

Globalization: The Rise of the Middle Classes from Athens to Beijing

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Abstract

Although its detractors deny it, Globalization, like free markets more generally, entails virtues, at a minimum in the Aristotelian sense of functional effectiveness: fair exchanges, self-discipline, respect for consequences of individual choices, keeping promises, a necessity for law and order, protection of private property, the value of individual autonomy, and the reward for risk-taking, according to a cost/benefit analysis, defined as applied reason, defined as informed choices. Notice what is absent from this catalogue of prudence: moral virtue, justice, equality, self-sacrifice, devotion to divine or any other transcendental values. Now my materialistically tilted understanding of Globalization can be unmasked: it ignores the 'higher' virtues. Or, rather, it leaves them to be assessed and applied by the non-economic sectors of the social and political arenas.

Keywords: Globalization, middle classes, individual, responsibility, fair dealing, populism, imperialism, American civil war, Hellenism, cosmopolitanism, Industrial Revolution.

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Introduction

The elemental truth must be stressed that the characteristics of any country before its industrial revolution and modernization is poverty. Life on the margin of subsistence is an inevitable condition for the masses of any nation. Doubtless, there will be a ruling class, based on economic surplus produced from the land, trade and office, living in extreme luxury.... But with low productivity, low output per head, in traditional agriculture, any economy which has agriculture as the main constituent of its national income...does not produce much of a surplus above the immediate requirements of consumption (Mathias, 1969: 05).

There is no consensus regarding the concept of Globalization. While not denying its political and cultural effects, this presentation focuses on some of Globalization's most important economic properties: trade and its associated elements. Keeping these factors in mind, David Held's conception of globalization is useful:

Globalization is best understood as a spatial phenomenon, lying on a continuum with 'the local' at one end and 'the global' at the other. It denotes a shift in the spatial form of human activity to transcontinental or interregional institutions across space and time such that, on the one hand, day to day activities are increasingly influenced by events happening on the other side of the globe and, on the other hand, the practices and decisions of local groups can have significant global reverberations (Held, 1997: 253).

Globalization's economic properties have precipitated an intense debate regarding its effects, traversing the moral, social and political arenas, with the predictable continuum from radical Marxist critiques through liberal and neo-liberal rationales to conservative dismay. Space precludes entry into these thickets, although my analysis inevitably suggests my value orientation based on my understanding of what Globalization can and cannot accomplish. Although its detractors deny it, Globalization, like free markets more generally, entails virtues, at a minimum in the Aristotelian sense of functional effectiveness: fair exchanges, self-discipline, respect for consequences of individual choices, keeping promises, necessity for law and order, protection of private property, the value of individual autonomy, and the reward for risk-taking, according to a cost/benefit analysis, defined as applied reason, defined as informed choices. Notice what is absent from this catalogue of prudence: moral virtue, justice, equality, self-sacrifice, devotion to divine or any other transcendental values. Now my materialistically tilted understanding of Globalization can be unmasked: it ignores the 'higher' virtues. Or, rather, it leaves them to be assessed and applied by the non-economic sectors of the social and political arenas.

The Significance of Athens

While the influence of trade and commerce on the development of the Athenian polis remains controversial, I believe it was decisive. No one disputes that most Athenians engaged in agricultural or herding activities, however, relative to the societies to the East, trade and commerce played a much greater part in Athenian life and had a profound effect on 6th and 5th Century Athens, for good and ill. The empires of the Near East had long engaged in complex and long-distance trade, from India to Egypt and beyond. None of these societies, however, were as dependent upon commerce as Athens and none transformed itself so rapidly and profoundly. Upon initiating trade

with its eastern neighbors, bringing them olives and pottery among other goods, and providing them with a sound currency, Athens received a multitude of products like silk and grain, but especially ideas. Becoming rich, Athens became a magnet for the ambitious, talented and enterprising, a Greek version of New York and Paris. Becoming increasingly democratic, a consequence of hoplite soldiers and sailors, as well as its burgeoning middle classes, Athens became imperialistic, suggesting that democracies are as liable to catastrophic excess as authoritarian states.

Although Athens cannot be considered the precursor to Globalization, it did establish important conditions for a global political economy. Most fundamentally, the commercial activity, which accelerated in Athens after Solonian and Cleisthenic reforms, was an alternative to traditional social structures. Always on the margins of subsistence, Athenian agriculture forced its sons to find alternative ways of making a living. Even the relatively rich family of Solon could not keep the great statesman from a career in commerce. When these sons settled in Athens, they found themselves in need of an alternative authority structure, a way of settling disputes among strangers who were no longer under patriarchal authority. The critical element of Solonian due process is that disputants would be treated as individuals with claims based on facts, not as family or tribal members. '[He] saw that the strength of Athens lay in the number and the potentialities of her citizens, and that at all costs their individual rights must be restored and preserved' (Snodgrass, 1980: 94). This transformation from privilege to Meritor, in later terms, from status to contract, or from the community to society, was completed by the Calisthenics reforms which essentially established a democratic form of government, although the groundwork was laid before the institutions were established:

It is the distinguishing characteristic of Greek culture that, long before the notion of democracy had been conceived, there was an established sense of rights of the individual citizen; one of these rights was that of a degree of free communication and...of criticism. It is this 'openness' of Greek society which is its most precious single legacy.... (Snodgrass, 1980: 161).

While there was no written constitutional protection of speech, assembly or property rights, neither was there any systematic infringement on these concepts. The positive implications of these implicit protections were that the elements of commercial transactions would be allowed to flourish as a result of individual decisions regarding what might be profitable and that these activities would be supported by the legal and democratic structures of an increasingly prosperous middle class Athens. As the Athenian economy became more complex, the old agrarian divisions between the Few and the Many became less significant. At the same time ideals changed:

The time-honored and individualistic desire to give man the distinctive attributes of the warrior, in death as in life, had given way to something more practical and broadly based: the realization that the self-esteem of the dead is less important than the needs of the living, especially when costly materials and long hours of craftsmanship have gone into the products in question (Snodgrass, 1980: 99).

By these processes, as well as the more obvious opportunities that trade and commerce presented, the Athenian middle classes took control of Athenian democracy. They were able to protect themselves from the temptations of both aristocratic privilege and underclass resentment. In 18th and 19th Century England the same process was duplicated, culminating in a liberal representative polity.

Alexander: Cultural Hellenism and Cosmopolitanism

It seems undeniable that Alexander's policies or, at least his attitudes, spread from Greece to the Indus River, set conditions for Globalization. First was Alexander's openness to the other, other people, other customs, other gods and other civilizations. Despite his problematic relations with Athenians and other Greeks, he clearly admired them, particularly Athenians. As he encountered the peoples of the East, he treated them with respect, often making a competent opposing general a provincial governor. Not only did he not impose Greek culture on his new subjects, but he also embodied deference for the norms and practices of the East, often to the consternation of Macedonians and Greeks. While his motivations remain conjectural, the effects of his approach seem to confirm a delight in blending East and West, making him a legitimate ruler of a polyglot global empire. This has often been dismissed yet another instance of the megalomania of yet another tyrant. There can be little doubt that Alexander created the Hellenistic World, which must be conceived as not a simple infusion of Hellenism into alien cultures, but as a complex interpenetrated set of phenomena more profound than the exchange of goods. Just as English would become the indispensable language of Globalization, Greek became the indispensable language of the culture of Alexander's world.

Renaissance Venice: The Necessity of Community

The opening of the Mediterranean to the East all the way to China by Venice and other Italian city-states is essentially a story of the adventure and the opportunities of international commerce. Here I wish to sketch an essential condition for the success of commerce in general: a community of law, especially of contract law, as it pertains to the protection of property. Before any prudent man can contemplate long distance trade, often requiring months or years to come to fruition, he must be reasonably assured of the risks involved. Perhaps the most important concerns the reliability of commercial agreements, hence the cardinal importance of having enforceable contracts, adjudicated under 'Solonian' due process. The most brilliant expression of this notion is the theme of *the Merchant of Venice*.

Shakespeare, no less than his immediate predecessors, Luther and Machiavelli, ushered in the modern world and its principle political expression: the territorial nation-state. While all political regimes require revenue, the modern state is especially dependent on the revenue derived from commerce and trade, for this is where the money is. To pay for its key institutions, the army and the bureaucracy, much more revenue than was extractable from European agriculture was essential, but only with greater difficulty. Unlike peasants, the commercial middle classes were not so easily exploited. Authoritarian rule is facilitated by agrarian economies, especially those dependent on state institutions like irrigation systems. Such regimes, typified by the great Asiatic

civilizations, had life and death control of its subjects. They were intrinsically exploitive because even small extractions or restrictions meant the difference between living and dying. Moreover, agrarian subjects are easily replicated and dispensed with, their contributions minimal and easily replaced.

The contrast with the modern European state cannot be overstated. Increasingly dependent on trade-driven revenues, rulers, often reluctantly, needed to accommodate the middle classes that produced their wealth. These classes, however, had more means of resistance than their peasant forbears. They were not only more needed, they were less replicable, less dispensable, and more mobile. Thus, an almost paradoxical relationship developed between the ruling and middle classes. The more the state needed revenue, the more it needed to control the producers of wealth. However, the more it encroached upon the economy, the more the wealth producers resisted; and the more political interference, the less efficient and less productive the economy became, diminishing the revenue pool. In brief, the producers and the rulers had to accommodate each other.

European Jewry illustrates the dilemma of the modern state most dramatically and tragically. The ‘Wandering Jews’ became increasingly important as international trade accelerated. They became a metaphor for commerce. Independent, resented, prosperous, estranged: the ultimate outsider who could not be dispensed with. The tragedy of the Jews was that as commerce expanded among the Gentiles, Jews became less important and more vulnerable because they remained outside the new political orders that were developing in Europe. They had little political influence that did not depend upon placating and bribing rulers and exploiting Gentiles. This was Shylock’s dilemma. To enforce his contract with the citizen Antonio, he would forfeit his life as a Jew, as an incarnate outsider no matter how important otherwise. He had to convert to Christianity if the laws of Venice were to be applied without fear or favor. *The Merchant of Venice* further advances the conditions for Globalization. First, the law, especially dealing with property and its contracts must be enforced, regardless of the desirability of the outcome. Second, for the law to be applied wisely, a certain leeway of outcomes must be allowed, a leeway that can only work if it is following other societal rules and values. This important point is often overlooked or denied by critics of free-market capitalism. Their claim that capitalism is simply about wealth production independent of other values is false. Even a simple contract, like the one which bound Antonio and Shylock, cannot be understood, much less enforced in its own terms. Shylock could not have his bond, as he demanded because the contract was embedded in many other values of Venetian society, which contradicted a literal interpretation of the contract. *The Merchant of Venice*, at least in my interpretation, indicates that the rules governing commerce are inextricably intertwined with a series of social and political rules, which when taken together can be said to constitute a just regime, one based on a complex and interactive set of rules, not predictable outcomes, no matter how desirable they might seem (Hayek, 1976).

The Industrial Revolution and the Rise of the Middle Classes

The Industrial Revolution mechanized commerce, making its products less expensive and more reliable. It had a gargantuan appetite for four things: raw materials, capital, urban workers, and

customers. The long-term transformation from agriculturally based economies to commercial ones was given steroids by industrialization. The first industrial nation was Great Britain.

To be given identity, the concept implies the onset of a fundamental change in the structure of an economy, a fundamental redeployment of resources away from agriculture. This does not necessarily mean that investment in agriculture or the labor force in agriculture goes down. Indeed, all these things may need to increase in absolute terms. But growth in production, investment, and labor force grows more rapidly in other sectors of the economy and therefore becomes more differentiated (Mathias, 1969: 02).

By this definition, Athens can be understood to have achieved many of the attributes of the Industrial Revolution, but not quite all. ‘Economic growth in this sense of differentiation—structural change, deepening investment, technical change involving a change in production functions—has to be distinguished from economic expansion... (Mathias, 1969: 03). There needed to be profound structural changes in the economic infrastructure for the Industrial Revolution to come to fruition. Long-distance communication and transportation technologies were only developed in the 18th and 19th centuries. Much more sophisticated financial instruments and practices had to become widespread. Above all, as Adam Smith demonstrated, the concepts of division of labor and comparative advantage were indispensable to national and international prosperity.

Before all these processes could emerge, several conditions were met in Britain to a far greater extent than any other nation-state. ‘[In Arthur Lewis’s words, there needed to be a] “will industrialize.” He meant by this that there must be a social system and a government that has not got its face set against economic change, or at least has not got effective power and influence to prevent spontaneous forces for change from acting.’ Perhaps the key idea here along with ‘will’ is ‘spontaneous forces,’ for industrialization was largely brought about by what we now call ‘middle classes.’ Mathias expands on Lewis’s third condition, ‘inventiveness:’

By and large, innovations were the result of the formal application of applied science, nor a product of the formal educational system of the country. Great determination, intense curiosity, quick wits, clever fingers, luck, capital, or employment and a backer to survive the period of experimenting, testing, improving were more important in almost all fields than a scientific training (Mathias, 1969: 137).

It would be difficult to conceive of a better definition of the middle-class attributes. Lewis’s second and fourth conditions, sufficient resources and capital, require little comment (Mathias, 1969: 10-12). These processes made Britain the world’s most powerful economic entity. Its effects at the social level may well prove more profound: ‘Industrialization, coupled with urbanization, became the greatest creator of the need for capital; the greatest creator of employment the world had known’ (Mathias, 1969: 144)

Of course, as the source of wealth change, the wealth producers wished to protect their gains, economic and social, from those above and below them, engaged in a classic two front struggle. With considerable difficulty, and at the cost of several revolutions, they [the middle classes] were

about to achieve their political ambitions—the destruction of the old, conservative monarchies, the proclamation of freedom of enterprise and control of as much public administration as [their wealth] needed to be preserved. Notably, this shift in political power took place in Britain with far less social convulsion than other European nations.

By the end of the 19th century the Industrial Revolution and its concomitant rise of the middle classes prevailed in Western Europe, with Britain the dominant power, with a newly unified Germany closing the gap and in many basic industries taking the lead, and with revolutionary France more slowly evolving economically than politically.

Yet even before this European process was completed, the middle classes of Europe had harnessed their commercial, financial and industrial skills to conquer the world. They thrust their ruthless way across every continent, bringing wars in their train, inciting revolts, but everywhere triumphant. (Moraze, 1996: xi)

I cite these perhaps overheated words to indicate that even those who recognized the benefits of industrialization could not mask their qualms that change on such a scale was bound to foster violence. Moraze (1996: 7) appreciates that ‘the age of the enlightenment was essentially and primarily the age of trade, and trade so profitable that it was able to make many and varied demands on politics as well.’ Moreover, he appreciated the liberal implications of these changes, yet his ambivalence remains, especially when he eyes developments east of the Rhine (Moraze, 1996: 10) In the aftermath of two world wars, his ambivalence is easy to understand, yet his suggestion that industrial change is inevitably violent or is somehow caused by middle class assumption so some political influence is not warranted. The French revolution predated industrialization in France. Moreover, war is but one of the responses to structural change. And even when social dislocation leads to violence, as abhorrent as it is, it must be measured against a status quo that for virtually the entire expanse of history has meant poverty for 90% of human beings.

Still, these developments could not be properly labeled Globalization, for they were essentially exploitive, reaching its obscene expression in Nazi Germany. Western Europe had conquered most of Asia and Africa but did not export its modern techniques, except insofar it was necessary to strip their possessions of their natural assets. This was economic expansion because of imperialism, not Globalization. To this degree Lenin was correct. World War I was at least partially caused by the European struggle to exploit Asian and African resources to achieve European dominance.

The imperial pattern of British exploitation was demonstrated as early as the 18th century in the American colonies. After a century of neglect, Britain became aware of the potential wealth America implied for Britain and began to exercise more economic control under a mercantilist regime, which attempted to restrict the American economy to providing primary commodities to Britain. American resistance resulted in independence with portentous implications for Globalization.

The American Century: The Promise of Globalization and its Discontents

With the end of World War Two, the United States was the dominant economic force in the world. Although in some senses a superpower, the Soviet Union could never rival the U.S., eventually succumbing to its inability to create and sustain a dynamic economy. Before we discuss Globalization, let us sum up the attributes of Globalization which led up to its fulfillment under the leadership of the U.S.

With Athens, we saw the transformation of a traditional social order based on an agrarian economy give way to a commercial trading economy and a democratic political regime designed to accommodate it. Widespread literacy, rule of law, including protections of communication, travel, and property, and a sound currency, which served as the medium of exchange throughout the Mediterranean and the Middle East. Above all, Athens fostered individualism, in ideas, behavior and responsibility.

With Venice and the other Italian city states, we understood the necessity of fulfilling contractual obligations without fear or favor and, equally important, we appreciated that a complex economy required a complex political system if it were to work with sufficient resilience to sustain itself. This implied that legal rules had to work in concert with other social norms, that is, a modern system of justice, essentially procedural and alterable, was necessary to sustain a complex economy, even as economic rules became more important.

With Britain and the rest of Europe in varying degrees, the Industrial Revolution manifested its capacity to create an avalanche of goods and services at lower and lower prices, enabling more and more people to live middle class lives by earning incomes far above subsistence, thereby able to consume the products they produced directly and indirectly. Equally important was the recognition by the wealth producing classes that to protect their property and their capacity to earn, they had to secure political influence, a process that was well underway in Britain by the middle of the 19th century and that had been accomplished in the 18th century by the American Constitution. The Industrial Revolution, the rise of the middle classes and the development of liberal government are the three facets of the same jewel: the modern industrial state. All that was necessary to create the infrastructure of Globalization was a way to expand all these processes around the world without imperialist exploitation.

America was never aristocratic, except in its pretensions, especially among the planters of the South, so there was no need to wrest political power from a class of people who measured their worth by their leisured decadence. Yet rapid changes were hardly avoided. Although few people believed Jefferson's election was revolutionary, it accelerated, if not created, profound changes in American life. It signaled the rise of the Common Man and the demise of the Gentleman. The election legitimated working for a living, a process held in contempt by Gentlemen, even when forced by circumstances to earn money, rather than live off their property and the labor of others. Aristocratic birth, landed property, and liberal education became suspect. Now, it became desirable for office-seekers to have occupations and humble origins. Now, it became acceptable, if not laudable, for officeholders to exploit their office for private gain. The Founders' ideal of disinterested, unremunerated public service vanished, apart from occasional rhetorical flourishes. The deference these attributes compelled in the 18th century evaporated. Success, increasingly

measured by earned wealth, was admired and rewarded by voters. All forms of authority—familial, clerical, social—were under siege and would succumb as the 19th century unfolded. As Americans took control of their own lives, as they prospered by their own efforts, they became less willing to submit to authorities, who would subordinate their interests to something called, the Common Good.

Just as Hamilton envisioned, by becoming a commercial, trading, and industrial nation, the United States was becoming the Great American Empire, ready and eager to enter the world stage. Ironically, Jefferson's presidency, despite its overt hostility to these developments, inadvertently accelerated the process. Overcoming his scruples regarding independent executive prerogatives, he doubled the size of the Nation with the Louisiana Purchase. His objective was to guarantee the agrarian nature of America for generations. However, rather than providing farmers with fertile and cheap land beyond their imaginings, rather than providing more opportunities than they could exploit, the new lands, which spread from New Orleans to the North and West, catapulted the American economy to new heights. Far from guaranteeing the Jeffersonian Vision of a stable agrarian society, the Purchase enhanced the American penchant for treating land as another commodity, to be bought, improved, sold, and purchased anew, in short, just another item of commerce, not the sign of a way of life. With farmers profiting from entrepreneurial opportunity, the Jeffersonian Vision was compromised in its central premise.

By the mid-19th century, every element of this socio-economic-political order was revolutionized. It was the most profound and rapid set of transformations since 5th century Athens. Consider values. The ideal of Gentlemen, who were born with Republican Virtue and, therefore, endowed with the right to rule, dissolved. Instead of a liberally educated, aristocrat, the new model of officials, elected and appointed, was comprised of the common qualities of ordinary men, who worked for a living and whose family also worked. Their lack of distinction was their claim to rule, for only they could represent people just like them. By the same reasoning, well-born elites could not in principle represent the People. Both views would later be the basis of identity politics. With the ideal of the Gentleman, the economic ideal of Mercantilism declined. Adam Smith's *Wealth of Nations*, published in 1776, demolished the wisdom of privileged and monopolistic access to economic opportunity, which the government would bestow upon its favorites. Wealth was created by free markets and free competition, administered not by mercantilists, but with an 'invisible hand.' The nature of goods produced, their prices, and their quality would be determined by supply and demand, not by officials deciding what was good for the People or the State. The nature of workers, presumed to be lazy, fit only to produce under threat of starvation, was denied by the facts and reevaluated. It seemed that ordinary people would work for goods, previously considered luxuries. Not only was a demand for an ever-increasing variety of goods stimulated, but the production of these goods also became more efficient. And due to economic laws of comparative advantage and specialization, they became affordable and prevalent. Middle class prosperity increased and spread.

In the United States, this new conception of wealth creation built upon practices well established in virtually every community in the North and West. Free market proto capitalism became

capitalism, as manufacturing spread from farm cottages to factories. Efficiencies would soon dramatically increase by the introduction of machines in more industries. Increasing prosperity put money in the hands of workers, including women and children, to an extent unimaginable before. It became more difficult to impose traditional, paternalistic authority on those who so obviously contributed to the quality of life of their families and communities and who could assert their independence with cash in their hands. Middle class workers begot middle class political and social values. Pluralist economies begot pluralist polities.

For all its horror and grievous suffering, the American Civil War settled the most important outstanding economic issues of the 19th century. The industrializing North and Midwest would continue to develop without the impediments of a Senate controlled by Planter interests. Their ways would spread across the land with unprecedented scope, scale and rapidity. America became a magnet for those Europeans and Asians who would risk their lives to achieve freedom and prosperity. The archetypal middle-class society was now the world's most prolific generator of new middle-class persons. Based on the wealth and prosperity these middle-class Americans produced, America was ready to take its place in the world.

The Spread of Free Markets: China

For all its flaws, continuing rapid economic development only slightly stained by imperialism has been a major achievement of the U.S. after World War Two. Unlike virtually all the other great powers, the U.S. did not exploit its victories with territorial acquisitions. The first indication was the Marshall Plan, which extended American aid to all European nations, including the Soviet Union, which declined, and which forced its satellites to decline. Although the promise of the Marshall Plan was partially deferred due to the Cold War, the underlying structures of Globalization were developing. These included a near universal commercial and scientific language: English and a currency: the dollar, and perhaps above all, an unprecedented pattern of success, which increasingly became a near universal ideal. Besides, there were the examples of Japan and Germany, the defeated and ravaged nations, which rapidly restored their economies and established representative governments.

When the Soviet Union imploded, largely as a result of its failure to modernize its economy, Globalization took off. No longer was a command economy, regardless of its professed ideals of equality and the reality of a police state, a viable alternative to free market economies, even in those nations that continued to profess Marxism, like China and Vietnam. In consequence, middle class development accelerated and nowhere more spectacularly than in China and India. Prosperity and its consequences metastasized. Middle class expansion will continue to have profound positive effects on all the measures of standard of living: increasing life expectancy, infant mortality, nutrition, expansion of compulsory education, greater higher education opportunities, increasing scientific research, less sectarian violence, less probability of large scale war, and greater capacity to care for the poor (Pinker, 2011). Moreover, the political implications of Globalization seem to mirror the liberalization of political regimes that took place in Western Europe in the 19th and 20th centuries, especially after World War Two and the collapse of the Soviet Union.

The implosion of the Soviet Union was predated by the market reforms begun in China after Mao's death in the 1970s. Yet there is little doubt that reformist Chinese officials were aware of the economic catastrophe that was the Soviet Union. Behind this awareness and adding urgency to reform was the humiliation of China at the hands of imperialists. Difficulties arose in the modern era in the form of aggressive, wealthy, and technologically advanced European nation-states. The essentially static Chinese state and its cardinal economic objective of agrarian self-sufficiency had no way to resist the intrusions of the West. Perceiving little need to change, China became prey to those states that were profoundly changing and who wished to prosper at China's expense. From the perspective of the West, Chinese stability was considered backward and weak, and ripe for exploitation.

The most pernicious exploitation took the form of flooding China with opium. The most sophisticated and refined civilization in Asia, if not the world, became a hotbed of White Man's greed and arrogance. Worse was to come. As Europeans were engaged in mutual destruction, an upstart Asian nation took their place oppressing China. Not content with stripping China of its wealth, an all-conquering Japan wanted to destroy its sovereignty.

With the defeat of Japan in World War Two, China was free to reorganize itself. The profound revolutionary change resulted. For all its faults and many errors, the Maoist Revolution asserted in the most undeniable terms that China was for the Chinese. But what path would Chinese modernization take? From an economic perspective, the Maoist regime made its most profound error when it imposed a command economic model. It compounded its mistake with political repression. And yet, and yet, out of the depths of failure and despair, under the leadership of an official who had served the Maoist regime well, China confronted its failed economy and began to see modernization and a market economy as two sides of the same coin. To remain free, China had to engage the world economy. This of course was no revelation to Westerners. What did astonish them was the rapidity and pervasiveness of China's successful approach to the necessities of a market economy. Perhaps six hundred million people rose out of poverty. This remarkable achievement becomes all but miraculous when it is remembered that about fifty million Chinese died of starvation in the 1960s. With a unique combination of government partnerships and incentives, the inherent commercial talents of the Chinese were released. While its development radically differed from the relatively spontaneous development that characterized Britain and the U.S., it nevertheless adopted many of their techniques, calling it 'capitalism or free markets with Chinese characteristics,' a phrase I heard many officials speak when I visited China in the Fall of 2019. However, it is characterized, within fifty years, China developed from an economy whose output was almost too primitive to measure, to the world's second largest economy, rivaling the U.S.

Globalization and its Discontents

And yet, and yet, there remains a fierce globalization debate. Every process I have discussed has been contradicted, minimized or denied. Even when the processes have been accepted as undeniable, and some of its benefits acknowledged, they have been condemned as Western imperialism or worse. Let us try to understand why.

First, change: nearly everyone hates and fears it. One of the conditions of change has therefore been suspect: freedom. Its frequent antidote: community enforced equality, sometimes called 'political correctness'. Capitalism, a force that accelerates change, has been condemned, and not only by the Marxists, but because it abandons the outworn, the obsolete, the inefficient, and the unproductive to the dustbin of history. This critique emphasizes Schumpeter's destructive side of capitalism, without appreciating its creative side. It emphasizes the unevenness of progress and undervalues the lifting of billions of people from poverty with the promise of lifting another billion into the middle classes. Globalization is pervasive worldwide change, a change far more profound than the exploitation of backward economies by the advanced. Globalization transforms all the societies it impacts and continues to do so, often at alarming rates. Even those who have contributed to and benefitted from these profound transformations often become anxious. Sometimes they support policies that damage the most dynamic elements of Globalization, chief of which is technological innovation and its associated social disruptions. This reaction reflects much more than nostalgic regard for obsolete and bygone products, ideas and social structures. Much of the resistance to Globalization's consequences originates in the fear of unpredictability and in an unwillingness to recognize the limits of our knowledge and the unavoidable pluralistic and inevitably contradictory nature of human values, individually, culturally or nationally conceived (Hayek, 1976).

Second, inequality: nearly everyone professes at least a belief in equality, especially absent precise definitions. There is no question that Globalization differentially impacts classes of populations, disproportionately benefits the middle classes, defined as those who can contribute to the free market economies that Globalization entails. Given the enormous variation in human abilities, which even Rousseau, the apostle of equality, acknowledged, how could it be otherwise? Freedom, if it means anything, involves the individual's choice to make decisions regarding how his or her life is to be lived, especially to defer gratification or, in other words, to make investments of time, talent, or energy, betting on a better future. When applied to an economy, these decisions are likely to produce results proportionate to the talents of the individual and the effort he or she exerts. Of course, this produces income and other inequalities. Income inequality has become a mantra in political discourse. Even conservative politicians regret or condemn it as unjust or at least politically unacceptable.

Few, if any, point out the fallacy the concept of income inequality reveals when used as an isolated, self-evident, self-justifying statistic. Like virtually all economic statistics, income inequality, if it is to have meaning beyond campaign rhetoric, needs to be combined with other statistics. It needs to be put in context and perspective. For example, suppose income inequality is correlated with a higher standard of living, not just for the few but the many. Would it remain a self-condemned statistic or part of a larger analysis? Of course, income inequality might be correlated with a lower standard of living for the many, and that would be a different story. It should be remembered pre-industrial, pre-capitalistic economies, while manifesting less income inequality, at least among those below the favored ruling class, were notoriously poor, ill-housed, badly clothed, ill-nourished and otherwise oppressed. Is income inequality worth this price?

And the remedy is what? Stalinism? Maoism? Subsistence economies operating under police states? Or, at best, medieval stasis under the authority of a universal church and barbaric local lords of the manor? Many states have failed and continue to fail because they employ policies based on the knowledge they cannot have and on values that seem absolute to the point of being justly coerced. They fail and will continue to fail, because their conviction that they can create a prosperous, egalitarian economy by planning and central control is simply and necessarily false, as has been demonstrated time and time again.

Third, American and European values. It is not an exaggeration to say that Globalization is the political economic expression of Western values and that it threatens non-Western values, especially those closely tied to traditional agrarian societies. Moreover, these values are fundamentally materialist, and in the minds of Globalization's critics, shallow and anti-humanistic, if not anti-religious. Is this not the current Pope's condemnation of free markets? Is this not radical Islam's condemnation of the West? Was this not Hitler's condemnation of 'Jew dominated' America? Of course, these expressions of Western values were not imposed. They were simply adopted by those who wished to participate in global prosperity and political stability.

Fourth, the populism of the Left and ultra-nationalism of the Right. The Left's opposition to Globalization stems from its conviction that communal equality, not individual freedom, is the cardinal value. The Right's opposition stems from its fear that national sovereignty and cultural differentiation will be eroded. Both Left and Right seem concerned that Globalization, defined (incorrectly) as autonomous laissez-faire markets, will benefit only the capitalist rich, leading to global chaos and worldwide depression. This fear of course ignores the reality of the explosion of transnational organizations which constrain the actions of individual states as well as multinational corporations (Held, McGrew, Goldblatt, & Perraton, 1999: 44-45).

The Left believes that these organizations are too weak to protect the masses or the unproductive; the Right that they will undermine national sovereignty and cultural identity. Populism further ignores the incipient political power of an increasingly prosperous middle class. In the West, the rise of the middle classes destroyed absolutist monarchies. There is every reason to believe those authoritarian regimes like China will have to accommodate the reality of their dependence on the economic power of their middle classes if they are to survive the changes entailed in Globalization. This near inevitable accommodation does not imply the advent of a liberal representative in China. In the West, the middle classes struggled for a political power to protect their property and their capacity to create more wealth from predatory governments. Recognizing their increasing dependence on the wealth producing classes, prudent governments, like those of 19th century Britain, gradually allowed their middle classes a place at the ruling table. The lesson is plain and certainly not lost by the Chinese ruling class. Don't alienate the classes ever more desperately needed to maintain your position in the world, to say nothing of national security. So far, a kind of Confucian accommodation seems viable. Insofar as a meritocratic elite can rule allowing a fair redistribution of the earnings of the middle classes to meet public needs, the middle classes will grant the regime legitimacy without demanding political participation at the national level.

The Need for Humility

Space precludes a systematic more elaborate discussion of these points. Instead, I should like to propose a more philosophical response. I believe two fundamental ideas are underlying all the alternatives to free market capitalism and its global implications. The first is that the future is knowable and that policies can be implemented to bring about virtually any desirable result. The second is that human beings are not necessarily biologically and psychologically individualistic but are malleable members of a community to which they should willingly conform, subordinating their interests and values (Pinker, 2002). If they don't, they can be justly coerced to serve the greater good. Virtually all utopian literature and Idealistic philosophies support coercion, because an individual's defiance is necessarily criminal, as Koestler's *Darkness at Noon*, brilliantly explains. Or, more insidiously, individual defiance is genetically preempted, as elaborated in Huxley's *Brave New World*.

Freedom, individualism, including its implications for both the economy and the polity, deny these two propositions on two grounds. First, naturalistic: everyone is profoundly unique, each possessing a trillion neural connections that make identity with any other human statistically impossible. This uniqueness results in unique personalities, each valuing him or herself above others, which can be made to conform only under a variety of socialization techniques, often with great difficulty. Ask any parent. Second, epistemological: we simply cannot know enough to predict the outcomes of any policy with enough confidence to justify coercion, except in very narrowly construed circumstances. The best we can do is abide by procedural rules of behavior which have evolved and endured in conformity with human nature, as best we can understand it, and with experience, as best as we can internalize it. The difficulty implied by the ignorance of ends and by the inevitable contradictions which beset pluralistic human values is compounded by the human inability to agree sufficiently on the value of particular ends to justify coercion. Does anyone believe that absolutists, whether Marxist, Stalinist, Maoist, Hitlerite, Islamic, Christian, Jewish or whatever, will agree sufficiently on what is Good and what can justly be coerced by the State? Absent such consensus, only some ends, provisionally considered, are sufficiently well conceived and generally accepted to be cautiously endowed with the coercive properties of the State. Even then, they should be kept to a minimum and be subject to review concerning efficacy and conformity to other social values and rules.

Globalization's success in virtually every corner of the globe is due to its respect for these propositions, summed up as the freedom of individuals, endowed with plural values, operating according to procedural rules, which given the ignorance of outcomes, must be evaluated in terms of fair process, not ends, no matter how desirable they might seem before or after the fact. These rules have been increasingly embedded in transnational organizations, making it more difficult for any nation-state to operate without considering the consequences of its actions. Of course, this does not mean that Globalization should proceed without criticism. It is not an ideology, much less a divine Truth. It is a human practice that should be judged in human terms and above all in a spirit of humility and adventure. The future belongs to the free and the brave. **Concluding Remarks**

Despite all the controversy surrounding the concept of Globalization and its effects, there can be little doubt that it has raised hundreds of millions out of poverty and promises to create a billion more middle class people by the end of the century. Although these improvements have not been equally spread across the board, it must be remembered that virtually all the new middle classes emerged from poverty. It is also important to remember that their willingness to be taxed to support the less productive has improved their lot. For example, the chances of a recurrence of a 1960's Chinese famine seem remote.

While it seems likely that the global economy will continue to expand, its very dynamism will continue to cause anxiety, not only among the lower classes but among academics. Making the perfect the enemy of the good has been a classic academic gambit. In a globalizing age that depends upon confidence in the future, academic malaise and bitterness represent more than a failure of nerve. This betrayal of the intellectuals ushered in the totalitarian regimes of the last century. At the least, it threatens to erode the faith of hardworking people that their lives and the lives of their children will be better. Any lack of confidence among the productive classes may be more dangerous than a pandemic.

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