

Engaging Globalization

To explore the perceived boundaries between the state and the economy, between the national or international, and between the developed and developing world, this issue of *Kasarinlan* on “International Political Economy” brings in aspects of comparative political economy, specifically those that deal with the relationship between state and the economy, and international relations which is dominated by questions of cooperation (or its absence) in interstate relations. This issue also looks at the challenges posed by globalization in terms of rethinking traditional paradigms of power and development. In doing so, it takes into consideration the changing patterns of state power, the emergence of a new kind of regionalism, the role of nonstate actors and the salience of ideas, information and identity. The articles in this issue, therefore, presents the different dimensions of the challenges posed by globalization and more importantly, the manner in which one could formidably engage it for incremental gains despite all odds.

Alastair Davidson’s “Gramsci, Hegemony and Globalization,” aims to offer a fresh perspective in discerning and challenging hegemony in this era of globalization. He notes the crisis of the nation-state, particularly its coercive powers, *vis-à-vis* “the advancement of an economy on a world scale”. An important implication of this is the way it determines national politics. An example is the emergence of huge migrating workforces moving from one country to another. Strategy-wise, it seems that such a situation makes it difficult to challenge the hegemonic power, i.e., capitalism, since there are “no shared places for workers who reproduce capitalist relations in a new global epoch”. Thus, one cannot perceive what Marxism saw as the

transformation of the proletariat into a class because they no longer occupy a defined space, e.g., the factory, but are actually in a perennial state of transiting from one region to another. What seems to be common is the way current workers resolve the problems at home by fleeing from one place to another place where better conditions are to be found. It is this very situation, however, which Davidson believes will bear fruit to a potential counter-hegemony. That is, the emergence of a “war of position” which is “best built around human rights campaigns for minorities for migrant workers in global cities” with the demand for the empowering of citizenship rights and strong affirmative actions among others.

Eric Budd’s “Wither the Patrimonial State in the Age of Globalization?” on the other hand does not share the same optimism as Davidson in seeing opportunities in addressing hindrances to the democratization process through globalization. Budd’s reference point is the question of whether the patrimonial state, which he describes as lacking the “vision, autonomy and bureaucratic capacity necessary to implement a developmental program”, will wither away in a period of globalization. Using the Philippines and Indonesia as case studies, he notes that globalization has only promoted capitalism but not the institutions that are necessary for democratic consolidation. In other words, globalization has not done much to address the problem posed by the patrimonial state “where practically everything depends explicitly upon personal considerations”.

Budd’s argument that globalization has only enhanced capitalism is seen in Wang Jinmin, Richard Sanders and Chen Yang’s “The Wave of Regional Trade Agreements in East Asia: China’s Strategy.” The article argues that whereas in the 1980s China was hesitant to join the thrust towards “economic integration and cooperation within East Asia because of Japan’s leading role and US’s intervention in the region”, the deepening market reforms in the country as well as international economic fluctuations, has changed its position. This is seen in its pursuit of regional trade agreements (RTAs) with its neighboring countries in East Asia particularly those which are “rich in energy and natural resources so as to ensure the stable supply of energy and natural resources”. However, there is an obstacle to this development thrust. “Many of potential RTAs in East Asia are of hub-and-spoke pattern which will lead to some negative effects towards the Chinese economy.” That is, the hub, which is accessible to each spoke on a preferential basis, and the spokes, each of which can only enjoy preferential access to the hub, discriminates against nonmembers of

which China is one. The authors, therefore believe, that China needs to strengthen its role as a hub in the region and contribute to the harmonization of the regional trade rules.

One of the microimpact of China's increasing economic presence in the region is the repercussion it has on the shoe industry in the Philippines. As pointed out in Allen J. Scott's "The Shoe Industry of Marikina City, Philippines: A Developing-Country Cluster in Crisis," the decline of the local shoe industry was brought about by the liberalization of the Filipino economy and the concomitant increase in Chinese-made shoes on domestic markets. It does not help much that the shoe industry focused mainly on domestic consumption, which has lagged through the years, and that its export capability is underdeveloped. Although there have been attempts to rebuild the industry's institutional bases within the context of enhancing its competitive advantage, this has not been effective. Scott attributes this to the policy options' high risks of failure. A solution he proposes is to have the upgrading of the industry's cluster and to intensify export activity. This, he notes, would not merely be a technocratic solution but would require intense effort of political mobilization and education.

The need for a nontechnocratic solution to the problem of the Marikina shoe industry brings out the reality that the economic is also political. This can be seen in a larger picture in Jan Pospisil's, "On the Edge of Escalation: How US development policy deals with the political economy of war in Mindanao". Pospisil in his article argues that although the US Agency for International Development (USAID) has been in Mindanao since 1997, the development aid it has poured into the region seems to go for naught because of the continuing conflict situation. The reason is understandable as the conflict which has existed in 1972 was never effectively addressed by the state which cannot deal with the problems posed by the local traditions of society, its politics and leadership. The evidence of this can be seen in the corruption which pervades the Autonomous Region of Muslim Mindanao (ARMM). The biggest losers are the ordinary people who are now pulled towards criminal practices and gangs which Pospisil points out are even challenging the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF), the two biggest separatist organizations in Mindanao. It is within this context that Pospisil is arguing that the US military presence in the region is feeding the war environment which pervades and consequently as well as ironically, rendering futile whatever development assistance is poured in to resolve the conflict.❀

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