

THE END OF NEOLIBERAL GLOBALISM: A CRITICAL PERSPECTIVE

ABSTRACT

There have been a growing trend towards protectionism, particularly in the Global North in recent years. The rise of Trump, Brexit and tighter immigration control across Europe and America seem to run contrary to the conventional neoliberal globalism discourse of free flow of people, capital, goods and information across the globe. This paper argues that these events are part of the Global North's rebellion against neoliberal globalism. The current rise of nationalism and protectionism does not represent an end of globalization but the discourse of globalization as a fit all economic and political solution to diverse nations. This demands that alternatives to the current thinking be considered. A new form of globalization must consider issues of income and economic inequality among nations and people. It must offer the chance to the nation state to reinvent itself as the welfare providing and protecting states.

INTRODUCTION

The annals of world history would no doubt record 2016 as a benchmark year in world political history. Few years have recorded many eventful occurrences of global proportion and significance since the end of the cold war as 2016. Of the many events that adored 2016 with historical significance were the British vote to leave the EU and across the Atlantic, Americans election of Donald Trump as their president against popular global expectation. The two events are for many unpredicted and rightly defied conventional thinking. While 'Brexit' has sparked a long painful negotiation process, Trump has reinvented America as a nation of 'protectionism' instead of the champion of neoliberal globalism.

This paper argues that these events are part of the Global North's rebellion against neoliberal globalism. In the Global South, this rebellion begun in the 1970s with the call for a 'New International Economic Order' (Bhagwati, 1978; Singer, 1978) and the resentments expressed in the discourses of neocolonialism (Rao, 2000; Sharma, 2018). Thus, the events of 2016 and the subsequent birth of nationalism reflecting in tighter migration policies in Europe and America, the US-China trade war under the Trump presidency, the rise of nationalist parties in Europe and xenophobia in South Africa represent the beginning of the era of the end of unrestricted neoliberal globalism as discourse and a drive of state policy. It is not the contention that globalization has ended or that there is the era of de-globalization but that the view of neoliberal globalism as generally benign and the nation state and its territorial borders as obsolete has come to an end. This occurrence is not external to neoliberal globalism but rooted in the nature of globalization itself. The assertion of this paper is rooted in critical theory, particularly of the Frankfurt school tradition.

We present the rest of the argument in five sections. The first section addresses social ideals and how they circumscribe human thinking and progress. The second section looks at economic globalization and how it has given rise to nationalist resentment. The third section looks at how economic discontent results in political rebellion and how Brexit and Trump's victory in the American poll represents the same dynamic of the rise of nationalist sentiment in the global north. This is followed by a position on the future of globalization and conclusion.

Critical Theory

The historical roots of critical theory can be traced to the writings of Marx, Kant and Hegel during the enlightenment. (Devetak, 2005; Geus, 1981; Moon, 2008). However, recent scholarship on critical theory is mostly associated with the Frankfurt school. The starting point of the discussion of critical theory is Horkheimer's distinction between traditional and critical theory, an idea later elaborated by Robert Cox's who differentiates problem solving theory from critical theory (Cox R. , 1981). According to Cox problem-solving theory:

Takes the world as it finds it, with the prevailing social and power relationships and the institutions into which they are organised, as the given framework for action. The general aim of problem solving is to make these relationships and institutions work smoothly by dealing effectively with particular sources of trouble (Cox, pp. 128-129)

Problem-solving theories are rooted in positivist methodology, holding that the theorist is confronted with an objective world and that he can separate his personal ideology and biases from his analysis of the world. Fact and values are separable and a theory in this sense is only valid if it can be value-free.

According to him, problem solving theories have the tendency to legitimise the prevailing world order. This tendency derives from the failure of problem solving theory to be self-reflective of prior framework within which theorizing takes place. Regardless of its claim to be value-free, problem solving theory is value-laden because according to Cox, it fails to appreciate that knowledge is 'socially embedded and constituted', and therefore, shaped by interest and power (Cox, p. 130).

On the other hand, critical theory accepts that all knowledge or cognitive processes are socially or contextually situated. Knowledge in this sense is conditioned by our historical and material development, hence, are influenced by interest and power. As Cox (1981, p. 128) put it, "a theory is always for someone and for some purpose." In other words, knowledge is political, and is conditioned by cultural, social and ideology influences. The task of critical theory is to reveal the effects of the cultural, social and ideological conditionings of theory. Critical theory must unearth and bring to consciousness the values, interests and the commitments that produce or shape a particular theory (Ashley, 1981).

Critical theories attempt to reveal the contradictions in prevailing social and political structures through immanent critique with the view to opening up the possibility of emancipation or transformation. The central theme of critical theory is to unravel the contradictions in prevailing theories or knowledge in order to open up the possibility of emancipation. Critical theorists share a commitment to alternative forms of inclusive political order, which eliminate political oppressions and marginalisation.

This paper builds on critical theory by highlighting how globalization, particularly the dominant perspective (hyper-globalization) and its policy recommendations have led to marginalization of large masses across the world while clouding out other forms of globalization. It also demonstrates that the rise of nationalism across world is a rebellion against hyper-globalization and open the space for the reexamination of the concept of globalization and the liberal economic order.

THE DOMINANCE OF IDEALS AND THE GLOBALIZATION DISCOURSE

At every epoch of history, specific ideals or ideas usually serve as the organizing principle of human civilization and define the nature of human progress. Such prevailing ideals provide justification for human action and serve as the lens through which legitimacy is accorded or conferred on actors and actions. Such ideals normally become so pervasive that arguing against their propositions looks daunting and unthinkable even if there is mounting evidence against it. Our notions of good and bad, as well as the right path to a better economic and political order is built on such ideals. Judgment outside the framework of such ideals is normally obstructed by our attachment to them. They provide the framework for our thinking about the world and how social, economic and political life is been organized. In other words, our ideas, understanding and meanings of events and the global order are socially constructed and reconstituted over time (Jackson & Sorensen, 2006; Wendt, 1992).

The effect of such pervasive ideas is that while they provide stable ordering set of principles that legitimate and define the appropriateness of actions and policies within a given order, they equally limit human progress by restricting our thinking about alternative orders and ideals they contain. (Cox, 1990). Such ideals and the order they define are self-perpetuating and continue to be the dominant paradigm through which we analyze the world and the complex socio-economic problems we face. The solutions to our problems under a given world order is equally circumscribe by the prevailing paradigm and the ideals it holds (Cox, 1990; Wendt, 1992).

Ideals and the prevailing paradigm that sustain them are usually the reflection of the dominant segment of society. The ability of that segment of the population to control political discourse usually defines the longevity and how pervasive the ideals are as organizing principles of society. The elites

are normally the foremost beneficiaries of such ideals and it is often in their interest to maintain its hold on society. (Wendt, 1992; Cox, 1990) However, new ones may gradually replace such ideals when people who become dissatisfied with them mobilize to challenge them. A challenge to the prevailing ideals equally poses a challenge to the prevailing order it sustains and its elites. When challenged, elites may respond by reforming the ideals or replacing them with new set of ideals and a new order. In some cases, such resentments against the prevailing order is suppressed through political oppression in which case violent conflict becomes inevitable.

Since the end of the cold war and the dismay of the communism, 'globalization', particularly in its economic and political form has become the conventional framework of thinking about human progress. Supported largely by Western and American hegemony, the globalization discourse became an unchallenged ideal. Current conventional thinking on human progress has put liberal globalization as "a fit-all solution" to almost all humanity's challenges. Issues that hitherto are seen as national problems and in need of national solutions are no longer to be regarded as such. All national problems are in need of global solutions framed within the limits provided by the globalization discourse. Even if critics of globalization point out its limitations and contradictions, the conventional theory prevails by insisting that even the losers of the process of globalization are still better off under the conditions of globalization.

Unfolding events across the globe in recent times point to the painful fact that the liberal globalization discourse and the ideals it professes are losing their appeal as the ordering principle of our economic, social and political life. The events have pointed to the fact that we need to think outside the prevailing paradigm offered by the globalization discourse and seek solutions to some of our challenges beyond the framework generated by globalization. The emergence of Donald Trump in the United States, growing influence of nationalist parties across Europe and Brexit are few pointers of the global uprising of the losers of the globalization discourse. Of course, Trump himself is not a loser of the globalization process but benefited from tapping into the resentment of the losers of the process in the United States. Indeed, his path to becoming president cannot be explained by this single factor, but we consider it the prime issue in his ascension to the presidency. The events as noted earlier are part of the growing resentments of the masses of western democracies towards the globalization discourse. These losers have simply decided to rebel against conventional thinking and the prevailing order that it has helped to establish and sustained. The established order, is built on the unwavering believe in the potency of globalization to address the many challenges facing humanity and create a better world for all. It is this backlash against globalization, which has generated nationalist sentiments across the globe, particularly in the global north. The rest of the paper explores how this occurred.

ECONOMIC GLOBALISATION AND GROWTH OF NATIONALIST RESENTMENT

The collapse of the Soviet Union was interpreted as the triumph of liberal market economy over the socialist economy and by extension, the triumph of liberal democracy over any other form. Since then, liberal economic policies have become the conventional thinking in economic literature and policy cycles. The world accepted unquestionably that liberal economic policies are the solution to economic challenges regardless of the circumstances. Liberal economic ideals provide the framework through which economic policies acquire legitimacy. Thinking outside the liberal economic framework has become more or less a 'taboo' undertaking. Backed by Western and American hegemony liberal economic policies are simply irresistible to thinkers and practitioners of economics.

The world economic system or order is built on liberal economic footings and states that attempt to deviate from the standard policies and practices as dictated by conventional liberal thinking risk outright condemnation by others and in extreme cases isolation from the global economy. The liberal global economy, globalization discourse contends is the best solution to all economic challenges. States intervention in any form in economic activities is rejected entirely. Indeed, in cases, where it

was clear that some level of state intervention has brought economic growth such as the case of the Asian Tigers and China, the proponent of a liberal economic order reject such claims and rather point to reforms informed by liberal ideals. Global trade agreements that open up markets and reduce the ability of the state to intervene in the market become the standard practice. In the process, economic globalization becomes essentially global liberalization.

Liberal world economic institutions such as the World Bank and the IMF aided in the crusading spread of the liberal policies across the globe. Their best policies recommendation for third world countries in economic decline is standard liberal economic policies including opening up their markets to international competition and remove all trade barriers in order to take advantage of global economic order. The consequences of the adoption of these policies by most third world nations have been well document but it will suffice to state here that such policies have largely fail to promote economic growth and industrialization in many of the countries.

As markets become more globalized and all economic problems are expected to be addressed through globalization and liberal economic policies, alternative solutions to economic problems are simply discarded. Unfortunately, economic globalization and liberal economic policies have not provided the “universal fit-all” solution to some of the economic difficulties over time and have equally not been beneficial to all classes of people. In the global north, many manufacturing workers have seen their jobs taken abroad to low income nations with lower labour cost. (Fröbel, Heinrichs, & Kreye, 1979). At the same time, many nations in the global south have seen their domestic industries collapse under pressure and competition from better-equipped multinationals in a process referred to as ‘de-industrialization’ (Mkandawire, 1988; Bangura, 1991).

However, advocates of economic globalization continuously relay on aggregate statistical data to highlight how well off everybody is under conditions of economic globalization. Even when they admit that there are loser in the economic globalization process, they only sympathize with them. They, however, fail to identify any alternative that could address the concerns of the losers.

FROM ECONOMIC DISCONTENT TO POLITICAL REVOLT

The losers from economic globalization who Donald Trump termed “forgotten men and women” have for long shown resentment against globalization and the liberal economic world order. Yet, their concerns have largely been unattended to by the political elites who are clouded by standard globalization theory. Globalization has produced too many losers and the resentments of the losers invariably are directed at the political elites who are seen as the main beneficiaries of the process. The discontent among the losers of economic globalization was contained because the political elites favour economic globalization and the liberal economic order. The political elites with time have become the symbol of the globalization enterprise. They occupy an unwarranted position in the mind of the losers as working against their interest. For the losers, the political elites’ continuous faith in globalization shows that they are perpetrating a system that work for elite interest.

For these losers and marginalized group, the solution to their plight is a reversal of the globalization process and an emphasis on national economy. It is within this context that a wave of nationalist sentiment seems to be on the rise across the global north in recent times. The people who voted in Britain to leave the EU are part of this growing global group of national protectionists. For them economic and political globalization as represented by the EU is simply not working for them. Regardless of the statistics and the conventional thinking that indicate that they are better off under the globalized economy; their real conditions are just not good enough. Their elected officials simply fail to protect them and their interest and, therefore, the political establishment seizes to represent them. Thus, any opportunity to ‘take back their country’ and put in nationalist policies that they perceive will work for them is welcomed.

Across the Atlantic, the same group have rally to the call by Trump to ‘make America great again’. To the losers of economic globalization in America who perceives the Chinese as taking their jobs, Trump represents the ideal man to have their country work for their interest. Regardless of how abrasive and unconventional Trump campaign strategy and administration appears to be, he presents to these people a better alternative to the political establishment. Indeed, his message resonates with the “forgotten masses” precisely because it highlights their thinking, which is not in line with the conventional globalization thinking of today. His victory and Brexit represent the same thing, a rebellion against the established political and economic order in the global north.

THE END OF THE OLD ORDER AND THE BEGINNING OF A NEW ORDER

The current rise of nationalism and protectionism does not represent an end of globalization but the discourse of globalization as a fit all economic and political solution to diverse nations. This demands that alternatives to the current thinking be considered. A new form of globalization must consider issues of income and economic inequality among nations and people. It must offer the chance to the nation state to reinvent itself as the welfare providing and protecting states.

Globalization must take a new form, which recognizes the diversity of people and needs. Recognizing the peculiar challenges of vulnerable groups and allowing states the chance to adopt policies that address their peculiar challenges. Globalization in this new form must be understood within a framework of a network of interdependent states with each unit tie to the other but returning the rights to protection and provision for its population.

Globalization discourse must now pay attention to the relevance of the state and the diversity of the people and states. Economic growth and political orders must not be assumed as only perfected within a liberal political economic order. A plurality of orders must be allowed to exist and compete. The unfolding nationalist melodrama in the global North offers the chance to rethink globalization. In other words, there is a process of de-globalization of the older globalization order and discourse to usher in a new form of pluralist globalization.

CONCLUSION

The era of unquestionable acceptance of globalization seems to be drawing to an end. Economic globalization and the elites that sustain it are coming under increasing scrutiny by the masses of the global north. Economic globalization can no longer be regarded as the fit-all solution to every economic challenge and that it losers should accept that they are still better off with it. Brexit, Trump, and the rise of nationalist parties across Europe represent a global movement of the forgotten losers of economic globalization. Yet, globalization is such an attractive force in its own right that it will not be reverse over night. It is equally not in the interest of anyone to reverse it. There is, however, the need to think of how to accommodate the interest of the forgotten masses. It is the ability to address these concerns that will end the unfolding political rebellion and define the future of the global economy.

References

Bangura, Y. (1991). Structural Adjustment and De-industrialisation in Nigeria: 1986-1988. *Africa Development / Afrique et Développement*, 16(2), 5-32.

Bhagwati, J. (1978). *The New International Economic Order: The North-South Debate*. Cambridge: MIT Press.

Cox, J. R. (1990). Memory, Critical Theory, and the Argument from History. *Argumentation and Advocacy*, 27(1), 1-13.

- Fröbel, F., Heinrichs, J., & Kreye, O. (1979). The New International Division of Labour. *Social Science Information*, 17(1), 123-142.
- Jackson, R., & Sorensen, G. (2006). *Introduction to International Relations Theories and Approaches* (3 ed.). Oxford: Oxford university press.
- Mkandawire, T. (1988). The Road to Crisis, Adjustment and De-Industrialisation: The African Case. *Africa Development / Afrique et Développement*, 13(1), 5-31.
- Rao, N. (2000). "Neocolonialism" or "Globalization"?: Postcolonial Theory and the Demands of Political Economy. *Interdisciplinary Literary Studies*, 1(2), 165-184.
- Sharma, R. K. (2018). Globalization as Politics of Neo-Colonization: Teaching English language in Higher Education in Nepal. *Journal of NELTA Surkhet*, 5, 106-112.
- Singer, H. W. (1978). The New International Economic Order: An Overview. *The Journal of Modern African Studies*, 16(4), 539-548.
- Wendt, A. (1992). Anarchy is what States Make of it: The Social Construction of Power Politics. *International Organization*, 391-425.