

The background of the cover is a light yellow-green color with several faint, stylized leaf motifs scattered across it. Each motif consists of a short stem with two leaves pointing upwards and to the right.

THE ANTHROPOLOGY OF GLOBALIZATION

Cultural Anthropology Enters the 21st Century

Ted C. Lewellen

The logo features a stylized leaf motif to the left of the text.

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The Anthropology of
GLOBALIZATION

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GLOBALIZATION

Cultural Anthropology Enters the 21st Century

TED C. LEWELLEN



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Preface

Globalization is at the cutting edge of cultural anthropology at the turn of the 21st century. First, it opens new territory, challenging the bounded world of communities, localities, peasants, tribes, and cultures that has characterized anthropological research in the past. Second, globalization has become the point at which a number of theoretical trends have coalesced: interpretive anthropology, critical anthropology, postmodernism, and poststructuralism. However, this theoretical blending is often combined with a hard-nosed, pragmatic attention to empirical detail that suggests at least a partial resolution to the divisions that have split anthropology over the past decades.

This book draws together numerous disparate studies under the rubric “the anthropology of globalization.” It thus may create an artificial unity, although, as I hope to show, there are already commonalities of viewpoint, agreed-upon assumptions about the nature of globalization and its effects, and well-developed topics within the globalization perspective, such as the studies of transnationalism and global identity.

The book is written for anyone interested in an overview of this frontier subject. Anthropologists and nonanthropologists who still equate globalization with globobabble may find that there is more here than has been widely recognized. Even anthropologists who are involved either directly or marginally in globalization research, or want to incorporate globalization into their future work, may find value in exploring the many trails already blazed by others.

Above all, I hope this book finds a place in the classroom. It could be used to structure a course on *The Anthropology of Globalization* (its thirteen chapters approximate the number of weeks in a full semester), or it could be used as a supplement in courses on anthropological theory, the anthropology of migration, the anthropology of identity, or other applicable subjects. I assume some background in anthropology, referring periodically to classical writings and to recent theoretical controversies. There is nothing, however, that should deter the nonanthro student who is willing to look up Franz Boas or Max Gluckman on the Web. The bibliography, though extensive, is by no means complete; there is an enormous amount of material out there. However, each chapter provides sufficient sources to create a substantive course.

While this is an overview, utilizing the ideas and research of many scholars, I have self-consciously tried to avoid an *Annual Reviews* survey-of-the-literature approach, which might mention several authors in the same paragraph and skim over a multitude of ethnographic examples very rapidly. The goal of such articles is to provide researchers with sources for further reading, and it is very valuable in that regard (in fact, I would like to extend a special note of thanks to *Annual Reviews of Anthropology* authors for their help in writing this book). However, my goal is to provide a broad, easily digested overview. As a result, I have concentrated on ideas rather than specific writers. Often, of course, particular ideas are closely associated with particular authors, and I have tried to give due attention to Arjun Appadurai, Michael Kearney, Ulf Hannerz, and Jonathan Friedman, among many others. Since I am a believer that the core of anthropology lies in ethnography, I devote considerable attention to specific studies, developing this material in as much depth as space allows. I have chosen these examples to represent a variety of cultures and geographical areas, but mainly because each illustrates, elaborates, or refutes a theoretical position. I open Chapter 12 with a globalized reanalysis of my own field work among the Aymara Indians of Peru, something I have wanted to explore for a long time.

A traditional line of stand-up comedians is, "Is there anybody out there I haven't offended yet?" Such might make an appropriate last line of this book. While I have tried to be fair in accurately representing the various authors and ideas, I have made no attempt at false objectivity. All theories are sifted through my own prejudices and assumptions, and I do not hesitate to critique or to present my views.

In some ways, this book is a sequel to my *Dependency and Development: Introduction to the Third World* (Lewellen 1995). That work was truly interdisciplinary, containing chapters on history, development theory, economics, politics, demographics, environment, and human rights. About the only appropriate discipline *not* included was anthropology. During the

decade or so of research and writing, I had time to read only enough anthropology to keep up with my classes. As a result, when I refocused on anthropology, it was with a different knowledge base and theoretical orientation than that of some anthropologists. This shows up, for example, in a skeptical attitude toward the way that anthropology handles the subject of development and in the nonanthropological survey of globalization in Chapter 2. While those who want to get right to the anthropology may be tempted to skip this chapter, it is here that I lay down some of the foundations for the rest of the book, such as my contention that neoliberalism defines the present phase of globalization and that this was only made possible by the OPEC oil shocks of the 1970s. Throughout, I have tried to provide a background of data, say, on world migration rates, to set the scene for more specifically anthropological research.

This book by no means exhausts its subject. A truly complete overview of what has already been done in the anthropology of globalization would have to include separate chapters on gender, tourism, global factory labor, commodity chains, borderlands, environmentalism, AIDS and medicine in general, grassroots organizing, global cities, and human rights. I have tried to incorporate some of this material (gender, for example, receives specific attention in several chapters), but, in the end, I opted for a degree of depth on the subjects I have selected, rather than a greater inclusiveness.

A book like this owes its existence to literally hundreds of scholars, and I certainly thank them all. Funding from the Irving May Chair in Human Relations of the University of Richmond has been quite significant in making this book possible.

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Chapter 1

Introduction: Who Is Alma?

Finally, it is necessary to emphasize the global character that productive processes assume in the *maquiladoras*, and the advantages and difficulties this poses for workers' struggles.

Norma Iglesias Prieto¹

Alma was born in the small village of Cacahuatpec in the state of Oaxaca, Mexico. While she was still in primary school, her father sacrificed to buy her a sewing machine, in the hopes that as a seamstress she could escape a long heritage of poverty. However, she married young to a subsistence farmer who could barely eke out enough corn and beans from the wasted land to feed his family and almost immediately she began to have children, ultimately seven. At age 32, leaving her husband behind to continue to struggle on the paltry plot of land, she took her children and moved to Tijuana to join a sister-in-law who was part of a kin-based network in that border city.

After a couple of months working as a maid, Alma crossed the border illegally. In Long Beach, near Los Angeles, she was able to put her abilities as a seamstress to work in a small clothing factory, run by Cubans, that hired undocumented aliens. This and other similar jobs allowed her to enroll her children in school and to send money to her husband who had now moved to Tijuana and was living with her eldest son. After many trips back and forth across the border, periodically being caught by immigration and deported, she resettled in Tijuana and found work in one of the *maquiladoras* there.² The *maquiladoras* or *maquilas* are border factories owned by or closely af-

filiated with U.S. businesses and devoted to production for export to the United States. They mainly employ young single women willing to work for a few years at tedious, low-pay assembly jobs. Since the clothing *maquilas* require skilled labor, Alma was able to find jobs that paid enough to support her family, including an unemployed husband, and to send her children to school. The eldest daughter was trained as a nurse and another worked in an electronics *maquila* while studying to be a production technician.

Alma is one of many women described in Norma Iglesias Prieto's *Beautiful Flowers of the Maquiladora* (1997: 66–70). There is nothing unusual about her life; millions of women throughout the Third World³ could tell similar stories. Yet she is one of the greatest challenges that cultural anthropology has had to face. In contrast to the tradition-bound, community-based “indigenous peoples” who have been the subjects of anthropological research throughout most of the 20th century, Alma is a thoroughly modern (or in some scholars' views, postmodern) woman. She moves easily between different worlds, almost between centuries, at home on the parched fields of Cacahuatpec or among the skyscrapers of Los Angeles. She is part of a global economy, employed in a sector created by the 1965 Border Industrialization Program and reinforced by the North American Free Trade Agreement (NAFTA). Her *maquila* jobs were created by the internationalization of finance and the peculiarities of a border between two states at vastly different levels of development. She grew up in a small village culture to which she maintains ties of kinship and sympathy, and she has lived in large cities in both the United States and Mexico. Most of her children were first educated in the United States and speak fluent English. Neither she nor they particularly identify themselves with the Mexican nation-state.

Who is Alma? Is she a “proletarianized peasant,” to use a Marxist term that was popular a decade or so ago? Is she an international migrant or an internal urban migrant or, in contemporary parlance, a *transmigrant*? She is a woman, to be sure, but unlike most women studied by anthropologists, she is the primary earner for her family, working in an industrial sector that employs 80% females. Is she some sort of “hybrid?” to use the fashionable phrase of the moment. And what of her “culture?” This foundational term of anthropology usually means something like the set of values and symbols passed on from generation to generation. But what has she retained from her parents? What will she pass on to her already bilingual and bicultural children who will probably find a place in the world very different from Alma's and who since birth have been exposed to an endless inundation of television images and symbols from San Diego that boast of a world of unreachable wealth and adventure? In truth, of course, Alma is and has been many things, sequentially and simultaneously: woman, peasant, internal migrant,

transnational migrant, skilled laborer, mother, family head, housekeeper, entrepreneur, Mexican, mestizo. The easy categories of the past seem oddly out of place in a world that is fragmented and in which space and time have imploded.

And subjectively, how would Alma view herself as she moves among these many roles and worlds? Where, if anywhere, would we find her identity? This was hardly even a question for anthropologists of the past who assumed that identity was coterminous with culture; one was simply Maya, Nuer, or Apache. Some postmodernists have portrayed the contemporary individual in terms of a "fragmented and schizophrenic decentering" (Jameson 1988: 351), but Alma, much to the contrary, seems a master at adapting to her multiple environments. If anything, it is her world, not she herself, that is fragmented, schizophrenic, and decentered. She is quite at home there.

Alma, of course, represents only one of myriad possible responses to the world at the turn of the 21st century. Others, caught up in permanent diasporas, may carry relatively intact cultures with them, creating enclave communities in new homes far from their places of origin, or they may reinvent themselves, passionately embracing nationalisms based on constructed histories and mythologies. Indigenous peoples in intact communities may commercialize sacred rituals for tourists. Threatened Amazonian natives may seek empowerment through blitzing their political representatives with e-mail or videotaping their negotiations with government representatives.

It is obvious, from even the most cursory glance at Alma, the degree to which anthropological "reality" has been an artifact of anthropological methods, especially participant observation fieldwork and the cross-cultural comparison of specific traits. Fieldwork has traditionally been community-based and ideally lasts at least a year or two, yet such research could hardly touch the routinized complexity of Alma's life. Traditional cross-cultural comparison would be forced to dismember Alma beyond recognition in order to fit her into narrow categories of kinship, gender, or profession suitable for statistical manipulation.

What are the "objective" (a term increasingly called into dispute) realities of a world that has been globalized in a way never experienced before? What are the constraints and determinisms of the processes of globalization for the individual and group? How do people experience and interpret this new world, and how do they accommodate or resist it? How do they make a place for themselves?

Alma challenges anthropology to step into the 21st century. Although the path is not particularly clear, a surprising number of fieldworkers and theorists have already gone a long way in mapping the terrain.

PART I

Globalizing Anthropology

Human society is in the process of being transformed to a degree possibly not seen since the Industrial Revolution. The process can be summed up by the term globalization.

Stanley Barrett (1999: 258)

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Chapter 2

Slouching Toward Globalization

Globalacious, Globalasia, Globalatio, Globalemic, Globalescent,
Globalactic, Globaloney . . .

Richard Wilk, "Globobabble"¹

. . . what rough beast, its hour come round at last, Slouches towards Beth-
lehem to be born?

William Butler Yeats, "The Second Coming"

"Globalization" has become *the* academic and media buzzword of the early 21st century. The most cursory of computer explorations, whether through an on-line bookstore, FirstSearch, or any commercial search engine, will turn up hundreds or even thousands of entries.² Considering that the term was seldom encountered before 1990, this sudden ubiquity may set some sort of record. Such trendiness might suggest a shallow fad and has already given rise to satire, as the opening quotation shows. Obviously, a book titled *The Anthropology of Globalization* might be expected to take the concept seriously and to assume a degree of staying power.

Definitions of *globalization* are almost as legion as the number of experts on the subject. To get our bearings, however, it might be worth starting out with a bare-bones definition, which will be elaborated as we go along: *Contemporary globalization is the increasing flow of trade, finance, culture, ideas, and people brought about by the sophisticated technology of communications and travel and by the worldwide spread of neoliberal capitalism,*

and it is the local and regional adaptations to and resistances against these flows.

This definition differs from most others in several respects. Many definitions encountered outside of anthropology are purely economic, such as “the growing liberalization of international trade and investment, and the resulting increase in the integration of national economies” (Griswald 2000), or—and this from a social scientist— “the cross-national flows of goods, investment, production, and technology” (Petras 1999). In contrast, my definition emphasizes not just capitalism but a very particular type of capitalism, not just economic flows but also cultural flows, and not just globalization but also regionalization and localization. (One “-zation” it significantly does not mention is homogenization.) Almost all definitions give some priority to the economic sphere, even if economics is viewed as only one part of a larger system. Some definitions include the decline or even disappearance of the nation-state, as its primary powers and functions are shifted to the international arena.³ Whatever definition one employs, globalization must be thought of as an ongoing process, one with a long history. Thus, in describing globalization, it is useful to include the word “contemporary” or the phrase “current phase.”

Globalization may be conceived as empirical fact, as theory, or as ideology. In reality, these blend together, but different researchers tend to emphasize one or another. Those who view globalization as a simple fact, or set of facts, point to quantitative data that show a world that is increasingly economically integrated; national markets have opened more than ever before to international, regional, and global trade; financial markets communicate instantaneously with any place in the world; transnational corporations disperse the processes of production and distribution to many different nations; labor markets are extremely fluid, ignoring national borders. As Don Kalb (2000: 1) puts it: “In principle [globalization] does not claim more than a geographic fact: people and places in the world are becoming more extensively and densely connected to each other as a consequence of increasing transnational flows of capital/goods, information/ideas, and people.”

Whereas a globalization-as-fact approach assumes the data are self-explanatory, academic *theories* of globalization attempt to make sense of the data and to explain the internal logic of the system: how it came about, how it is structured, and what its effects are. There are postmodern theories that reject all metanarratives and insist that if globalization exists at all it will be found only in day-to-day practices at the local level. Marxist theories (which may also be postmodern) view globalization as the latest stage in the evolution of capitalism (Jameson 1990). Theoretical emphases vary, from the focus on postfordist flexible accumulation (Harvey 1990) to the identifi-

cation of a global capitalist class (Sklair 1991) to the claim that the world is divided into mutually hostile civilizations (Huntington 1996).

Ideology adds a moral dimension to globalization theory. The dominant form of globalist ideology is that of economic neoliberalism, which we will look at in some detail in a moment. Neoliberalism is the semi-official philosophy of the United States government, of the World Bank, and the International Monetary Fund, as well as most university departments of economics and myriad political and financial organizations, such as the Trilateral Commission. It is the view that a certain form of global capitalism is good; if Third World countries carry out a few specific prescriptions, standards of living will be raised. Greater economic integration will ensure greater cooperation among peoples and countries, leading to world peace. There are also a multitude of ideologies that view globalization as a disaster, a system that is exacerbating inequality, marginalizing the poorest people and countries, and creating an increasingly concentrated elite of wealth and power (most anthropologists would probably lean in this latter direction).

FROM SKEPTIC TO HYPERGLOBIST

In addition, we can delineate three distinct perspectives on the nature of globalization: the skeptical, the evolutionary, and the hyperglobalist.⁴

First is what might be termed the skeptical or so-what's-the-big-deal? thesis, namely that globalization either does not exist or has been vastly oversold. It might be noted that long-term migration—often considered a key element of globalization—affects only about 1% or 2% of the world's population and that earlier mass movements, say of the Irish, Italian, and Chinese to the New World in the 19th century, proportionately exceeded anything that is going on today when Western countries have imposed tight restrictions on immigration. The formation of political, economic, and military alliances, such as the European Community, NATO, and ASEAN, represent more a regionalization than a globalization, and the emergence and strengthening of ethnic groups and community-based nongovernmental organizations is evidence of a strong localization following the somewhat artificial and often authoritarian centralizations mandated by U.S. and Soviet alliances during the Cold War. If homogenization of culture is a criterion of globalization, as many in the media claim,⁵ then how do we explain the explosive increase in ethnic politics, religious fundamentalism, and local organizing? In most larger countries, 80% or more of production is still for domestic consumption (Burawoy 2000a: 338).

A second point of view might be termed *evolutionary*. Globalization is a reality, but it represents a change in degree, not in kind. The processes that

we now see as distinctive have been emerging over centuries and represent no significant break with the past, nor are they transforming world structures in any revolutionary manner. Transnational corporations, often considered the engines of globalization, have been evolving since the great joint stock companies of the early colonial period. What we see is not something new but just the working out of the logic of capitalist expansion. Culturally, Westernization may have been more of a factor for a greater percentage of indigenous peoples in the 18th and 19th centuries when colonizers had the power to create entirely new Europeanized elites in Africa and Asia. Politically, the period after World War II, when the United Nations was formed, might be seen as a greater period of globalization than anything that is happening today. Thomas Patterson (1999: 2) points out dismissively that “contemporary descriptions of the global world emerging today are stunningly similar to modernist accounts from the 1890s or early 1900s.” If our present constructs of globalization seem fresh, it is only because we have forgotten or are ignorant of many similar processes taking place at the turn of the 20th century, which was also a time of imperialism via the consolidation and internationalization of capitalism and finance. Many critics claim a much earlier genesis, suggesting that globalization has been going on at least since the 16th century (a paleontologist might legitimately make a claim for a *much* earlier date).

Finally, the *hyperglobalization* thesis is that the world is experiencing something entirely new, fundamentally different than anything that has gone before, which will ultimately transform the nature of human life on earth in very radical ways. Economically, the collapse of the Soviet Union and the dissolution of socialism as a serious alternative have given rise to a third stage of capitalism—first preindustrial, then industrial, and now postindustrial (or to use a term to be discussed in a moment, *postmodern*). Globalization represents not a smooth evolutionary sequence but a rupture with the past, a disjuncture, a fragmentation in the course of history, a new era. A key element is the deterritorialization of production and finance. Transnational corporations, many of which control more wealth than most countries of the world, purchase both raw and finished materials from all over the globe, distribute the process of manufacture in many different countries, and have worldwide advertising and distributional networks that reach into the most remote tribal and peasant communities and the most impoverished shanty towns. Finance is even more fluid; almost entirely divorced from the existence of precious metals or hard cash, computerized electric money flows instantaneously and everywhere via satellite. Indeed, communication is a central element of this new era. Transnational corporations, combined with global organizations (the United Nations, the World

Bank, the International Monetary Fund) and treaties (GATT, the Law of the Seas, the Montreal Protocol), assume functions formerly belonging to the state; even policy and decision making becomes deterritorialized. The ideology and practice of consumerism, the driving force of capitalism, is spread through movies, television, radio, billboards, and the Internet, breaking down traditional cultural values based on kinship and community.

It is too easy simply to assume the blind-men-and-*elephant* perspective. As the reader may recall, each blind investigator feels a different part of the elephant—tail, trunk, leg—so each assumes a different reality; the elephant is like a rope; no, it is like a snake; no, a tree. . . . (It might be noted that in this metaphor, although each is only partially correct, there *really is* an elephant.) The position taken here is that globalization is a reality, *but so are regionalization and localization*. While sympathetic to the evolutionary argument, I will argue that what is new is, first, that neoliberal capitalism has achieved an unprecedented global dominance and, second, that regionalism, localization, and globalization now form a single, unified system, more closely interrelated than ever before. Eric Wolf (1982) has convincingly documented the degree to which even the most remote society was affected by the capitalist mode of production, but what is occurring today is somewhat different; influences once felt as distant, abstract, and incomprehensible are quite immediate, the links more clearly visible, the presence of the global experienced more directly.

THE EMERGENCE OF A GLOBAL WORLD

While various scholars disagree about the nature of globalization and, therefore, how and when it began, there is some agreement that the present phase of globalization is closely tied to, if not defined by, expansionist capitalism. Capitalism is an economic system of private ownership of property and the means of production; distribution is based on the profit motive and takes place within a free, or relatively free, competitive market in which supply and demand determine, or are supposed to determine, price. Capitalism emerged several times in the past—in ancient Mesopotamia, for example, and during various periods in China—but Western capitalism can be traced back to the early 16th century in Europe. This is, of course, the great period of ocean exploration and of the solidification of the nation-state; the spread of empire and the growth of capitalism proceed in close symbiosis from the very beginning. Today's globalization was inherent in capitalism's birth.

European feudalism began to self-destruct almost as soon as it was firmly established in the 11th century. The feudal system, based on rent bondage and labor tribute to a landlord, was challenged by the growth of

commercial fairs, guilds, urbanization, and the emergence of a commercial class. Fortunes brought back from the Crusades established huge commercial banking families, first in the Italian republics then in Holland and England, and these families helped finance the consolidation of centralized states. The discovery of America greatly increased Europe's wealth and power; between 1521 and 1600, 18,000 tons of silver and 200 tons of gold poured into Spain alone.⁶

The economic philosophy of mercantilism that developed was based on the notion that the state was strong to the degree that its coffers were laden with precious metals, which could buy armies and ships. The ideal was to take in money but avoid, as much as possible, paying it out. The state was the center of economic exchange, at least at the higher levels; the wealth of the state was supposedly ensured through strong laws regulating trade, minimizing imports of any goods not used in production, and maximizing exports of finished goods. Colonies, which supplied cheap labor and raw materials, could trade only with the mother country. Within the European state, craft production by guilds existed side by side with incipient small-scale capitalism, based on wage labor.

Eric Wolf, in his seminal *Europe and the People Without History* (1982)—perhaps the first true anthropological study of globalization—documents the profound and lasting impact of these processes on indigenous peoples. According to Wolf's analysis, the dominant mode of production of prestate native peoples was "kin-ordered," that is, it was the lineage or clan that determined the division of labor and decided what would be produced and how it would be distributed. There was no concept of private property. The mercantilist "tributary mode of production" was imposed by European conquest: Property remained in the hands of the indigenous peoples, but they were required to use that land, and their labor, to supply wealth to the conquerors. The *encomienda* system employed throughout Spanish America gave overlords, or *encomenderos*, rights to Indian labor within a certain region, although theoretically they did not really own the land (many of these *encomiendas* later turned into fully owned haciendas or plantations). In many Asian and African colonies, high taxes had to be paid in goods, and laws forced specific percentages of native land to be used for export production. In early Canada, the French imposed an equally effective, if somewhat less brutal, form of tributary economy. Indians were made dependent for their very survival on European manufactured goods, which could only be obtained through the exchange of beaver pelts. The transformation from kin-ordered to tributary mode of production affected nearly every aspect of indigenous life—breaking up lineages, shuffling leadership, causing migrations to new territories, and, in North America,

creating exterminative warfare as beaver (and later, bison) diminished and Indian tribes fought each other for trading networks and shrinking resources (Blick 1988).

Joint stock companies, financed by individual investors and private businesses but directly controlled by the state, were a natural progression of the mercantilist system. These often huge organizations, of which the British East India Company and Hudson Bay Company are the best known, were transitional. They were more than economic enterprises; they established long-term European communities in foreign lands, created their own class systems, and acted as surrogate governments complete with their own armies and navies. On the one hand, as official representatives of their home governments, obligated to trade only with the mother country, they were firmly mercantilist. On the other hand, they were corporatively owned by multiple private investors and—given the length and difficulty of communications—relatively autonomous, so in many ways they were the direct precursors of today's transnational corporations.

Mercantilism and capitalism were never clearly demarcated, and the former simply merged into the latter over a few hundred years. Wolf saw wage labor—the transformation of work into a commodity to be bought and sold like any other commodity—as a defining quality of capitalism. By this criterion, true capitalism did not really become firmly established, even in Europe, until the first industrial revolution in the mid-18th century. If capitalism is defined more broadly, as private ownership of the means of production and competitive trade for profit, it began much earlier. It is hardly necessary to split hairs on this issue since there was a period of centuries when tributary production overlapped and merged with capitalist production; in fact, semi- or wholly mercantilist tributary systems continued in many parts of the world until the collapse of colonialism in the latter half of the 20th century. Wherever capitalism became the dominant form for indigenous peoples, further transformations of culture, social structure, economy, and politics were inevitable. Whereas tributary systems had created broad classes of surplus takers and surplus producers, under capitalism class stratification along lines of wealth, race, and ethnicity became increasingly elaborated. Native property was privatized in European hands through outright land theft or legal maneuvering: In El Salvador, land was confiscated if not turned to coffee production, which was all but impossible for most peasants since it takes five years for coffee plants to produce their first crops, and natives lacked the capital to survive that long before seeing the benefit of their efforts. Throughout the colonies, huge commercial plantations replaced tributary lands. Bereft of land, native peoples were forced to work for minuscule wages. As money became the single universal value,

local handicrafts were wiped out by the availability of cheap manufactured imports. So-called *comprador* elites, whose economic allegiance belonged to their European employers and benefactors and not to their own country's welfare, were established in positions of rule. In contrast to mercantilism, in which the state controlled the economy, in capitalism the function of the state was to protect private property, encourage business, open new territory to exploitation by corporations, and use its military might to promote and protect overseas private interests.

Perhaps the primary insight of Wolf's history of indigenous peoples is that the large majority of them stopped being indigenous a long time ago. Those who anthropology has been blithely fitting into primal classifications, such as band, tribe, and chiefdom, have long histories of transformation through interpenetration and interaction with powerful outside forces. In many cases, the processes of devolution overcame any internal evolutionary forces directed toward more complexity. The slave trade, for example, collapsed complex state societies into the "primitive tribes" later studied by anthropologists as indigenous (Friedman 1994: 1–14).

As viewed by Immanuel Wallerstein (1974), the result of European expansion was a world capitalist system based on a division of labor between core, periphery, and semi-periphery. The core—the industrialized countries—employed capital-intensive production to create manufactured goods to be sold around the world. The task of the periphery was to supply raw materials and cheap labor to the core and to provide markets for core products. The semi-periphery countries combined features of both the core and periphery, mediating between the two. Although Wallerstein was a major influence on contemporary globalization theory, much of what he describes has already changed or is in the process of transformation. The division-of-labor structure is based on an industrialized core and a pre- or nonindustrial periphery. Today, the core has moved into a postindustrial phase and to a great extent the periphery, even some of the poorest countries, has taken over the function of manufacture and the refinement of raw materials. The neat functional integration of world system theory seems increasingly simplistic given the rapid transfer of industrialism and mass consumerism to the Third World, the unfettered fluidity of financial flows, and worldwide media saturation.

THE MAKING OF NEOLIBERAL GLOBALIZATION

While the evolution of global economies has been going on for a long time, neoliberal globalization is a relatively recent phenomenon that dates only to about 1990 and results from the convergence of several different fac-

tors. All of the elements were in place well before then: Neoliberalism became official U.S. policy with the Reagan presidency beginning in 1981; the transfer to postfordism in the West was coming along well, and the technological innovations in transportation and communication had already shrunk the world significantly. However, to turn neoliberalism from an American economic philosophy into a global structure required two massive changes: the end of superpower rivalry and the acceptance of neoliberalism by the Third World. By as late as the mid-1980s, neither of these was even remotely accomplished.

The debt crisis of the 1970s and the lost decade of the 1980s was crucial to the incorporation of the Third World into the neoliberal system. At that time, almost all of the governments of the less-developed countries had adopted some degree of import substitution, attempting to protect indigenous industries from foreign competition via high tariffs or outright bans on certain imported goods. Foreign investment was tightly controlled and foreign ownership often prohibited. A few countries—mostly among the poorest of the poor—were outright communist, but most others were attempting some sort of third way between capitalism and communism. The communist bloc countries traded preferentially among each other, and Soviet trade was often based less on supply and demand than on political and strategic considerations. With the exception of already relatively well-developed countries with strong ties to the United States, there was little inclination—and much antipathy—to transforming economies along neoliberal lines.

The primary, though by no means only, cause of the debt crisis was the oil shocks imposed by OPEC (Organization of Petroleum Exporting Countries). In reaction to the 1973 Arab-Israeli war, OPEC countries took control of the pricing and production of their oil, which until that time had been largely under the control of Western multinational corporations. Prices for oil increased by 400% in 1974 alone and kept climbing. As huge amounts of petrodollars poured into OPEC coffers, the money was put into American and European banks to be recycled. Partially to pay for oil and partially for development (which seldom materialized), countries borrowed prodigiously from private banks and major multilateral institutions at variable rates. In the early 1980s, the whole system collapsed, leaving the countries heavily overindebted. The International Monetary Fund (IMF), originally designed to promote free trade among Western nations after World War II, stepped in to offer loans designed to pay enough interest on the debt to keep the country from default. World Bank loans, targeted for development projects, imposed similar strictures. When accepting an IMF loan, the country must sign a conditionality contract promising that it will make certain structural adjustments. It receives the money over time as these adjustments are made.

The structural adjustments are, of course, textbook neoliberalism. We will take a look in a moment at exactly what that means. The point here is that the IMF and World Bank found themselves with powers that would have been the envy of the most rapacious emperor of Imperial Rome, namely the power to dictate the economies of almost all of the developing countries of the world. As long as the USSR was a superpower, some countries could hold out by trading with the communist bloc. With the collapse of the Soviet Union in 1989, not only did communist-aligned countries lose their trading partners, but corrupt U.S. allies, who had been propped up by American aid in exchange for their militant anticommunism, suddenly found themselves abandoned. Not only communism but socialism and all the other third way variations were left with no support at all. Even Russia was subject to neoliberal pressures in order to get loans (comprised partially of money transferred from Third World aid), with well-known disastrous results. While a few Third World countries, notably Chile and Brazil, embraced neoliberalism with apparent enthusiasm, most were pulled into the fold almost literally kicking and screaming; structural-adjustment riots, strikes, and even revolutions became common. The Southeast Asian industrial tigers, Singapore, Taiwan, South Korea, and Malaysia, signed on partially because they were ready to; these countries had developed strong industrial economies through policies that were totally at odds with neoliberalism—extensive government intervention, import substitution, state-owned enterprises—but had been so successful that they now felt ready to compete in the rough-and-tumble of a laissez-faire global market (Lewellen 1995: 117–121). After just a few years of neoliberalism, their economies were in deep trouble, but they seem to be making a comeback.

In short, the present phase of globalization has existed only since 1990. The evolutionary argument that this is a late stage of capitalism, the result of a smooth and inevitable evolution, is debatable, since without the oil shocks, the resultant debt crisis, and the collapse of Soviet communism, Third World countries would not have been forced into the neoliberal system.⁷

Whether previous globalizations existed is to a great degree a matter of semantics, of definition (though, of course, definitions derive from theory and ideology). Wallerstein applied the term world system to ancient empires, such as those of Rome and China. The best case for an earlier Imperial globalization is the period between about 1870 and 1914 when largely uncontested colonialism was at its peak; this was, however, quite different from today's globalization, which is defined largely in terms of relatively free trade among nations (colonial empires tended to trade within themselves) and technological innovations in communications and transportation. Many of the *processes* of contemporary globalization, such as the

ubiquity of electronic media and the spread of consumerism, have, of course, been going on for a long time before 1990, so anthropological studies of the globalization of cultures and peoples may date back several decades.

NEOLIBERALISM

Globalization and neoliberalism are, at present, the only games in town.
William Loker⁸

It has been argued that neoliberalism is crucial to the current definition of globalization. In its most fundamental aspect, neoliberalism is simply the idea that trade should be unfettered by government regulation. This seems innocuous enough. However, until recently, the vast majority of Third World countries were being managed on completely different principles and according to completely different philosophies. Most Third World states operated on the assumption that their domestic industries, small and large, needed to be protected from international competition. For example, Pedro, a shoemaker in Lima, Peru, runs a shop with ten employees; he produces a fairly decent product on low-tech equipment. However, if Peru is inundated with lower-cost, more stylish, and more durable shoes from, say, China, Pedro is out of business. Multiply this by thousands of entrepreneurs who are unable to get their businesses off the ground and 10,000 farmers who cannot produce crops cheaper than they can be imported and one can see the problem. In the world market, bigness, technology, and the cheapest labor have the advantage. If Pedro and all those like him remain in poverty, there is not enough wealth among the masses to create effective demand for goods, so what is produced within the country is targeted for export, and what is imported is mainly luxury goods for the upper classes. The result is a weak domestic economy that endlessly reproduces itself, never reaching a point of self-development. Another problem has been that transnational agriculture or mining corporations remove far more resources and profits than they put back into the country.

Basically, this is a conflict between domestic capitalism and international capitalism. To solve it, some countries turned to socialism, others to various hybrids of socialism and capitalism, and others to protected capitalism, but most placed strong restrictions on imports and tried to control foreign investment. Governments assumed ownership of major resources and industries with the promise that profits would be used to serve the people. With a few notable exceptions, such as South Korea and Taiwan, these attempts to create strong domestic economies did not achieve expectations,

and some were disastrous failures. Reasons for failure varied, but usually were related to statism and overcontrol by the government, with accompanying corruption and inefficiency.

Neoliberalism, in contrast, shifts the strategy for development from inward-oriented policies directed toward national self-sufficiency to outward-oriented policies designed for maximum integration into the global market. Ideally, the government should be removed from the economic sphere, allowing the market to work for itself (in practice, of course, extensive government intervention is required to rapidly transform an economy). The primary requirements of the neoliberal model are the reduction and removal of tariffs and quotas and the elimination of barriers to foreign investment, allowing free trade, especially via transnational corporations rather than the government, to regulate the economy. Other required structural adjustments include a severe reduction in fiscal deficits, privatization of nationalized corporations, the decontrol of prices including the elimination of subsidies, and the decontrol of exchange rates and interest rates (Loker 1999).

The underlying theory is a combination of the classical policies of Adam Smith's self-adjusting market and David Ricardo's comparative advantage. Forgotten are Smith's insistence that the invisible hand of supply and demand be tempered by morality⁹ and that in formerly closed countries the opening of markets to foreign goods be done very gradually in order not to "deprive all at once many thousands of our people of their ordinary employment and means of subsistence. The disorder which this would occasion might no doubt be very considerable" (Smith 1976 [1776]: 469). Russia, which was forced to rapidly transform its economy along neoliberal lines in order to get desperately needed loans, does indeed have "very considerable" problems. The Southeast Asia successes are often cited as prime examples of neoliberalism, which is odd since the development of these countries followed a far different model that included import substitution, government ownership, price controls, and extensive and ongoing government involvement in almost every aspect of the economy, from land reform to industrial production. Whereas the Southeast Asian model was pragmatic and flexible, with new changes being made as old policies were outgrown, neoliberalism tends to be more of a cookbook approach to be applied, irrelevant of the culture, history, society, and level of development of the country.

Proponents of neoliberalism point to high-level statistics, much the same way that early development theorists used gross national product as a measure of success. On closer examination, however, even claimed successes are few—Chile, Brazil, and Peru are often cited. The Southeast Asia tigers are regularly claimed as exemplary, which ignores the fact that the financial

crisis of the 1990s occurred shortly after these previously rapidly growing economies abandoned earlier policies and adopted more purely neoliberal regimes.

Neoliberalism favors the rich and, since anthropologists usually study the poor or lower middle classes, a near consensus has emerged that neoliberal adjustments undercut domestic production prices, cause unemployment, create sweatshops that utilize underpaid child and female labor, disrupt families, disempower peasants, and encourage environmental despoliation.¹⁰ Nevertheless, neoliberalism is not without its mass appeal. Many of the countries to which it is applied have had too much state intervention in the past, often by violent and corrupt governments; as economic power is moved out of the hands of the bureaucracy, new opportunities arise for domestic entrepreneurs. Government-owned industries were often (though by no means always) inefficient and run by political cronies of the regime in power, so little of the promised profits ever made their way back to the people. As miserable as they are, transnational factories in Third World countries often pay more and have better working conditions than domestic factories. In some countries, skyrocketing inflation has been brought under control.

The score of minuses and pluses is more mixed than either side wishes to admit; arguers both pro and con will never lack for examples to prove their points or disprove the points of their opponents. Although neoliberalism wants to be a one-size-fits-all model, in reality it does not have the same effects in any two countries because it is always laid over pre-existing structures, histories, and cultures. What appears at the macro level as a logical set of neutral economic principles turns out, on the ground, to be as subjective, political, and contingent as any other set of policies. It is at ground level—down there on the subsistence farms and in the back alleys of shanty towns where the anthropologist resides—that neoliberal globalization takes on tangible form.

THE NATURE OF GLOBALIZATION

The terms modern and postmodern can be extremely confusing, not least because in the past modern pretty much meant contemporary, rendering postmodern either nonsensical or, at best, futuristic. In the globalization literature, one will often find one scholar using the term modern for the same phenomena for which another employs the term postmodern. Most confusing, however, is that the term postmodern can refer to two quite distinct things: (1) an empirical condition or (2) a set of artistic, literary, and social theories. For some analysts, these two are mixed together, so that