

GLOBALIZATION AND THE MULTIPLICITY OF MARKET POLITICAL ECONOMIES

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The breakdown of communist regimes and the transition from centralized planned to market economics bring us back to one of the most central problems of studies of modernity, modernity and contemporary society. Do they indeed foretell the “end of history”, the ultimate victory of a uniform liberal-market society to be perhaps threatened by ethnic or national upheavals, but beyond this marking in the direction of growing convergence-convergence of modern, industrial societies.

I

We all remember the famous theory of the convergence of industrial societies propounded in the early 1960s by Clanecker and others. This is a propitious moment to look at these theories again. What do recent experiences and problems tell us about them and the nature of the contemporary international – or rather global – scene? I use the term ‘global’ advisedly, because we now have a growing globalization of interrelations and influences that cannot be understood simply in terms of interactions between national societies and state apparatuses.

II

To elucidate these questions let us consider first the transformations now taking place simultaneously in Western and Eastern Europe. The two processes seem to be going in almost opposite directions. On the one hand we see in Western Europe a slight movement in the direction of unification. This is a peaceful movement, with relatively little violence, although there is quite a lot of political struggle associated with the various steps towards unification. In Eastern Europe the trend seems to be the opposite, sometimes with very unpleasant and bloody manifestations of disintegration.

As the same time there are some similarities between the processes in Eastern and Western Europe. One of the similarities, of course, is that the economies of Eastern Europe are – seemingly – moving in the direction of so-called market economies, i.e. in the same direction as Western Europe (I shall return to the apparent nature of this trend later). This is only part of the truth, however; the full pic-

ture is much more complicated. Despite the movement of East and West in different directions (greater federalization in Western Europe, the breakdown of federalization in Eastern Europe), I believe they share some common roots, which are basically the roots of European Western modernity in its various guises.

In my opinion the communist regimes should not be considered as a sort of autocratic *ancien regime*. They were modern regimes, but of a special type. This has been my firm belief since long before the breakdown. I used to shock colleagues by telling them that the old Soviet Union was basically almost a democratic state. Did it not have a constitution and elections? When people started to laugh, I asked them the following question: "Why were the Czars not in favor of having a constitution or elections, and why did the Soviets institute both and then regulate and control them in a very brutal way?" The answer, of course, is that the whole mode of legitimation was different. The legitimation of the Soviet regime was modern, the Jacobin mirror image, in a sense, of the legitimating arrangements in Western Europe. Jacobin elements exists in the West, of course, in different guises.

Another common factor in these regimes in both East and West was that they established, in different but not entirely contradictory ways, fairly clear boundaries for society and the state. These boundaries were opposite in many ways, but they were composed of similar components, albeit organized differently. What we see today, and this is a very important common element in the processes in both East and West, is that these boundaries, constructed in the nineteenth and especially the twentieth century, are now being radically transformed. Seemingly, again, entirely differently in the West and the East.

The nation state, which was the epitome of these boundaries in Western and Central Europe, is weakening; it is not disappearing. To talk of the disappearance of the nation state is an exaggeration. At the same time there is no doubt that the boundaries are changing quite radically. The same is true of the boundaries of the former communist regimes. First of all, the 'communist empire', whatever we may call it, has changed. The internal boundaries, not only geographic but also political and social, are changing greatly.

The transformation in Eastern and Western Europe also share some interesting political, social and cultural characteristics. The first is the great change in the nature of the relations between state and society, particularly the disenchantment - I would almost say *Entzauberung* (i.e. the loss of its 'magic' power) - with the political arena as the lever for the reconstruction of society. Common to the original projects of modernity, especially after the French Revolution, throughout Europe and then in the East, was the belief that society be reconstructed by political belief, by political action, even by political utopias; different types of utopia, open and more closed, totalitarian or perhaps less totalitarian. This strong belief in the

primacy of the political arena has now been weakened and retransformed in both the West and the East.

This does not mean that the political arena itself has become weaker. In terms of the resources available to it, it has strengthened significantly. With much greater leverage available to state it is almost impossible to do anything in the so-called market economies, even in Western Europe, without state intervention. On the other hand, the state, the political arena, the center, has lost some of the charismatic qualities which were very strong in the nineteenth and early twentieth centuries. One very interesting indicator is attachment to the army. The most dramatic illustration I have seen in recent years is Switzerland. Apart from the post office and the railways, the army is the only all-Swiss institution, and the first two are obviously less important in forging Swiss society. A few years ago there was a referendum in Switzerland on the abolition of the army: thirty per cent of the population were in favor. In the same vein, soldiers are organizing themselves into trade unions in the Netherlands and elsewhere. Could we ever imagine the army of a proper nineteenth-century nation state permitting its soldiers to form trade unions, let alone an electorate voting it out of existence? The point is that the political center has lost quite a lot of its charismatic power, not its administrative or financial power.

This can also be seen very clearly in the so-called new social movements (the ecological movement, the women's movement, regional movements) which are demanding resources from the center. They no longer want to reconstruct the center in a highly ideological way; rather, they want to move out of the center to create new autonomous areas for society, with less central control. This weakening of the symbolic significance of the political arena, of the belief that politics can transform society by itself, is also very strong in the East, of course. Take, for example, the eminent Hungarian writer Gyorgy Konrad, who was talking about leaving politics. Leaving political is also politics, but a different kind. This, in my opinion, is something common to the developments in both Western and Eastern Europe.

Closely related to this is the growing emphasis on civil society. Civil society has even become something of a slogan which is not always easy to define. The emphasis itself, however, is important and indicative. It is again a symbolic flight from the primacy of the political arena. In Western and Eastern Europe we have had this very strong emphasis on civil society for perhaps no more than ten years. Civil society was scarcely mentioned as an analytical concept in social science discussions in the 1950s, 1960s or 1970s. Suddenly it has reappeared. This is, in my view, a very interesting indication of the diminishing position of the political arena, and it will also be seen to be very interesting when we come to compare Europe and India shortly.

Thus there are common elements in Eastern and Western Europe, common roots, and currently a common emphasis on civil society. There are more and more

common contacts, increasing 'Euro-globalization', to coin a phrase. The interchanges between different European countries, in both Western and Eastern Europe, are becoming ever closer at every level, economic, administrative, political and ideological.

At the same time all these modern societies differ greatly from one another. They are certainly not becoming all of a kind with minor local variations. What we are witnessing today, on a regional scale in Europe and also on a world scale, is the development of multiple modern societies or civilizations: or multiple cultural programs of modernity, as I would prefer to call them. The term 'cultural' is used not in a narrow sense, but with very far-reaching institutional implications: different conceptions of authority, institution-building and political economy. All these conceptions are basically modern, despite the differences between them.

This does not mean that their mutual relations are becoming more harmonious. The older literature on development and modernization very often implied that the more modern societies become, the more harmonious and cooperative their mutual relations will be. The real tension in that perspective was between traditional and modern, and the real struggle would thus be between these two. This is no longer a generally shared view. There are now many different modern societies and growing tensions between them, some of them due to conflicts of interest, but many also due to different cultural conceptions.

These conceptions differ as to the kind of modernity they want and how they see each other. To give one illustration, the international trade conflicts between the United States and Japan are not only trade conflicts, they are also sharp cultural conflicts about different conceptions of nationhood, international relations, ideology and so on. Trade conflicts cannot be understood in purely economic terms: the economic aspect is important, but it is insufficient to account for the actual conflicts.

In Europe and throughout the world we have growing globalization, growing contacts and the development of modern life, but different modes of modernity. It is not merely a question of different degrees of development, which exist whatever economic indices we measure them by. Cutting across these different degrees of development, however, are different cultural conceptions within modernity.

Take, for example, the nature of democracy in India, one of the most fascinating problems in the study of contemporary societies. In terms of population India is the greatest constitutional democracy in the world today. Most theories of democracy somehow fail to fit the Indian case. Apparently there is something wrong with the theories. This is a different type of democracy, but different from the European and American type. We often forget that the European and American democracies are also different; Japan has yet another type of constitutional democracy. All these types are democratic, all are constitutional, but the political

culture, the rules of the game (not so much the formal rules as the basic conceptions of authority, accountability and the like) are very different.

They are all modern, certainly not traditional, but they are influenced in many ways by the respective historical experience of these different societies. We have to look very closely at these historical experiences in order to understand the differences.

III

This view goes to some extent against the so-called convergence of modern society which was very prevalent in early studies of modernization. While truly enough with the passing of time, there developed in all these studies growing recognition of the possible diversity of transitional societies, it was still assumed that such diversity could disappear, as it were, at the end-stage of modernity.

But, as is well known, and as has been abundantly analyzed in the literature, the ideological and institutional developments in the contemporary world would have not upheld this vision, and the fact of the great institutional variability of different modern and modernizing societies — not only among the “transitional”, but also among the more developed, even highly industrialized societies — became continuously more and more apparent, calling for a new perspective. Such a perspective was developed already twenty five years ago in *Post-Traditional societies* and taken up later in *Patterns of Modernity* (London 1988), and we would like to elaborate and systematize it now more fully.

Such perspective entails a far-reaching reappraisal of the vision of modernization, of modern civilizations. Such reappraisal is based first of all on the recognition that the crystallization and expansion of modernity has to be viewed as the crystallization of a new type of civilization — not unlike the expansion of Great Religions, or great Imperial expansions in past times. But because the expansion of this civilization almost always combined very intensive economic, political, and ideological dimensions and forces, its impact on the societies to which it spread was much more intense than in most historical cases.

These considerations do not negate the obvious fact that in many central aspects of their institutional structure — be it in occupational and industrial structure, in the structure of education or of cities — very strong convergences have developed in different modern societies.

These convergences were above all manifest in the development of common problems — but the modes of coping with these problems differed greatly between these civilizations. These differences are attributable to a great variety of reasons — such as, among others, the various historical contingencies, the historical timing of

the incorporation of different societies into the emerging international systems. But beyond all these reasons, even if in close relation to them, as the development of the new distinct cultural programmes of modernity which crystallized in these societies or civilizations.

Such different cultural programmes of modernity crystallized through the process of a highly selective incorporation and transformation in these civilizations of the various premises of Western modernity.

All these selections that developed in these societies entailed different interpretations of the basic cultural programme of modernity; they entailed different emphases on different components of these programmes — such as man's active role in the universe; the relation between Wertrationalität and Zweckrationalität; the conceptions of cosmological time and its relation to historical time; the belief in progress; the relation of progress to history as the process through which the programme of progress; the relations to the major utopian visions; and the relation between the individual and the collectivity, between reason and emotions, and between the rational and the romantic and emotive, could be realized.

In many of these civilizations the basic meaning of "modernity" — its cultural historical programme — was quite different from its original Western vision rooted in the ideas of Enlightenment, of progress, of the unfolding of the great historical vision of reason and self realization of individuals, of social and individual emancipation.

While modernity was, within many of the non-Western societies, conceived as growing participation both on the internal and international scene in terms derived from the ideas of equality and participation, the other dimensions — especially those of individual liberty, of social and individual emancipation and individual autonomy as closely related to the historical unfolding of reason, which were constitutive of the Western European discourse on modernity from the Enlightenment on, were not necessarily always accepted.

These differences were not purely cultural or academic. They were closely related to some basic problems inherent in the political and institutional programmes of modernity. Thus, in the political realm, they were closely focused on the relations between the utopian and the civil components in the construction of modern politics; between "revolutionary" and "normal" politics, or between the general will and the will of all; between civil society and the state, between individual and collectivity.

These different cultural programmes of modernity entailed also different conceptions of authority and of its accountability, different modes of protest and of political activity.

Similarly, these different cultural programmes of modernity have also greatly

influenced the formation of other institutional arenas — as well as the overall perception of the place of these civilizations in the contemporary world.

These different cultural programmes of modernity were not shaped by what has been sometimes designated as the natural evolutionary potentialities of these societies; by the natural unfolding of their tradition, nor by their placement in the new international settings. Rather they were shaped by the continuous interaction between the cultural premises of these different societies; their historical experience; and the mode of impingement of modernity on them and of their incorporation into the modern political, economic, ideological world frameworks.

Or, in greater detail these different cultural programmes of modernity and their institutional patterns of coping were shaped by a combination; first of the basic premises of the civilizations and societies within which these institutions developed, i.e., by the basic definition of the relation between the cosmic and social orders; of the social and political orders; of authority, hierarchy and equality that were prevalent in them. Second, they were shaped by the structure of the elites and counter-elites, especially heterodoxies and movements of protest, which were predominant then, and by the modes of protest as articulated by different counter-elites in different sectors of the society.

IV

Two illustrations, one concerning Western Europe, the U.S. and Japan, and one relating to India and Europe, will indicate some of the problems.

The illustration touching on Europe, the United States and Japan goes back to a small book published eighty years ago by an eminent German economic historian, economist and sociologist, Werner Sombart, called *Why is there no Socialism in the United States?* Why did Sombart ask this question? Having a European background and coming from a highly industrialized capitalist country, he assumed that a natural reaction to – or development of – capitalism is some type of socialism. It may be reformist, or perhaps revolutionary, but it will become a major political force, not just a debating club for a handful of intellectuals, small groups of anarchists and so on. Then he looked at the United States, which was just becoming a major industrial power. He saw no traces of socialism in the European sense although there were plenty of labor conflicts. These occur in any civilization, but the modes of the disputes were apparently very different. If Sombart had lived today, he could easily still have asked the same question.

Now he could also ask more or less the same question about Japan. While Japan does not have a socialist party, the similarity between it and any branch of European socialism (revolutionary, social democratic, etc.) is very sketchy. The

question, then, should perhaps be changed: instead of asking why there is no socialism in the United States and scarcely any in Japan, we should ask why there *is* socialism in Europe. The answer to this question may be that socialism neither was nor is, as Sombart assumed, the natural response to capitalism; it is the specific European response to capitalism, rooted in European political traditions and experience. If this is so, we have to look for different modes of expression of labor disputes in different places in order to understand the variety of modern civilizations.

Another closely connected element is the problem of civil society. Here it is very interesting to note that the caste system in India, a notion introduced by Westerners, starting with the English census of India, has performed many of the equivalent functions of civil society in Europe – not in the sense that it was based on conceptions of individual liberty, far from it, but in the sense that it was a highly autonomous force vis-a-vis the political rulers, but not necessarily favoring them. From a comparative point of view it is fascinating to consider the Indian caste system, that whole set of rituals with respect to family, kinship and regional relations, as a distinct type of civil society.

I call it a distinct type advisedly, because this brings me to a more general point on which I touched briefly when I discussed Europe. Civil society has become a slogan. The realities of civil society are very different in different European countries, and different yet again in other Western countries. Civil society in the United States, for instance, is an entirely different game from the one we play in Europe, and civil society in Sweden is very different from that in the Netherlands.

One of the characteristics of civil society in India concerns the relative weakness of the political arena, symbolically and organizationally. What we are witnessing today in India is that, while democracy in the sense of participation has become strongly rooted, there is a very great problem of governability. There were roots on which to graft participation, but the basis for building institutions to ensure governability was much shakier. This, in my opinion, is an important part of the Indian *problematique*. In Europe it may be the other way round: the conditions for governability are better rooted in elements in these modern societies, the ways in which they are being crystallized and coped with differ greatly. This can be related partly, but only partly, to the historical experience.

V

This applies also to the transition to market economy. Here also we do not see just an end of history, but the development of political economy, the market, that is winning over all the others. This is true if the market is compared only to the old type of planned society or planned economy. It does not mean, however, that we shall be

left with only one type of political economy. There is no such thing as a 'pure' market except in the thinking of some market fundamentalists. The United States, the closest approximation to the pure market that we know, has its Federal Reserve System, which regulates in some very interesting ways: some years ago, when the notorious crash of the savings and loans associations occurred, it was the state that had to step in and bail them out, at a price estimated by some as exceeding the United States' entire welfare budget.

The market *is* winning over centralized planning, but different types of political economy will develop based on different combinations of four basic elements: the market, regulation, intervention and welfare. What we see today throughout the world, I believe, is not just the spread of the market against all opposition, although it is sometimes described as such. All over, at least, the problem is really how to combine these four elements in continually changing ways, because they cannot be the same in different historical circumstances in the same society – and the experience of Japan and East Asia is of very great interest from this point of view.

We see the development not only of multiple cultural programs of modernity but also of multiple types of political economy. The components are similar in some ways; the way in which they come together, however, will be influenced not only by international relations, by globalization, but also by the internal political cultures of different societies.

This should be made absolutely explicit and should serve as the starting point for a sort of research programme. What are the different packages of development and social institutions which can develop in different places? What are the types of development, of political economy and of political regime, and how do they relate to social traditions? Development in the sense of an increase in productivity is a universal element; but there is no simple recipe for promoting it, combining it with other elements of modernity – neither for all societies nor for the same society in different periods. Historical periods are now changing very rapidly. It is not the end of history but rather the intensification of history.