

Working papers



# **Globalization and the Re-Definition of Democratic Governance: From Compensatory to Protective Democracy**

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## Introduction: Beyond Boolean Operations<sup>1</sup>

Keyword searches often produce long lists of items that may or may not be what you are looking for. To help alleviate this problem, you can restrict the number of items retrieved by performing an **Advanced** keyword search by using **Boolean Operators (AND, NOT, OR)**.

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The relationship between **globalization** and **democracy** has become a central topic of discussion not only in popular political discourse, but in academe as well. Determining the nature of the relationship, however, is not a straightforward matter. To date, most discussions have framed this question in terms consistent with standard **Boolean Operators** (and, not, or), consistent with three possible positions:

i) globalization **and** democracy

In this view, the two are assumed to be two-sides of the same global political-economic coin. That is, globalization (framed in the terms of neo-liberal economics) and democratization (framed in terms of liberal-democratic politics) are understood to be proceeding hand in hand, characteristically with globalization viewed as the independent, and democracy the dependent, variable.

ii) globalization **not** democracy

In this view, globalization and democratization are understood to be two distinct and independent processes, with neither necessarily implying the other. Their coincidence is understood to be the product of policy choices, themselves made possible by the fact that, being independent variables, there is nothing inherently incompatible between the two.

iii) globalization **or** democracy

In this view, globalization and democracy are in fundamental conflict. As such, human society is understood to face a choice: either we choose globalization, with its attendant concentration of power - political, economic, social and cultural - in the hands of the managers/owners of multinational corporations, or we choose democracy, with power firmly in the hands of the people.

In terms of the orientation of this paper, it is view number three which is closest in spirit. However all three views, including the last, suffer from the same fundamental problem - that is, all three view the relationship of globalization to democracy in non-dialectical fashion. Approaching the question of their relationship in a dialectical way has three consequences.<sup>2</sup> First, a dialectical approach allows for the recognition that globalization, democracy, and other structures and processes - e.g., the state - do not exist **as such**, that is, outside of human history. As historically emergent entities, they can and do take different forms, depending on context (e.g., globalization from above - neoliberal form; globalization from below - democratic socialist form). As a consequence, the question of the relationship of democracy and globalization can be answered only on the basis of an analysis of the specific form of each in existence at any given moment in historical time and place.

The second recognition deriving from a dialectical formulation of the issue is that framing the question of the relationship of globalization and democracy as one between two distinct variables (whether as independent-dependent, mutually independent but compatible, or incompatible) can blind us to the possibility that the one might already imply a particular conception of the other.

Finally, a dialectical approach to the question of globalization-democracy brings with it an attentiveness to contradictions. It is important to signal, especially for those unfamiliar with dialectical thought, that what is meant here are not "logical" contradictions (i.e.,  $a=b$ ;  $a=c$ ;  $b\neq c$ ), but rather "relational" contradictions. Most generally, by relational contradiction is meant "oppositions which are both necessary for, and yet destructive of, particular processes or entities".<sup>3</sup> It is the assumption of the unsustainability of the aforementioned oppositions over time that orients dialectical thought toward the exploration of resulting crises and the ways in which these might resolve themselves.<sup>4</sup>

These insights are fundamental to the interpretation being offered here. Specifically, it will be argued that the dominant form of globalization - neo-liberal globalization from above - in the current context implies in turn a particular form of democracy, and that, furthermore, the shift from one form of democracy to another can be understood to be one of the defining characteristics of [neoliberal] globalization. In order to understand this argument, however, it is necessary to see the shift in the form of democracy in relation to the other fundamental shifts that collectively define globalization. It is, accordingly, to a review of these other shifts that I now turn.

## Globalization: A Neo-Gramscian Perspective

Before moving to a discussion of the changes globalization implies, it is necessary to indicate the theoretical framework which will guide that discussion. The underlying framework is the neo-Gramscian approach to the study of global political economy.<sup>1</sup> This approach is distinguished by its rejection of the base-superstructure metaphor in favour of the perspective of totality characteristic of Western Marxism<sup>2</sup>, by its analysis of world order in terms of the Gramscian notion of hegemony,<sup>3</sup> by its attentiveness to the mutually-determining relationship between material capabilities, ideas, and institutions,<sup>4</sup> and by its recognition of the politico-normative content of all theorizing.

Shift I: Globalization involves a change at the level of production from tripartism to aglobal enterprise corporatism

First, globalization involves a change at the level of the mode of social relations of production which is privileged in any given state formation. Following Cox, different modes of social relations of production can be identified within monopoly capitalism.<sup>5</sup> One such mode is that of tripartism in which traditional bipartite relations between management and organized labour are supplemented by active state intervention generally consistent with the conceptions and interests of the dominant employer class, but also supportive of concessions to labour as a means of retaining the acquiescence of established workers. It was this mode which was privileged in advanced industrial capitalist states during most of the post-war period. Most recently, however, tripartism has been supplanted by a mode which can be called aglobal enterprise corporatism— an arrangement in which the acquiescence of established workers in core states is secured through promises of long-term work and organization-linked benefits, and

through an ideology which denies the structural conflict between labour and capital (for example, in terms of the images of *Teamwork* or *Firm as family*).<sup>6</sup> In exchange, firms seek concessions from labour, in the name of enhancing their competitiveness in the *global market place* to increase flexibility by contracting out important services to a growing class of peripheral, unprotected workers, and to enhance productivity through the intensification of work. It is this shift from *tripartism* to *global enterprise corporatism* that stands as the first characteristic of globalization.

Shift II: Globalization involves a shift from a *liberal* to a *hyper-liberal* world order.

The second fundamental change that can be identified is at the level of world order. Here again it is important to distinguish between different forms of world order. The capitalist world order established after 1945 through Bretton Woods was a *liberal* one. As such it involved an *international economy* in which economic relations were between national units, and in which states regulated the flow of goods and capital across their borders, either individually, or collectively, through state-created and directed international institutions. This liberal world order, however, has been supplanted by a hyper-liberal one, in which the market is not only central (as it was forces determine exchange not only in goods and services, but in currency values as well).<sup>7</sup>

The implications of this shift can be seen clearly in terms of the role of international regulation. In the liberal world order, calls for regulation of capital in the interests of under-developed countries (e.g., New International Economic Order; Code of Conduct for

Transnational Corporations), if not fully implemented, were at least raised. In the hyper-liberal order, regulation involves not codes of conduct for business, but codes of conduct for states in which the latter are obliged to work to create favourable conditions for the former (e.g., North American Free Trade Agreement, APEC, MAI).

In sum, the international economy between states has been replaced by a world economy in which the latitude given to individual states to regulate is greatly constrained. This constitutes the second defining element of globalization.

Shift III: Globalization involves a change in the form of state, from a welfare/mediator state to the national competitiveness/ forced-adjustment state.

The third fundamental change involves a change in the form of state. This argument is not to be confused with one which postulates a shift from a strong state to a weak state, or from a more state to a less state. The dominant form of state in the core in the post-war era was that of the welfare state. What distinguished this form of state was the understanding that the role of the state was to mediate between two different sets of obligations - those from capital, which required freedom of movement and access of markets, and those from its citizens, who required employment opportunities and social welfare provisions. Accordingly, state action was two-pronged, marrying a foreign economic policy designed to reduce barriers to the flow of goods across borders (e.g., GATT) with a Keynesian domestic economic policy committed to the goal of high (if not full) employment. Accompanying this economic policy was domestic social policy in the areas of health, education and welfare designed to cushion any short-term adjustments that might be required. Indeed, the obligation of states to citizens was even extended

to include a sense of obligation to the citizens of other states visible in Official Development Assistance (ODA).

This form of state, which predominated in the core countries in the post-war period, has been supplanted by which Hirsch has termed the *National competitiveness state*<sup>8</sup>. What characterizes this second form of state is the fact that it recognizes no obligations except those to capital. Its task is no longer to mediate between the conflicting needs of capital and its citizens, but rather to force its citizens - and by extension, those of other states - to adjust their needs and behaviour in accordance with the imperatives of global competition conducive to the interests of capital. The consequences of this shift can be seen in the subordination of national policy-making to international agreements (noted in our discussion of Thesis II), the dismantling of social programmes, and the state's abandonment of its responsibility for job creation. One can note as well the systematic reduction of development assistance coupled with the imposition, by means of core state-controlled international institutions (IMF, World Bank), of similar adjustment requirements on dependent states (e.g., Structural Adjustment).

In sum, it is the shift from the welfare/ mediator state to the national competitiveness/ forced-adjustment state that stands as the third defining element of globalization.<sup>9</sup>

Shift IV: Globalization involves a degradation of shared community identities which can facilitate collective action in favour of a generic American mass culture entailing an ideology of *possessive individualism*<sup>10</sup>

A fourth fundamental shift involves the nature of collective identity. One can note here the virtually universal influence of corporate-promoted American mass culture, promulgated by means of advertising and the products of the entertainment industry (movies, television). The

consequence of this cultural imperialism is that traditional community identities built around a shared distinct cultural heritage are being supplanted by a nondescript American (i.e., Mickey-Mouse; McDonalds) culture.

The ubiquitousness of American cultural symbols around the world - and the power they exert on popular consciousness, young and old - are often commented upon.<sup>10</sup> What may not be sufficiently appreciated, however, is that American cultural icons are merely the form. The content of this culture, not its form, poses the greater threat. For what it promotes is the ideology of possessive individualism. In Macpherson's terms, possessive individualism involves the following assumptions:

- 1) Man, the individual, is seen as absolute natural proprietor of his own capacities, owing nothing to society for them. Man's essence is freedom to use his capacities in search of satisfactions... Freedom ... comes to be identified with domination over things...[t]he clearest form of [which] is the relation of ownership or possession. Freedom is therefore possession. Everyone is free, for everyone possesses at least his own capacities.
- 2) Society is seen, not (as it had been) as a system of relations of domination and subordination between men and classes held together by reciprocal rights and duties, but as a lot of free equal individuals related to each other through their possession, that is, related as owners of their own capacities and of what they have produced and accumulated by the use of their capacities. The relation of exchange (market relation) is seen as the fundamental relation of society.
- 3) Finally, political society is seen as a rational device for the protection of property, including capacities; even life and liberty as considered as possessions, rather than as social rights with correlative duties.<sup>11</sup>

The consequences for public life of the ideology of possessive individualism go far beyond a lack of appreciation for indigenous heroes or historical myths. Possessive individualism is an ideology which, once it achieves the status of a common sense, makes

virtually all community identities - and the collective actions deriving from them - difficult if not impossible to sustain.

Finally, as noted above, a dialectical conceptualization of the dimensions of globalization involves an attentiveness to relational contractions. While an in-depth analysis of the simultaneously life-giving and life-destroying processes that can be identified within these dimensions of globalization is beyond the scope of this paper, it is possible to suggest general possibilities as follows:

i) production

Mass production involves alienating form of work, in the shadow of which the promise of cooperation and belonging (team/ family) are appealing to many workers; however, the resulting joint-ness leads in turn to intensification and greater insecurity of work, provoking its own forms of resistance.

ii) world order

The high degree of mobility of capital is vital for the ability of capital to discipline those who might actively resist its agenda; the same mobility, however, has proven to be so destabilizing of the global economy, that calls for the regulation of capital movement can be heard even from within the global elites.

iii) form of state

Cut-backs and dismantling of social programmes to deal with the ostensible crisis in state finances have been made possible by appeals to the masses that sacrifice now is needed to ensure the living standards of their children and grandchildren; however, the resulting gap in living standards already visible and sure to increase with time is leading to the recognition that not all children and grandchildren will benefit equally from the restructuring of the state, and that the costs of restructuring are borne unequally in gender terms as well.<sup>12</sup>

iv) community identity

The growth of global mass culture, built around the assumptions of possessive individualism, make community-based strategies of resistance which are dependent on shared collective identities increasingly problematic; however, the

inherent unpersuasiveness of an ideology that affirms that people who are deficient in the basics required to live a fully human life are, nonetheless, already free (in that they possess their own capacities) opens the door to critical public examination of the ideology of global mass culture and its eventual rejection in favour of collective identity and collective action.

Having set the general context, we turn now to the main subject of this paper - the theme of globalization and democracy.

## **Globalization and Democratic Governance: From Compensatory to Protective Democracy**

In addition to the four dimensions of globalization discussed above, it is the argument of this paper that globalization can also be understood in terms of a fundamental shift in the discourse and practice of democracy. This theme, moreover, can be addressed in terms of both domestic and foreign policy. To begin, different generalized modes of democracy must be distinguished. The form of democracy which prevailed in core states in much of the post-war period can be termed *compensatory democracy*. It was distinguished, at least in part, by a diachronic understanding of democratic governance. Democracy was seen, not as a given system existing at a single point in time, but as a process, stretching back into society's past - where today's democracy was understood as the result of past improvements - and forward into society's future - in which liberal democracy was viewed as a means of continuing improvements.

There is no need to portray this earlier version of democracy as a fully-functioning form of *participatory democracy*.<sup>13</sup> Mass participation was largely limited to periodic elections in

which voters were limited to an elite-managed choice between a narrow range of platforms of mainstream parties, all committed to one variant or another of welfare-state Keynesianism.<sup>14</sup> Notwithstanding this limitation, however, this earlier conception of democracy did exhibit a willingness to address the inequities produced by market-society; (for example, through social-welfare provisions, noted above). Specifically, it was seen as vital to the practice of democracy that the state intervene to redress the inevitable inequalities produced by market forces. Democracy was understood to involve social citizenship<sup>15</sup> where citizens could expect to be compensated by the state in those realms where the market failed to provide what was necessary.<sup>16</sup>

More recently, however, the discourse of compensatory democracy has been supplanted by that of protective democracy. This conception of democracy, reminiscent of 19<sup>th</sup> century theorizing, allows no space to the idea that democracy might involve compensation for market failure, or that democratic citizenship might have a social-welfare dimension. Rather, as Macpherson notes,

it is nothing but a logical requirement for the governance of inherently self-interested conflicting individuals who are assumed to be infinite desirers of their own private benefits. Its advocacy is based on the assumption that man is an infinite consumer, that his overriding motivation is to maximize the flow of satisfactions, or utilities, to himself from society, and that a national society is simply a collection of individuals.<sup>17</sup> Responsible government, even to the extent of responsibility to a democratic electorate, [is] needed for the protection of individuals and the promotion of the Gross National Product, and for nothing more.<sup>18</sup>

In contrast to the earlier diachronic understanding of democracy, the protective view is an unambiguously synchronic one. Now democracy is reduced to a process which exists in a given moment in time. In politico-economic terms, protective democracy is distinguished by a

strict separation of the economic and political spheres, with the former responding only to the logic of the marketplace, and the latter restricted in its role to allowing that logic to proceed without interference. Like its immediate predecessor, protective democracy also reduces the meaning of mass participation to taking part in free and fair elections every few years in which voters' choices are limited to an elite-managed choice between a narrow range of platforms of mainstream parties.<sup>19</sup> What is different, however, is that the earlier consensus on the need to redress the negative effects of the market has been replaced by a new one based on an agenda of deficit reduction and tax relief to be achieved through the progressive dismantling of the welfare state.<sup>20</sup>

The significance of the shift to a protective understanding and practice of democracy extends beyond its implications for domestic politics of core states. It is also relevant to core state foreign policies and, by extension, to the kind of world order emerging under the influence of globalization. As was noted above, one of the distinguishing characteristics of the neo-Gramscian approach is its employment of the notion of hegemony to analyse the current world order. As Cox has noted,

"Hegemony" is used here in the Gramscian meaning of a structure of values and understandings about the nature of order that permeates a whole society, in this case a world society composed of states and non-state corporate entities. In a hegemonic order these values and understandings are relatively stable and unquestioned. They appear to most actors as the natural order of things. They are the intersubjective meanings that constitute the order itself. Such a structure of meanings is underpinned by a structure of power, in which most probably one state is dominant but that state's dominance is not sufficient by itself to create hegemony. Hegemony derives from the ways of doing and thinking of the dominant social strata of the dominant state or states insofar as these ways of doing and thinking have inspired emulation or acquired the acquiescence of the dominant social strata of other states. These social practices and the ideologies

that explain and legitimize them constitute the foundation of the hegemonic order. Hegemony frames thought and thereby circumscribes action.<sup>21</sup>

In this regard, the framing and circumscribing of democratic thought and discourse in terms of the precepts of protective democracy can be understood as an effort by core-state elites to solidify and stabilize the hegemony which safeguards their positions of power and privilege. What is equally significant, however, is the possibility that a similar strategy is being enacted in world order terms through the foreign policies of core states.

The centrality of democracy promotion is an increasingly prominent feature of core state foreign policy discourse and practice. From political aid to elements of civil society in dependent states, to the monitoring of elections, to calls for respect for liberal human rights norms, core states have made the extension of democracy a cornerstone of the New World Order. Nor does it come as a surprise that the conception of democracy being promoted is that of protective democracy. Indeed, it can be argued that the promotion by core states of low-intensity democracy (LID) is fast supplementing - if not replacing - the traditional strategy of low-intensity conflict (LIC) as a means of shoring-up unstable elite allies in the South.<sup>22</sup>

As in the case of the other four dimensions of globalization discussed above, the form of democratic governance termed here protective democracy suffers from its own contradictions. Specifically,

The acceptance of the protective conception of democracy legitimizes the notion that capital is not to be subject to political interference; however, the accompanying inability of governments to meet public needs for secure employment and adequate social programmes leads to a growing disenchantment with politicians, parties, and liberal-democracy generally, thus reducing its legitimizing power.

In short, the contribution of this form of democratic governance to a stable, hegemonic order is limited. It is, perhaps, for this very reason that efforts are being made in the current context to shore up democracy's legitimizing power by affirming, in the face of considerable contrary evidence, that globalization is compatible with the notion of accountability of elected representatives to citizenry.<sup>23</sup> Equally significant, is the newly elected Bush administration's efforts to link the notion of democratic citizenship not with the guarantee of basic social services from the state, but with the hope of receiving charity from more affluent members of society.<sup>24</sup>

## Conclusion

Dick Geary, a leading historian on the Weimar Republic, has made the following observation about elite hostility to Germany's early 20<sup>th</sup> century liberal-democratic experiment:

...the Weimar Republic, however imperfect it may have been, was a social welfare state which introduced a vast expansion of social welfare provision and in particular a system of unemployment insurance, all of which had to be paid for through taxation. Furthermore the Weimar years saw the introduction of statutory collective wage agreements and compulsory and binding arbitration, which until 1930 normally favoured labour in industrial disputes. Those industries with problems of profitability claimed that such measure destroyed their competitiveness and left them bankrupt; and they associated such measures with the political structures of Weimar, in which industry had to compete with the SPD [social democrats] and the trade unions for influence.... This was why [the business elites] described state economic policy as *old socialism* and the state itself as a *trade union state*.<sup>25</sup>

Accordingly, in Weimar Germany, it was the industrial elite's position that Social Democrats and Trade Unions could be tolerated only if the latter accepted the principle that the running of the economy should be left to those who knew best. Notes Geary,

This last point is crucial to [the] whole account of the tortured relationship between industry and democratic structures in the Weimar Republic: industry was

not prepared to accept the rights of any other institutions or social group to interfere with the economy<sup>26</sup>

It is, no doubt, the reason so many members of the industrial elite found Hitler's anti-democratic public commitments enunciated in his 1932 speech to the Industry Club - to rescue Germany from Socialism and to respect the right of management to manage - so appealing.<sup>27</sup> The resonance with current realities is much less so.

For contemporary students of world politics, theorizing globalization is a central task. An understanding of globalization - both its rhetoric and reality - is vital for making sense of the world we inhabit as we enter the 21<sup>st</sup> century. This is no less true for critically-oriented scholars, whether of modernist or post-modernist inclination. What compels our interest in the question of globalization is also that which bridges the modernist-postmodernist divide within critical IR theory: the shared concern to facilitate a politics of resistance among the globally disenfranchised<sup>28</sup>. And without an adequate understanding of the origins and meaning of globalization, no effective politics of resistance is possible. Appreciating the significance of the shift in the form of democratic governance - and its internal contradictions - is a central part of achieving such an understanding and, by extension, facilitating an effective politics of resistance among the globally disenfranchised.

#### Notes

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1. This paper draws heavily upon Mark Neufeld, *Theorising Globalisation: Towards a Politics of Resistance - A neo-Gramscian Response to Mathias Albert* *Global Society*, Vol. 15, No. 1 (2001).

2. For a fuller reflection on the relevance of dialectical thought for re-orienting the study of

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world politics, see M. Neufeld, "The 'Dialectical Awakening' in International Relations: For and Against". *Millennium: Journal of International Studies*, Vol. 26, No. 2, (1997), pp. 449-54.

3. See Robert L. Heilbroner, *Marxism: For and Against* (New York: W. W. Norton, 1980). p. 39.

4. A good analogy can be made with a person addicted to a narcotic. The narcotic, in this case, is both sustaining (allows the person to get through the day) and destructive (in terms of health effects, indebtedness, anti-social behaviour, etc). Accordingly, over time one can have a reasonable expectation of a qualitative change - e.g., either the person will kick their habit and no longer be a drug addict or they will die. One cannot predict with any certainty which of these possibilities will come to pass - one can only say, given the contradictions, that the status quo is unsustainable and that fundamental change will come about in time.

1. The leading contributor to the development of a neo-Gramscian approach is Robert Cox. See his *Approaches to World Order*, edited by Timothy J. Sinclair (Cambridge: Cambridge University Press, 1996). For other examples of neo-Gramscian analysis of world order, see Stephen Gill, (ed.), *Gramsci, Historical Materialism and International Relations* (Cambridge: Cambridge University Press, 1993). For a critical over-view of neo-Gramscian theorizing from a mainstream perspective, see Randall D. Germain and Michael Kenny, "Engaging Gramsci: International Relations Theory and the New Gramscians", *Review of International Studies* 24, No. 1 (January 1998), pp. 3-21; from a radical perspective, see M. Neufeld, *Democratic Socialism in a Global(-izing) Context: Toward a Critical Research Programme@1998*, unpublished paper.

2. See Martin Jay, *Marxism & Totality: The Adventures of a Concept from Lukács to Habermas* (Berkeley: University of California Press, 1984).

3. Understood as a mix of consent and coercion, the former achieved through a combination of ideological legitimation and real concessions to subaltern classes. See Antonio Gramsci, *Selections from the Prison Notebooks*, edited and translated by Quintin Hoare and Geoffrey Nowell Smith (New York: International Publishers, 1971), *passim*. For its relevance for the study of world order, see Robert Cox, *Gramsci, Hegemony and International Relations@as well as R. Cox, Social Forces, States and World Orders: Beyond International Relations Theory@ both Sinclair, Approaches to World Order*.

4. See Robert Cox, *Social Forces, States and World Orders@in Sinclair, Approaches to World Order*, pp. 97-101.

5. See his discussion of varying modes of social relations of production in chapter three of his *Power, Production and World Order* (New York: Columbia University Press, 1987), pp. 51-82. See also Jeffrey Harrod, *Power, Production and the Unprotected Worker* (New York: Columbia University Press, 1987).

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6. See Teresa Healy, *Contesting Restructuring, Transforming Representation: Autoworkers and the Gendered Struggle for Counter-Hegemony in Mexico* (unpublished Ph.D. dissertation, Carleton University, 1998).

7. The growth of financial markets is one of the more striking elements in this transformation. See Eric Helleiner, *States and the Re-emergence of Global Finance* (Ithaca: Cornell University Press, 1994).

8. See Joachim Hirsch, *Vom Sicherheitsstaat zum nationalen Wettbewerbsstaat* (Berlin: ID Verlag, 1998).

9. See Robert Cox, *Power, Production and World Order*, chapter seven. Cox refers to the shift in the sense of obligation discussed here as the internationalization of the state which he describes as follows:

First, there is a process of interstate consensus formation regarding the needs or requirements of the world economy that takes place within a common ideological framework (i.e., common criteria of interpretation of economic vents and common goals anchored in the idea of an open world economy). Second, participation in this consensus formation is hierarchically structured. Third, the internal structures of states are adjusted so that each can best transform the global consensus into national policy and practice, taking account of the specific kinds of obstacles likely to arise in countries occupying the differently hierarchically arranged positions in the world economy. (p. 254)

10. In this regard, one can recall Cuban President Fidel Castro's suggestion that Mexican children are more familiar with Mickey Mouse than with their national heroes (Fidel, Mickey go head to head by Linda Diebel, *The Toronto Star*, Dec. 14, 1998). I am not qualified to judge the veracity of this suggestion in regard to Mexico - in the case of Canada, however, it is certainly accurate.

11. C. B. Macpherson, *Democratic Theory: Essays in Retrieval* (Oxford: Clarendon Press, 1973), p. 199.

12. On the gendered dimensions of the re-constitution of domestic enclaves see Janine Brodie, New State Forms, New Political Spaces in Robert Boyer and Daniel Drache, (eds), *States Against Markets: The Limits of Globalization* (London: Routledge, 1996), pp. 383-98.

13. On participatory democracy, see Macpherson, *The Life and Times of Liberal Democracy*, chapter five.

14. It was U.S. President Richard Nixon who announced that we are all Keynesians now

15. It has been argued that, among advanced capitalist states, the United States has been particularly unreceptive to the notion of social citizenship. Even here, however, the discourse of social citizenship is in evidence, for example, in the civil rights campaigns of the 60s and 70s, and in the affirmative action programmes created as a result (e.g., busing). See Nancy Fraser and Linda Gordon, "Contract Versus Charity: Why is there no social citizenship in the United States?" *Socialist Review*, 22 (December, 1992), pp. 45-67.

16. It is clear that it was this form of democracy being lamented by the authors of the key report of that subject commissioned by the Trilateral Commission as an "excess of democracy." See *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission*, by Michel Crozier, Samuel P. Huntington, and Joji Watanuki (New York: New York University Press, 1975).

17. As Margaret Thatcher once stated, "There is no such thing as society."

18. *The Life and Time of Liberal Democracy*, p. 43.

19. It is in this regard that previous neo-Gramscian formulations have been less than adequate. Stephen Gill's discussion of the current form of democracy as "Schumpeterian" or William I. Robinson's framing the issue in terms of Dahl's notion of "polyarchy" both obscure the fact that the forms of democracy existing before and after the shift identified here with globalization both conform to the image of limited, elite-managed democratic governance. What has changed - and what is captured neither by Schumpeter's or Dahl's conceptualizations of democracy - is the larger politico-economic agenda shared by political elites in their respective context. See Stephen Gill, "Globalization, Democratization, and the Politics of Indifference" in James H. Mittelman, (ed.), *Globalization: Critical Reflections* (Boulder: Lynne Rienner, 1996), pp. 205-28, and William I. Robinson, *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (Cambridge: Cambridge University Press, 1996), respectively.

20. There are also changes at the level of public discourse. In Canada, for example, where neo-liberal discourse is virtually uncontested in the mainstream media, government spokespersons no longer refer to the country's "citizens" as their constituency, but rather to the country's "tax-payers." A detailed exploration of the significance of this shift is beyond the scope of this paper. It is worth noting, however, that "citizen" is a dichotomous category - one is a citizen or one is not, and if one is, one is (in theory) equal to all other citizens in rights and power. "Tax-payer" in contrast, is a category involving a sliding scale - one can be more or less of a tax-payer, and, by extension, the more taxes one pays (as a function of wealth or income) the greater one's claim to the attention of government decision-makers.

21. "Multilateralism and world order", in *Approaches to World Order*, pp. 517-18.

22. On this, see Robinson, *Promoting Polyarchy*. For a critical examination of Canada's role in this process, see Mark Neufeld, "Democratization in/of Canadian Foreign Policy: Critical

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Reflections@ *Studies in Political Economy* 58 (Spring 1999), pp. 97-119.

23. See, for example, Canadian Finance Minister Paul Martin's January 24, 2001 speech to the Royal Institute of International Affairs, available at [www.fin.gc.ca/newse01/01-009e.html](http://www.fin.gc.ca/newse01/01-009e.html).

24. See George W. Bush, "Rallying the Armies of Compassion" (January 2001), at [www.whitehouse.gov/news/reports/faithbased.html](http://www.whitehouse.gov/news/reports/faithbased.html).

25. See Dick Geary, "The Industrial Elite and the Nazis in Weimar Germany" @ *The Nazi Machtergreifung*, Peter D. Stachura, (ed.), (London: George Allen & Unwin, 1983), p. 95.

26. Geary, p. 90.

27. See A. Hitler, "Address to the Industry Club" (1932), in Anton Kaes *et al.* (eds.), *The Weimar Republic Sourcebook* (Berkeley: University of California Press, 1994), pp. 138-41.

28. Jim George, *Discourses of Global Politics: A Critical (Re)Introduction to International Relations* (Boulder: Lynne Rienner, 1994), p. 200.