they chose to do so.
- Radical expansionary and redistributive strategies of national economic management are not possible because of domestic and international requirements such as norms acceptable to international financial markets. Capital would flee if governments were to pursue policies that are too radically socialist. Governments and other actors are forced to behave differently because of internationalization. But globalization theory leads to too much of a sense of fatalism; the injunction that neoliberalism is unavoidable because of globalization is as much an ideological as an actual inevitability. Politicians may say that neoliberalism is inevitable as much to justify policies they are ideologically committed to as because it really is inevitable. Reformist strategies at the national and international level are possible, using existing institutions and practices.

The reader can see here that Hirst and Thompson argue that in some respects the world economy is very internationalized (see also Hirst and Thompson 2000 on the “over-internationalization” of the British economy). But they use the word “internationalization” rather than “globalization” and argue that evidence from the former is sometime used to justify claims about the latter. They see the world as internationalized rather than globalized because of the conclusions listed above.

Let us look now at those taking the third perspective on globalization. Those involved try to maintain a globalist outlook, one that does not retreat from globalist claims as the skeptics do, but attempts to outline a more complex globalism than outlined by the first wave of hyperglobalists.

#### **Hay and Marsh: Between the Second and Third Waves**

Hay and Marsh (2000:2–3) in their edited book on *Demystifying Globalization* say that what they want to do is “cast a critical and in large part skeptical gaze over some of the often wildly exaggerated...claims made in the name of globalization.” They say this echoes the second wave of globalization theory but that they

wish to contribute to a third-wave approach with a multidimensional view of the many processes of globalization that develop in complex and uneven ways. This they see as “part of an emerging and distinctive ‘third wave’ of writings on globalization” (Hay and Marsh 2000:4).

As observed above, the first wave is seen as one that portrayed globalization as inevitable, a singular process across different areas, eroding the boundaries of nation-states, welfare states, and societies. It is said that this is a view that is popular in the media, business, and political worlds, among some academics, and on the neoliberal right as well as the left. It is argued that the first-wave perspective is sustained by a lack of empirical evidence or its misuse (Hay and Marsh 2000:4).

The second or skeptical wave is seen to have brought empirical evidence to bear in a way that has undermined the first globalist wave. Focusing on the critique of business globalization, Hay and Marsh say that the second wave has shown: state interventionism as effective (against the idea that globalization undermines the nation-state), limits to the mobility of capital and FDI, lack of global convergence in economic indicators and policy, a domestic focus on production, the concentration of flows of capital in the G3 regions, and precedents for flows of FDI (suggesting that globalization is not new) (Hay and Marsh 2000:4–5). All these give empirical reasons to doubt the case of the first wave.

In advocating a third wave, Hay and Marsh, even though taking a skeptical and critical view, do so within a framework that does not treat globalization as something they are rejecting. Their analysis is, therefore, one that tries to develop a complex theory of globalization rather than one that tries to debunk it as a phenomenon. As such it can be seen as being, like that of Held et al. (1999), an attempt to rescue globalization theory in a more critical and sophisticated form. The tone is more skeptical than Held et al. but their analysis is of a form of globalization, conceptualized in a particular way.

Hay and Marsh (2000:6) praise the second wave but say that it is still derivative of the “globaloney” of the first wave and that a third wave is needed building on the foundations of the second’s criticisms. They argue that this third wave needs to see globalization not as a process or end-state but a tendency to which there are counter-tendencies. It is changing and can be reversed or go in different directions. And, as Justin Rosenberg (2000) has also argued, causes of globalization and the agents behind them need to be identified rather than globalization being seen as a cause in itself or inevitable and not under the control of people. It could be governments and businesses that drive globalization rather than globalization that is determining their behavior. From a third-wave point of view, globalization is tendential, contingent, and limited.

If these things need to be taken into account by a third wave, the implication is that the second wave does not do so. If the new work that needs to be done involves that of a new wave then the second wave must be lacking to the extent that it cannot be improved by extra work within its existing framework.

Hay and Marsh (2000:13) argue that they are developing innovations that differentiate them from the second wave and that they “see the need to initiate a break with the second-wave globalization literature.” They identify four common themes that they say indicate “some of the central themes that will need to be taken up if a third wave is to develop” (Hay and Marsh 2000:13). One is that the discourse of globalization yields material effects. For instance, governments reacting to capital flight may be responding just as much to discourses about capital flight as its reality. Politicians’ statements that globalization means governments have no choice but to pursue business-friendly policies may be made as much in response to the discourse of globalization as to the reality in which this may not be the only possible path. Or politicians may themselves be the agents of this discourse to justify policies that are chosen for ideological reasons but presented to the electorate as necessary because of globalization.

A second theme is that in previous waves globalization is given a causal power it does not have. In fact, Hay and Marsh argue, globalization is more an effect of other causes than a cause itself and is something that is contingent, caused by political will and subject to de-globalization. Rather than being inevitable and out of control, as the phrase “runaway world” implies (Giddens 2002), and driving other economic, political, and cultural processes, globalization could be caused by the decisions of companies and politicians and/or by capitalism and the interests of states. Thus, it is something that is under control and could be taken in other directions or reversed if companies and politicians made other decisions.

Third, globalization is viewed as something heterogeneous with varying effects in different forms and locations rather than something that is homogeneous and general. As a result, financial globalization is different from cultural globalization. They proceed at a different pace and have different effects in different areas, for example, American culture proliferating more widely in, say, Britain or Japan than North Korea or China.

Fourth, Hay and Marsh stress that there is an interplay between culture and economy in globalization rather than these being two separate spheres best explained by different disciplines. Cultural globalization may follow from the attempts to sell it, from economic globalization, and from the spread of capitalism. Or economic globalization may be driven by people believing in its discourse, resulting from the culture of globalization.

All four of these observations, in fact, affirm arguments made by second-wave skeptics rather than moving analysis on to a third wave. Although third-wave critique aims to move us on from the second wave, in practice it appears to confirm the latter. Let us examine where Hay and Marsh are reinforcing second arguments rather than moving on to a new third wave as suggested.

First, globalization is a discourse and sometimes subjects’ actions are a response to what is being said rather than to any reality. Hay and Marsh put this proposition forward as one of the third-wave innovations differentiating this wave from previous waves. But such a proposition reinforces what Hirst and Thompson (1996) have said. They argue that the norms of international financial markets put restrictions on radical policies. But they also argue that evidence of internationalization is used to falsely justify that globalization is happening. Globalization theory, they say, leads to a false fatalism and they suggest that the argument that neoliberalism is inevitable is more an ideology than a reality. Reforming strategies are, in fact, possible at both the national and international levels—for example, redistribution, regulations to make companies more responsible toward workers and communities, and increased spending on health, education, and welfare. Hay and Marsh (2000) have gone into greater detail on the power of the discourse of globalization in their work than Hirst and Thompson (1996) did with their more economically focused approach (for example, see Hay and Rosamond 2002; Marsh, Smith, and Holti 2005; see also, for instance, Cameron and Palan 2004; Bruff 2005). Nevertheless, on this question Hay and Marsh reinforce second-wave claims rather than moving us further as they believe their point does.

Second, Hay and Marsh (2000) say that an innovating and differentiating analysis is one that sees globalization as the effect of causes and agency rather than as the cause itself and inevitable. Hirst and Thompson (1996) see what is going on as internationalization rather than globalization. But the historical account the latter outline shows internationalization as the consequence of actors’ decisions as much as a cause or subjectless process. For instance, as we have seen, Hirst and Thompson (1996) say that it is the ideology and interests of G3 actors that lead internationalization to go in the direction it does rather than in an alternative, more regulated direction that is, indeed possible. Again, Hay and

Marsh (2000) are reinforcing the second wave rather than providing something that moves on from it.

Third, for Hay and Marsh (2000), a third-wave innovation involves analyzing globalization as something heterogeneous with specific effects rather than homogeneous and general. But, once again, this proposal reiterates the findings of skeptics rather than moving beyond them. Hirst and Thompson (1996) view more advanced internationalization as occurring in financial markets rather than in other sectors. They see internationalization as variable and reversible in different historical conjunctures, the *belle époque* having been a high point of globalization after which there were reversals (for example, the 1930s) and advances (for example, the 1970s), and they argue that some advanced and newly industrializing countries are more integrated into the international economy whereas others are relatively outside the world of trade and investment. In short, Hirst and Thompson show globalization to be a very uneven process.

Fourth, in third-wave analysis, according to Hay and Marsh (2000), there is said to be an interplay between culture and economics rather than these being separate spheres of study by different disciplines. But Hirst and Thompson (1996) also have argued for such an interplay. They say that their book focuses on economics but that they feel if there are doubts about the globalization of the world economy then there have to be doubts also about the globalization of culture because the latter is strongly connected to the former. Hirst and Thompson (1996) do not analyze culture and its relationship with economics, which Hay and Marsh (2000) do, but they do posit this relationship. So Hay and Marsh's suggestions regarding this interplay between economics and culture is within a framework like the second wave's rather than one that moves on with the exception that they pursue it more concretely.

Hay and Marsh (2000) also say that in the third wave globalization can be seen as a tendency with counter-tendencies rather than as a fact or a process that is only going in one direction. But Hirst and Thompson's (1996) analysis shows that globalization is far from accomplished and that internationalization has had moments of advance and moments of reversal and that it is within the capacity of agents like the G3 to change its direction. As with the previous four points, it seems that the innovations Hay and Marsh (2000) are arguing for are not so much innovations as, in practice, confirmations of and continuous with second-wave skeptical analysis.

Thus, many of the insights that Hay and Marsh (2000) argue are needed already exist within the second wave. What is by implication a suggestion of limits in the second wave in practice reinforces it by raising and endorsing points it has already made. In effect, although third wavers try to move on from second-wave thinking, proposing a more advanced qualified globalism, in doing so they emphasize features highlighted by the second wave and, as a result, reinforce the second wave's skeptical approach.

It is perhaps not surprising, then, that Hay and Marsh (2000:7) identify their book as "somewhere between the second and third waves of the globalization debate" and that they "do not regard [it] as unambiguously pioneering this third wave." But this qualification, along with their theoretical assertions, which in practice replicate second-wave analysis, serve to undermine their claim that they are initiating a third wave and moving in the direction of differentiating it from the second wave. Indeed, the qualifications and the arguments they make reinforce the second wave rather than show a move forward from it.

#### **Held et al.: Transformationalists, a Modified Globalism**

The situation with Held et al. (1999) does not exactly replicate that in Hay and Marsh's (2000) analysis and its relationship with the skeptics. Hay and Marsh are

more skeptical in tone whereas Held et al. are more globalist in leaning. But there are some parallels between the way these two sets of third wavers deal with the skeptics and globalization. Held et al. (1999) try to distance themselves from the skeptics, saying that the latter have attacked a false ideal type and that globalization is a real process. But they argue that globalization needs to be put forward as more complex and uncertain than it is by first-wave hyperglobalists. They advance a third perspective, transformationalism, which outlines this more complex picture of globalization. This elaboration is done most notably not only in their book *Global Transformations* (1999) but also in a number of other places—for instance, in the *Open Democracy* (2002) debate between Held and Hirst (and Held and McGrew 2003).

The argument to be made here is that there are elements in Held and his colleagues' proposals that go in different directions from each other. They are trying to defend globalization theory by putting forward a modified version of it. But the qualifications and complexities they add lead to confirmation of many claims in the skeptics' theses and, thus, do not undermine skepticism or support globalization as much as is claimed.

Let us look at what Held et al. (1999) set out as the transformationalist position and what they criticize about skepticism. The examples given below to illustrate transformationalism are the current author's. Held et al. tend to focus most on transformations in political forms whereas Hirst and Thompson (1996), as we have seen, focus on economics. But there is still substantial overlap in the areas they analyze.

According to the transformationalist position (Held et al. 1999:7–14):

- Contemporary globalization is historically unprecedented. At the same time, transformationalists say, it is a long-term historical process with premodern forms. Thus, there may have been trade and migration, for instance between Asia, the Middle East, and the fringes of Europe way back in premodern times. But technological and political changes since World War II have led to an unprecedented growth in the extent, velocity, volume, and intensity of things like global media communications, economic interdependence between countries, international political organizations, etc.
- Globalization involves profound transformative change and is a central driving force behind changes reshaping the world. There are not clear distinctions between the domestic and the international in economic, social, and political processes. For instance, aspects of national culture such as media, film, religion, food, fashion, and music are so infused with inputs from international sources that national culture is no longer separate from the international. This is a transformative driving force because this globalization changes peoples' life experiences.
- Economies are becoming de-territorialized, global, and transnational. Such change is happening through, for example, the mobility of capital across national boundaries, the role of multinational corporations, and interdependence between different nations' economies.
- Even though they are still legally sovereign, nation-states' powers, functions, and authority are being reconstituted by international governance and law; by global ecological, transportation, and communications developments; and by nonterritorial organizations such as multinational corporations (MNCs) and transnational social movements. The nation-state is not a self-governing, autonomous unit (although they say states never have had complete sovereignty) and authority is more diffused. Held et al. also say that states have become more activist and their power is not necessarily diminished but is being

reconstituted. This is unlike both the globalists' claim that nation-state sovereignty has ended and what is said to be the skeptic position that nothing much has changed.

- Territorial boundaries are still important but the idea that they are the primary markers of modern life has become more problematic. Economic, social, and political activities are locally rooted but become territorially disembedded or re-territorialized in new forms of localization and nationalization. So a company may have roots in a particular territorial area but become disembedded as its workforce becomes internationally located or its products are sold internationally. It may be re-territorialized in terms of the new places where the workforce is located or the way its products are tailored for markets in different areas. Types of music may start off from a locality but become disembedded as they are done or sold globally, or take on global influences. They can become influences on, and infused into, other types of music globally or in other national places where fusions of music create new forms of local or national culture in the particular area, that is, new forms of localization and nationalization.
- Transformationalists say they do not reduce the world to a single fixed ideal type, as other perspectives do; they recognize it is contradictory and contingent. They feel that globalists and skeptics reduce the world to global or nonglobal types, respectively, without realizing how contradictory such a reduction is; aspects of both are out there. Consider when things like culture may stay national and how what is national can be changed by global inputs—thus a mixture of the national and global. And they see globalists or skeptics as suggesting inevitabilities when whether the world becomes more or less global is not predetermined but is open to going in different possible directions.
- Skeptics are said to see the world as evolving according to a singular process when actually it is differentiated with different patterns in different areas of life. So, for instance, some types of globalization (for example, finance) may be more globalized than others (for example, corporations), and some countries in the world (for instance, those most needing inward investment) may experience the impact of global finance more than others.
- Held et al. argue that skeptics are empiricist because statistical evidence is taken to confirm, qualify, or reject the globalization thesis when more qualitative evidence and interpretive analysis is needed. Migration or trade, for example, may (arguably) be no more globalized now than in the *belle époque* in terms of quantitative indicators such as the value of goods exchanged or the numbers of people on the move. But the qualitative impact of migration and trade on economies, politics, and culture could be greater in the current period. Quantitative indicators of limited change do not necessarily demonstrate lack of qualitative change.
- There is a single global system that nearly all societies are part of but there is not global convergence or a single world society. National societies and systems are enmeshed in patterns of interregional networks, but these are different from global integration, which does not exist because it implies too much singularity, and they are different from convergence, which does not exist because that would assume homogeneity. For example, there may be global economic interdependence but that does not mean there is global convergence on economic factors like prices or interest rates. A global economic system can exist without global convergence or a single economy.

- Globalization involves new patterns of stratification across and within societies, some becoming enmeshed and some marginalized but in new configurations different from the old core-periphery, North-South, and first world–third world classifications. It follows that globalization is not universalization because globalization is not experienced to the same extent by all people. In place of the core-periphery model of global inequality, there is now a model that shows a middle group of developing countries in Latin America and Asia that have grown significantly and become more integrated into the global economy, thus lifting themselves out of the periphery, but others, some African countries for example, who have become more debilitated and left out in the periphery. So a bipolar model is replaced by a more complex stratification with greater inclusion of some as well as exclusion and greater polarization between the top and bottom. Globalization here has an uneven effect, some becoming more integrated into it and others more excluded from it.
- Transformationalists say that unlike hyperglobalists and skeptics they recognize that the future direction of globalization is uncertain rather than teleological and linear with a given future end-state. So rather than globalization being destined to sweep ahead, or the status quo being the predetermined future, transformationalists are saying that the international future is open and can be decided by factors such as the choices of big corporations and governments or the influence of civil society and social movements.
- Government strategies for dealing with the globalized world are said to include neoliberalism, the developmental or catalytic state, and more outward looking strategies based on international regulation, which is a line of government action that global or cosmopolitan democrats like Held favor (Held and McGrew 2002). So with the multiple paths that globalization could take in the future comes a number of options that governments can take to influence its direction, including economic liberalism, greater state intervention in guiding the future of economies and societies, and global governance of the world economy and global problems.

### **Transformationalists and Skeptics Compared**

How much does this transformationalist third wave as outlined by Held et al. (1999) rescue globalization in a modified form and undermine the skeptics? Let us go through some of the points that Held et al. make.

There is no doubt that there are differences between the transformationalists and skeptics: on definition (should the processes they see be defined as internationalization or globalization?); on historical periodization (is current globalization unprecedented or was the period between 1870 and 1914 the most globalized?); and on normative proposals (divergence between seeing nation-states and international blocs or global democracy as the bases for future political action).

Hirst and Thompson (1996) are accused of attacking an extreme ideal type to undermine the case for globalization. This is a fair point and Hirst and Thompson agree that this is what they do. They take a model of what they think globalization would be were it to exist and show that this model does not exist in reality. However, the model is an ideal type that shapes business and political debate. Held et al., themselves, justify their own transformationalist position in relation to a strong hyperglobalist position that they criticize. More important

than these points, though, is the fact that the ideal type that Hirst and Thompson criticize portrays something that they say does not exist. In comparing transformationalists and skeptics, it is more sensible to compare like with like. Rather than comparing Held et al.'s outline of the global transformations that they say are happening with a model of what Hirst and Thompson say is not happening, it is more useful to compare what Hirst and Thompson say is going on in the world—internationalization—with what Held et al. say is going on in the world—global transformation. Then we can see if there are real differences in their positions that need to be evaluated. We can do such a comparison by going through the transformationalist points outlined above.

Held et al. (1999) say that contemporary globalization is historically unprecedented but that there are earlier premodern forms of globalization. Although this sounds like a contradictory statement, it means that there are precedents for globalization but none as intense, extensive, fast, and of such great volume and impact as at present. Skeptics and transformationalists may not disagree that globalization is something quite long-running. But there is a difference between Hirst and Thompson's view that its heyday was the 1870–1914 period and that it is less intense now and Held et al.'s view that the current period is the most advanced.

Held et al. argue that there are not clear differences between domestic and international processes on which skeptics would also agree. As can be seen from the summary of the skeptics' position above, they see domestic economies as very much internationalized, for instance, in terms of finance, trade, and investment. Where there is a difference is on whether international processes are characterized as "global" or not. The view of Held et al. on the interpenetration of the national with the international does not mark transformationalism off from skepticism.

Held et al. argue that economies are becoming de-territorialized, global, and transnational. This sounds like a more radical position than that of the skeptics but Held et al. qualify their argument with the view that territorial boundaries are still important. Economic, social, and political activities are locally rooted and become territorially disembedded or re-territorialized in new forms of localization and nationalization. How different is this from the skeptic position that there are national economies trading internationally as well as companies with local bases whose production, trading, and investment activities go on beyond that particular location? The emphasis on de-territorialization and disembeddedness goes beyond the skeptical position but rootedness and re-territorialization do not.

The view of nation-states that Held et al. have is of them as agents, legally sovereign with their power not necessarily diminished but reconstituted. For example, a nation-state may have reconstituted itself in regional and international organizations and, as a result, have its authority more diffused and its self-governing power diminished by this and by global economic pressures. But it is still legally sovereign, taking an active role in so reconstituting itself in a more globalized world in a way that maintains or even enhances its powers. This proposal is said to be unlike the skeptic position that nothing much has changed. However, this distinction from the skeptical position is problematic on three counts.

First of all, skeptics do not say nothing has changed. They say a lot has changed, in the earlier *belle époque* period as well as in the 1970s and 1980s, but that this does not mean we live in a globalized era. As noted in the summary of their position above, they argue that there have been big transformations in the international economy, although within existing structures. Companies have to act differently and the norms of international financial markets have come to restrict what it is possible for nation-states to do, for instance, ruling out radical macroeconomic policies.

Second, skeptics agree that nation-states lack complete sovereignty and have to share it. For example, they outline the role of international organizations and international finance in the world and, as we have seen, the constraints on radical redistributive politics at the state level. Their qualification is that this has always been the case and is not new. But they do not depart from the view that there is no clear sovereignty that does not have to be shared.

Third, the skeptics agree with the view of the activist state. If anything the transformationalists' emphasis on this perspective gives credence to the skeptic view that nation-states are important actors on the world stage with power at national and international levels that determines the forms globalization takes. Skeptics argue that nation-states have the autonomy to determine the future of globalization; Held and his colleagues' outline of alternative strategies such as neoliberalism, the developmental state, the catalytic state, and cosmopolitan democracy seems to reinforce the view that, in their globalized world, nation-states have some autonomy and power to determine the future in the way that Hirst and Thompson also argue. This is not to say that the transformationalists and skeptics are in complete harmony on the role of the nation-state in the current global or international world. But it does seem that the qualifications in the transformationalist analysis affirm many of the arguments from the skeptical case as much as rebut them.

For Held et al., one difference between the transformationalist and skeptical positions is that the former recognize the multidimensional, contingent, contradictory nature of the world and its uncertain direction whereas the latter see it as singular, linear, and with a given end-state. But this appears to misinterpret the skeptics' position. Hirst and Thompson focus on the economy rather than other areas so there is not too much indication of how they see globalization as it affects different areas. They do argue that internationalization has many different effects in different parts of the world, with much activity being concentrated in advanced economies whereas other areas of the world are less integrated. They state that internationalization is not linear but is subject to reversals, such as that after the *belle époque*, as well as posit that the idea that globalization is pre-determined and inevitable is a myth used to justify neoliberal policies; the reality is that nation-states individually or organized internationally have it in their power to alter the course of internationalization. The difference the transformationalists suggest separates them from the skeptics is based on a misunderstanding of what the skeptics say. In fact, what transformationalists argue on these points seems to be in accordance with the skeptics.

Finally, transformationalists argue that there is a single global system in which all societies are enmeshed, something that appears to differ from the skeptic position that much significant activity in the international economy is concentrated in the triad of Japan, the European Union, and North America, with some NICs up and coming into this sphere of influence, and other parts of the world are much less integrated. However, the differences seem smaller when it is considered that transformationalists outline a situation in which, even though there is a single world system, there is not global convergence nor a single world society, that they see patterns of stratification across and within societies involving some becoming enmeshed and some marginalized, and in which globalization is not universal because globalization is not experienced to the same extent by all people. The unevenness of integration into the global system comes close to the skeptics' outline, which leads the latter to the conclusion that there is no global economy because of such patterns of inclusion and exclusion.

### **The Politics of Globalization**

Attempts to rebut skepticism and defend a modified globalism seem often to actually share substantive ground with the skeptics' analysis, raising doubts about

the reality of globalization. Rhetorically transformationalists are stronger in defending globalism as a fact, despite such commonality with the skeptics, and this discourse may be partly what leads to one area of significant difference between the two. Transformationalists remain committed to a globalist outlook and their normative suggestions about a politics that can respond to globalization puts strong emphasis on cosmopolitan global democracy (see Archibugi and Held 1995; Held 1995; Archibugi 2004; Beck 2006; Fine 2006). This involves global political forums in which different communities and interests can participate in reaching agreements on issues, many of which have a global character and cannot be solved purely at the national level. Issues like human rights and war, ecological problems, drugs and crime, economic instability, and inequality are seen as global rather than national problems that require global coordination or global interventions for a solution. Cosmopolitans look to global cosmopolitan forums and international interventions, based in global cosmopolitan consciousness, to solve such problems.

Skeptics whose analysis does not lead to such globalist conclusions do not share this faith in global politics (see Zolo 1997, 2002; Hirst 2001; *Open Democracy* 2002). This is because skeptics do not believe that powerful Western states would be willing to put up with the political equalization that global democracy would allow. These states would resist political equality and inclusivity and try to maintain their superior power in global forums. They would use global politics against others when such moves were in their interests and evade being subjected to this politics when it was against their interests. There are important conflicts of interest and ideology over resources between nation-states, increasing as a consequence of ecological problems such as climate change. Solutions to global problems would have to involve the interests or ideologies of some being favored and others not—there are not win-win solutions to such problems. So conflict is more likely in global politics and the cooperative consciousness that cosmopolitanism would rely on is unlikely.

Consider, for example, the role of the United States in international politics. It tries to maintain its power against equality in international institutions (for instance, in the UN Security Council), using such international institutions as a basis for pursuing its interests against others or exempting itself from such solutions, bypassing them when they do not fit US interests. The United States supports or undermines international agreements (for example, on global warming, international justice and rights, and nuclear proliferation) on a selective basis depending on its own ideology and interests, whether economic, political, or geo-strategic.

Cosmopolitans are well-intentioned and correct to be concerned about issues such as ecology, rights, and inequality and to see such problems as global and their solutions as often needing to be transnational. But if cosmopolitan politics is unlikely or undesirable for the reasons mentioned, what might an alternative politics to solve such issues involve? For skeptics, the future lies in nation-states acting alone or, because such problems are transnational, acting together multilaterally (rather than globally) as in regional blocs or alliances of the likeminded. Such action involves not universal or global agreements but multilaterally and bilaterally agreed-upon blocs and alliances based on shared objectives, interests, and ideologies. It may be better for states and other political actors to ally transnationally with those actors who are likeminded and with whom they share interests rather than trying for cosmopolitan consciousness at a global level where many have opposite interests and ideologies and are more powerful. This would imply a politics that works more within a reality of divisions, antagonisms, and state alliances than the commonality and agreement required for global cosmopolitan democracy. Such alliances can be forged, for instance, between states or movements who see themselves as anti-neoliberal or anti-imperialist, such as

left-wing governments in Latin America, the nonaligned movement, or the global justice movement (for example, see Gill 2000; Gills 2000; Motta 2006).

International institutions exist and have to be engaged. But they also often represent particular as much as global interests and are a tool for the powerful as much as for equality and democracy. As such, nation-states have to operate outside such institutions, forming alliances with each other and using what resources (for example, energy resources and human expertise) they have for mutual assistance in a politics of conflict (rather than cosmopolitan universality) against powerful forces where these preserve inequality and lack of democracy as well as transgress human rights and are behind ecological problems or war.

This politics is neither statist nor globally centralist (although it uses both levels). It does not ally a skepticism about cosmopolitan politics with anti-interventionism, pacifism, or inertia. It favors activism and intervention transnationally on issues of global concern and relevance recognizing the presence of conflicting rather than common interests and objectives. The preference is for actions taken transnationally and beyond the state through multilateral and bilateral blocs of actors with common agendas and interests where they exist or can be forged rather than through the isolated state or global universals. This is an alternative to statism and centralism/globalism, operating at both these levels but also at a level in between. It involves harnessing the interests of the poorer and less powerful rather than globalist hopes or a visionary holism.

Furthermore, transnational politics needs to be not just procedural and based on institutional solutions to global problems, for instance cosmopolitan democracy and international law. It has to have substance beyond legal and institutional procedures because many of the problems outlined above are ones that require particular sorts of substantive policies as much as the right sort of institutional procedure. Different institutional procedures can lead to varying substantive policies and the choice of the latter is as important as is the choice of the former.

The differences between skeptics and transformationalists' normative political conclusions seem to stem more from the transformationalists' globalist conclusions than from the substance of their arguments; in practice, these often share similar ground with the more skeptical approach. Transformationalists' analysis, as outlined above, gives a picture of the unevenness of integration, focusing as they do on inequality, stratification, and power; nation-states (albeit reconstituted ones) for whom there are different possible activist strategies; and re-territorialization and regional blocs. On this basis, the politics of cosmopolitan global democracy they favor seems unlikely. Their analysis shows up the inequalities and conflicts that make it difficult for global agreements to be realized. These are often between powerful nation-states. The more appropriate political conclusion from such a picture of the current world order would seem to be one that recognizes inequality and conflict, nation-states, and regional or multilateral like-minded blocs, as identified by the skeptics, as the more likely structures in future politics.

One problem, then, with transformationalism is that in drawing globalist conclusions they are led to globalist politics. But if it is the case that what they say actually lends more credence to the skeptic case, then such global politics may only offer some hope. It may be better to have a more realistic view of politics that does not lend itself to global democracy but more to nation-states, regional and other blocs/alliances, and the struggles between them and other opposed interests in civil society rather than argue for universality and global agreement. One reason to get the analysis of globalization right in the three waves is to make sure that the political conclusions reached are the best ones.

So the transformationalist approach tries to rebut the skeptics while rescuing globalization theory in a more sophisticated form than that which hyperglobalists have advanced. But, as has been argued here, there are some problems with this formulation. In general, transformationalism is a perspective that rhetorically defends globalization, even though in practice it bolsters quite a bit of the skeptical case. One reason for this is that by adding significant qualifications and complexities to their outline of globalization, the transformationalists have more in common with the skeptics than it appears at first glance. A second reason is that transformationalists, as we have seen, do not always give an accurate picture of skepticism. Sometimes descriptions of skepticism are presented that make it possible to dismiss this point of view. But when the skeptical view is examined more carefully, we observe that, on occasion, skepticism does not quite say what it is said to and its perspective stands up to criticism.

### **Scholte: A Qualified Globalism**

In some ways Scholte's (2005) attempt to modify globalization theory, although hanging on to its key claims, leads to similar results as the analysis of Held et al. Scholte does not explicitly specify first, second, and third waves or perspectives in globalization theory in the way that Hay and Marsh (2000) and Held et al. (1999) do. But he does attempt to provide a more complex concept of globalization with qualifications, one that goes beyond the extreme concept of globalization but does not go as far as the skeptics. In doing so, he hopes to defend an idea of globalization as a reality rather than allow it to be debunked. In these ways he falls into the third-wave postskeptical camp.

Scholte argues that globalization involves supraterritorial rather than transplanetary relations. The latter are more like the international links that skeptics say characterize world relations. Transplanetary connectivity, he says, involves relations between different parts of the world. These have become denser and involve more people, more often, more extensively, more intensively, and in greater volume. However, they have been around for many centuries and are essentially international links between different parts of the world.

Supraterritoriality, Scholte argues, is relatively new and breaks with territorialist geography. This involves not just an intensification of transplanetary links but also different types of global connectivity that go beyond territorial units. They transcend territorial geography and are de-linked from it. Examples may include transworld simultaneity (for example, people across the world consuming the same make of coffee) or transworld instantaneity (for example, international telephone calls). Other examples of supraterritorialism he gives include travel by jet plane, people movements, consumption, telecommunications, global media, finance, ecological problems, global organizations, global health problems, international law, and global consciousness (for example, in global sporting events and of human rights).

Supraterritoriality involves more than the compression of time relative to space that is characteristic of intensified transplanetary connectivity. It involves social relations that also go beyond territorial space. The difference between the time-space compression of transplanetary links and supraterritoriality is of a qualitative kind. Territorial domains, for Scholte, remain important but do not define the whole macrospatial framework, which now has supraterritorial dimensions.

Scholte (2005) adds some qualifications to this picture. In the second edition of his book on globalization, referred to here, he drops the word "de-territorialization" previously used to encapsulate global relations because it implies that territory does not matter any more and he suggests this may have been taking things too far. The emphasis is on the term "supraterritoriality,"

which captures something that goes beyond territory, but in which it is implicit that territory is still present even if transcended. Scholte argues that territorialism remains important—for instance, in production, governance, ecology, and identities—and that globalism has not eliminated it. These examples have supra-territorial dimensions but also have territorially rooted aspects to them. The world, he says, is both territorial and global and there is no pure globality that exists independent of territorial spaces. The world is territorial and supraterritorial and both intersect. The global is not a domain unto itself separate from the regional, national, provincial, and local levels. All intersect.

The problem here is that Scholte's discussion, which is intended to defend the concept and reality of globalization by giving a more complex and nuanced account of it, introduces qualifications and reservations that effectively suggest that his analysis shares quite a bit with that of the skeptics. Many of the examples that Scholte gives—some mentioned above—originate from a time before the 1960s period in which, he says, globalization took off. Many of them appear to suggest transplanetary connectivity rather than supraterritoriality. World sporting events, for instance, are composed of national teams competing with one another in which spectators often identify passionately with their national identities. Movements of people involve patterns and experiences that are heavily affected by what the national origins and destinations of the migrants are. Climate change results from clear variations in the national origins of the problem. These doubts over the supraterritorial character of his examples are reflected also in Scholte's qualification that such relations are not beyond territory but are embedded in it.

In short, Scholte's proposals are somewhat similar to the arguments of Held et al. (1999) and Hay and Marsh (2000). In each, a proposal is set forth that it is said will defend globalization. Indeed, the propositions are intended to show how complex globalization is. But the qualifications made sometimes undermine the globalist conclusions that are reached. In general, the way third-wave transformationalists try to qualify globalism at times means they are less coherent than first-wave globalists or second-wave skeptics; as a result, they end up giving support to the other waves or, in differing ways, to both of the positions they are criticizing (Rosenberg's 2000 critique of Scholte comes to similar conclusions).

### Conclusions

This essay has presented arguments indicating how the third wave of globalization theory has tried to construct a more complex framework than that which came in the first wave. Third wavers have argued that this more complex picture shows the reality of globalization today and undermines skeptics' claims that we, at best, live in an era of internationalization rather than on a new global plane above and beyond the international.

But it is perhaps no coincidence that Hay and Marsh (2000) say that their theory aims to move toward a third wave but has not gotten there yet. This may well be because to do so would involve abandoning a second wave, which their conclusions seem to validate rather than show to be in need of change. Held et al. (1999) argue for a globalist theory and globalist normative conclusions, even though many of their substantive arguments seem to outline a picture of a world system that is sometimes quite like that suggested by the skeptics. A modified globalism is set out in a way that at times seems in its detail as close to the skeptics as to globalist theory. Scholte's (2005) work follows this pattern, too. This overlap has gone unidentified. The aim of this essay has been to revisit the literature on the three waves in globalization theory to identify this problem in the literature and examine its implications.

It is probably significant that an early contribution to the idea of waves in globalization theory, that by Kofman and Youngs (1996), suggests only two waves, the second of which appears to outline views that both the skeptics and transformationalists have been putting forward. Kofman and Youngs argued that globalization theory has been too general and universal and has not paid enough attention to the specificities of what globalization involves in particular contexts. For them, if globalization is something new, it is also a reformulation of the old. Old relations are evident if in new forms. For example, power is very one way, from the West, but small states have been able to participate and shape debates through collaboration with each other. Capital has flowed more freely but states have been stricter in controlling immigration, that is, the movement of people. States are retaining sovereignty even though this, too, is being reshaped and shifting because of things like the rise of regional institutions. There are global flows of media, communications, technology, and finance but rather than face being obliterated, such flows are articulated and concretized in specific ways in particular places and these places are the intersections between the local, regional, national, and international.

Kofman and Youngs' (1996) perspective does not distinguish between a skeptical and postskeptical outlook or between skepticism and transformationalism. Just as Hay and Marsh (2000) have found it as yet not possible to move beyond the second wave to a desired third wave, Kofman and Youngs have outlined only a second wave. Their outline is consistent with both the skeptical and transformational perspectives that have been discussed in this essay. There are differences in the conclusions that skeptics and transformationalists come to on definition, periodization, and normative politics, for instance. But the underlying substantive analysis, exemplified in Kofman and Youngs' second wave, can straddle both perspectives, suggesting that differences regarding globalization between skeptics and transformationalists are exaggerated. Transformationalists share many of the doubts of the skeptics in practice and express them in their own analyses, but move away from them when coming to more globalist conclusions.

Politically these conclusions are important. If transformationalists are basing normative globalist proposals on an analysis that shares common ground with that of the skeptics—that is, a view of a world with unevenness in integration, stratification, reconstituted but active nation-states, re-territorialization, and regional blocs—then the politics of cosmopolitan global democracy that they argue for appears unlikely. A politics of power, inequality, and conflict via nation-states, regional blocs, and political alliances between actors with similar interests and ideologies concerning resources and diverging economic and political interests—the future identified by the skeptics—seems the more likely to occur and needs to be engaged.

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