

John Gray: The World is Round

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Subject: The World Is Round

The World Is Flat: A Brief History of the Twenty-first Century by Thomas L. Friedman

1.

The belief that a process of globalization is underway which is bringing about a fundamental change in human affairs is not new. Marx and Engels expressed it in 1848, when they wrote in a justly celebrated passage in *The Communist Manifesto*: All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with his sober senses his real conditions of life and his relations with his kind. The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere. The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country.... It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilisation into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.

Marx and Engels had no doubt that they were witnessing the emergence of a global market—a worldwide system of production and consumption that disregarded national and cultural boundaries. They welcomed this development, not only for the increasing wealth it produced but also because they believed it enabled humanity to overcome the divisions of the past. In the global marketplace nationalism and religion were destined to be dwindling forces. There would be many convulsions—wars, revolutions, and counterrevolutions—before the Communist order was securely established; but when global capitalism had completed its work a new era in the life of humankind would begin.

The centrally planned economies that were constructed to embody Marx's vision of communism have nearly all been swept away, and the mass political movements that Marxism once inspired are no more. Yet Marx's view of globalization lives on, and nowhere more vigorously than in the writings of Thomas Friedman. Like Marx, Friedman believes that globalization is in the end compatible with only one economic system; and like Marx he believes that this system enables humanity to leave war, tyranny, and poverty behind. To his credit Friedman recognizes the parallels between his view and that of Marx. He cites an illuminating conversation at Harvard in which the communitarian political theorist Michael Sandel alerted him to the fact that the process of global "flattening" he examines in his new book was first identified by Marx, quoting at length from *The Communist Manifesto*—including the passage cited above—and praising Marx for his prescience. This acknowledgment of the parallels between his view of globalization and Marx's theory of history is welcome and useful.

John Gray: The World is Round

Friedman has emerged as the most powerful contemporary publicist of neoliberal ideas. Neoliberals have a wide variety of views on political and social matters, ranging from the highly conservative standpoint of Friedrich Hayek to the more rigorously libertarian position of Milton Friedman; but they are at one in seeing the free market as the fountainhead of human freedom. Though in some of his writings he shows a concern for the casualties of deregulated markets, Thomas Friedman is a passionate missionary for this neoliberal faith. In his view the free market brings with it most of the ingredients that make for a free and humanly fulfilling society, and he has propagated this creed indefatigably in his books and in columns in *The New York Times*.

Friedman's views have been highly influential, shaping the thinking of presidents and informing American policy on a number of issues, and it may be instructive to note the matters in which he shares Marx's blind spots. Because they were on opposite sides of the cold war it is often assumed that neoliberalism and Marxism are fundamentally antagonistic systems of ideas. In fact they belong to the same style of thinking, and share many of the same disabling limitations. For Marxists and neoliberals alike it is technological advance that fuels economic development, and economic forces that shape society. Politics and culture are secondary phenomena, sometimes capable of retarding human progress; but in the last analysis they cannot prevail against advancing technology and growing productivity.

Friedman is unequivocal in endorsing this reductive philosophy. He writes that he is often asked if he is a technological determinist, and with the innocent enthusiasm that is a redeeming feature of his prose style he declares resoundingly: *"This is a legitimate question, so let me try to answer it directly: I am a technological determinist! Guilty as charged."* (The italics are Friedman's.)

Technological determinism may contain a kernel of truth but it suggests a misleadingly simple view of history. This is well illustrated in Friedman's account of the demise of the Soviet Union. Acknowledging that there "was no single cause," he goes on:

To some degree the termites just ate away at the foundations of the Soviet Union, which were already weakened by the system's own internal contradictions and inefficiencies; to some degree the Reagan administration's military buildup in Europe forced the Kremlin to bankrupt itself paying for warheads; and to some degree Mikhail Gorbachev's hapless efforts to reform something that was unreformable brought communism to an end. But if I had to point to one factor as first among equals, it was the information revolution that began in the early- to mid-1980s. Totalitarian systems depend on a monopoly of information and force, and too much information started to slip through the Iron Curtain, thanks to the spread of fax machines, telephones, and other modern tools of communication. What is striking in this otherwise unexceptionable list is what it leaves out. There is no mention of the role of Solidarity and the Catholic Church in making Poland the first post-Communist country, or of the powerful independence movements that developed in the Baltic nations during the Eighties. Most strikingly, there is no mention of the war in Afghanistan. By any account strategic defeat at the hands of Western-armed Islamist forces in that country (including some that formed the

organization which was later to become al-Qaeda) was a defining moment in the decline of Soviet power. If Friedman ignores these events, it may be because they attest to the persistent power of religion and nationalism— forces that in his simple, deterministic worldview should be withering away.

It is an irony of history that a view of the world falsified by the Communist collapse should have been adopted, in some of its most misleading aspects, by the victors in the cold war. **Neoliberals, such as Friedman**, have reproduced the weakest features of Marx's thought—its consistent underestimation of nationalist and religious movements and its unidirectional view of history. They have failed to absorb Marx's insights into the anarchic and self-destructive qualities of capitalism. Marx viewed the unfettered market as a revolutionary force, and understood that its expansion throughout the world was bound to be disruptive and violent. As capitalism spreads, it turns society upside down, destroying entire industries, ways of life, and regimes. This can hardly be expected to be a peaceful process, and in fact it has been accompanied by major conflicts and social upheavals. The expansion of European capitalism in the nineteenth century involved the Opium Wars, genocide in the Belgian Congo, the Great Game in Central Asia, and many other forms of imperial conquest and rivalry. The seeming triumph of global capitalism at the end of the twentieth century followed two world wars, the cold war, and savage neocolonial conflicts. Over the past two hundred years, the spread of capitalism and industrialization has gone hand in hand with war and revolution. It is a fact that would not have surprised Marx. Why do Friedman and other neoliberals believe things will be any different in the twenty-first century? Part of the answer lies in an ambiguity in the idea of globalization. In current discussion two different notions are commonly conflated: the belief that we are living in a period of rapid and continuous technological innovation, which has the effect of linking up events and activities throughout the world more widely and quickly than before; and the belief that this process is leading to a single worldwide economic system. The first is an empirical proposition and plainly true, the second a groundless ideological assertion. Like Marx, Friedman elides the two.

2.

In *The World Is Flat*, Friedman tells us that globalization has three phases: the first from 1492 to around 1800, in which countries and governments opened up trade with the New World and which was driven by military expansion and the amount of horse-power and wind power countries could employ; the second from 1800 to 2000, in which global integration was driven by multinational companies, steam engines, and railways; and the third, in which individuals are the driving force and the defining technology is a worldwide fiber-optic network. In each of these phases, he tells us, technology is the driving force: globalization is a byproduct of technological development. Here Friedman deviates from the standard view among contemporary economists, who see globalization largely as the result of policies of deregulation. Here he is closer to Marx—and to the realities of history.

John Gray: The World is Round

In any longer perspective what we are witnessing today is only the most recent phase of worldwide industrialization. In the nineteenth century the world was shrunk by the advent of the telegraph; today it is shrinking again as a consequence of the Internet. Contrary to Friedman, however, the increasing facility of communication does not signify a quantum shift in human affairs. The uses of petroleum and electricity changed human life more deeply than any of the new information technologies have done. Even so, they did not end war and tyranny and usher in a new era of peace and plenty. Like other technological innovations, they were used for a variety of purposes, and became part of the normal conflicts of history. It is necessary to distinguish between globalization—the ongoing process of worldwide industrialization—and the various economic systems in which this process has occurred. Globalization did not stop when Lenin came to power in Russia. It went on—actively accelerated by Stalin's policies of agricultural collectivization. Nor was globalization in any way slowed by the dirigiste regimes that developed in Asia—first in Japan in the Meiji era and later in the militarist period, then after World War II in Korea and Taiwan. All these regimes were vehicles through which globalization continued its advance. Worldwide industrialization continued when the liberal international economic order fell apart after World War I, and it will carry on if the global economic regime that was established after the fall of communism falls apart in its turn.

There is no systematic connection between globalization and the free market. It is no more essentially friendly to liberal capitalism than to central planning or East Asian dirigisme. Driven by technological changes that occur in many regimes, the process of globalization is more powerful than any of them. This is a truth that Friedman—as an avowed technological determinist—should accept readily enough. If he does not, it is because it shows how baseless are the utopian hopes he attaches to a process that abounds in conflicts and contradictions. Globalization makes the world smaller. It may also make it—or sections of it—richer. It does not make it more peaceful, or more liberal. Least of all does it make it flat. Friedman's by now famous discovery of the world's flatness came to him when he was talking to Nandan Nilekani, CEO of one of India's leading new high-technology companies, Infosys Technologies, at its campus in Bangalore. The Indian entrepreneur remarked to Friedman: "Tom, the playing field is being leveled." The observation is commonplace, but it hit Friedman with the force of a revelation. "What Nandan is saying, I thought, is that the playing field is being flattened.... Flattened? Flattened? My God, he's telling me the world is flat!" Five hundred years ago, Columbus "returned safely to prove definitively that the world was round." As a matter of fact it was not Columbus who provided the proof but the Portuguese navigator Ferdinand Magellan, whose ship circled the globe in a three-year voyage from 1519 to 1522. Regardless, Friedman sees himself as a latter-day Columbus who has discovered that the world is no longer round: "I scribbled four words down in my notebook: 'The world is flat.'"

John Gray: The World is Round

The metaphor of a flat world is worked relentlessly throughout this overlong book, but it is not its incessant repetition that is most troublesome. It is Friedman's failure to recognize that in many ways, some of them not difficult to observe, the world is becoming distinctly less flat. While he acknowledges the existence of an "unflat" world composed of people without access to the benefits of new technology, he never connects the growth of this netherworld of the relatively poor with the advance of globalization. At times his failure to connect is almost comic. Recalling his visit to the Infosys headquarters in Bangalore, Friedman writes:

The Infosys campus is reached by a pockmarked road, with sacred cows, horse-drawn carts, and motorized rickshaws all jostling alongside our vans. Once you enter the gates of Infosys, though, you are in a different world. A massive resort-size swimming pool nests amid boulders and manicured lawns, adjacent to a huge putting green. There are multiple restaurants and a fabulous health club. Friedman notes in passing that the Infosys campus has its own power supply. He does not ask why this is necessary, or comment on the widening difference in standards of life in the region that it represents. Yet it is only by decoupling itself from its local environment that Infosys is able to compete effectively in global markets. Infosys demonstrates that globalization does have the effect of leveling some inequalities in world markets, but the success of the company has been achieved by using services and infrastructure that the society around it lacks. As it levels some inequalities, globalization raises others. Friedman tells us that he is in favor of what he calls "compassionate flatism," which seems to mean a range of centrist or social-democratic policies designed to enhance job mobility while preserving economic security, such as portable personal pensions. In an American setting these may be useful proposals, and it is strange that in the countries that have been most exposed to the disruptive effects of globalization Friedman appears to favor neoliberal policies of the most conventional kind. He describes the fall of the Berlin Wall as a "world-flattening event," and cites Russia as one of the countries that has most benefited from the new flat world.

There can be no doubt that the Soviet collapse represented an advance for human freedom. Yet since then Russia has suffered rising levels of absolute poverty and large increases in inequality of wealth, and it seems clear that the economic "shock therapy" administered on Western advice just after the Communist collapse contributed to these developments. Price decontrol wiped out small family savings, and by limiting the benefits of privatizing government industries to a small number of insiders produced a marked concentration of wealth. As a result, large parts of the Russian population have been excluded from the benefits of the global market. Other policies could likely have avoided or mitigated this outcome.[1]

In view of the Soviet inheritance, the process of transition was bound to be prolonged and difficult. Attempting it in the space of a few years was folly, and shock therapy resulted in the impoverishment of many millions of people. It also fueled a backlash against the West. Socioeconomic change on the scale that occurred in post-Communist Russia tends to produce a political aftershock, and the emergence of Vladimir Putin can be seen as an unintended consequence of Western-sponsored free market policies. In some contexts free market policies continue, but Putin has reasserted political control of the economy as a whole, reined in the political activities of the oligarchs, and demonstrated a degree of independence from Western influences. As a result his quasi-authoritarian regime seems to possess a popular legitimacy that Yeltsin's lacked, and there is no discernible prospect of Western-style "democratic capitalism."

Globalization has no inherent tendency to promote the free market or liberal democracy. Neither does it augur an end to nationalism or great-power rivalries. Describing a long conversation with the CEO of a small Indian game company in Bangalore, Friedman recounts the entrepreneur concluding: "India is going to be a superpower and we are going to rule." Friedman replies: "Rule whom?" Friedman's response suggests that the present phase of globalization is tending to make imbalances of power between states irrelevant. In fact what it is doing is creating new great powers, and this is one of the reasons it has been embraced in China and India.

Neoliberals interpret globalization as being driven by a search for greater productivity, and view nationalism as a kind of cultural backwardness that acts mainly to slow this process. Yet the economic takeoff in both England and the US occurred against the background of a strong sense of nationality, and nationalist resistance to Western power was a powerful stimulus of economic development in Meiji Japan.

Nationalism fueled the rapid growth of capitalism in the nineteenth and early twentieth centuries,[2] and is doing the same in China and India at the present time. In both countries globalization is being embraced not only because of the prosperity it makes possible, but also for the opportunity it creates to challenge Western hegemony. As China and India become great powers they will demand recognition of their distinctive cultures and values, and international institutions will have to be reshaped to reflect the legitimacy of a variety of economic and political models. At that point the universal claims of the United States and other Western nations will be fundamentally challenged, and the global balance of power will shift.

3.

In *The Lexus and the Olive Tree* (1999), Friedman focused on the tension between the “Lexus” forces of global economic integration and the “Olive Tree” forces of cultural identity, and in *The World Is Flat* he tells us that after September 11 he spent much of his time traveling in the Arab and Muslim worlds and lost track of globalization. Actually it was not globalization he lost sight of but rather the forces of identity that shape it. Friedman writes that the nation-state is “the biggest source of friction” in global markets. In fact nationalist resistance to globalization is more prominent in advanced countries such as France, Holland, and the US than in emerging economies. Friedman himself expresses concern about the impact of outsourcing on American employment, and there has been a steady drift toward greater protectionism in the Bush administration’s trade policies. American nationalism may already be acting as a brake on globalization. In the fast-industrializing countries of Asia, nationalism is one of globalization’s driving forces. Rising nationalism is part of the process of globalization, and so too are intensifying geopolitical rivalries. Just as it did when the Great Game was played out in the decades leading up to the First World War, ongoing industrialization is setting off a scramble for natural resources. The US, Russia, China, India, Japan, and the countries of the European Union are all of them involved in attempts to secure energy supplies, and their field of competition ranges from Central Asia through the Persian Gulf to Africa and parts of Latin America. The coming century could be marked by recurrent resource wars, as the great powers struggle for control of the planet’s hydrocarbons.[3]

Moreover, worldwide industrialization appears to be coming up against serious environmental limits. An increasing number of expert observers believe global oil reserves may be peaking,[4] and there is a consensus among climate scientists that the worldwide shift to an energy-intensive industrial lifestyle is contributing to global warming. If these fears are well founded the next phase of globalization could encompass upheavals as large as any in the twentieth century.

It would be wrong to suggest that Friedman is oblivious of these risks. In an interesting aside, he writes: Islamo-Leninism, in many ways, emerged from the same historical context as the European radical ideologies of the nineteenth and twentieth centuries. Fascism and Marxism-Leninism grew out of the rapid industrialization and modernization of Germany and Central Europe, where communities living in tightly bonded villages and extended families suddenly got shattered.

Again, Friedman recognizes that many of the innovations of the current phase of globalization are reproduced in al-Qaeda. In the past two decades some of the most advanced global corporations have ceased to be top-heavy bureaucracies, and become streamlined networks of entrepreneurs and venture capitalists. Al-Qaeda has emulated this change, operating as a network of autonomous cells rather than the highly centralized organizations of revolutionary parties in the past. Perhaps most interestingly, Friedman acknowledges that America’s dependency on imported oil exposes it to attack, and urges American energy independence:

John Gray: The World is Round

If President Bush made energy independence his moon shot, in one fell swoop he would dry up revenue for terrorism, force Iran, Russia, Venezuela, and Saudi Arabia on the path of reform—which they will never do with \$50-a-barrel oil—strengthen the dollar, and improve his own standing in Europe by doing something huge to reduce global warming.

Friedman's advocacy of American energy independence illustrates the error of a unidirectional view of history. Energy autarchy may be a sensible policy, but it signifies a retreat from globalization. The Lexus and the Olive Tree trumpeted the arrival of a harmoniously integrated world. Since then the US has suffered terrorist attack and become mired in an intractable insurgency in Iraq. Against this background the prospect of severing one of the crucial supply chains that link the US with the world is beginning to look extremely tempting. As he has done in previous books Friedman has expressed a powerful larger mood, and in this respect *The World Is Flat* may prove a prescient guide to future American policy. Yet while greater energy independence may be an American national interest the notion that it would force recalcitrant countries onto a path of neoliberal reform is wishful thinking. A large drop in the oil price would surely destabilize the rentier economies of the Gulf and Central Asia, from Saudi Arabia to Turkmenistan, and in some countries could lead to the establishment of democratic rule. However, in a number of cases the chief beneficiary would likely be fundamentalism. Does Friedman really believe that democracy in Saudi Arabia would produce a liberal, pro-Western regime? In this and other countries, American energy independence could well further the advance of radical Islam. As it has done in the past, globalization is throwing up dilemmas that have no satisfactory solution. That does not mean they cannot be more or less intelligently managed, but what is needed is the opposite of the utopian imagination. In a curious twist, the utopian mind has migrated from left to right, and from the academy to the airport bookshop. In the nineteenth century it was political activists and radical social theorists such as Marx who held out the promise that new technology was creating a new world. Today some business gurus have a similar message. There are many books announcing a global economic transformation and suggesting that governments can be reengineered to adapt to it in much the same way as corporations. *The World Is Flat* is an outstanding example of this genre.

Unfortunately the problems of globalization are more intractable than those of corporate life. States cannot be phased out like bankrupt firms, and large shifts in wealth and power tend to be fiercely contested. Globalization is a revolutionary change, but it is also a continuation of the conflicts of the past. In some important respects it is leveling the playing field, as Friedman's Indian interlocutor noted, and to that extent it is a force for human advance. At the same time it is inflaming nationalist and religious passions and triggering a struggle for natural resources. In Friedman's sub-Marxian, neoliberal worldview these conflicts are recognized only as forms of friction—grit in the workings of an unstoppable machine. In truth they are integral to the process itself, whose future course cannot be known. We would be better off accepting this fact, and doing what we can to cope with it.

John Gray: The World is Round

Notes

[1] For an analysis of the failures and social costs of Western-sponsored "market reform" in post-Communist Russia and an assessment of alternative policies, see Peter Reddaway and Dmitri Glinski, *The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy* (United States Institute of Peace Press, 2001).

[2] For an interesting view of the role of nationalism in the emergence of capitalism, see Liah Greenfield, *Nationalism: Five Roads to Modernity* (Harvard University Press, 1992).

[3] See Michael T. Klare, *Resource Wars: The New Landscape of Global Conflict* (Metropolitan, 2001).

[4] See Kenneth S. Deffeyes, *Hubbert's Peak: The Impending World Oil Shortage* (Princeton University Press, 2001).

About the Author:

John Gray (born [1948](#)), is a prominent British political [philosopher](#) and author, currently School Professor of European Thought at the [London School of Economics](#).

Gray contributes regularly to [The Guardian](#), [New Statesman](#), and [The Times Literary Supplement](#), and has written several influential books on political theory.

John Gray is one of the world's most prominent political thinkers. His career has spanned three decades as a scholar, and as a university teacher and public intellectual. Gray's prolific and provocative output - totalling some fourteen books and countless articles, op-ed pieces and newspaper reviews - make him in the opinion of many currently the leading active practitioner of a liberal tradition stretching from Isaiah Berlin back to J.S.Mill and Thomas Hobbes.

His close critical reading of the history of liberal thought has produced an original and controversial response to the conditions of late modernity. Gray's "agonistic liberalism" exposes the tension between value-pluralism and liberalism's claim to be the sole moral and political doctrine that reasonable people can accept. Because he holds that many conflicts of basic values **cannot be resolved by the impartial reasoning advocated by today's neutralist liberal orthodoxy**, Gray argues that hard bargaining and brute power - that is, politics - resist the abstract theory and moralizing which marks some modern political and moral philosophy.

One-theory man?

Gray is not a one-theory man. His work reveals a breadth of interest, and a readiness to discard previously held convictions, which is anathema to narrow academic specialisms. He also displays a pragmatism about economic and technological realities which has not always proven popular. His syncretic approach, drawing on many disciplines outside political theory, and receptiveness to new ideas yield sharp new insights and apparent inconsistencies.

John Gray: The World is Round

His most recent works, *Straw Dogs* and *Al Qaeda and What it Means to be Modern*, illustrate his continuing engagement with the central political issues of our time, including Islam and terrorism, globalization, environmentalism, and the prospects for humanity in the modern world.