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Review

Globalism: The New Market Ideology by Manfred Steger

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Manfred Steger's *Globalism: the New Market Ideology* is a good example of the importance of clarifying a question before we rush to embrace answers. The subject of this study is that knobby intersection where trade, politics and social norms joust for dominance and how, within that space, neoliberals have employed ideology to promote their private interests as public goods. Because his subject has so many facets and so many players struggling for command, Steger's balanced overview of the historical process offers some welcome clarity to a very tangled topic. Throughout this work, Steger goes to great lengths to differentiate between the process of globalization (the expansion of the cultural flows of ideas and trade) and the current ideology of globalism (the idea that unregulated capitalism is the inevitable, inescapable fate of successful economies). Ultimately, Steger is arguing that globalism derogates human dignity and security, therefore globalism, as an ideology, is inherently anti-democratic and politically destabilizing. However, the goal of this work is not to denounce globalization, Steger asserts, but rather to "offer a thoughtful analysis and critique of globalism," (xi) in order to expose the internal contradictions and biases inherent in the ideology of globalism. Fortunately for his readers, Steger accomplishes this goal with coherence, breadth and style.

Globalism opens with a review of the Western European discourse that has surrounded the politics of ideology. The central elements of neoliberal globalism, "the primacy of economic growth; the importance of free trade to stimulate growth; the unrestricted free market; individual choice; the reduction of government regulation and the advocacy of an evolutionary model of social development," (9) are the outgrowth of the nineteenth century market utopia expounded by Adam Smith (1723-1790), David Ricardo (1772-1823), and Herbert Spencer (1820-1903). Smith's recognition of individual economic interest as a motivator and the elevation of efficiency over social obligations led to the "invisible hand" that guided a "harmonious

system of natural laws.” Ricardo’s Theory of Comparative Advantage provided a rationale to end government regulation of markets by arguing that the advantages of specialization and trade outweighed the constraints of social considerations. However, Steger claims that Spencer’s “Social Darwinism” was *the* formative basis of classical liberalism. Spencer argued it was not compassion or care of human needs that advanced human progress, but rather free-market competition. Consequently, Social Darwinism has been used to legitimate Western dominance of subordinate economies. The collapse of world markets during WWI and protectionist reactions to the extremes of laissez-faire capitalism caused liberalism and Spencerian theory to fall out of favor. After WWII, Keynesian economic theory was employed to create a mixed economy as an expression of political pluralism, resulting in state interventions that led toward the social welfare state.

Steger refers to the work of author Daniel Bell (*The End of Ideology: On the Exhaustion of Political Ideas in the Fifties*), who argued that post-WWII Western intellectual discourse rejected purist ideological claims of how the world should work in favor of more moderate and rational resolutions. Bell maintained that the West had exhausted and rejected some of the foundational presumptions of Marxist socialism and classical liberalism, specifically, the “inevitability of history” from the Marxist school, and the Holy Grail of the liberals’ “self-regulating market.” This rejection of the idea that human history is fated to follow a particular path and of the commercial paradise promised by laissez-faire liberals is central to Steger’s argument that our historical experience runs counter to the ideological claims of neoliberal globalists. Steger concludes that Bell’s analysis is a valid representation of the post-war shift from regulated capitalism to the mixed economy of the welfare state, which was a rejection of classical liberalism.

Liberalism next reappeared in the late 1980s and 1990s as *Neoliberalism*. In response to the concurrent high inflation and unemployment that were stressing the mixed economy structure of the late 1970s, Steger writes that neoclassical laissez-faire economic theorists (such as Friedrich Hayek and Milton Friedman) argued for a return to the principles of classical liberalism. “TurboCapitalism” was the result, which married social conservatism with neoliberal economic policies. This neoliberal project, Steger maintains, has been expanded into an ideology that defines market liberalization as the “natural” and inevitable path of globalization. As a part of that project, neoliberal globalists encourage the general public to uncritically accept the worldwide spread of free-market, i.e., unregulated, capitalism. Privatization

of socialized industries (transportation, power, etc.), dismantling government oversight of industrial and trade processes, tax cuts and reduction of public expenditures are presented by neoliberals as natural consequences of the “natural” economic laws of supply and demand. Such reasoning, Steger points out, promotes market responses over human will. Through media focus, statements by political figures, and marketization that reduces all relationships to market values, globalism has been presented as an objective process that is based on what the author calls “standards of normative evaluation.” Steger points out how this purported objectivity is used to present market logic as somehow more valid than human rights:

Market principles are portrayed as pervading even the most intimate dimensions of our social existence. And there is nothing consumers can do about it. In other words, socially created relations are depicted as exterior, natural forces that are more powerful than human will. (6)

Steger maintains that neoliberal globalists are “market fundamentalists” (12) who have simply repackaged classical liberalism for today’s new technologies and circumstances. Steger is arguing that the discourse on globalism has been directed and staged by neoliberal interests to the point that it is no longer an examination of options, but rather a determined campaign for private interests carried out through co-option of local élites, political coercion and market power. Neoliberals who trumpet “market reforms” are simply claiming Spencer’s mantle of progress and modernization to legitimate their proposed changes and to validate the dominance of Western hegemony as “the privileged vanguard of an evolutionary process.” (13) In this way, Steger argues, neoliberals are promoting the spread of unregulated capitalism as both inevitable and as a normative good.

Steger carefully distinguishes between globalism—the ideology, and globalization—the material process. The author argues that separating these two concepts allows us to go beyond what is being said to examine why it is being said; we need to understand the instrumental nature of the message before we take it at face value. Steger identifies globalism (the dominant market ideology that is currently directing the process of globalization) as the spread of unregulated capitalism. Globalization, on the other hand, Steger describes as our historically expanding and integrating patterns of exchange, which include political and cultural as well as commercial exchanges. Steger refuses to grant economic materialism the causal primacy that it has in the

Marxist paradigm. He argues instead that our social trajectory is the product of ideas as much as it is “the outcome of material forces.” (14) Steger goes on to identify methods neoliberals have used (primarily via the media and academia) to reify globalization as globalism.

Steger insists that we need to critically examine the ideas and normative values of globalism, not just analyze its economic outcome. On this basis, he eschews the kinds of statistical data that so richly inform Benjamin Barber’s *Jihad vs. McWorld* (1995), but relies instead on a careful examination of the ideological dynamics of globalism, revealing some of the strategies and slight-of-hand used by neoliberals to promote their private interests as a public good worthy of a generalized support. The result is a well-reasoned and balanced examination of globalism and the forces arrayed against it.

These are the five claims that Steger defines as central to the ideology of globalism: (1) Globalization means market deregulation and integration; (2) Globalization is inevitable and irreversible; (3) Nobody is in charge of Globalization; (4) Globalization will benefit everyone; (5) Globalization will further the spread of democracy in the world. Steger examines each one of these claims at some length, comparing the ideological claims to the historical record.

Note that neoliberals promote globalism by talking about globalization. This subtle shift in terminology allows globalization—trade and political relations carried out on an interregional and intercontinental scale—to be conflated with globalism, the term Steger uses to describe the expansion of unregulated capitalism. Steger maintains this is a true paradigm shift, allowing market values rather than human values to be used to validate social choice.

Because neoliberals are making claims about globalization, Steger defines this term as well. He divides the discourse on the process of globalization into two categories, academic and public, with three broad arguments:

1) Globalization is “globaloney,” an “analytically impoverished,” “vacuous term” that is so ambiguous that it is meaningless. As a strategy, denial allows globalization to proceed unexamined and unchecked. Steger claims that refuting this charge would require more data about the material process, with greater depth of analysis, and a critical analysis of the ideology behind globalism. (17)

2) Globalization is a false concept that denies the reality of local and regional structures. These theorists (Hirst and Thompson) argue that globalization is largely a myth used to promote neoliberal interests and to disempower local political controls. They present data that show today's trading patterns in a historical light, with Europe, East Asia and North America as the traditional foci. (22)

3) Globalization is not a novel "new market paradigm" as claimed by the neoliberal camp; it is an historical process that has been aided by political and technological progress. Economist Robert Gilpin points out that international economic exchanges (labor and capital) were actually much greater prior to WWI. World systems theorists (Frank and Wallerstein) argue that colonial exploitation and imperialism go back to the ancient empires of Rome, Persia and China, emphasizing, "globalizing tendencies have been proceeding along the continuum of modernization for a long time." (23) Steger notes that although the world systems perspective sees global integration as an ongoing, historical process, these theorists have presented it as a primarily economic process, with ideology and culture given a subordinate role, giving rise to a theory that relies on statistical analyses that neglect the powerful social impact of these changes. This touches on a central tenet of Steger's argument, the idea that human will and choice create market models, rather than the inverse, where market logic dictates the limits of human choice.

Neoliberal demand for unrestrained development is premised on the theory of biomimicry, arguing that economies and nature rely on the same patterns of development: a pre-existing condition that evolves into a successfully specialized adaptation, resulting in a new pre-existing condition, which in turn, invites endless specialization and innovation. Neoliberals argue that government regulations that inhibit economic activity are akin to trying to regulate the processes of evolution and so are doomed to failure. Steger is arguing that economic systems are not constrained in the same way as are biological systems. There are at least four significant differences between the neoliberal economic model and the biological relationships they claim as their standard.

First, as Steger points out, pre-existing economic conditions are brought into being by human will, not just survival-of-the-fittest in the marketplace. The neoliberal evolutionary model relies on a purportedly objective market logic that rewards successful innovators and extinguishes less successful competitors, based on how well each utilized the pre-existing material

conditions. However, those pre-existing material conditions were the results of political power and human will, not a natural process of elimination. Thus, in the economic realm, human will creates the parameters, not the forces of nature.

Another difference has to do with the relationship between competitors and resources under these two models. In natural systems, which neoliberals claim as their archetype, the coin of the realm is energy. Biological competitors struggle to capture, utilize and exchange energy that is firmly embodied in resources. In human systems of exchange we use currency to separate value from the resources that produced that value. The neoliberal economic model rewards competitors who successfully accrue displaced value. If this were natural, bears would hoard honey.

The third difference is a result of the second. In nature, the evolution of successful innovators creates increasing diversity, resulting in complex webs of energy users. In contrast, the unrestrained capitalism of the neoliberal model has centralized economic power, allowing for horizontal and vertical market integration that results in monopoly.

Finally, in natural systems, biological innovators are seeking a niche that will allow each to prosper at the expense of its competitors. In systems of human exchange, whether cultural, social or economic, there is a moral imperative that has precedence over survival of the fittest. Therefore, creating systems of exchange that recognize and accord each participant dignity and security is a goal in human systems that is not addressed in natural systems.

Steger insists that because globalism, with its alleged “natural” precepts, preceded and, indeed, created the current economic paradigm, we must examine the rationale behind the ideology if we are to understand the consequences of neoliberal policies. Steger then goes on to challenge neoliberal claims to historical inevitability by presenting alternative narratives about globalization.

Anti-globalist challengers come from diverse backgrounds and have formed unexpected alliances in their shared opposition to globalism. Steger gives his readers a comprehensive tour of the right-to-left spectrum, beginning with Patrick Buchanan’s *Reform Party* and Gerhard Frey’s *Deutsche Volks-union* as examples of the nationalist-protectionist position on the right. Because globalism makes traditional borders more porous to the migration of capital,

jobs and displaced peoples, leaders like Buchanan and Frey champion xenophobic responses to the crescendo of threats to cultural heritage and economic advantage. Although these groups direct their appeal to a populist base, Steger asserts they are fundamentally undemocratic because they rely on strong leaders and scapegoating rather than on an involved and informed electorate.

Ralph Nader's Green Party and the Zapatista Army of National Liberation (EZLN) are offered as examples of the international-egalitarian left. This perspective includes issue-specific organizations from civil society: environmentalists, feminists, and human rights advocates. In general, the international-egalitarian left avoids the nationalistic drum beating and scapegoating practiced by the nationalist-protectionists on the right, but they join with the right in identifying globalism as inherently undemocratic and a threat to the sovereignty of every nation. Steger maintains that this alliance between left and right has scored some significant victories in recent confrontations with neoliberal forces.

The 1999 "Battle of Seattle" was a pivotal point in the discourse on globalism because it allowed the struggle against globalist structures that supported corporate interests to gain center stage in mainstream media and because it fostered unity between dissimilar allies; resistance to the Seattle meeting of the World Trade Organization (WTO) was more extensive and better organized than anyone had expected. Steger explains this as the result of civil society's utilization of the same new communication and transportation technologies that neoliberals had used to advance their agendas. Organizations like *Third World Network*, *The International Forum on Globalization* and *Global Exchange* are offered as examples of the internationalization of the antiglobalist advocacy network, what Steger refers to as "globalization from below." (110)

Thus far, Steger has steered his readers a lucid path through shifting ideological shoals, but there comes a point when history must give way to potential future outcomes. This is the point in the book where he quite justifiably begins to waffle. He raises questions about the ongoing ideological struggles that his readers will see reflected in the daily news. Was the "Battle of Seattle" a blip or a watershed? Has the WTO and the International Monetary Fund (IMF) become more responsive to "globalization from below," or is their mild reformism simply political maneuvering? Will the nation-state be strengthened or transcended? This reader wants to see the

clarity and logic Steger has applied up to this point translated into clairvoyance about “Future Prospects,” the title of his last chapter. He does suggest some likely options and lobbies for a more democratic and egalitarian international order, but there are no promises, and this is as it should be, because this author is not marshalling true believers. One of the chief strengths of this book is that Steger is able to reveal his leftist bias without apology and without compromising the rationality of his argument. It is his radical rationality that makes so apparent the unsustainable duplicity of “globalism with a human face” and Anthony Giddens’s centrist “Third Way.” (137-8) The subtleties of rhetorical reform versus true structural reform are revealed because Steger has focused on the historical process and on the instrumentality of ideology.

Manfred Steger’s critical theory of globalization links the deliberative intent of ideology with the nuts and bolts of economic processes. In doing so, he articulates a much-needed and convincing alternative to the neoliberal worldview. More importantly, his methodology legitimates bringing purported objectives into the discussion, rather than just relying on selected outcomes to evaluate the juggernaut of globalism.