GLOBALIZATION, ETHICAL COMPROMISE AND PLANNING THEORY

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Planning theory, if it is to be useful for practicing planners, must address the question: how could planners compromise, ethically, amidst growing conflicts generated by globalization?

Since the term globalization has been used to convey many different processes, let me define what I mean by the term. Globalization is the process of interconnection among national territorial jurisdictions, through flows of not only trade and investment, but also cultural, social and political practices. Such flows have been aided, recently, by continuous innovations in communication technology. Globalization is, however, not a new phenomenon: it can be traced back to the origin of international trade as early as the 12th century! What is new, for our times, is the growing intensity and complexity of such interaction – particularly, the growing dominance of financial flows in and out of territories. Not only that the volume of such flows has increased, so has its volatility, creating chronic uncertainties and uneven distribution of benefits.

There has been a range of responses to globalization which must be understood to appreciate the somewhat ambiguous position in the middle of that range where planners usually belong. The range is demarcated by two opposing points of view. On one side are the cheerleaders of globalization who argue that it is the only way to continuous and increasing

economic growth, political modernization, and social progress in general.[1] These advocates of globalization do not question its merits; their main concern is how to facilitate the process by reforming existing regulatory structures and, ultimately, reforming the state which is the source of all regulations. In this view, the welfare state created to facilitate economic growth has become the biggest hindrance; and two groups most responsible for this unintended outcome are the rent-seeking bureaucrats/planners, and organized labor, both blocking efforts of economic restructuring to protect their privileges.

There are no moral dilemmas for globalization's cheerleaders. On the contrary, their arguments are marked by moral self-righteousness, expressed in their attack on bureaucratic corruption, and their demand for consumer sovereignty. In the main, the focus is on market efficiency, increased rates of return on investments, and the rewarding of 'winners' while reducing social obligations to 'the losers'.

The opposite response to globalization has been from a peculiar mix of right and left ideologues who reject globalization for a variety of reasons. For example, some have argued that globalization is inherently an exploitative process of unequal exchange which benefits the economically powerful at the expense of relatively powerless groups. According to this point of view, which emerged as early as the 1970s, interaction of trade and external investment is rarely mutually beneficial to all parties involved in the exchange.[2] In support of this argument, the skeptics draw attention to growing income inequality among and within nations, and also point out the increasing vulnerability of territories and disadvantaged groups as a result of unpredictable movement of external investments.

Some ideologues on the right have criticized globalization on other grounds. Their criticism has been expressed in terms of anti-immigration proposals and blatantly protectionist economic policies.[3] This group too dislikes government. They also blame multi-lateral agencies who they view as conspiring to create 'a global government' with liberal instincts. Consequently, some have formed their own militias to protect themselves against such global conspiracy in which their own government is a participant. Globalization skeptics who are less paranoid but are critical nonetheless have called for 'selective delinking' of nations from the global system and urged self-sufficiency, local control and other related measures which have been packaged together as an alternative paradigm of post developmentalism.[4]

Returning to the ideological spectrum, comprising globalization's cheerleaders on one end, and anti-globalization groups on the other end, one is struck by the moral self-righteousness of both groups, although such self-righteousness is used for different purposes – namely: for the cheerleaders, to give in totally to the forces of globalization, while the skeptics take a strong and non-negotiable stand against globalization. In taking this different stand, however, both groups rely on neatly interconnected sets of

theoretical propositions which have very little room for ambiguity, surprises and moral hesitation.

It is my understanding, from talking to practicing planners, both in the US and elsewhere, that most of them do not belong to either end. Instead, they are somewhat in the middle of this ideological spectrum. Unlike globalization's cheerleaders who are mostly from business schools, and also unlike the skeptics who are usually social scientists or populist politicians, the group in the middle are planners who deal with globalization as a complex phenomenon with both good and bad tendencies. These planners appreciate the potential for growth, development and modernization which globalization offers and, yet, at the same time, they are deeply concerned about globalization's ill effects, such as increase in income inequality, and the vulnerability of working-class families. The planners did not arrive at the intellectual middle ground, however, through neatly constructed theories of the kind which mark both ends of the ideological spectrum. It is the nature of their professional responsibilities – the kind of tasks they are asked to perform as planners within various agencies – which pushes them into the middle of the ideological spectrum where they have to grapple with a world which is neither black nor white, but expresses itself in shades of grey through which they cannot navigate with preconceived principles and a prescribed code of conduct.

The difficulty the planners face as they struggle to chart a path through muddy and moving water is not appreciated by ideological gurus, either on the left or the right of the ideological spectrum. On the contrary, the planners' location in the middle of the ideological spectrum is viewed, both from the left and the right, to be a sign of weakness – both moral and intellectual weaknesses. They are viewed as compromising their principle, and are judged to be intellectually imprecise and confused; because the ways planners frame problems and recommend policies to address such problems often do not fit neatly into any well-defined theoretical constructs or moral code of conduct. George Santayana, the philosopher, described long ago why this position in the middle is viewed as a sign of weakness: 'Compromise is unacceptable to passionate natures because it seems a surrender; and to intellectual nature, it seems a confusion', he wrote.[5] In contemporary popular discourse, such individuals are called 'wishy-washy', 'flip-flopping' on issues without any consistency of thought and action.

Compromise as strength

One could take the opposite view, however, and argue that in democratic societies, compromise when reached honorably and in a spirit of honesty to all is the only fair and rational way of reaching an agreement between different points of view. In that sense, compromise is the essence of democracy.[6] It is through compromise we arrive at what is called 'the public

interest'. Also, the act of compromise can be a learning process as one learns about the opposite and multiple sides of a problem.[7] To do so, one needs a flexible mind – what some may call unprincipled; but by necessity it has to be a non-egotistical mind, or at least less egotistical than that of the high theorists on both the left and the right. A flexible mind is, however, not a mind without any moral boundaries. On the contrary, it is a mind that learns about its moral boundaries only in the process of compromise, not a priori based on principles etched on stones. In other words, planners do not operate without any principles; they simply acknowledge that principles underlying planning interventions cannot be static, but must be crafted in place as one faces new situations and uncertainties that test one's moral judgement. Globalization has created many such uncertainties and unprece-dented situations which cannot be managed with a fixed code of conduct appropriate for all times and all places. The contemporary world, shaped by globalization, is too grey and murky to be dealt with principled stand taking of the kind advocated by purists on either the left or the right.

To say that planners must compromise is not to argue that all compro-mises are good compromises. To be sure, some compromises are better than others. For example, faced with the pressures of globalization and the demands of private investment moving around the world, planners in all cities have not compromised the same way. Some have lowered labor and environmental standards to attract private investment, while others have managed to retain decent standards and still attract private investments.[8] In other words, the theory that social policies would spiral downwards to the lowest common denominator as a result of intense competition among terri-torial jurisdictions has not been proven right. Similarly, the pressure to dismantle the welfare state, since the early 1980s, did not lead to a uniform outcome: some nations and cities have demolished their welfare institutions more than others; and even such restructuring of state institutions did not lead to uniformly drastic reduction in services for the poor.[9] It is important to identify and explain such variations in outcome – particularly within the same country; because such variations within a country cannot be easily dismissed as resulting from totally varying institutional contexts. Expla-nations of such variations in policy outcomes often indicate good as well as bad compromises, and reveal the strengths and weaknesses of different strategies pursued by different planners in similar settings.

I acknowledge that such variations in outcome cannot be attributed only to the varying capabilities of planners. Political coalitions, and the nature and intensity of pressure from below, affect policy outcomes significantly. But, no policy outcome can be fully explained by these political forces alone. Planners do have some relative autonomy, however limited, to draw attention to certain issues, and to influence policy outcomes by proposing alternative policies. In their limited role, planners do have to compromise, however. Some do it better than others, but all compromise in responding to differing interests. And, this act of compromising is as central a part of

planning activities as envisioning the future which is usually considered to be the heart of planning.

Compromise and planning theory

What do planners rely upon when engaged in compromising? What theory of action can they look to for guidance? The current literature on so called planning theory is rather thin and somewhat useless for this purpose. This became evident to us at MIT as we assembled a group of city and regional planners two years ago and asked them which planning theory did they use as they grappled with conflicting interests?[10] None of the planners mentioned any planning theory they had found useful. Instead, each had developed his/her own guidelines for action through learning by doing on the job, as we say; and many of them had doubts about the morality – or lack of it – underlying some of their own decisions. For example: were they right to give in to the developers' demand for major tax concessions when the city badly needed revenue? Were they right to agree to create an 'enterprise zone', knowing that within such zones labor standards were often blatantly violated? Were they right to emphasize revenue generation activities when income distribution was becoming more uneven? Many such questions pervade the minds of practicing planners as they grapple with what we call the forces of globalization; and there is no planning theory which they can rely upon to guide their action.

Some may disagree with this pessimistic assessment of the current state of planning theory. After all, there is a body of literature on theories of negotiation. Also, as some economists would remind us, there is 'the game theory' to guide or, at least, predict action. Also, on the left – not far left, but somewhat left of center – is the Habermasian theory of deliberative democracy according to which open and free deliberation is the key to moral choices.[11] It was revealing to us that practicing planners troubled with moral dilemmas and looking for ethical compromises do not use any such theories. Because theories of negotiations have very little to say about moral judgements planners must make. They explain better the process of 'deal making'. Similarly, game theory is appropriate only for games whose rules and outcomes are well defined which is not how globalization proceeded in the past.[12] Similarly, deliberative democracy calls for participatory planning without any sensitivity to organizational and institutional constraints within which planners must operate.

New agenda for planning theory

Hence, I propose that we need to do research and educate our students in the art of ethical compromises as we grapple with the complex process of globalization.

The first step would be to understand better the kinds of conflicts globalization is likely to generate. In this regard, we need to anticipate better the multifaceted outcomes of globalization, some generating conflicts of interests while others generate conflicts of principles.[13] At present, there is very little emphasis on understanding new types of conflicts. On the contrary there has been a flood of articles and books since the 1980s on cooperation – particularly private/public cooperation, which emerged as a popular theme as governments were forced to withdraw from delivering traditional public services due to mounting fiscal problems. Let me be clear: I am not arguing that cooperation is not important for good planning. What I am suggesting is that cooperation usually requires resolution of conflicting interests and claims which we have not paid much attention to because we consider conflicts generally bad for social progress. Also, past theories of conflicts, particularly between labor and capital as highlighted in Marxian analysis, have not been helpful in devising public policies.

In addition to better understanding conflicts generated by globalization, we need to better appreciate as well the deep uncertainties generated by the process. This understanding, if it is to lead to the education of flexible minds, has to appreciate the multifaceted nature of globalization's outcome: that globalization has generated rapid economic growth and, at the same time, has increased income inequality; that globalization has hurt the State's ability to control economic activities, and yet, has led to the need for new forms of regulations by the State.[14] Providing such a multidimensional picture of globalization is the way to sensitize our students to moral dilemmas they are bound to face as they go out to the world of practice.

Needless to say, understanding the complex process and varied outcome of globalization is not enough – at least not for planners who by the very nature of their profession are asked to intervene in the process. Assuming one is willing to compromise, when is the appropriate time to do so? Because compromising either too early or too late can diminish the expected returns from the compromise. A second set of questions is how to compromise? Should one think about the process of compromise, or its outcome?[15] Or both? Are ethical compromises to be judged on the basis of the process or the outcome? Or both? We have only sketchy and anecdotal answers to such questions. For example, we know that it is very difficult – virtually impossible – to compromise if conflicts are defined as conflicts of principles, as opposed to conflicts of interest. This difference between conflict of principle and conflict of interest is important. Take the example of conflict around the issue of abortion in the US. If the arguments remain at the level of principles, it is very difficult to find a common ground. For public policy, one has to transform principles to interests (who is paying for what, and so on) to start a discussion. In other words, the planner has to define the issues at hand in such a way that tradeoffs are indeed possible. The planners must also be aware that a compromise, if it has to have legitimacy, must be transparent to the constituencies whose interests are being

compromised. Good compromises do not destroy political coalitions which force the powerful to compromise.[16] Such compromises do not give away the autonomy for future disagreements. These are merely a few ad hoc observations. It requires much more systematic, institutional research to create a good body of knowledge planners can rely upon as they are faced with new moral dilemmas created by globalization.

A concluding remark on the source of knowledge we must draw upon to understand how to achieve ethical compromises. All too often, the planning literature focuses on planning failures – or, great planning disasters, as Peter Hall called them. A more recent version of similar planning disaster oriented stories is Bent Flyvbjerg's book on *Rationality and Power*.[17] I propose that instead of disasters, we look at small planning successes where, for example, a planner was able to attract private investment without totally abandoning all labor/environmental standards. We must look at cases where the welfare state has not been demolished, and yet state activities have been reorganized for efficiency. Talking earnestly and with respect with these planners who contributed to such small successes may be the way to begin our appreciation of the group in the middle who are much maligned for their lack of theory or inconsistency of thought and principles. Perhaps we will begin to see in their inconsistencies, and the moral dilemmas which such inconsistencies generate, a mechanism for continuous learning which is essential to cope with huge uncertainties and big surprises of globalization.

Notes

1. See Bhagwati (1993), World Bank (1997).
2. See Amin (1976). For a more recent article see Weller and Hersh (2002).
3. See Bohning (1991).
4. See Bauman (1998) and Friedmann (1988).
5. Quoted in Golding (1979).
6. See Kerflik (1979).
7. This point was raised by Professor Niraj Verma at a panel discussion at the Annual Meeting of the American Collegiate Schools of Planning in Chicago, 21–4 October 1999.
8. See Evans (2002).
9. See Borja and Castells (1997).
10. An edited book emerged out of this effort – Rodwin and Sanyal (2000).
11. For a full exposition of this approach, see Healey (1997).
12. See Golding (1979).
13. On the difference between the two types of conflicts, see Benditt (1979).
14. See Sen (2002).
15. See Benjamin (1990).

16. See Dobel (1990).
17. See Flyvbjerg (1998).

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