

'a future perfect' by john micklethwait and adrian wooldridge essay sample

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The book, *A Future Perfect* by John Micklethwait and Adrian Wooldridge, accentuates the fast approaching phenomenon of globalization, which is the ideal term for describing the process of human modernization through interaction and development. It provides various examples of how globalization has contributed positively to our world. The examples provided in the book are well explained and backed-up by solid evidence, although the opinions of the authors are rather biased. The three focus points of the book are globalization of business, politics and culture. These authors identify, examine, and analyze the many forces that have been changing the world in which we live through globalization.

Globalization is not a new concept to the world's economists, as it has been around for a couple centuries. This way of thinking began with Adam Smith's writings on the "invisible hand" in 1776 but it was not until the early 1900s that this concept became a reality. Some believe that in the past the world was more global than today, but there is now a lot more trade, multinational companies, and capital markets. Despite this, the early twentieth century saw free movements of people, capital, and minimal intervention by governments (Micklethwait and Woodbridge 5). There was a period of protectionism with the beginning of the First World War in 1914 that included the Second World War, the emergence of communism, the cold war, numerous trade wars, the nationalization of industries, the great depression, and other recessions (p. 8). It was not until Margaret Thatcher and Ronald Reagan came into power in Great Britain and the United States respectively that the global economies once again became liberalized and open to global trade.

These opened markets have resulted in three so-called engines of globalization: " technology, the capital markets, and management" (p. 29). The three concepts are all intertwined, as explained by Micklethwait and Wooldridge, and as a result capitalism and free trade have emerged. With the free flow of capital it is easier for individuals and companies to purchase new technology, while new innovations allow for the quicker exchange of capital and money. Improved and shared management methods also aid in the use of capital and technology in business operations (p. 29).

Globalization has become one of those words that are used in many different contexts and as a result there are great misunderstandings associated with it. In terms of business there are five misconceptions or myths that should be looked at: globalization is resulting in the success of only large companies, the emergence of completely global products, that economics and the business cycle needs to be updated, and geographic location is no longer a factor (p. 100).

Globalization is said to be destroying the nation-state as well as the role of government. This is rooted in the incorrect idea that governments are too small to deal with the large global economy and too big to affect individuals. Governments' power is not the same as it used to be but this is only natural because of the opening of markets and privatization of industries (p. 147). Despite the emergence of world governmental organizations, such as the United Nations, there has not been much shift in power as they have had limited success in regulating the nations. The major barrier facing nations seems to be from below, and the shift of power to smaller states within (p.

155). The strength of nation states seems to be holding up so far but in the future the barriers between countries will become less apparent.

There are many countries and people that are afraid of a global culture as they see it as an American invasion. One of the main arguments used is the spread of Hollywood films worldwide, and their apparent popularity. What is not seen is Europe's history of equal market share in other industries such as music and television. The success of foreign cultures stem from the openness of people's minds to a new and different idea way of thinking.

The main beneficiaries of globalization are what the authors refer to as cosmocrats. " These people constitute perhaps the most meritocratic ruling class the world has seen, yet they are disconnected from local communities as the companies they work for." (p. xxii). An example of this group is the young internet savvy people who work for the start-ups in Silicon-Valley. These people are anxious about becoming obsolete in ever changing markets and as a result have few local roots or responsibilities to their surrounding society. This globalization also produces losers which can be categorized into three groups: the has-beens; the storm damage; and the non-starters (p. 247). Respectively, these losers are those whose jobs are no longer needed; those who cannot succeed because of financial and other disasters beyond their control; and those that never had a fair chance to succeed because of lack of education and other factors.

Globalization has many opponents who focus on the negative results of globalization. They see it through loss of jobs, deterioration of public

services, the greater gap between rich and poor, and unfair competition. While these points do not always relate directly to globalization but rather corruption and bad management they fail to realize that, according to Micklethwait and Wooldridge, the good far outweigh the bad.

According to the authors of A Future Perfect the business idea that globalization is a win-lose situation is incorrect because it is false to say that in order for someone to gain from globalization another must have suffered to an equal degree. Anti-globalists argue that globalization has caused the loss of jobs in industrialized countries because companies can make products in other places where labour is cheap. This is not true because there are few workers in the United States that "...are in direct competition with workers from poorer countries" (p. 110). The reason for this is because the majority of jobs related to this are from industries such as health care and construction which are not multi-national. Also, most manufacturing jobs are in industries where the job competition is with other developed countries, while low-skilled workers have been doing worse in jobs that do not relate to foreign competition. There are two suggested causes of these job losses: immigration and technological change.

There has been much discussion as to what the result globalization has had on developing countries in relation to the developed. Even though these poorer countries do offer lower wages, the richer countries generally consist of a more educated, skilled, and all-around productive workforce. Both these types of countries tend to complain about their economic position, but research has shown that free trade has helped developing countries reduce

the gap between them and developed countries. In 1960, the average wage in developing countries was just 10 % of the average manufacturing wage in the United States, but over the years it had risen to 30% in 1992 (p. 111). The aim of trade is to help countries specialize in what they are best at, such as in the case of developing countries where labour-intensive industries are best suited. When countries are able to do this everyone benefits, as consumers are offered better products for lower prices and producers are able to produce what they do best.

While the previous points and statistics supporting globalization were from A Future Perfect they were not all accurate based on other sources of information. While it was argued that globalization helps poorer countries, according to the United Nations report in 1999 the gap between the rich and the poor is greatly increasing. The amount of people who still live on less than one dollar a day has stayed the same at 1.3 billion (Denny & Brittain, 1999). The gap between the richest fifth in the world and the poorest has gotten worse: from 30 to 1 in 1970, to 60 to 1 in 1990, and it is now 74 to 1 (Denny & Brittain, 1999). It was suggested that in order to help poorer countries there must be a code of conduct for multinational corporations and the creation of an international legal centre. There was also a decrease in the per capita GDP from 1980-2000, which was “ the difference between doubling income per person, versus increasing it by just 21 percent” (Baker et. al 2000). The largest decrease was in the poorest countries of the world as they went from a modest rate of improvement to a declining GDP.

The United States has said that they have created nearly 21 million jobs since 1992, which leads people to believe that the growth in jobs is positive when in fact this increased trade has actually had the opposite effect. According to the Economic Policy Institute's issue brief #139, the opposite effect has been a decrease in average wages within manufacturing industries. In relation to trade there has been a " creation of 3. 1 million jobs due to exports, but a 7. 3 million job loss due to rising imports, for a net effect of 3. 2 million job loss" (Scott 2000). As mentioned in A Future Perfect there is a shift from manufacturing jobs to service, but this is costly for the 11. 4 million workers because of lost wages, moving expenses, and retraining. (Scott 2000) From these points we can see that globalization has had numerous negative effects relating to business.

According to one line of argument, globalization constrains states: free trade limits the ability of states to set policy and protect domestic companies; global problems exceed the grasp of any individual state; and global norms and institutions become more powerful. Others suggest that in a more integrated world nation-states may even become more important: they have a special role in creating conditions for growth and compensating for the effects of economic competition; they are key players in organizations and treaties that address global problems; and they are themselves global models charged with great authority by global norms. It is quite obvious that Micklethwait and Wooldridge accentuate the borderless world when it comes to globalization.

They also believe that governments are becoming less powerful than they once were and that they no longer propel a nation's growth. For example, in the 1960's government spending accounted for 15% of America's growth, in the 1990's it accounts for 2% (Micklethwait and Woodbridge 148). The private sector fixed investment nearly doubled in growth from 1960 - 1990 (p. 148). Thus as governments become less powerful and meaningless the more prevalent the private sector becomes. As this occurs, nations begin to build more bridges, roads, tunnels and railroads to its neighbors in order to expose the products and services thus "transborder networkings" (p. 152) arises. They go on to say that the nation-state isn't on the decline, but, well, "nobody denies" that it is losing power to other sorts of government and the real questions are "how much and to whom" (p. 152). Thus the authors conclude: "Even without creating a borderless utopia (hell), even without achieving full realization, globalization has clearly changed the points of reference of the modern politics." (p. 335)

However, a recent article in the Globe and Mail labeled "Globalization takes back seat" relating to the G20 meeting suggests that nation-states remain to dominate in the manufacturing and service sectors because it is more likely for industries to trade in a national or regional approach. They proclaim that it is cheaper, more efficient and less time consuming to deal within these clusters, such as Silicon Valley for technology and Milan for textiles. Thus Silicon Valley for instance interacts within its entity or 'cluster' for the most part instead of trading with other places around the world. Hence, according

to the writer of the article, regional states will remain prominent due to the fact that most business is done within a specific district..

A standard complaint about globalization is that it leads to cultural homogeneity: interaction and integration diminish difference; global norms, ideas or practices overtake local customs; many cultural flows, such as the provision of news, reflect exclusively Western interests and control; and the cultural imperialism of the United States leads to the global spread of American symbols and popular culture (cf. H. Schiller, *Mass Communications and American Empire*, 1969; C. Hamelink, *The Politics of World Communication*, 1994).

The counterargument made by Micklethwait and Wooldridge stress new heterogeneity that results from globalization: interaction is likely to lead to new mixtures of cultures and integration is likely to provoke a defense of tradition; global norms or practices are necessarily interpreted differently according to local tradition, and one such norm stresses the value of cultural difference itself; cultural flows now originate in many places; and Western world does not determine a one homogenized culture and by no means does it impose such an idea. (cf. B. Barber, *Jihad vs. McWorld*, 1995; M. Featherstone et al., eds., *Global Modernities*, 1995; J. Tomlinson, *Cultural Imperialism*, 1991). Also the authors Micklethwait and Wooldridge make known that globalization does not involve the conquest of any particular culture exploiting another. It expands horizons to an exceptional range of ideas and influences.

It promotes cultural mixing, and schools people with diversity knowledge. The authors go on to say that globalization does not contaminate cultures to such an extent that people scowl upon. Peoples tendency is to use globalization as a scape goat. However, " cultural deserts have been produced by officials trying to preserve " their" cultures from corruption at the hands of aliens" (Micklethwait and Wooldridge p. 201). Cultural change is not only a story of loss and destruction, but also of gain and creativity: as a result of increasing links, old forms of diversity do vanish, but at the same time a new cultural diversity comes into existence. Socialist, Peter Taaffe contradict's Micklethwait and Wooldridge by saying that multinational corporations promote a certain kind of consumerist culture, in which standard commodities, promoted by global marketing campaigns exploiting basic material desires, create similar lifestyles such as " Coca-Colonization." Also the writer says that backed by the power of certain states, Western ideals are falsely established as universal, overriding local traditions known as " cultural imperialism." Modern institutions have an inherently rationalizing thrust, making all human practices more efficient, controllable, and predictable, as exemplified by the spread of fast food such as " McDonaldization." The United States for example, exerts hegemonic influence in promoting its values and habits through popular culture and the news media-" Americanization" As we progress into the 21st century, globalization has taken the centre stage.

It sometimes stands accused of destroying the nation-state, the national identity, and the power of government to set policies. As seen in the book all

the negative aspects of the world today do not necessarily fall as victims of globalization though it is used as a scapegoat for many issues. As Charles F. Kettering puts it: " the world hates change, yet it is the only thing that has brought progress." People must drive for the better, and extend their own uniqueness beyond the long-established borders. Having said that, globalization is the major cause for the world to become westernized, such as the global market for Coca-cola, and McDonalds however it is also the main cause for cures and vaccines that are essentially required in modern world . Therefore, globalization causes more positive then negative effects on the world today. The real world is not perfect as John Micklethwait and Adrian Wooldridge had described in A Future Perfect nevertheless it is gearing towards it.

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