

## **What Relevance Does National Culture Have in an Era of Globalization?**

### *Introduction*

Today's era of globalization is an era of transformation and changes globally. In fact, globalization covers a wide range of new transformation trends culturally, politically and economically which enabled it to become one of the most 'fashionable' buzzwords in the academic and political arena. Globalization is a global phenomenon that is said to function in many different ways: (1) it functions in the pursuit for 'free market' policies within the world economy; (2) it functions alongside the proliferation and dominance of various forms of new information technologies; and (3) it functions alongside the growing dominance of the western forms of economic, political, and cultural life of the people all over the world (Scholte, 2000; Scholte, 1996; Ocampo, 2010).

Globalization, according to Bhagwati (2004), pertains to the increased strengthening of the global relationships of people, economic activity and culture. Due to the fact that globalization impacts various aspects of the local and international arena, there are many different definitions with regard to this concept. For instance, in the economic context, globalization is known to describe the global distribution process of the production of 'goods and services' and the reduction of the common barriers in international trade like export fees, quotas and tariffs (Ocampo, 2010; Bhagwati, 2004). Economically, globalization has undoubtedly contributed much to the world economic growth as it removed the barriers for both the developing and developed countries to increase their specialization and utilize the comparative advantage principle to their advantage (Croucher, 2004). In the cultural aspect on the other hand,

globalization popularly pertains to the ‘transnational’ circulation of the different languages, ideas and even cultures coming from the different countries around the world(Conversi, 2009).

What many people are not aware of is the fact that globalization, as a phenomenon, began way back the latter part of the 19<sup>th</sup> century. However, it experienced a slow-down due to the beginning of World War I and some ‘inward-looking’ policies that were adopted by various countries intended for their own protection. It was only during the fourth quarter of the 20<sup>th</sup> century that the pace of globalization started to pick up (Conversi, 2009). Since then, various economists, political figures, authors and researchers began defining its interesting phenomenon that turned the world upside down. For instance, the known author Tom Palmer from the Cato Institute defined globalization as the elimination of the exchange restrictions enforced by various states across the different borders. He also defined globalization as the increased integration of the complex ‘global system’ of exchange and production(Palmer, 2002).

On the other hand, the best-selling author, Thomas Friedman defined globalization using his coined term “flat world” wherein he argued that globalization brought about supply-chaining, globalized trade, outsourcing and a number of other significant political forces which permanently altered the entire world(Friedman, 2008). For Friedman, globalization made it possible for business organizations to continue growing as newer forms and methods of doing business continuously emerged alongside the growth of the globalization phenomenon (Friedman, 2008). Another author, Takis Fotopoulos provided various definitions on globalization depending on its context. For instance, he defined ‘economic globalization’ as the deregulation and opening of the labour, capital and commodity markets.

In addition, Fotopoulos also defined the so-called ‘political globalization’, ‘social globalization’ and ‘technological globalization’. Included in his discussions was ‘cultural globalization’ which he referred to as the ‘worldwide homogenization of cultures’(Fotopoulos, 2001). In this research paper, the main focus of the discussion will be on the relevance that national culture has in today’s era of globalization. In line with this point of discussion, the term “national cultures” will be defined in consideration to the world of beliefs and values, as well as economics. Moreover, this research paper will also answer the question on whether or not belief systems play any role in a world where “the market” supposedly dominates.

### *The Impact of Globalization on the Nation State*

For several decades now, there has been an ever-growing argument and claim with regard to the alleged erosion on the power of the ‘nation state’ brought about by globalization (Ostry, 1998). Apparently, the main argument of many authors is that since globalization’s impact is widespread across various arenas whether it be economic, cultural and social, then globalization may possibly have effects on almost all things: politics, technology, communication, society, economics, etc. The pervasive and ubiquitous nature of the impact of globalization therefore led critics to argue that the nation state is also largely affected by this phenomenon (Ostry, 1998). Nevertheless, this claim remains to be an important point for debate as nobody has yet to confirm or deny the impact of globalization on the way a particular state functions. On the other hand, there are also some authors which confirm the impact of globalization on the state. According to them, the most significant effect of globalization is being felt on ‘state sovereignty’ (Ostry, 1998).

Based on these authors, certain constraints on state sovereignty brought about the emergence of various forms of cooperation among the states. Through globalization, different countries get to bargain their influence on a diverse range of internal affairs. Apparently, economic globalization made it quite difficult for the different countries to take control of their economic developments in their borders. In most cases, the level of the impact of globalization is only felt depending on the state's nature. For example, the North Korea case is a bad example of a state nature that is controlled in isolation; this case results in a negative sense because in today's interdependent world, it is not really good to be isolated from other states or countries(Ostry, 1998).

In most cases, the already developed and highly-industrialized democracies are the ones that benefit the most from the impact of globalization. On the other hand, the 'weak states' are the ones that face the most number of difficulties and challenges in terms of coping up with globalization. This is because the 'weak states' often face the threat of colonization by the different forces of globalization. This is seen in a number of African countries wherein state failures often result to 'domestic disorders'(Ostry, 1998).

In many cases, the impact of globalization is strongly felt within the developing countries. This is because the states that are undergoing development are often forced to get out of the activities in which the private sector plays a better role. Among these areas include managing and administering hotels, tourism activities and manufacturing & production of durables and other commodities. With these changes in the way states act, they are forced to simply concentrate or focus their attention on building up for their social and economic capital(Ostry, 1998).

Another thing is that since globalization entails the development and emergence of more “open economies”, the different global markets are then faced with the possible exposure to risks brought about by market uncertainties. In cases such as these, the state has to proactively take specific steps in order to provide safety net and security throughout the domestic and labour industries (Ostry, 1998). Nevertheless, one interesting impact of globalization is that the nation state becomes pressured not only coming “from above” but also coming “from below”. This simply means that when the nation state becomes pressured “from above”, it obtains pressure from the different global institutions such as the World Trade organization, International Monetary Fund, United Nations and other international organizations (Ostry, 1998).

Pressure coming “from below” on the other hand means that the states’ citizens become able to connect as well as identify themselves with their own counterparts coming from the other states in a more intense and easy manner (Ostry, 1998). In regard to the never-ending debate on the positive impact and the negative impact of globalization, there is apparently one globalization impact that proves to be remarkable and that is the quality of governance among the nation states. By definition, the term ‘governance’ pertains to the manner by which power becomes exercised throughout the management of a country’s social and economic resources for development. In this respect, administrative and political organization competence is pertained to as a crucial factor within the entire process of development (Ostry, 1998). Given all these vivid evidence on the impact of globalization on the nation states, there can indeed be no denial on the clear effects of globalization in every aspect of the state and the society.

On the other hand, in regard to the claim of some authors that the nation state is already “defunct” as a major concept because it can no longer play a role of significance in a world governed by market flows and multi-national corporations, there may be some truth to it. According to Scholte (2005), when globalization emerged, it reduced the role and importance of the nation states. For example, the sub-state and the supra-state institutions like the World Trade Organization, the European Union, the International Criminal Court and the G8 have intently replaced their national functions with certain international agreement.

For some observers, they attribute the decline of the United States’ power on globalization as the latter resulted into the country’s high-trade deficit. An important consequence of this is the shift in global power from the United States to the Asian countries, specifically on China, which was able to successfully unleash its market forces, gain competitive edge and attain growth rates tremendously. Beginning the year 2011, China was able to successfully overtake the growth of the United States and it is anticipated to continue until 2025 unless the latter does something about it (Scholte, 2005).

With regard to what the other commentators assert on the nation states like the USA and China which dominate the global economy, they argue that one cannot understand the latter without understanding the former. In addition, the “BRIC” economies are claimed by some commentators to be playing an increasing role in the economy. According to the PriceWaterhouseCoopers (2011), the emerging economies, also known as the “BRIC” economies which include Brazil, Russia, India and China including Turkey, Indonesia and Mexico will continue to develop.

As a matter of fact, it is anticipated that the Brazilian economy could grow even larger than the Japanese economy by the year 2050. Also, the Indonesia, Mexican and the Russian economies are also projected to increase and get larger than the UK, French and the German economies by the same year 2050. Finally, by the year 2050, it is anticipated that the Turkish economy could become similar in terms of size with the economy of Italy (PriceWaterhouseCoopers, 2011). There are indeed projected improvements in the economies of the identified countries but as they also say, in order to understand the movement and improvements in the global economy, understanding the former experiences of one's economy is necessary in order to understand the latter experiences of the said economies. This simply means that one has to go back to the economic roots of these economies in order to understand how much they will progress in the succeeding years (Scholte, 2005).

#### *The Relevance of National Culture in an Era of Globalization*

According to Fang (2004), it was argued upon that cultures specifically, the national cultures, prove to be extremely stable even after a long period of time. Based on the traditional concept on national cultures, it is believed that culture change does not really occur even in the presence of extremely dramatic events outside. Usually, the national cultures are still highly recognizable even after many decades and centuries. For instance, a specific culture established during the 1700 is expected to continue on until the 1800, 1900 and even until the 2100. This static view about national culture was actually propagated by Hofstede (Fang, 2004).

Nevertheless, this static view about national culture remaining unchanged has been challenged with the emergence of globalization. According to Naylor (1996), since we are currently living in a highly-globalized world comprised of nations and people which are very much interdependent with one another to the point that when “*China’s stock market begins to sneeze, the rest of the world will catch cold*”, then culture change would prove to be inevitable. With globalization in place, it is expected that the cultural groups will continue to increase their dependencies and interactions with one another and also exert changes in their own behaviors and beliefs(Naylor, 1996; Fang, 2004).

It was also asserted that the emergence of globalization will push for a so-called ‘global shift’ and drive for the fundamental transformations in various aspects of the society such as economic, political, educational, technological and cultural. (Naylor, 1996; Fang, 2004). If there was one thing that globalization was able to prove, it was the fact that national cultures need not collide with each other as it is possible for them to exist within one another. Indeed, it is a fact that various types of local or regional cultures, organizational cultures and even national cultures may co-exist within a specifically defined ‘nation state’ that has a pre-defined national culture (Fang, 2004).It is advantageous to discover that each national culture may possibly embrace numerous potential values, beliefs and orientations other than its own. In fact, it may visibly be seen in certain points wherein a specific nation state expresses its political, social, economic, ecological, demographic, and historical beliefs. Some cultural patterns are simply made to absorb other cultures’ patterns as globalization enabled them to be (Fang, 2004; Dicken, 1998).

Another point for the relevance of national culture in today's era of globalization may prove to be highly-controversial and debatable. According to Blad (2008), the link between national culture and globalization is associated mostly with the concept of state decline. Apparently, many scholars consider that the rise of any form of national culture-related conflict is an "indirect" result of a state authority decline which springs from an increased integration of the various global, political and economic 'systemic' processes. This simply means that globalization is more likely to cause erosion of the state authority which ultimately causes the decrease in the state's capacity of managing and controlling its ideological structures which form the state's national identity (Blad, 2008).

By definition, national culture pertains to the general cultural symbols, traditions and norms that may be used in describing the 'cultural affinity' of the different respective members of the population. (Blad, 2008). Some scholars contend that the emergence of globalization and the rise of various kinds of information and communication technologies actually facilitated the actual flow of the information and capital in societies (Castells, 2004). In turn, the development of the said global networks then created adverse effects on the state institutions because of the fact that were "indirectly bypassed" by these global flows of the services, goods, capital, communication, information and technology (Castells, 2004; Blad, 2008).

The resulting end of all these identified globalization processes is the decrease in the state's capable management of their own uniformity in respect to their national identity as well as their national culture definitions. Traditionally, a state is envisioned and viewed to be comprised of managed and manufactured common ideologies that are simply regulated by social stability (Castells, 2004; Blad, 2008).

This led the scholars who argued this assertion to conclude that the “circumvention” of a specific state in the influences and impact of the era of globalization simply creates a totally new condition that often results in the simultaneous rise of the post-modern nationalism as well as the decline of the modern state (Castells, 2004). In addition to this, there is also an identified ‘related connection’ between the increase on global economic integration and the resulting state decline. For Guibernau (1999), the resulting effect of the globalization of the economy as well as the globalization of the social relations greatly contributed to the so-called “weakening” of the nation states and may have contributed to the “intensification” of the regional forms of nationalism (Guibernau, 1999).

It is believed that the different countries and states experienced a great level of difficulty in maintaining and redefining their national and cultural identities. This is because the global impact of this new era of globalization manifested through economic and political integrations, created specific conditions that made it quite difficult, if not almost impossible for the various countries and states to fight for their national culture’s identity (Guibernau, 1999). The states and countries were compelled to adapt to the realities presented by the new globalization era especially in terms of the new definitions of national culture that it presents (Keating, 2001).

In this regard, Keating (2001) created a totally new concept of a state institution that integrates multiple levels and definitions of a national cultural identity called the “plurinational state”. This basically reflects the fact that the national populations are capable of integrating multiple national identities as well as facilitating the “integration” of even the competing minority national groups into the various state institutions.

This clearly manifests that the belief systems still play a significant role in a world where “the market” supposedly dominates. However, while globalization has left some room for the states and nations to actually exercise a certain degree of their beliefs systems, this globalization phenomenon, particularly, the global economic integration, is not capable of shielding a state’s citizens from the “ups” and “downs” of the international market. In another viewpoint, this conceptualization may be considered as one of the state declines and decreased capacity in terms of protecting its own national and economic interests (Blad, 2008; Keating, 2001).

### *Conclusion*

In conclusion, globalization may undoubtedly be considered as an era of transformation and changes. Globalization paved the way for a wide range of new transformation trends culturally, politically and economically, making it an important phenomenon and concept in the societies’ modern history. Whereas globalization may popularly be described as “the global distribution process of the production of ‘goods and services’ and the reduction of the common barriers in international trade like export fees, quotas and tariffs”, the concept itself may vary depending on the context in which it is used (Bhagwati, 2004).

For example, in the economic context, globalization may be considered as a primary tool that drove the economic growth in the entire world market as it removed the barriers for both the developing and developed countries to expand and pursue economically-driving growth strategies. In the cultural context on the other hand, the concept of globalization is referred to as the ‘transnational’ circulation of the different languages, ideas and even cultures coming from the different countries around the world (Conversi, 2009).

In regard to the relevance of national culture in today's era of globalization, many scholars argued that globalization caused 'global shifts' that inevitably affected and changed the states and nations' national cultures. Whereas before, the national cultures prove to be extremely stable even after a long period of time, the traditional concept of national culture today has changed as globalization enabled inevitable changes and transformations in the main national cultures of certain nations and states(Fang, 2004). As argued upon by scholars, this static view about national culture remained unchanged until such time that it has been challenged by the emergence of globalization.

According to Naylor (1996), with globalization in place, it is not only expected that the cultural groups will continue to increase their dependencies and interactions with one another and also exert changes in their own behaviors and beliefsbut also adjust in their new national culture identities. Also, if there was one thing that globalization was able to prove, it was the fact that national cultures need not collide with each other as it is possible for them to exist within one another.It proved advantageous to discover that each national culture may possibly embrace numerous potential values, beliefs and orientations other than its own and express it in a totally different manner. However, concerns on the emergence of globalization also rose as the economic and political integrations triggered by the globalization phenomenon created specific conditions that made it quite difficult, if not almost impossible for the various countries and states to fight for their national culture's identity. The states and countries were compelled to adapt to the realities presented by the new globalization era especially in terms of the new definitions of national culture that it presents.

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