Globalization and Public Administration

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This article discusses globalization and its implications for public administration. Using a political economy approach, an analysis is made of the different meanings and perspectives of globalization, of the causes and consequences of globalization, and of the underpinnings or constitutive elements of globalization, a phenomenon that is all-embracing with transworld and far-reaching implications for society, governance, and public administration.

Causes of globalization are discussed, such as the economic factors of surplus accumulation, corporate reorganization, shift of corporate power structure, global money and financialization, global state and administration, domestic decline, rising human expectations, innovations, and global supranational organizations such as the United Nations. Consequences of globalization are discussed, including the positive impact such as continuity and persistence of the state and public administration, but also its negative consequences such as threat to democracy and community, increasing corruption, and elite empowerment. Then a discussion is made of the converging, hegemonic global order with a question of possible counter-hegemonic model that might alter the dominant world order. Finally, the article presents a number of significant implications—positive and negative—for public administration as a theory and practice, from both American and comparative/international perspectives.

Introduction

As the new millennium approaches, a new civilization is dawning. The qualitative changes of this civilization have been the subject of many studies. For example, Huntington (1996) speaks of the "clash of civilizations," Fukuyama (1992) predicts "the end of history and man," and Korbin (1996) indicates a "return back to medievalism." The hallmark of this change is the process of globalization, through which worldwide integration and transcendence take place, evoking at least two different intellectual responses. On one hand there are those who argue that the growth of transnational corporations, in particular because of their "state-indifferent" nature, and the spread of global capitalism have made state irrelevant or even obsolescent (Ball, 1967; Naisbitt, 1994; Ohame, 1995). Some think of it as even the end of work (Rifkin, 1975) and of public administration (Stever, 1988). Others believe that global capitalism has led to the generation of suprastate governing agencies that are supplementing, if not supplanting, the territorial nation-states (Picciotto, 1989; Cox, 1993; Korten, 1995). Still others have suggested that this has eroded the sense of community and urban power structure (Mele, 1996; Knox, 1997; Korten, 1995), causing the loss of urban jobs (Wilson, 1996). They also warn that the merging of the supranational governance agencies has deepened the dependency of less developed countries, exacerbated their fiscal crises, and created a serious problem of governability in those nations (Kregel, 1998).

On the other hand, some public administrators and public-policy analysts have predicted that global corporations will create a world order beyond nation-states (Reich, 1991), that is, a "global village" (Garcia-Zamor and Khator, 1994), a "world government" with "global management" (Wilson, 1994).
Some theorists have even attempted to develop a universal, global theory of public administration (Caiden, 1994). Others have vocally refuted the idea of the end of the state and have argued for the persistence of the nation-states with all the concomitant implications for public administration (Caiden, 1994; Heady, 1996; Scholte 1997).

Hirst and Thompson (1996), Zysman (1996), and Boyer and Drache (1996) have argued that globalization has been exaggerated and that states remain strong in the crucial functions of governance. Some realists in the international relations tradition have argued that "de facto [state] sovereignty has been strengthened rather than weakened" (Krasner 1993, 318). Similarly, sociologists and political scientists like Michael Mann (1993) and Theda Skocpol (1985), who "brought the state back in" to their disciplines during the 1980s, have maintained their skepticism about the disappearance of the state from history.

However, the latter group of thinkers recognizes that globalization has changed the nature of the administrative state worldwide. The globalized economic structure, with its many superstructural changes, including supraterritorial power structures, has led to profound implications for public administration (Mander and Goldsmith, 1996; Farazmand, 1994). Several social scientists have described the "retreating shifts" in the quality and quantity of state power and authority (Strange, 1996; Graycar, 1983; Lipsky, 1984). They also have explained the transitional nature of the state "from the welfare state to the competitions state," as governments attempt to "respond to, and shape and control, growing international political economic interpenetration" (Cerny, 1989), to "the hallow state" (Milward, 1994) or "the corporate state" (Farazmand, 1997a,b).

This article treats the concepts of globalization and globalism as phenomena produced by historical changes within the broader framework of continuity. These phenomena are expected historical, dialectical developments of late capitalism and are the products of the dynamic nature of rapid accumulation of surplus at the global scale. The dynamic nature of the capitalist political economy in its latest development has shifted in favor of financial capital as opposed to the earlier production nature of capital. It has shifted from national to global capitalism. Change and continuity are dialectical characteristics of the development of socioeconomic systems. The qualitative and quantitative changes of the last few decades, which began in the 1970s, have altered the nature of capitalist economies and their respective structures and organizations of governance and administration.

I argue that globalization is the result of several factors, including surplus accumulation capital, the state, domestic constraints, information technology, international institutions, and ideology. In turn, globalization has had significant consequences for the capitalist state and for public administration. While the core of the state and public administration persists in the broader sense of continuity, major changes have occurred as a consequence of globalization that have altered the nature and character of the state and public administration from the traditional welfare administration state to a corporate welfare state. Capitalism needs the state, and the state is not independent from capital; the elites of both work together in the globalization process because it serves both.

The discussion that follows is presented in four parts: Part one presents analytical perspectives on the concepts of globalization and the new world order. Part two examines the causes of globalization. Part three discusses the consequences of global capitalism for the state and for public administration, focusing on the changing character and role of the state in general and the administrative state in particular. In part four, a number of implications are outlined for public administration, with suggestions for public administrators worldwide.

Perspectives on Globalization and the New World Order

Although the concept of world order is not new, it became fashionable after World War II. With the emergence of the Soviet reformist leader Mikhail Gorbachev, who called for global restructuring, openness, a new way of global thinking, peace for all, superpower cooperation, and an end to the Cold War, the concept of a new world order reemerged (Sedghi, 1992). Following the Helsinki Summit in September 1990, U.S. President George Bush increasingly used the term. Today, the concepts of the new world order and globalism have become the subject of serious study. But what do they actually mean?

Meaning of the New World Order and Globalization

The new world order denotes a "system of collective world security where states and peoples can live in peace with each other, ideologies aside" (Farazmand, 1994, 65) and "observe each other's borders and maintain collective security interests" (Sedghi, 1992, 62). The Persian Gulf War was argued fought in the service of the new world order, and President Bush announced that the war was waged to "stand up for what is right and condemn what is wrong" (Trudeau, 1992, 21). However, with the fall of the USSR, the concept of the new world order garnered a diverse meaning and consequently became vague.
Globalization means many things to many people. Economists consider globalization as a step toward a fully integrated world market. Some political scientists view it as a march away from the conventionally defined concept of the state, with territorial sovereignty and the emergence of nongovernmental power players in the world order (Falk, 1997). Business school academics and consultants apply globalization to a “borderless world” (Ohmae, 1990), and others view it as a phenomenon driven only by private-sector firms, not by governments (Strange, 1996; Julius, 1997). All discussions of globalization deal with the question of borders—“the territorial demarcations of state jurisdictions, and associated issues of governance, economy, identity, and community” (Scholte, 1997, 430). Five or possibly six meanings of globalization, as they relate to public administration, are briefly reviewed and assessed here.

**Globalization as internationalization.** This notion treats globalization in a narrow sense as an increase in cross-border relations among organizations, that is, identities and communities that extend beyond national jurisdictional boundaries. This is nothing new: international trade and other aspects of economic and political relations began to grow among nations centuries ago. The field of international relations is an outgrowth of such a development. The internationalization of public administration is not new either, though it gained momentum after World War II, when both the United States and the Soviet Union internationalized their satellite nations and, in turn, the ways in which public administration was thought about and practiced. The rise of the United Nations and its affiliate agencies also promoted internationalization. The birth and growth of the Comparative Administration Group (CAG) was the outcome of this development (Waldo, 1980; Riggs, 1998).

**Globalization as border openness.** This means large-scale openness of borders achieved by removing state regulatory barriers and protectionist measures, thus facilitating rapid financial transactions, communications, trade, and cultural relationships (Brown, 1992). Such a borderless world would be characterized by a unified global economy, global government, homogenous global culture, and, by implication, a global system of public administration (Scholte, 1997). The Internet and other means of information technology have contributed to this phenomenon beyond comprehension. Globalization of public administration has meant “thinking globally and acting locally.” The concepts of the “new world” (Cleveland, 1993), the “global village” (Garcia-Zamor and Khator, 1994), and “global management” (Wilson, 1994) seem to characterize this notion of globalization and its implications for public administration.

This notion of globalization, however, is also limited and deficient in that it is synonymous with liberalization. The anticameralists raised it in favor of capitalist development, and the classical liberals raised it against statist in the nineteenth century. The liberal internationalists raised it against the doctrine of balance of power in the early twentieth century, and the transnationalists raised it against the “realist” view of nationalist and state sovereignty proclamations in international relations (Scholte, 1997), not to mention the internationalist mission and claims of socialists led by the USSR.

The concept is also redundant because the liberalization of borders for a new world has been around for many decades, especially among the satellite nations of the West led by the United States, such as the developing countries of Latin America, Asia, Africa, and the Middle East. Regulatory, labor, and administrative policies have always been concessional toward multinational corporations operating profitable businesses in the Third World (Heeger, 1974; Bill and Springborg, 1990; LaFeber, 1984; Mandel, 1983; Halliday, 1989; Dos Santos, 1996; Frank, 1996; Farazmand, 1989, 1991; and Henderson, 1994). Again, CAG and other international public administration consulting groups have been active in less developed nations, and publications on comparative and development administration have produced voluminous literature attesting to this phenomenon.

**Globalization as a process.** Using a political economy view, this notion refers to globalization not as a phenomenon, but as a process—a continuing process of capital accumulation in modern capitalism that has been going on for centuries. Only recently has it intensified as a result of the availability of modern technology. Therefore, this view is also not new. The beginning of this globalization process goes back to the nineteenth and early twentieth centuries and was marked by the transition from early (competitive) capitalism to late (monopoly) capitalism, which was boosted by the two world wars and produced capitalism’s “golden age” (1950-1970) at the height of the Cold War. Capitalism, this view contends, is “in its innermost essence an expanding system both internally and externally. Once rooted, it both grows and spreads” (Sweezy, 1997, 1). Beginning with the recession of 1974-1975, three trends have contributed to the accelerated rate of capital accumulation at the global level: a decreasing growth rate, the “worldwide proliferation of monopolistic (or oligopolistic) multinational corporation[s],” and the “financialization of the capital accumulation process” (Sweezy, 1997, 1-2). This view tells us little about the changing role of the state and public administration, especially under the new global order.

**Globalization as ideology.** The ideological underpinnings of Western capitalist democracy have acted as a driving force behind the globalization of American and Western European liberal democracy. The wealth of information—including propaganda—spread throughout the world by the media, the press, computers, and satellite communication systems offers an image of an ideal political system for other countries to emulate. The key words freedom, individualism, free enterprise, and plural democracy have characterized this ideological force of
globalization (Lindblom, 1977, 1990). Important and
effective as it may have been, this normative force of
globalization says little about the political economy of the
state and public administration.

Globalization as a phenomenon. As a cause-and-effect
phenomenon in late capitalism, this perspective treats
globalization as a cause of world capitalism’s endless
effort to reach global markets for accelerated accumula-
tion of capital during the stagnant era of the 1970s.
Globalization has produced significant consequences for
the state and other institutions, whose territorial bor-
ders have “not so much crossed or opened as transcended.” Here, “global” phenomena are those that extend
across widely dispersed locations simultaneously. Terri-
torial distance and territorial borders hold limited sig-
nificance in these circumstances; the globe becomes a
single ‘place’ in its own right” (Scholte, 1997, 431).
This view of globalization is useful for understanding
global changes in the political economy of nations. It
also considers the world as a global village and offers
significant explanatory power. Yet, it gives limited
weight to the role of the modern state and public
administration in causing globalization. It also tells little
about the future role of the state, institutional elites,
and public administration in such a global “place.” It
tells nothing about the dialectical counterforces of
change exerted from below.

Globalization as both a transcending phenomenon and a
process. Sharing with and building upon the previous
meanings, this perspective considers globalization to be a
process of accumulation by global capitalism—a constant
process of expansion into new frontiers and opportunities
for increasing capital accumulation at the global level. It
also views globalization as a phenomenon caused by the
process of global capital accumulation—a phenomenon
that has manifested its negative and positive effects
almost everywhere. The impact has even been felt by the
powerful nations of the West and Japan, where most, if
not all, of the transcending organizations of capital accu-
mulation have homebases and are backed by their globally
dominant states. Unlike the Third World countries,
which have been plagued by the devastating effects of
globalization by multinational and transnational corpora-
tions for decades, the peoples, institutions, and commu-
nities of the advanced industrial countries of the North
did not experience the impact of globalization until
recently.

It is this qualitative change, spurred by the new global-
ization process, that has caused concerns and led to “new
consequences” for the nation-states in the dominant
West. Therefore, this perspective of globalization is rather
novel and complementary to the views noted above, in
that it adds an innovative dimension to the concept. It
considers the state as an active institutional player in the
process of globalization and in dealing with its conse-
quences. Other factors, such as information technology,
also have been effective. Here, in the new global commu-
nity, the changing role of the administrative state and
public administration is explored as both a cause and an
effect.

Causes of Globalization
To avoid oversimplification, the process and phe-
omenon of globalization are not treated here solely in
terms of advance capitalism, though that has been a
major contributing factor. Indeed, several factors have
contributed to the process of globalization, including
surplus accumulation of corporate capital, the role of the
dominant states and their bureaucracies, domestic con-
straints, rising human expectations, international institu-
tions, and technological innovations.

Economic factors of surplus accumulation. The most
important factor contributing to the globalization of cap-
italism has been the driving force of surplus accumula-
tion that has crossed territorial borders and transcended
national boundaries for decades. It accelerated after
World War II and reached a high point after the 1970s,
reaching its zenith in the 1990s. Surplus (or profit) accu-
mulation is the lifeblood of capitalism, which needs con-
stant expansion at any cost; hence the continuity of
dynamic capitalism. Globalization has been a central fea-
ture of transnational corporations (also called multina-
tionals), which have for many decades reached global
markets and enjoyed cheap labor in less developed
nations. What is new is the rapidity and high rate of sur-
plus accumulation, made possible by a number of mecha-
nisms, as well as the transworld mobility of corporations
in a spaceless and timeless global place facilitated by the
state. Borrowing from Scholte’s (1997) list of factors,
these mechanisms are briefly explained below.

Global marketing. In search of new markets, cheap
labor, and unrestricted production sites, many multina-
tionals and transnational corporations have decided to
“go global.” The movement out of the Snow Belt into the
Sun Belt of the antunion South, still in progress, has
boosted surplus accumulation. But more American cor-
porations found globalization a much faster and more
profitable strategy. Global consumerism began to flour-

ish, with monied consumers around the planet being able
to “purchase the same goods at the same time,” and coor-
dinated corporate research and development activities
produced new economies of scale beyond the reach of
individual corporations (Modelski, 1979). These activi-
ties produced high profit rates and a significant upturn
for globalizing firms and the home states supporting
them. By 1989, the cost of corporate advertising reached
$240 billion, in addition to the $380 billion spent on
packaging, design, and promotion (During, 1992, 171-
72). In 1992, almost all of the 40 largest advertising firms
in Great Britain and the United States had specialized
departments with global commercials (Skilair, 1995;
Scholte, 1997, 433). By the 1990s, the corporate convic-
tion that globalization “is not a luxury any more, it’s a
necessity” was expressed in the Wall Street Journal (September 26, R1).

Global production, with its reduced costs, also has begun to replace national production. Globalization of finance has facilitated this process and has produced “global sourcing,” through which a production company can draw its components and materials from anywhere in the world. With the globalization of financial capital, it has become possible “to produce a product anywhere, using resources from anywhere, by a company located anywhere, to be sold anywhere” (Friedman, 1994; also cited in Naisbitt, 1994, 19; Scholte, 1997, 435). The result is a “global factory” in which different countries host different production activities, supply cheap labor and materials, and absorb all social and external costs associated with global production.

Global commodification of new items has transformed social as well as economic life worldwide. Traditional tangible trades and industries have shifted toward “intangibles” (Scholte, 1997, 436) which are considered new, unique, or different, and are appealing to global consumers, such as folk songs and cultural and ethnic features (Mele, 1996).

Reorganization of corporate structure. The rise and expansion of transworld corporations has resulted in vertical as well as horizontal organizational restructuring; this has led to a concentration of corporate power at the global level and the creation of a global ruling class (Korten, 1995; Brown, 1992; Brecher and Costello, 1994). The number of global corporations increased from 3,500 in 1960 to 40,000 in 1995, representing 40 percent of the world’s total commerce (UNCTAD, 1996, ix). Vertically, the number of strategic alliances between globalizing enterprises have risen, and the global waves of successive mergers and acquisitions have produced a full-scale “fusion,” reaching 6,000 in 1995, with an aggregate value of $229.4 billion (Financial Times, Jan. 20, 22). In fact, “mergermania” and “mega-merger” trends have produced a globally centralized organization and a concentrated power structure in which the largest 300 transnational corporations control 70 percent of all foreign direct investment and almost one third of the total assets of all corporations around the world (Dunning, 1993, 15; Harvey, 1995, 189).

This concentrated global corporate structure has also produced a globalizing cadre of “managerial elites,” as well as a new level of “organizational elite” that tend to influence public policy and administrative decisions virtually anywhere on the planet. These global elites produce a global “organizational culture” (Pascale, 1984): they play governments against governments and stage coup d’états or counterinsurgencies against governments unsympathetic to them (Parenti, 1995; Korten, 1995).

Global money and financialization. Global money has no loyalty or attachment to any space, nation, or community of people. Unlike in the past, when money and its distribution were mainly territorial and promoted domestic communities—jobs, opportunities, commercial activities, community values—global money has now loosened its link to territorial finance, facilitated by the cyberspace of banking computers. In 1995, “over $9 trillion of the world’s bank assets belonged to depositors non-resident in the country where the account was held and/or were denominated in a currency issued outside that country” (Scholte, 1997, 439-440). Global financialization has been accelerated (Sweezy, 1997) with the help of “cyberpolitiks,” changing the “nature of power in the information age” (Rothkopf, 1998, 325).

Global state and administration. Ironically, capitalism needs a strong state and a stable environment to prosper. It demands order and social control (Weber, 1947; Offe, 1985). The globally dominant governments, particularly the United States and its European partners, have played an active role in promoting globalization of capital throughout this century. These governments have allocated large amounts of public expenditures to military and security systems to protect and promote corporate capital accumulation in less-developed nations, as well as in domestic marketplaces. They have intervened militarily in many countries, replaced legitimate governments, and installed and supported some of the most repressive and corrupt regimes in the world. Examples include Chile in the 1970s, Iran in the 1950s, and Indonesia in the 1960s (Parenti, 1995; Greenberg, 1986; LaFeber, 1984; Halliday, 1979).

Especially since World War II, Western governments have exported their ideologies, value systems, and systems of governance and administration as ideal models by using state-of-the-art communication systems. By conducting direct and proxy wars of intervention and invasions in Asia, Latin America, Africa, and the Middle East, American corporate interests were sought (Brown, 1992; Gill and Law, 1988; Korten, 1995; Bill and Springborg, 1990) and justified as protection of American global interests (Ball, 1967; Hamilton, 1989; Murphy, 1988).

The efficient functioning of the market depends on strong governments (Daly and Cobb, 1989). Capitalism needs a strong state and bureaucracy to flourish, and powerful business elites dominate the policy process and affect its outcomes (Jones, 1983; Lindblom, 1990). To protect the system from periodic collapse and to provide safety nets for promoting capitalist development, market failures demand government intervention in the economy (Burkhead and Miner, 1971; Parenti, 1995; Korten, 1995; Singer and Wildavsky, 1993). Thus, the modern state has, through public expenditures, played a pivotal role in the accelerated development of both capitalism.
and globalization for a new world order. However, in fairness to these systems, they also have spent significant portions of their budgets to finance the welfare state (Gilbert, 1983) to produce a balance of social and economic actions, a balance that was not acceptable to corporate elites (Henry, 1995).

**Domestic decline.** The 1970s were plagued by the domestic economic downturn marked by stagflation, energy crisis, budget deficits, political and presidential crises, a confidence-gap crisis in both corporate and governmental elite performance (Lipset, 1987; Rosenbloom, 1995; Henry, 1995), and general organizational decline and cutback management (Levine, 1978, 1980; Peters, 1991). These problems were accompanied by citizen tax revolts and the rising expectations of employee unions in corporate and public sectors. These domestic upsets were compounded by international challenges posed to the United States and other Western powers by revolutions in Iran and Nicaragua. The net result was that the state faced a legitimacy crisis of its own. It was unable to contribute to accelerated capital accumulation and to perform the increasingly costly social welfare function that was contributing to its “fiscal crisis” (O’Connor, 1973; Arrow, 1963; Heidenheimer et al., 1983, 330). These events, in turn, drove more corporations toward globalization.

**Rising human expectations.** The expectations of the general populace have been rising, particularly those of the employee unions; this has become evident by the unions’ demands for “property rights” in jobs, greater participation in management of enterprises, the emerging role of women in the workforce, and so on. The corporate power structure has called many of these expectations of public- and private-sector employees unsuitable for their purpose of profitmaking. Moreover, the many lawsuits stemming from Equal Employment Opportunity Act have encouraged more corporations to operate in outside global factories with cheap labor and little or no legal constraints. All of this has contributed to globalization.

**Innovations.** Innovations in information technology, communications and transportation systems, and the Internet have contributed significantly to the globalization phenomenon (Welch and Wong, 1998; Savitch, 1998). As Bill Gates (1995) of Microsoft promises, a future “shoppers’ heaven” in cyberspace seems to provide a place where “all the goods for sale in the world will be available from home via Internet” (158).

**United Nations agencies.** The United Nations itself has been a major factor in globalization. The United Nations has been a key affiliate organization, such as the United Nations, the International Monetary Fund (IMF), and the World Trade Organization (WTO), have been powerful instruments in this process, which has been dominated and controlled primarily by the Trilaterals (the United States, some West European governments, and the Japanese), the key donors of international aid. In the last two decades, these supranational organizations have played an effective role in globalization through “structural adjustment” requirements dictated to the poor and less-developed nations desperately seeking international aid (Chan, 1996).

A key feature of the structural adjustment program is the major reforms to the regulatory, financial, and administrative schemes imposed on those countries. These reforms have included massive privatization and promotion of the subsidiary private sector, removal of trade and other barriers, tax incentives for corporate operations, favorable labor laws allowing for unrestrained use of cheap labor, an emphasis on export-oriented production and economic growth versus development, and a reduction of government’s role in the economy (Hancock, 1989; Korten, 1995; Gill and Law, 1991; Brown, 1992).

**Consequences of Globalization**

Globalization has facilitated connection and coordination among peoples, governments, and nongovernmental organizations. Global accessibility is a giant positive step toward human advancements. Yet, globalization is building the foundation of a new civilization characterized by many paradoxes. Not all states have been affected by or responded to globalization equally. This process has moved much faster in North America, East Asia, Western Europe, and Australia than in the rest of Asia and Europe, Africa, and Latin America. Nevertheless, the globalization of capital, politics, administration, and culture has affected virtually every nation; no country has been left untouched. For our purposes, the following discussion focuses only on the consequences of globalization for the state and for public administration. These consequences are discussed in the context of both developed and less-developed nations and their public administration.

**Continuity and persistence of the state.** Globalization has not brought about the end of the state and its bureaucracy; nor will it result in a decline of the state in the future. The territorial state as a sociopolitical identity will continue to exist, as it has for several millennia. The relationship between market and politics, capitalism and the state, the private- and public-sector management has been an intimate one. The relationship continues to exist because public administration and civilization, including capitalist civilization, have coexisted and promoted one another (Waldo, 1980/1992) with a bureaucracy that has also survived millennia of political and economic changes (Heady, 1996; Farazmand, 1998a, 1996b).

However, globalization has also caused major changes
The orientation and the role of the globalizing state have changed as a result of globalizing corporate capitalism.

in the character of the modern state (Heady, 1998; Caiden, 1994; Esman, 1999; Scholte, 1997). At least five such major changes may be discerned. First is the reinforcement of suprational governance organizations such as the IMF, the World Bank, and the WTO, whose decisions and codes of conduct are binding over the nation-states affecting their administrative systems. The second is the increasing degree of interdependence among modern states to handle territorial and supraterritorial issues and to seek cooperation for a host of matters of general interest, such as the alarming concern for the global environment and the viability of ecological sustainability. Here, the concepts of the global village, global environment, and global citizenship are among the emerging concerns that are pressed on all states and their public administration practices (Khator, 1994; Brown, 1992).

The third change is that all states have gained the information-age advantages to process information for almost all functions of governance and administration, both domestic and international, though less-developed nations will continue to trail behind for a while. More noteworthy is the increased military and technological capability of the dominant states, especially the United States, to globally dominate the world from both the earth and space—hence a global hegemony. The fourth change is the growing role of governments as partners with and promoters of the private sectors, often at the expense of public goods and services. Under forces of globalization, “the role of government is progressively shifting toward providing an appropriate enabling environment for private [corporate] enterprise” (UNCTAD, 1996, IC1a22).

The fifth, and perhaps the most important change for public administrators, is the shift of the administrative state from a welfare state to a corporate state (Parenti, 1995; Korten, 1995) or “shadow state” (Wolch, 1990), “indifferent state,” “contracting state” (Bowls and Wagman, 1997; Rathgeb and Lipsky, 1993), or “entrepreneurial state” (Eisinger, 1988). Corresponding changes in the nature of public administration and management have been characterized by such terms as “managerialism,” “political management,” “new public management,” and the “hollow-state” (Milward, 1994) or “the corporate administrative state” (Farazmand, 1997a, b). Similarly, public administration will continue to persist as both a self-conscious enterprise and a professional field. Research and development in public administration may be negatively affected by globalization to some extent, but the continuity of the field of enquiry is intact; all states are needed for globalization capitalism, and all states have public administration functions that cannot and will not be dismantled. The changing character of public administration as a field of enquiry, however, is manifest in its recent and current debate over the role of the state and the explorations into philosophical, institutional, organizational, and practical underpinnings in search of identity (Peters, 1997; Rockman, 1997). Correspondingly, the twin fields of comparative and developmental public administration have been filled with the shifting debate over the nature and size of the state and public administration in developing knowledge and building theoretical generalizations (Heady, 1998; Riggs, 1998). Similar changes have been observed in practical dimensions of the state and public administration.

The orientation and the role of the globalizing state have changed as a result of globalizing corporate capitalism. Unlike the welfare administrative state, which tended to balance corporate/market interests with social and political interests for several decades during the Cold War, the role of the new corporate welfare administrative state features several characteristics. These include the shrinking of the stabilizing welfare state as we know it; the expansion of the security and military or warfare state; and the expansion of the coercive bureaucracy—police, prisons, court systems, and their auxiliary functions such as social works, psychological networks, and counseling. Thus, the state and bureaucracy are actually alive and well (Korten, 1995; Lowi, 1995; Parenti, 1995; Farazmand, 1997a,b,c). However, equity and fairness may have been the casualties of corporate greed and globalization of capital (Farazmand, 1997a,b).

Negative consequences of globalization. The negative consequences of globalization are many: they include the diminished or lost sovereignty of states, constraints on democracy, loss of community, concentration of the global power structure, increased centralization of corporate and government organizational elites, and increased dependency among less-developed nations on globalizing powers.

Threat to state sovereignty. Sovereign statehood depends on territoriarity, fixed locations, and supreme authority over land, space, and sea (Helleiner, 1994; Scholte, 1997). But the pivotal role of the state in globalizing capitalism has, at the same time, threatened state identity by putting its “sovereignty at bay” (Vernon, 1971). Challenges to sovereignty mean a loss of unilateral ability by nation-states to exercise comprehensive macroeconomic policy. Many states have surrendered their national policy-making ability to regional or international organizations for collaborating with globalization efforts. Some governments have even revised their constitutions in the interest of regional collaboration (for example, Italy, Portugal, and Spain in the European Community, and Latin American countries are considering similar actions toward the Transamerican community). Since the 1970s, the IMF, the World Bank, and the WTO have enforced...
more authoritative measures on the monetary and fiscal policies of less-developed member countries. The structural adjustment programs mentioned above have forced these countries into reforms and changes that have deepened their dependency on globalizing corporations and their dominant governments.

By 1994, the World Bank had sought to “provide $200 billion to the Third World in the next decade to promote the private sector” (Milman and Lundstedt, 1994, 1667). Such international loans carry both cross-conditions and crossover conditions that deepen the financial, military, political, and economic dependency on Western powers and globalizing power elites, who can easily dictate policy choices to poor and less-developed nations. Such money usually enriches the host country’s power elites at the expense of millions of people. It is also true that most foreign aid and international loans are returned to donor countries (Hudson, 1971). As Korten (1995) states, the “Bank-approved consultants often rewrite a country’s trade policy, fiscal policy, civil service requirements, labor laws, health care arrangements, environmental regulations, energy policy, resettlement requirements, procurement rules, and budgetary policy” (165). Hancock (1989) calls the Bank leaders the “lords of poverty” leading global policy directions through “organizational elites” (Farazmand, 1997a,b) who execute the policy preferences of the “inner circle,” global corporate elites (Useem, 1984; Domhoff, 1970).

Threat to democracy and community. The rise and expansion of globalizing capital pose a serious threat to democratic ideas around the globe. The very fact that global organizations such as the IMF, the World Bank, and the WTO, as well as a few transnational elites, prescribe and dictate fiscal, monetary, and other structural-adjustment policies to poor and less-developed countries is, in a way, a negation of local democracy. People in these nations do not and cannot exercise their human and civil rights to determine their own policy preferences; their national and human interests are sacrificed to the interests of the dominant powers (Hancock, 1989). Globalization has resulted in deepening poverty, social disintegration, and environmental destruction. Globalization of corporations in these nations has resulted in the destruction of domestic production economies in favor of export-oriented, cash-crop activities and global interests. People in most of these nations have been struggling with repressive regimes and politico-administrative elites who are supported by global corporations and the Western democracies, including the United States (Cottam, 1979; LaFeber, 1984; Mander and Goldsmith, 1996).

Conversely, the threat to domestic Western democracy is also real when global corporations close factories overnight and take their business overseas without consulting local communities (Wilson, 1997), or when foreign investments in domestic enterprises are made without input from local communities. Local people have lost control of their communities (Mele, 1997; Korten, 1995, 22). Community displacement is a bitter pill that millions of farmers in many less-developed nations have been tasting for several decades. Self-sufficient farmers who contributed to their community and to the national economy have been forced out and dispossessed by globalizing agribusiness and agroindustry, which have had the full support of subservient governments and administrative elites. These farmers’ migration to cities to seek undignified wage-earning jobs has only exacerbated existing urban problems (Chan, 1996; Helmut, 1975; Hoogland, 1970; McCoy, 1971; LaFeber, 1984; Farazmand, 1989, 1991b). However, such problems of displacement are justified by modernization theorists such as Huntington (1968). Similar charges of globalization focus attention on the “global pillage” (Brecher, 1993; Mander and Goldsmith, 1996) and “modern slavery” in “sweatshops behind the labels” (Udesky, 1994, 666-68), creating a “race to the bottom in which wages and social conditions tend to fall to the level of the most desperate” (Brescher, 1993, 685-688).

Globalizing managerial elites are making colonizing decisions that affect governments, communities, and peoples around the globe, and human beings are reduced to consumers of global markets. Contrary to some rational-choice theorists (Buchanan and Tolluck, 1962; Mueller, 1989), market and democracy are not synonymous; in fact, they are in serious conflict with each other (Lindblom, 1977; Macpherson, 1987). “Exporting democracy” has been a favorite slogan under the new world order and globalization (Lowenthal, 1991; Huntington, 1991). But the record shows that the great capitalist democracies of the West, including the United States, have supported “some of the most repressive and exploitative dictatorships” around the globe (Kitschell, 1992), forcing millions of people in less-developed nations to stage bloody revolutions (Magdoff, 1969; Schultz and Slater, 1990; Farazmand, 1989).

Equating democracy with market is both misleading and dangerous. It is misleading because their values clash in many ways. As Heilbroner (1990) notes, “it is of course foolish to suggest that capitalism is the sine qua non of democracy, or to claim that democracy, with its commitment to political equality, does not conflict in many ways with the inequalities built into capitalism” (105). Markets are inherently biased in favor of wealthy people, who may not necessarily realize the needs of a healthy society. With economic and political power concentrated in a few global corporations and government
elites, policy choices are "impaired" (Lindblom, 1990), and it is increasingly difficult to exercise freedom of choice and to enjoy protected individual rights (Dugger, 1989). Global corporations are extremely difficult, if not impossible, to hold accountable. As Korten (1995) notes, "it is impossible to have healthy, equitable, and democratic societies when political and economic power is concentrated in a few gigantic corporations" (181).

Equating democracy with market is dangerous for two reasons. First, the equation is applied inconsistently around the world—friendly dictators are praised for promoting globalizing corporate enterprises and are considered democratic, whereas legitimate socialist and indigenously oriented capitalist governments that are not so friendly to global corporations are considered undemocratic (Gibbs, 1991; Hamilton, 1989). Second, it raises false expectations of democratic rights among people in less-developed nations who live under repressive regimes supported by Western democracies.

**Corruption and elite empowerment.** Globalization pushes privatization as a part of structural-adjustment programs, empowers the growing subsidiary elites (subservient comprador bourgeoisie) as agents of transworld corporations, and promotes corruption in less- as well as more-developed nations. Such corruption at the highest levels has already reached the point of national crisis. For example, Chile has been touted as a model of privatized economy, when in fact one-third of the population lives in miserable poverty, while the military-bureaucratic-business elites enjoy world-class lifestyles (Rehren, 1999; Gould, 1991). Similar problems are reported in the United States (see Henry, 1995; Thayer, 1984). Other studies refer to globalization- and privatization-induced corruption among elites at high levels around the world (Freisat, 1997; Eisner, 1995; Farazmand, 1996a).

Elite empowerment leads to a new global organizational structure with the characteristics of a global "corporate empire" that requires flexibility in its giant transformation of the world power structure. It calls for concentration without centralization, similar to colonialism, with four elements: (1) downsizing to organizational core competencies; (2) computerization and automation; (3) mergers, acquisitions, and strategic alliances; and (4) headquarters teamwork and morale among core personnel (Harrison, 1993). This transformation draws a clear demarcation between the elites and the nonelites, the latter seen as expendable commodities (Dugger, 1989). Globalization empowers elite dominance under the new world order in which hegemonic theory prevails along with the globalization of capital (Korten, 1995). What, then, are the implications of globalization and the new world order for public administration?

**Implications for Public Administration**

The following paragraphs highlight the challenges facing public administration and offer suggestions for public administrators across the world.

1. There has been a major change in the configuration of public-private spheres in favor of the globalizing corporate sector. The leading economic role of the government and the public sector in the allocation of resources, the equitable distribution of wealth, the stabilization of economy, and economic growth has been overruled by the globalizing corporate elites. With the fall of the Soviet Union and increasing globalization, as well as the fiscal crisis of the state, the traditional administrative state has come under attack from all fronts, but especially from the corporate elites who no longer see a need for the welfare state. Therefore, the dismantling of the administrative welfare state has had negative consequences for public administration and citizens. The "public sphere" and the space for citizen involvement have been shrinking as a result of globalization and government restructuring (Rockman, 1997; Habermas, 1974; Offe, 1985). Public administrators should resist shrinking this realm of public service by engaging citizens in the administration of public affairs and by playing a proactive role in managing societal resources away from the dominant control of globalizing corporate elites. Their future legitimacy will be based on this action.

2. A bigger challenge lies in the change in the character and activities of the state and of public administration from "civil administration to non-civil administration" (Farazmand, 1997a,b). For several decades, the traditional administrative state balanced corporate elite interests with broad public interests, thus providing the social and political stability necessary for capital accumulation and system legitimacy. And it played a key role in system maintenance and regime enhancement. Now, the balanced administrative state has been replaced by the corporate-coercive state, which is characterized by a massively growing coercive bureaucracy in charge of incarcerating millions of citizens considered potential threats to social order. These citizen threats are created by market chaos under economic and social pressures caused by globalization and marketization (Schneider, 1993; Farazmand, 1997a,b,c). The criminalization of society is finding many victims among the most respected, hardworking citizens, who are trapped in unbearable socioeconomic conditions (Davey, 1995; Lowi, 1996). As a result, public administration is being transformed from traditional civil administration to noncivil administration of the "public"—not their affairs—for social control and facilitation of capital accumulation. This is a major change in the character of the state and should be resisted by all public administrators with a social conscience.

3. The globalizing state has forced public administration to do more with less. Indeed, public administrators must perform the impossible task of high output under severe psychological conditions of fear and downsized personnel, setting them up for failure only to prove the corporate claims of government inefficiency. Public administrators can and should document their records of
high performance as well as the failures of the corporate marketplace.

4. By extension, the professionalization of public administration is a response to the challenge of globalization. Professionalization brings both institutional and moral and ethical standards to public service at the global level, exposing the fallacies of globalizing transnational elites while learning from their organizational and technical skills. The excesses of globalization and market failure will invite more government intervention. A professionally sound public administration should be ready for future action.

5. Globalization pushes for increased privatization, which promotes greater opportunities for corruption (Gould, 1991). Corruption has turned societal resources into illegal, immoral, and unproductive activities. It also challenges the very foundations of societal health and destroys citizens' trust in leadership and system legitimacy. Privatization is based on the market-based, rational-choice theory of self-interested individualism in search of maximizing self-interests at almost any cost to community and society. This behavioral and normative philosophy puts individual interests above the interests of the community and society (Bellah et al., 1991; Triandis, 1995); this is exactly what the globalizing transnational companies are trying to promote in order to build a global culture of consumerism that converges national cultures into a global culture (Schein, 1985). This global corporate culture is, in part, managed through human resources management practices, many of which are in sharp contrast with national and community cultures (Laurent, 1986). Public administrators must resist the market-based concepts of treating citizens as consumers and degrading them to market commodities.

6. Globalization tends to promote elitism and enriches elites—business, political, military, and managerial—most of whom operate as "subsidiaries" (Schedier, 1993) or agents of transnational corporations. The personal and career interests of these "global soldiers" generally over-ride national and community interests; they actually become "corporate mercenaries" (Edstrom and Galbraith, 1977) and promote "cultural imperialism" (Said, 1993). People in less-developed nations are familiar with these subservient elites, who seem to rise to power and wealth overnight at the expense of millions. Because the globalizing governments are actively involved in corporate globalization through the implementation of public-private partnership programs with globalizing firms, public administrators and administrative consultants are challenged by the implications of this aspect of globalization. Many elites in less-developed nations run repressive regimes which violate the human rights of their own people. American advisors and consultants often enhance the domination of these bureaucratic elites—both military and civilian—over their own society in less-developed countries (Riggs, 1994, 36; Said, 1993; Parenti, 1995). Paradoxically, globalization has produced a massive concentration of corporate power and has centralized its organizational structure while at the same time governmental decentralization has been promoted across the world.

7. Globalization threatens communities (Korten, 1995) and "public spiritedness"—to borrow Frederickson's 1997 term—by removing local control and making irrelevant the participatory role of citizens and local public administrators to make significant decisions that affect people's lives. Local governments' ability to forecast revenue bases will be undermined as global firms close operations overnight for more profitable locations (Eisner, 1995; Mander and Goldsmith, 1996). Public administrators should try to minimize such uncertainties by attaching long-term strings to dealings with global corporations. They should also build a sense of community, encourage citizen involvement in administration, and foster values of citizenship and community/public interest in balance against rugged self-interest. And they should treat citizens with respect and efficiency.

8. There is a growing knowledge explosion in public administration and related fields, including in its subfields of comparative and international administration (Savitch, 1998). I agree with Ferrel Heady's (1998) statement that these two subfields have been separately and disjointedly promoted in the past decades. There is a new subfield of globalization in town now, and there is a need to integrate the studies of public administration from the comparative, international, and global perspectives. ASPA members are challenged to undertake this new endeavor to produce materials that will help to generate generalizations across global spaces. Practitioners will be enlightened by the exposure to these needed studies and will likely be better administrators in the future global village.

9. Learning more about public administration from a comparative perspective broadens our world outlook. American students and scholars can broaden their personal and professional worldviews by appreciating the cultural, institutional, and religious underpinnings of the administrative cultures of less-developed nations, some of which have rich cultural and governance heritages. Globalization challenges the American parochial and ethnocentric tradition of public administration and shatters the politics-administration dichotomy while providing immense opportunities for consultancy and corporate-related public management practices in less-developed countries. Learning about other peoples, cultures, and public administration contributes to further "knowledge explosion." Already, rich administrative traditions exist around the world to which Americans have not been exposed. Examples include Scandinavian and Soviet sys-
tems of public administration (Caiden, 1994), as well as the systems of cooperatives in which democratic administration can be fostered. Similarly, Americans and other global citizens can learn about public administration under other indigenous systems. Comparative study of governance and public administration is not new and has a long tradition dating back to ancient times (Heady, 1996; Farazmand, 1996b); its focus for global studies of administration should be the agendas of the Section on International and Comparative Administration (SICA) of the American Society for Public Administration in the twenty-first century.

10. Globalization challenges the human conscience of the public administration community. Professional citizens of the global community have the opportunity—and the responsibility—to observe and examine what is happening around the corners of their global community. There are many issues that challenge their conscience, including the conditions and deprivations of the poor, wage slavery and sweatshops in global factories, environmental destruction, global warming, and inequality and injustice. Raising consciousness about global issues, both positive and negative, is both important and necessary, as public administrators can make a difference when making decisions that affect their fellow citizens. They can question the sincerity of the elites, oppose exploitation, and resist being used for undemocratic, unjust, and inequitable purposes around the globe. In the 1980s, public administrators played an effective role in the globally successful campaign against South Africa’s regime of apartheid. Raising such a global consciousness can challenge destructive forces of globalization and global elites on various grounds. The Internet and other communication systems can help administrators communicate globally with fellow professionals in outlying areas.

11. As guardians of “global community interests,” public administrators in more- and less-developed nations have a global responsibility to act ethically and morally in a coordinated manner. They must expose and fight corruption at any level and at any time. Political appointees and politicians are temporal officials, many of whom have intimate financial and personal ties with global corporate elites; they are prone to corruption and abuse of authority, and their definition of public interest is narrow and aimed at the powerful constituencies.

12. Globalization does not end the state and public administration. There is a new global challenge that broadens public administration’s scope of research, practice, and teaching. Public administration has just entered a new stage of human civilization, with a future that is both brightened and darkened by globalization and the hegemonic world order. We hope that prosperity for all will be the outcome.

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