

The Director's Lectures

Politics after Socialism

Lecture 5 - 20 January 1999

Let me welcome everyone back again for the beginning of the new term, and say how pleased I am to see you all again. When I saw you last time, it was 1998. This time it is 1999. Well, 1999 is a very important year because 1999 is the tenth anniversary of the opening of the Berlin Wall. It was in November 1989 that the Berlin Wall was opened, and the opening of the Berlin Wall, as everyone here will know, was an event of immense significance. Obviously, the Berlin Wall was in a very real sense the concrete epitome of a division of the world into two warring ideologies. But it also signalled something really massive in relation to the themes that I discussed last term.

If you remember, last time I was talking about the fate of Marxism, Marx's ideas, and what were the problems that they encountered. Well, with the fall of the Berlin Wall, Marx's ideas went into eclipse, or apparently went into eclipse. What the fall of the Wall signified was really a reversal of the whole trajectory of history, unanticipated, I think, by most of the leading thinkers, West and East. Because . . . remember Marx died in 1883, the Russian Revolution, the Bolshevik revolutions, 1917 . . . after that time, the whole history of the twentieth century seemed to conform to Marx's projections. The twentieth century was the period really of socialist revolution, the Russian Revolution was the first of a whole series of global revolutions which occurred after the course of the century. I think if you look at the first hundred years after Marx's death, you would have to say that world history conformed to the anticipation that Marx and most Marxists held of it. Remember, this was

to be a series of revolutions which would transcend the bourgeois revolution. This was to be the emergence of a socialist society which overcame the irrationalities of capitalism.

What happened in 1989 was that the whole of history was thrown into reverse, and really over the past ten years, those of us working in social and political theory, and working in practical political policy making, have been trying to grapple with the consequences of this. Because, not only did none of the dedicated Soviet watchers predict the fall of Soviet communism . . . I don't think any observer predicted the fall of Soviet communism in the way it happened, when it happened . . . but nor was Western political ideology geared up to this transformation. Both right and left, I think, assumed not only that the Soviet Union was here to stay, but that the coming battles would be just like the preceding battles between left and right, and between an advancing socialism world-wide and a defensive market capitalism. Well, the reverse has happened.

So, 1989 and the ten years since 1989 mark a period of very substantial re-thinking of social and political thinking, and of politics itself, to get to grips with the implications of this situation. It is very important to point out that what happened, not just in 1989 but over the past few years leading up to 1989, was not just a crisis for Marxism. It was also, and continues to be, a crisis for Western socialism too. Because, what happened in the West . . . you know, although there was never a revolution . . . what happened in the West seemed to many people to be conforming to something like the model that Marx had predicted. In the nineteenth century, you had a kind of wild form of capitalism. That wild capitalism was domesticated by parliamentary socialism. There were parliamentary socialist parties after all in all Western countries, with the exception of the United States. Parliamentary socialists invented, or consolidated, the welfare state. The welfare state seemed to produce a

humanised version of capitalism. So, I think, even in the West, one could say that there was a certain trajectory of history which seemed to be moving roughly in the direction which Marx had anticipated, even though it wasn't a revolutionary movement. And I think most people expected it to continue. If you look back to the writings of the 1960's, even early 1970's, among Western socialists, they mostly thought the welfare state would continue to expand. They mostly thought that Western societies were on the right track. They mostly thought that socialism could be achieved in the West, although socialism for them was reformist socialism, rather than revolutionary Marxist style socialism. Nevertheless it bore a lot of affinities to the other, to the more radical revolutionary form.

What happened is a crisis really of both systems, so it would be a mistake to suppose that simply the West triumphed, and the East lost out . . . or East European Marxism lost out . . . because there is a continuing crisis of welfare systems. There is a crisis of democratic legitimacy in Western countries, which I will be discussing in a subsequent lecture, and the model, really, which underlay reformist socialist thinking in the West has collapsed almost to the same degree as happened in the Soviet Union. So this is a true re-orientation of history, or appears to be one, in which instead of socialist revolutions, you had a process of what Marx would have regarded as bourgeois revolutions in Eastern Europe . . . as it were at least in Marxist terms apparently turning the clock back, rather than pushing the clock forward. Is this view of history appropriate? That is a question that I would like to ask in the lectures this term.

What accounts for this crisis? What explains this reversal of history? I think we do have an explanation . . . how far it is an adequate one is eminently debatable, because we are all wise after the event. I mean, I

didn't anticipate the 1989 revolutions any more than any other Western thinker did, so it is easy to be wise after the event. There were, of course, a lot of contingent factors in the collapse of socialism in Eastern Europe, and the transformation of the Soviet Union. But if you want to sum up one word as to what has happened in the world . . . why is the world changing . . . there is an answer, I think, and that one word is *globalisation*. Something has happened, or a series of changes have happened in the world, concentrated in something like the past twenty or thirty years or so, that are transforming world society, and which stand behind, in a structural sense, both the demise of the Soviet Union and the problems of political transformation in Western Europe, and in less developed countries elsewhere.

If you look back to the 1960's, and this . . . in the case of the Soviet Union, there are two aspects to this - there is a political and an economic aspect . . . if you look back economically to the early/mid 1960's, the Soviet Union appeared to be economically competitive with Western countries, in the sense in which, even if you allow for distortions of statistics, it showed quite high levels of economic development. And there are many people, including successive American governments in the 1960's, who believed that the Soviet Union was on line to overtake the United States by the time we reached the end of the century. Many people, quite realistically, believed this. The Soviet Union was doing quite well economically until somewhere into the early/mid 1960's, but thereafter dropped behind quite radically. What made the difference is the phenomena I am going to spend some time talking about today; economic aspects of globalisation. I think, crudely put, one could say the Soviet Union became uncompetitive with the emergence of a global electronic economy. That economy being based on a kind of marriage of information technology and computerisation, linked to the emergence of global monetary systems of

a kind which hadn't existed in the form before. The Soviet Union was not able to survive in the global electronic age, economically . . . or fell more and more behind the Western countries, especially the United States. There are lots more details to be filled in about that, of course.

On a political level, one consequence, as I will be trying to discuss today, of the impact of globalisation is the emergence of something like a global information society. Not just a global information economy; a sort of global information society in which electronic media play a fundamental role. In a globalising *mediatised* society, the forms of power that used to be effective become progressively less effective. The Soviet Union was not able to achieve the same degree of information monopoly and information control in the globalising electronic society as it had done for the first forty or so years of its existence. It couldn't stop people, for example, watching television programmes from the outside - this became particularly difficult to do in the East European countries.

These two aspects of globalisation structurally underlie a large number of the changes going in the world, which have created opportunities and problems for us in Western countries, but I think underlie structurally the dissolution, actually, of the Soviet Union itself. We live in an era of *soft* power, rather than *hard* power. The Soviet Union appeared to many people monolithic, immovable, because it was based on hard, totalitarian power in an era of mediatised communications. Soft power (power which is based more on information rather than on top-down totalitarian systems) seems to fit much more closely with the emerging world society. And this is why, I think anyway, what seemed to be so solid simply turned to air. The amazing thing about the Soviet Union is that it seemed to be so solidly entrenched because it was based upon such concentrated power, and yet, almost overnight it was gone,

transformed largely without violence, as though it had never been there in the first place. One of the most extraordinary sequences of events really, I think, in modern history is this vanishing act really, of Soviet communism . . . followed by other vanishing acts, I think, because Apartheid in South Africa looked as though it could only be overthrown by violence, and by consolidated power. But Apartheid also, in a way, kind of vanished over night without very much violence, in a way in which very few people anticipated. There is something going on here which relates to larger globalising processes.

I remember very well the event in which . . . there was a famous Professor here, many people will know, called Ernest Gellner, Professor of Sociology at LSE, then Philosophy, and then Professor of Anthropology at Cambridge. Ernest Gellner was born in Prague, in central Europe. He was there before the communists came. I went to Prague with him in about 1991, after communism had dissolved, and was walking with him through the city. He said that he had expected communism to last another hundred years. He even wrote that in one of his articles not long before 1989. He was an immensely sophisticated social and political thinker, who thought, like most of us, that Soviet communism, rooted in an oppressive form of totalitarian power, is extremely difficult to move. So he didn't anticipate this any more than other leading thinkers did. There is something very, very interesting going on in our society, and in world society as a whole, that explains this apparent reversal of history and the structural transformation.

The answer, I think, is globalisation, but globalisation is a matter of intense debate in the social sciences today, and we have to take a look at this debate before exploring it a bit further. The history of the word globalisation is itself very interesting. Up to about ten years ago, virtually no one used the term globalisation. You hardly find it in the

academic literature, and you don't find much reference to it certainly in the popular press, up to very little time ago. Now suddenly it is everywhere, everyone talks of globalisation. Every politician talks of globalisation, every business expert talks of globalisation, and lots of academics talk about it too. Well, they are right to do so, because the debate about globalisation is perhaps the most important debate going on in the social sciences today.

But, the term globalisation came from nowhere to be everywhere so suddenly that it is not surprising that it has polarised opinions. There are two quite different views about the concept of globalisation and about the reality underlying it. One of these views has come to be called the views of the *globalisation sceptics*. The person who invented this terminology is the political scientist at the Open University, David Held. David Held and his colleagues have just written what I think is the definitive study of globalisation, the largest, most systematic account of the changes going on in the past twenty or thirty years. This is called *Global Transformations*. It is not coming out until about March-time however.

Anyway, David Held and his colleagues talk about the globalisation sceptics, and there are many of them around. The globalisation sceptics are essentially nothing new under the sun; that is, people who believe that all the talk of globalisation is just that - simply talk. That there is in fact no reality which conforms to that talk. The globalisation sceptics argue that although the word globalisation is everywhere, in fact it is a sort of invention, an ideology invention, which doesn't correspond to reality. They say that the world in which we live isn't in fact very distinctively different; not from thirty or so years ago, and, in some ways, not from one hundred years ago. The key text, I am sure some

people here will know, for this is Grahame Thompson and Paul Hirst, *Globalization in Question*.

The argument of the globalisation sceptics essentially runs like this. They say, if you look at statistics on the global economy, the level of concentration in the global economy today is not much greater than it was thirty or so years ago. And they say, especially if you compare the global economy now with a hundred years ago, it looks rather similar. One hundred years ago, they say, there was already a lot of global competition. There was an open currency regime, there was established currency markets, even passports didn't exist in most countries in the late nineteenth century in the way in which they later came to do. So they say, well the late twentieth century is at most a reversion to the late nineteenth century. It is not something different from what has been known before.

According to them, all the talk about globalisation has really been invented by right-wing ideologists, who want to attack the welfare state, who want to cut down on funding for welfare systems, and to emphasise globalisation as a way of doing this. The globalisation sceptics tend to be on the political left, or left of centre, and it is easy to see why, if you say there hasn't been much change, well then of course you can say that we can go on as before, the welfare state can stay intact, the nation state is still the same as it always used to be, we don't need to make much adjustment in our political ideology. All that has happened is that the notorious Mrs Thatcher and one or two other right-wing ideologues came along and mounted an attack upon the welfare state, legitimising it by the notion of globalisation.

There is a completely different view which David Held and his colleagues call, if you'll forgive the term, the *hyper-globalisers*. A good

example of the hyper-globalisers is the Japanese thinker, Kenichi Ohmae. He has written a book, for example, called *The Borderless Economy* and another called *The End of the Nation State*. The hyper-globalisers have an almost contrary view to the globalisation sceptics. What the hyper-globalisers say is that, yes, we live in a world of wholly radical change. Yes, this change is concentrated in the last twenty or thirty years. These changes are so radical that they are transforming the nature of our economics. They are destroying the institutions of the nation state. They mean that political power has become largely obsolete in an era dominated by the globalisation of the economic marketplace. Ohmae argues that the nation state, as he puts it, has become just a fiction. We still tend to act as though nation states are important, but they are not. What is important in the new world economy, Ohmae says, are regional economics. You have all sorts of regional groupings emerging, often cross-cutting the boundaries of nation states. For example, the Hong-Kong/south-east China area is a kind of industrialised area which is largely separable from the rest of the China, and orients itself to the world economy. The area around Barcelona, in Catalonia – what has this got to do with Spain, Ohmae says. It is really orientated towards the Europe Union, and through there to the wider world economy. What you have emerging in a globalised world, according to Ohmae, is the emergence of cities as well, linked to these regions. You have a number of emerging global cities. Global cities find their identity and get their economy from the global marketplace not from the nation state of which they are a part. London is a global city, it has an enormously large financial sector, orientated towards the world marketplace - New York, Tokyo, Paris and so forth, all becoming global cities, according to Ohmae. The nation state has no role in the borderless world. The nation state is, as it were, a hangover from the previous type of society, being increasingly dissolved by globalisation.

If therefore you find that people have no interest in politicians, if people are losing trust in politicians, Ohmae says, well it is completely understandable because nation politics has become more and more irrelevant to our lives. What is determining our lives is really the movement of the global marketplace, and this is something which politicians can't control. Nations are subject to the vagaries of the movement of the marketplace, and although they may posture and declare that they are going to do something about it, politicians are largely impotent in the face of these global forces, and I imagine Ohmae reinforced this view as a result of the Asian crisis, because the Asian crisis seemed to many people to demonstrate that it is the global flow of capital, which no one controls, that really determines what is going on within national economies.

It is another extraordinary thing, not quite as dramatic as the fall of the Soviet Union, but another extraordinary thing, because, one moment the Asian economies were miracle economies, and the next moment they were a disaster area. Well, nothing much changed within those economies themselves - what changed is a massive flight of capital from them, and some kind of disinclination to invest on the part of the, mostly based in the West, investment community. Ohmae would say this is characteristic of the new global economy. The nation state belongs to the past, political power belongs to the past, the welfare state has no role in this world. We have to prepare ourselves for the advent of something completely new.

Well, who is right in this controversy? You can't grasp on modern politics, I think, unless you make a decision about this. Because, globalisation is the backdrop to most political discussions today, and to the transformations of political ideology which are going on. If you look

at the new European centre-left, for example, the hegemonic centre-left in Europe, with thirteen out of fifteen EU countries having left-of-centre governments. These left-of-centre governments universally define themselves in terms of a social democratic response to globalisation. Everywhere you go in the world you find governments defining themselves in response to globalisation, so it matters enormously who is right in this debate - the sceptics, the hyper-globalisers, or perhaps some alternative position.

Well, as is usual in these debates, I think the answer is indeed an alternative position to both of them. But my own inclinations are closer, in some ways, to those of the hyper-globalisers, because I think you can . . . and I think in David Held's book and other recent literature it is fairly definitively shown that the past thirty or so years have introduced something different into the world economy. The world economy over the past thirty or so years is not just an evolutionary development from the previous state of the world market-place. You can document it in relation to trade; levels of trade are higher, much higher than ever been before on a global level, they are often regionalised, because the European Union, for example, trades mostly with itself, and this is true of other economic blocks, but the flow of goods is much greater than it has ever been before. Services are traded much more extensively than they ever have been before.

But the key change on the economic level is not the trading of goods. The key change is what Danny Quah, the economist here, calls the emergence of the *weightless economy* . . . the emergence of a global weightless economy. In other words, a global economy based more upon trading of information than trading of goods. Epitomised above all in the transformation of currency markets and financial markets more generally. The biggest changes are located there. What we have seen

over the past twenty or so years is the emergence of global electronic markets, which have completely transformed really the nature of trading in currency, trading in bonds, trading in, to some extent, equities, and other investment goods. There simply is no parallel in previous eras. The volume of money turned over in the global currency market is simply stunning, and it has gone up by a factor of something like several thousand per cent over the past twenty or so years, beginning from the early 1970's, coming through to the late 1990's. This is not just the past – it is something different. It is something we all have to come to terms with, because it affects us more immediately, more profoundly than any global economic system has done previously.

So, I think the hyper-globalisers are right to say, we are living in an era of radical globalisation, where globalisation is different from previous eras. Where it is not just the long-standing tendency of Western capitalism to expand, as Marx always argued. It is not just an extension of that. It is a kind of radicalised, de-centralised version of that. No longer simply controlled by the Western nations, because no one really controls money markets anymore. Mr Soros, the famous LSE graduate, doesn't control money markets, even though he makes an impact on them, but nor does any political leader right up to, and including, the President of the United States. No one controls the electronic marketplace. They should, in my view, and I'll come onto that later on. Economic governance should be on the agenda, indeed is on most people's agenda. This is not a run-away world which we can do nothing about. But that it is different from previous eras I think is now very clearly demonstrated in the literature on globalisation.

To that extent therefore, I think that the globalisation sceptics are certainly wrong. We are living through a period of very dramatic transformation. However, I think both sides are wrong in the sense in

which they tend to identify globalisation as purely an economic phenomenon. It is certainly driven in some substantial degree by economic factors, but it is a basic mistake, I think, to understand globalisation as wholly, or perhaps even primarily, an economic phenomenon. I think that when you look at the phenomenon of globalisation - it has political aspects, it is changing the structure of states without destroying the nation state, it has technological aspects, because it is a phenomenon of communication, and it has cultural aspects, because it is changing many aspects of people's lives, including everyday life as well as larger structures in the world.

So, I would like to argue that globalisation is a phenomenon not even primarily of the economic system, but really a transformation in communication structures. One of the reasons why the modern era . . . the intensifying of globalisation that begins in the sixties . . . is that it is in the sixties that you had the first satellite communication systems established across the earth. The first American satellite wasn't sent up until about the mid 1950's, it was only an experimental one. But, already by the early 1960's, and going through to the present day, you have a global satellite system which makes instantaneous communication possible across the earth. It is the first time in human history that instantaneous communication across the earth has ever been possible. In a world in which it is possible, you not only get changes in economic structures . . . because you wouldn't have global currency regimes and markets without this technological revolution in communications . . . it also changes people's everyday lives, because it is just a different thing to live in a world where information is instantaneous, and where that information impregnates itself directly on what we do. It is changing so many structures of our lives. So, I would like to suggest to you that it is the communications revolution, or perhaps the marriage of the communications revolution with computerisation, which is perhaps the

most fundamental, at least technological fix upon the current era of intensifying globalisation.

It is also a mistake however, to see globalisation as just an *out-there* phenomenon, to see it as just about the big systems of the world. It is also about everyday life, it is also about even personal life. All across the world, for example, you find the debate going on about the role of the family, about sexuality, about identity, and about gender. This is also a truly globalising revolution in people's lives, partly carried by electronic technology, although not wholly so. I don't believe there is a single country in the world in which there isn't a debate, for example, about the family. Where there isn't such a debate, it is because it is repressed by fundamentalist regimes. It is not accidental this is happening. What globalisation is doing in this high electronic era is to kind of invade our everyday lives, to force us to live a much more reflexive life, because it tends to alter the role of tradition and custom in our lives. We live in a world of, if you like, radical de-traditionalisation, where the past no longer dominates our lives, especially in Western countries, as much as it used to do. The past also dominated sexuality, gender, the family; these things remained very largely rooted in tradition norms and morality, even while the public sphere of capitalism was becoming transformed in the nineteenth century. What is happening now is that all these spheres of life are becoming opened up, are becoming unearthed. And, we have to debate them openly, we have to reach a reflexive assessment even of our own individual selves, we can't just simply take for granted what people used to do. In the realm of gender relationships, for example, it used to be simply a taken for granted thing that men and women were different, that they live different lives, that the trajectory of the life of a women would be different from that of a men, because of child-bearing and being out of the market-place. Well, these things are no longer true. They are no longer true in

Western countries, and they are becoming less and less true in other countries too.

Globalisation is therefore also a transformation of everyday life, of the nature of self, of the nature of our emotions, of the nature of how you construct local solidarities, how you construct friendships, how you construct sexual relationships, and how you construct a relationship between parents and children. These things are becoming transformed world-wide, and you have to see the rise of fundamentalism as a reaction to them. Fundamentalism is not something which has always been around. Fundamentalism is a child of the globalising age and the electronic age. Fundamentalism is an aggressive, defensive tradition in a de-traditionalising world, and I think it is not accidental that fundamentalist groups world-wide tend to concentrate a good deal of their attack upon changes affecting the position of women, sexuality and the family. Because this is where some of the most fundamental changes in our lives are going on, and they are the changes that the fundamentalist groups, I think, often feel most strongly about. They therefore insist that homosexuality is evil, they insist that men and women have a fixed role in life, they insist that children have a particular role in the family, and so forth. All these things, however, are now open to debate. You can't any longer avoid that debate. It is no longer an academic debate. As we live our lives we have to form some relationship to it.

So, the best way to understand what is happening in the world, is to see globalisation as not just as some big forces impinging on us.

Globalisation is like a shift in the institutions of our lives. The institutions in which we live our lives; economic, cultural, governmental. It doesn't mean, as Ohmae says, the end of the nation state. But I think everyone can see that the role of the nation state is changing, everyone can see that nations are busy reinventing themselves. There is no better case of

this than the United Kingdom. If you ask why the Scots want more autonomy, it is not just that Scotland has always been different. It is that the demand for autonomy is a reaction to globalising forces. Scotland has more chance to become autonomous partly because of the existence of the European Union. The European Union is a globalising force. It is larger than the nation force. All nations are actively kind of reinventing their past. It is not the end of the nation state, but it is a transformation of what the nation means. I think the European Union is a kind of paradigmatic case of this. The European Union is something bigger than a nation, not a super-nation state, not a federal state, something different. In it, nations are reshaping their identity, but they are not disappearing. We'll talk about this later on . . . but there are so many transformations going on in life, where we use the same words, but where underneath everything is changing. I call these *shell institutions* because . . . for example, we still talk of the nation state, but the nation is becoming transformed. We still talk of the family and marriage, but the family and marriage in Western countries have changed so much that these are a sort of continuing label for something which underneath looks very different.

So, I think globalisation is really about the transformation of the impact of distance on our lives, the transformation of space. Events which happen a long way from us make a much more immediate impact on our lives than they used to do. That is what globalisation means. Put positively, it is something like the emergence of a global cosmopolitan society. I mean, I like to put this by saying that we are perhaps the first generation to live in this emerging global cosmopolitan society. Whose institutions as yet we barely understand, but which are different from those of the past. Whose structures we barely can map out, but we see emerging. And which presents a mixture of opportunities and new risks and dangers to us. I think this cosmopolitan society is a promising place

because, although it has its dangers, which I'll come on to in a minute, the fall of the Berlin Wall, from which I started, marks the end, I think, of the geo-political era. Or I think one can at least lodge that claim. With the disappearance of the bi-polar system, you have the emergence of a society in which nations and states do not clearly have enemies in the way in which they used to do before. It would be very difficult to say who is the enemy of the UK as a specific threat to the security of the UK. In that kind of cosmopolitan world, it makes much more sense to argue that you could have an emerging cosmopolitan democracy, something which I'll be talking about in a subsequent lecture. It is no longer utopian, I think, to suppose that you could have democratic systems which transcend the level of the nation, and indeed to some extent in the European Union you already have these. It is no longer utopian to speak of global economic governance being linked to those emerging democratic structures. There is a great deal of a positive side to the emergence of this as yet ill-formed global cosmopolitan society driven by the communications revolution. It does however have different dimensions, and each of these dimensions also creates risks and dangers for us. You could probably recognise several, but I would distinguish four main dimensions to the emerging global system in which we live.

First, you have the world capitalist economy, transformed by an advent of electronic financial systems. Well, all of these systems go back to the early years of industrialism, but they are becoming increasingly globalised and transformed. The world capitalist economy, I think, now stands without rivals, and this is an amazing transformation. No one knows any alternative to capitalism anymore. Marx's alternative is dead. Other socialist alternatives are compromised. No one knows any alternative, in some sense, to a global market society. Our problem is to find a global market society which is humane, which follows some of the

values that Marx identified, that is consistent with solidarity, and doesn't produce polarisation. Well at the moment it does produce polarisation. I think the dark side of the world capitalist economy, or one of them, is expanding global inequality. You remember that Marx argued that capitalism produces a polarisation between rich and poor. In this he seems to be right. A market society left unregulated does seem to do this, and this seems to be happening on a world level. If you look back over the period I've been talking, the past twenty or thirty years, you find an increasing gap opening up between the poorest countries and the most affluent countries. World inequality is one of the most fundamental problems that we face, and will face in the first years of the twenty-first century. Very accurately documented – the world capitalist economy is uneven in its development. Whole continents can become excluded. Sub-Saharan Africa is one of those continents – it has not been drawn into the global information revolution in the way in which many other areas have. You have other shifts of course, because you have the Asian miracle during the years in which it was an Asian miracle. That wasn't produced by socialism, it was produced by some form of capitalism. But the question, what capitalism? It is a basic question for politics now. How can we control inequality while delivering the fruits of economic development? Is a really basic issue facing us.

Second, you have a newly consolidating and more complex international division of labour, separable in principle from the world capitalist economy. International division of labour means the distribution of production world-wide. Where the big companies . . . where the trans-national companies locate themselves, world patterns of trade emerge, creating differences between world-regional development. The large corporations have emerged, as everybody knows, as increasing dominant actors in this globalising era, at least as globalisation is unfolding at the moment. The global expansion of

industry also has its dark side, which is something about which Marx had little to say. Environment degradation, or the destruction of ecosystems of the earth. The global expansion of industry is creating enormous ecological risks, which all of us know at least something about.

Third, you have the world nation state system, which is in an interesting state of evolution as a result of globalising processes. The nation state is becoming transformed. At the same time, it is certainly not disappearing. Ohmae is surely wrong about that, because I think you could say, this is the era of the nation state. This is the first time in human history at which the nation state has become more or less universal. Because previously there were empires. The Soviet Union was a kind of empire. The nations of Eastern Europe, for example, did not have much autonomy within the Soviet empire. There have been other empires in the twentieth century, of course, including the British empire, which only finished I suppose with the final transfer of Hong Kong a couple of years ago. So this is perhaps the era of the dominance of the nation state, but that very era is one in which the nation state itself is becoming very radically transformed. On the other side of global governance, the rise of the global nation state, there are massive problems, as we all know, of human rights. Human rights abuse, the use of government power to fuel oppressive regimes in different parts of the world. Becoming interestingly transformed however, in a globalising era, in a way in which I'll talk about subsequently . . . but certainly undergoing many changes.

Finally, you have a global military order. The distribution of the means of violence world-wide. You have to separate this from the others, at least analytically, because the distribution of military power is, in principle, separable from the other dimensions of the world system. Military power

is also changing its role in the electronic globalising era. Military power is no longer, I think, so closely linked to the role of the nation state in a traditional geo-political sense. This is something which obviously has positive possibilities, as I mentioned earlier. It does look at least plausible to say that major war between nation states will become rarer in the twenty-first century than it has been in the twentieth century. You have to have some caution in saying this because people were saying it at the end of the nineteenth century too. They were looking for the emergence of a kind of peaceful commonwealth of nations, and what happened? Well, they got two world wars, they got massive violence associated with Stalinism, Cambodia, and so forth. So you have to be cautious about this, but there seem to be structural reasons why it makes sense to say that war between nations will become less common. Organised military violence of that form will become less common. However, enormous risks still exist, and these are particularly risks of civil violence, plus still nuclear proliferation. By civil violence I mean . . . perhaps it's not a very good term . . . I mean the outbreak of localised savage wars of the kind we have seen in parts of Africa, or might horrifically be happening again in the Balkans at the moment. Not wars between nations, not wars between strong governments, but wars deriving from the edges of weak government. These wars might become common of course, in the twenty-first century . . . we don't know. But they are different, probably, from preceding forms of military violence. Nuclear proliferation still remains fundamental, because the number of nuclear weapons in the world hasn't really declined, and the possibility of transferring them to other nations is a quite acute possibility, especially at the moment given the limitations of global international regimes.

All these, I would say, for us, have a positive side. All these transformations happening at all these levels, including everyday life,

are part of what is creating this emerging cosmopolitan society. But they all create new risks. I don't think there is any one of these areas where there aren't new risks, which other generations probably have not to face. When you are facing new risks, you have difficult problems because you can't face them in the old ways. You don't really know just how risky they are. We do live in a world of very radical transformation, where we can't use history, I think, as previous generations have done so much as our guide. The problem for a post-socialist politics is first of all, to decide about globalisation. And my decision, as it were, about globalisation analytically, is that globalisation is real. It is affecting our lives in fundamental ways. It is not just an extension of the past. It is changing everyday life. Politics must respond. But second, you must decide what kind of response is possible. We are moving out of an era which Ohmae and writers like him represent, where people thought nothing could be done. Where people thought that market forces are due to rule our lives, and that they are like forces of nature. That we simply have to give up on Marx's idea of trying to control human history. We can't give up on that idea, I think. We must look to recreate active government in our globalising era. We think we've got a much better sense of how to do this than we used to do, and this will be something I'll be talking about in subsequent lectures. So again, I hope you will all have a nice term. Nice to see you back. Thanks very much.