

# Has Globalization spread Democracy around the world?

Written by Sophie Crockett

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SOPHIE CROCKETT, AUG 27 2011

Globalization is a complex and controversial process. It has changed the world in many ways and has brought several countries together. However, as well as bringing countries together in some ways, it has also driven them apart. One of the most controversial changes it has made is to the political culture of many countries around the world. Many scholars such as David Held would agree that democracy is commonly being regarded as the best form of government. However, is globalization solely responsible for the spread of democracy around the world?

The concept of democracy is derived from the Ancient Greek term *dēmokratía* which means “rule of the people” and it defines “a form of government in which the supreme power is vested in the people and exercised directly by them or by their elected agents under a free electoral system.” (Dictionary.com Unabridged. Random House n.d.). This form of government, however, has become increasingly popular since the demise of communism in the late 1980's. Hence it is widely regarded that *“Democracy is a cornerstone of human dignity and the good society. A public should shape its own destiny, even if some might doubt the wisdom of certain of democratic decisions taken. A society that is not striving after democracy tends to be a less worthy and also more dangerous place.”* (Scholte 2005).

Parallely, globalization has also become an increasingly popular process that countries are opening themselves too. The concept was created in the late 1800's by American entrepreneur Charles Russell, but was only popularized in the 1960's by economists and social scientists. Pro-globalists would argue it is inevitable for countries to open themselves up to globalization. There are too many benefits and the ones that do not, become isolated from the rest of the world. Hence, this essay will examine if globalization has led these countries to opt for a democratic form of government and if so, what the reasons were behind it.

Many scholars such as Jens Bartelson would agree with the idea that globalization poses a threat to the democratic state instead of aiding its expansion. It is believed that it undermines the essential requirements of state autonomy, patriotism and national identity (Bartelson 2004). For this reason, one could argue that political globalization could be a contradiction in terms. One of the anti-globalist theories is that globalization is causing the decline of the nation state, as governments no longer have control over their economy, their trade and their borders. Nation states may have in the past been in complete control of their markets, exchange rates and capital. Now, trans-national companies are becoming increasingly imperative to the economy, and the state is becoming obsolete. This supports the argument that globalization is reducing the power of democracy and the state, resulting in hollow democracy. Sceptics believe that while globalization promotes opportunity for growth and increase in wealth, it has also increased the socio-economic disparity between people, making nations less democratic and progressively more ruled by the wealthy multi nationals. This means that “governments now try and compete for foreign capital and design their policies to please global investors and firms, who may not act in the best interest of, nor be held accountable to, the voters. It follows that the level of democracy declines.” (Quan & Reuveny 2003). Also, scholars such as Peter Drucker argue that globalization cripples even more those who are less fortunate, as previously stated. Companies who are unable to compete with multi nationals on an international scale lose from more economic openness. The results of this loss cause a weakening in the country's democracy (Drucker 1994).

The unfortunate losers in the globalization battle thus, tend to seek support and unity with their identities, usually based on religion or ethnicity. This encourages the prosperous economic winners to maintain their edge over the

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poorer and reduce their competition. These actions intensify social inequality and undermine the progress democracy has made (Robertson 1992). This inequality, however, is not only carried out on a national scale. Even in the international community, globalization has increased the cleavage between the developed countries from the north and the developing countries from the south. In international organizations such as the United Nations it is commonly witnessed that the elite wealthy countries always have the final say in conflicts or important issues that are discussed, which ends up swaying the domestic politics of less developed countries to their favour (Samir 1996).

Another argument made by many such as O'Donnell is that in order for a stable and functioning democracy to work, the concept of citizenship and participation must be active and embedded in the population. Globalization has transformed the common citizen into an individual who is more willing to pursue its own economic interest than to be concerned with the content of public policy (O'Donnell 1993).

As observed, there are many reasons as to how globalization has weakened democracy around the world. However, like any controversial issue, it is important to evaluate the two sides of the argument to fully comprehend the implications of the statement. For this reason, there are several claims of notable scholars that defend the idea that globalization has spread democracy around the world.

According to Schumpeter's *Capitalism, Socialism and Democracy* globalization has helped promote economic development which has augmented the number of educated and well trained citizens, which has resulted, contrastingly to previous statements, in a decrease in economic inequality. This illustrates the freedom and development of the people in allowing them to prosper from the benefits of globalization.

As previously stated, globalization has increased the power of multi-nationals. However, differently to what has been stated, international businesses demand an increase in democracy. In order for businesses to grow, peace and stability must be entrenched in all potential investment countries. Subsequently, as democratic countries scarcely ever fight with each other, there is an increase in the demand for a democratic form of government. As economic links among states expand, authoritarian countries experience an increase in pressure from trans-national companies for political liberalization. These authoritarian states, as a result of globalization have fewer incentives to cling to power or proceed with their radical policies. Globalization encourages authoritarian states to decentralize power as they hand over their control to make progress for the market, which is fundamentally democratic. This concept of allowing the economy to fluctuate is known as *laissez-faire*, a French expression meaning "let it be" which allows industries to be free from state involvement in restrictions such as taxes and state monopolies.

Many other advantages of globalization also help promote democracy. The reduction in information and travelling costs mean that people have access to a lot more information not only from their government but from all over the world. This means democracies can now promote their values and ideals to autocratic countries a lot more freely, as autocracies have diminishing control over information. (Hanen 1990) Other advantages of globalization reducing borders is that it strengthens the distribution of democratic values over borders. The more democracies border non-democratic countries, the more the chances that country has of becoming democratic.

In addition, with the increase in the demand for human rights and humanitarian interventions in countries which abuse power, democracy is progressively becoming the only alternative to autocratic regimes. As the preponderance of states withholds democratic values, it is expected that any other state that is non-democratic is in violation of human rights as they are not allowing their citizens to voice their opinion and have a say in the way their government is run. Hence, interventions have contributed to the democratization of numerous countries such as Iraq and several other countries in Sub-Saharan Africa. Currently, international organizations such as the IMF and the World Bank have reformed numerous of these authoritarian countries so that they become potential investment opportunities for multi-nationals, and this is only due to the result of the expansion of globalization to such nations (Kura 2005).

This, however, is one of the main causes of rising military conflict and tensions amongst nations in the international community. Many sceptics and especially countries with alternative values believe that the process of globalization has pressured them into becoming liberal democracies and believing in western capitalist values. Since the beginning of the cold war, there has always been a great tension between the western democracies and the rest of

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the world. Now, the few countries that do not withhold western values feel threatened and ever more forced into opening their economies and becoming a democratic system.

Globalization encourages democratic institutions which promote democracy. As the global market relies on capitalist democratic values, it is inevitable that organizations that reinforce these values are rewarded meaning they can expand into countries with other forms of government and promote these ideals. Hence, the increase involvement of INGO's and other businesses furthers the transparency and liability of institutions that reduce state intervention, all which facilitate democracy. *"Western policymakers and nongovernmental groups trying to promote greater political liberalization have placed their faith in the indirect effects of globalization. An authoritarian government agrees to a global regime to gain benefits of one sort but is forced to accept the political consequences that follow."* (Dalpino 2001).

In conclusion, the question of globalization and the spread of democracy is a complex one. On one hand, it may be considered a threat to democracy as it is believed that it undermines the essential requirements of state autonomy, of patriotism and of national identity. Many argue that globalization is the sole reason for the decline of the nation state, as governments do not have control over their economy, their trade and their borders anymore. Now, trans-national companies are becoming increasingly imperative to the economy, and the state is becoming obsolete. Even though globalization has many advantages and one of them is the opportunity for economic growth both at an individual and a national level. This means that governments now try and compete for foreign capital and design their policies to please global investors and firms, which results in them not necessarily acting in the best interest of its citizens and this disregards its primary purpose (Quan & Reuveny 2003). Many people, however, cannot benefit from the advantages of globalization. Small companies who are unable to compete with multi nationals on an international scale lose from more economic openness. The results of this loss cause a weakening in the country's democracy. Hence, globalization has transformed the common citizen into an individual who is much more willing to pursue its own economic interest than to be concerned with the content of public policy. On the other hand, however, globalization has expanded greatly the values of the democratic state. According to Schumpeter globalization has helped promote economic development which has increased the number of educated and well trained citizens, which has resulted, in a decrease in economic inequality. Also, international businesses demand an increase in democracy. In order for businesses to prosper, peace and stability must be established in all potential investment countries. As economic links among states expand, authoritarian countries experience an increase in pressure from trans-national companies for political liberalization. Globalization encourages authoritarian states to decentralize power as they hand over their control to make progress for the market, which is essentially democratic. Another proof that globalization has expanded democracy is through the reduction in information and travelling costs. People have access to a lot more information not only from their government but from around the globe. This means democracies can promote their values and ideals to autocratic countries, as autocracies have less and less control over information (Hanen 1990). It is because of these and other reasons like globalization encouraging democratic institutions and INGO's which promote democracy, that democracy had expanded so drastically over the past decades. Hence, if one were to analyze carefully how globalization had reduced democracy and how it has expanded it, one could safely affirm that even though it has somewhat decreased the power of the nation state, on the whole, the process has in fact spread democracy around the world.

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