

SOEREN HARS

www.soerenhars.de

soeren@soerenhars.de

London School of Economics - Business, International Relations & the Political Economy



Essay

The globe is round. And it is moving around the sun.

Thoughts on the Ghemawat-Friedman debate

Published in November 2018

About

Title: *The globe is round. And it is moving around the sun. Thoughts on the Ghemawat - Friedman debate*

Author: Soeren Hars

Format: Essay

Published in field of studies: *Business, International Relations & the Political Economy*
Online Course, *London School of Economics and Political Science*.

Internet publication: available at www.soerenhars.de (2018), PDF.

The essay was published by the author himself on the internet, Kiel/Berlin, 2018

Layout: Soeren Hars

Copyright: All intellectual rights reserved by the author. Use under rule and application of common academic quotation requirements allowed. Any print in commercial intent is prohibited without approval of the author.

Note of publication: This essay was extracted from an online forum post in an debate on “How global are we?” during the studies at the LSE as mentioned above. The available version has been completely edited prior to publication on the internet. The first draft was published in September 2018, London (London School of Economics, Online), while this version on hand was published at www.soerenhars.de in November 2018.

The globe is round. And it is moving around the sun. Thoughts on the Ghemawat -Friedman debate

“The radical empiricist onslaught (...) provides the methodological justification for the debunking of the mind by the intellectuals—a positivism which, in its denial of the transcending elements of reason, forms the academic counterpart of the socially required behavior.”

Herbert Marcuse (One-Dimensional Man, 1964, p. 13)

The earth, the globe is not the world. Even though the earth, and especially the social life humans built on in it - that humans in their limited capacity of observation call "world" - is already chaotic enough. But that is not the end of the story. The globe finds itself in another chaotic system: the universe, or, to keep it more handy: the solar system. The globe is round, it is not flat. If our "world" could be considered as flat would highly depend on the grade of imagination, and its limitation, in terms on the question what the world is: *"my world"*, *"your world"*, or maybe, if we allow to agree: *"our world"*. Thus, it is a question of how we interpret the world, how we define our world, its limitations and shape – thus, if we would suggest our little cosmos as being flat, or round. At least we did in a constructivist conception, as I would suggest here.

In the article "It's a flat world, after all" (Friedman 2005) Friedman believed to discover the approach of a new kind of actor in doing world business: A cosmopolitan businessman, an educated worker, digitally enabled, perfectly connected over the internet, communicative, working abroad, traveling across the planet, buying online, selling worldwide, meeting with other cosmopolitans, producing commodity for his multinational company in supply chains spread all over the world - producing one piece here and the other there. Being a global somebody, while being anywhere, at anytime. Hence, one could read Friedman's provoking article as an observation of a rising new social subject, an actor global change. Meanwhile Antonio Negri and Michel Hardt (2001) analyzed the global world, in the beginning of the 0'ers of the 21 century, very different and less affirmative to global capitalism than Friedman. For Negri and Hardt (2005) the discovery was the idea of the *Multitude*, an emerging social entity of an immaterial working class, already acting and directly aiming to build a socialism of the 21st century. While, in contrast to that, Friedman seem to see the subject, the actor of change, as a business-like type of person driving globalization to reshape economic operations towards a global, automatized, technology and information based postmodern cyber capitalist

economy – e.g. to a state of late capitalism Negri and Hardt considered to be the *Empire*, a fully (politically, socially, technically and economically) integrated world as an entirety of a world society.

Ghemawat's (2012) opposed Friedman's conception, by arguing that people are not as globally connected as Friedman thought, and moreover, that in general the world is not as globalized as widely seen by many. Ghemawat's argument at this point is striking the heart of both globalization conceptions, that are briefly mentioned above, which, many agree today, more than a decade after their publication, have maybe really been too optimistic and too general - but for other reasons than Ghemawat argued. Ghemawat's is saying that the world is semi-globalized rather than globalized today. His arguments, on the first view seem to be grounded in data, while on the second view – his arguments are beyond everything that, for instance in anti-globalization movements, pro-globalization politicians or other scientists have been talking about ever since these movements or the idea of globalization occurred. For instance Ghemawat's relies his arguments that the world is very little globalized on data-sets considering the frequency of people doing phone calls abroad. Of course if someone living in London intends to order a pizza he would usually not call a pizza service in Shanghai or Singapore. What a trivial finding. But that is basically the argument of Ghemawat, if you bring it down to operation. Of course if someone has most of his or her friends linked in his domestic country he wouldn't do many phone calls to places abroad, considering this just besides the fact that people usually use Skype, Whatsapp or Facebook to communicate with people abroad, simply because phone calls from Europe to another continent are still pretty expensive today in 2018. Who would doubt, that of course many in this world live in their communities, without ever having the ability to move around the planet or even travel? Who would doubt, that borders and border forces are still to hold people from migrating, especially from poor countries to the rich?

But do all of those questions really contain arguments in their answers supporting the proposal of seeing the world as semi-globalized? By the way: who produced the clothes Ghemawat wore on stage while promoting his theory? A local manufacturer in his hometown? Probably not, but he will know. Where was the microphone made he held on stage, where were the parts for the camera produced that spotted on him? In a factory in his county? And what about Youtube, where his TED-Talk can be viewed from all across the planet? Another example of a new localism?

First one maybe needs to agree on what is integrated and interconnected globally, which today is the not only the climate or the internet, but also, last but not least, the world economy. Even if one personally won't make many phone calls to abroad, today in 2018 the macro-economics are closely linked across the planet. For instance Argentina is sliding into a crisis these days, since the Fed in the U.S. raised interest rates and Argentina is suffering from credits in Dollars (Hurriyet 2018). At least this is the explanation by analysts we may read in today's newspapers. The same analysts also say today, that many other emerging countries (like India, South Africa, Brazil) suffer the same dollar-problem, though not as severe as Argentina.

In the image of a "world" and a "globe", we could say that the world economy is like a sun, while all the local economies, are more like planets that surround it. In the economic solar system (world economy) there is no planet (national economy) independent from the whole system (world market). No currency today exists just by itself – within the global monetary system it is always traded and measured in an exchange rate to other currencies and values and especially to the leading currency of the world: the dollar. Each regional economic system, and even the very most local economic systems (villages, provinces, etc.) exist today in the relation to the entirety of the world economy and the world ecology. Even the very last indigenous village in the amazonian one can find plastic from China being used there in households. And even there climate change hits. And even there wood is cut, to be sold on the world market or gold mined a few miles away. And even there money is being used, hand by hand in danger to lose its value by inflation as it is valued in world's monetary system.

Maybe Friedman was in fact too optimistic on how people are enabled by globalization to move across the planet. He overestimated in his prediction that all production and supply chains would soon decentralize all over the planet, when he described and focused only on the reality of a certain exclusive class of a very specific postmodern business Bohemia and the ease of doing global business of multinational corporations. But still, the arguments of Ghemawat's as much grounded in radical empiricism they might be, are not only trivial but completely misleading, because they mostly misunderstand and pass what globalization is: a global and highly distinguished arrangement of the world market, the money system, the interconnection of society, politics, the climate, technological innovation. And it passes how deeply events and trends in one part of the world affect other localities.

If a meteor hits a planet it might burst. The bursting parts, can devastate other planets, surrounding moons, or shift planetary paths. Mr. Friedman, the globe is not flat but round, we

shouldn't drop back beyond that finding, or science would have lost its achievements of more than 500 years. And Mr. Ghemawat, our "world" – our economic universe – is not a compilation of isolated and sorted parts, it is rather interconnected and chaotic. And within the empire's chaotic system the economy is structured by laws which are followed by repeating but temporary, epochal patterns – the economic production conditions. Other than physical or economic laws that deliver bases as basic options for current patterns, the patterns themselves are not forever.

Resources:

Marcuse, H. (1964): *One-Dimensional Man*. Beacon: Boston 1964

Friedman, T.L. (2005): *It's a flat world, after all*. In New York Times. Available:

<https://www.nytimes.com/2005/04/03/magazine/its-a-flat-world-after-all.html?mcubz=2>

Negri, A. & Hardt, M. (2001). *Empire. The New World Order*. First Harvard Press paperback edition. USA.

Negri, A. & Hardt, M. (2005). *Multitude: War and Democracy in the Age of Empire*. Hamish Hamilton London. P. 65-66

Ghemawat, P. (2012): *TED Talk*. Available: [https://www.youtube.com/watch?](https://www.youtube.com/watch?v=KPNn880KWfU)

[v=KPNn880KWfU](https://www.youtube.com/watch?v=KPNn880KWfU)

Hurriyet Daily (2018): *Moody's forecasts contractions in Turkey, Argentina in 2019*

Available: <http://www.hurriyetaidailynews.com/moodys-forecasts-contractions-in-turkey-argentina-in-2019-138685>