RESPONDING TO GLOBALIZATION: STATE AND LOCAL INITIATIVES IN THE SOUTHEASTERN UNITED STATES

HARRY I. CHERNOTSKY
University of North Carolina at Charlotte

and

HEIDI H. HOBBS
North Carolina State University

Introduction

Globalization has become the catch-phrase for the 21st century. Yet, there are many definitions and contexts in which this concept can be pursued. No longer can the lines between domestic and international be clearly delineated, if indeed, they ever were so clear. Instead, borders are permeable, sovereignty diffused, and identity questioned. As a result, all things global have become local. The objective here is to understand what that transformation means generally, and more specifically, for the southeastern United States.

First, a definition of globalization must be embraced. The New American Global Dialogue (1996) defines globalization as the “rapidly increasing flow of goods, money, people, ideas, and images across national boundaries.” Thomas Friedman (1999) identifies the origins of this process as the triumph of neo-liberal ideology in the post Cold War era and the free market capitalism it embraces. As a result, not only does globalization have its own set of economic rules, but it also has its own homogenizing culture, defining technologies, demographic pattern and structure of power.

Friedman argues that the defining perspective of globalization is integration. Yet, most critical relationships tend to be based on competition. The globalization system that is emerging depends on three balances: the traditional relationship of nation-states to one another; secondly, the relationship of nation-states to global markets; finally, and perhaps most importantly, the relationship of nation-states to subnational actors and even individuals.

To further delineate the effects of globalization, Graham Meadows (1999) argues that we must identify what is being globalized. Who and
what are manipulated by these forces? By adopting this perspective, the driving forces of globalization—the structural transformations taking place at the different dimensions Friedman has identified—can be observed distinctly from the effects they have produced.

Ruud Lubbers (1999) addresses these concerns directly by identifying four dimensions of the “primary” globalization process—political, economic, technological and cultural. Like Friedman, he sees neo-liberal ideology as the impetus behind the realization of a truly global market capable of providing enormous benefit. At the same time, Lubbers worries about a number of particularly difficult governance challenges stemming from the frictions that are produced. While weakening the administrative power of states, globalization increases the difficulty of forging needed coordination between nation states and even raises uncertainty about the appropriate domain of government activity.

**Structural Transformations and the Local Environment**

What constitutes globalization for the local environment? How does it differ from previous conceptions of transnationalism? One major difference is the increasing structured involvement of subnational units. While transnationalism offered the first step in permeating the borders of the nation-state, globalization goes further in its analysis, comfortably moving between different levels of analysis—an objective touted by transnationalism and complex interdependence, but never truly realized. Thus, globalization allows us to focus on a broad mix of actors to understand change in the international environment.

The increasing role of subnational units stems from shifts in production networks. Scott (1999) argues that one of the ironies of the new global economy is the reliance of firms in some of the most rapidly changing sectors on highly localized production networks so that they might compete in extended markets. As the nation state loses its central position as the locus of economic governance, subnational actors are called upon to function more independently within the global market. Increasingly, more activist local policies are required to take advantage of the economic development potential. As Riggs (1999) and his colleagues suggest, however, new institutional arrangements will be needed within these globally interactive localities (or glocalities) to maximize these opportunities.

In the United States, cities and states have been particularly challenged by the intrusions of globalization. The federal government, no longer able to control the international flow of information, goods and services, relinquishes these responsibilities to subnational governing units.