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Globalisation Asynchronies

The article focuses upon multi-faceted nature of globalisation, its various aspects and dimensions and on various ideological reactions it provokes.

1. Three dimensions of globalisation

The notion of globalisation (mondialisation in French-speaking countries) has appeared relatively recently, being unknown or at least not in common use for most of the previous Century. Since the end of the 20th Century, however, it became one of the most popular terms in frequential vocabulary of economic and related sciences.

Globalisation stirs much controversy. Notably, the widely discussed question is whether its extraordinary position in our days is real, or just a creature of our imagination. Is it just another newly-coined term, or is it a historically genuine phenomenon? The dispute is far from resolved and answers given largely depend on the attitude one assumes towards globalisation, on the way it is defined, on the manner its essence is distinguished and on the forms it manifests itself, which vary considerably from one situation to another.

Globalisation has no clearly marked, diachronic borders. It lasts and it evolves, so the conclusion is it had to begin some time ago. However, no finger can be put on any specific name of fact (such as a person, place, date or event) to have launched the process in the first place. On the other hand, some sort of a starting date is needed to explore the process, mainly for comparative studies that enable a scholar to illustrate changes the process of globalisation caused. The sheer presence of globalisation can be best revealed by showing the world void of that process, *i.e.* by remembering how it used to be before it became evident. This seems necessary as one strives to answer the questions how the

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world changed since the globalisation emerged, what had been before and which way things went later on.

Globalisation has been a process rather than a situation. Its starting date, if any, may only be conventional and we know nothing so far about its potential and date. What's important, facing this, is that a convention assumed is as broadly shared as possible and that it avoids being arbitrary. It has been most commonly agreed that the process of modern globalisation started around 1980. We accept that view. Undeniably, in the last two decades of the 20th Century the world has undergone the process of globalisation.

Economic facet

Basically, it consists in extension of marketplace onto the area of the whole world and in erosion of borders separating individual national economies from one another.

In this respect the process has been similar to the one experienced around a hundred years ago. At that time the most developed economies were expanding world-wide, opening the globe up for themselves. New terms such as global capitalism or capitalistic imperialism appeared and new ideas emerged accordingly, presenting that economic and social phenomenon and attempting to theoretically explain the process.

However, economic globalisation we are witnessing nowadays has been dissimilar to its predecessor in at least one important aspect. The rate at which financial capital expands and its mobility are vastly superior to anything seen before. This is mainly due to pure technological development, including, especially, progress in electronics. As a result of these improvements, new services emerged, enabling the business to benefit from intensified and prompt mobility of investment capital in the form of portfolio investments. To illustrate this, the recent market status of investment funds on the capital market can be mentioned as one of institutional forms clearly resulting from such changes.

Since late Seventies until the end of Nineties of the past Century we experienced a threefold growth of foreign assets held by banks. Volume of transactions in currencies markets multiplied as well, their daily turnover increasing from USD 200 thousand million in mid-Eighties to USD 1400 thousand million in 2000.

Consequences of almost unlimited capital mobility are two-fold. As the capital moves faster from one place to another, it is easier to get prompt profit. At the same time, however, a network of capital flow is more tense and turbulence-prone. Crises may strike out of the blue and expand immediately.

A pertinent example is found in the Asian crisis of 1997 and the astonishing rate at which it expanded. Until that time the trust investors had in that region of

the globe never seemed undermined. The main single source of the crisis were speculations and weakness of Thailand's banking system, which resulted in billions of Dollars running away in a matter of days. In July 1997 the central bank of Thailand accepted the floating rate and within 6 months the value of that country's national currency went down by half. Soon the crisis extended onto neighbouring countries, including Malaysia, Philippines and Indonesia. The following chain of dependencies shaped: a country's restricted economic activity → declining import → decreasing export in neighbouring countries → capital flee from the whole region that no longer commands investor trust.

The Asian crisis also seriously weakened financial markets trust in certain rising economies. In 1998 it transferred over Russia, where the volume of public debt was enormous, and a level of monetary reserves insufficient.

Demographic facet

Migration provides an adequate measure of a true degree of how open the world really is, just as a number of mixed-nationality marriages is a good measure of openness of national societies.

That's, however, where the globalisation-related cliché fails to fit reality. Actually, the world has not become more open. In relation to population numbers, the scale of migration is lower now than it was one hundred years ago. There were times when labour migration were common and both the USA and Western Europe welcomed newcomers. Wealthy countries were not raising administrative barriers to control the process, financial difficulties on the part of immigrants being the only hindering factor.

Cultural facet

Global culture has been based on unification and common values being shared universally, on one common pool of symbols and the same patterns being adopted everywhere. It has been postulated by some vital philosophic currents since long ago, with affirmation and enthusiasm expressed as regards its consequences for humanity.

At present, the cultural dimension actually differs from both economic globalisation and from demographic anti-globalisation. In fact, it has a dimorphic form.

On the one hand, we have witnessed processes of unification in culture, or better said upon the surface of it, taking place on a mass scale ("macdonaldisation"). On the other hand, identity-related values are consolidated as are ideas about being specific, particular and distinguished from the unified community.

According to Huntington, it is different cultures, based upon dissimilar values, being collided and confronted with each other, that contemporary

conflicts (both potential and actually happening) stem from, rather than from conflicting economic interests and political intents to take care for them.

Summing up: three facets of globalisation are marked with three different signs. Globalisation has been based on economy which reaches with ease over State border, however, at the same time, it is blocked by demographic (migration-related) factor and it is both enhanced and disintegrated in cultural perspective.

2. Faces of globalisation

Globalisation has several faces. Its bright, positive face is mainly emphasised by its proponents themselves, including those who favour the process in a spontaneous rather than systemic way. Its most important features are as follows:

- (a) completion of the market economy development, full implementation of economic freedoms, including free choice in the field of consumption, free choice of occupation and place of work, of the type of economic activity, freedom of controlling one's property, of entering into agreements, and so on;
- (b) progress in the area of market allocation of resources, market-based rationality, better use made of scarce, intellectual, human and material resources;
- (c) even higher intensification of competition, improvement of the economy quality;
- (d) more poor countries are capable of following the patterns developed by the successful world and join it over time;
- (e) more reasonable labour distribution in the global scale: labour-intensive activities situated in cheap labour countries, highly-skilled personnel in developed countries is made more efficient use of;
- (f) accelerated information flow, better dissemination of knowledge and skills, technological and organisational progress, *etc.*;
- (g) deepening of inequalities of income in order to eliminate such inequalities (a version of Kuznets' right).

The dark and gloomy face of globalisation, instead, is mainly exposed by sceptics and, even more so, by its critics. The features they highlight are as follows:

- (a) restriction of a role played by State, of importance of State borders, sovereignty, the scope of competence of democratic State and its instruments;
- (b) the principle, according to which taxes and regulations proclaimed by State have to be aligned downwards to the level adopted by others, as an effect of competition for capital;
- (c) a decrease of State income;

- (d) market pressure to subordinate the State thereto, restricted opportunities for the State to limit the income span;
- (e) expansion (to the global scale) of monopolistic collusion agreements, the effect of which is elimination of competition and stiffening of the market; in consequence, the global economy being in fact monopolistic economy on the global scale;
- (f) global economy void of an institutional correlate in the form of a global government;
- (g) change in proportion and balance of power: capital market and supra-national corporations become stronger than any State;
- (h) global economy is not accompanied by global society.

There is yet another characteristics to match all the other faces of globalisation. It should be mentioned because it is important, however, it cannot be discussed in-depth, since that would take too much time and space. The thing in question is that globalisation, in its hitherto-existing form, increases tension between economic liberalism and social liberalism. Reasons of that straining contradiction and ways in which it manifests itself are following:

- (a) the market brings differentiation, while democracy equalises (parity of citizens); as a result of market domination a double exclusions takes place in antipodes of the society;
- (b) fundamentals of the very existence of national State are undermined;
- (c) the role of representative bodies is undermined to the advantage of financial markets and supra-national commercial corporations;
- (d) public authority (*i.e.* that subject to public, institutional control) grows weaker giving way to private authority (not publicly controlled).

Potential attempts to solve those contradictions may be very different. Some of them are mentioned below, but one of them should be named forthwith. This is mediaevisation of economy or, in other words, restoring such relationships between economy and State – with social approval – as those that existed in the Middle Ages. Under that model the State bears no responsibility for economy. Implementation of such a retrospective utopia would be a pure retreat from the process of shaping modern society, for which economy acts as one of fundamentals for the ruling system legitimacy. Any system which provides no satisfactory development, is socially rejected.

3. Two Polish passive reactions to globalisation

The two reactions mentioned in the chapter title are interrelated with each other by a strong negative dependence. Both share a common basis: passive and defensive-minded nature. Nevertheless, they should be distinguished as two different types.

Passive-open attitude

Globalisation is defined, by that attitude, as yet another stage in development – a superior and necessary one. As the way the rights of history manifest themselves. Such definition is often accompanied by a historicism-derived ethics (described by Popper): globalisation is something good by definition.

According to that view, globalisation is an inevitable and obvious process, to which one should have the same type of attitude as to laws of nature. Questioning it is but an evidence of having inadequate knowledge, of being irrational and intellectually backward.

A rational attitude towards globalisation has to be the same as one to the law of universal gravitation. One has to subject to that action, to that mechanism. The more open we are, as the country, the better it is. This way we gain access to capital, to financial supply, to direct and portfolio investments; we get involved in trade which is unhindered by any borders, in free movement of people, goods, technologies, ideas. Poland should take part in the mainstream of globalisation.

Isolation and identity protecting attitude

Advocates of that idea tend to regard globalisation mainly as a threat to their nation's identity, as a risk of a loss of its specific character. They define globalisation as symbolic, political and material (economic) aggression aimed at the nation, homeland and home.

The principal reaction thereto should consist in defence of "national substance", this being more important than the country's material, economic and social fundaments.

Both the above-presented attitudes (passive/open and isolation/identity-oriented) are defensive. In the case of the former one this consists in passive submission. In Archilos's iambic vocabulary this could be represented with a cat symbol. Defensive nature of the latter is manifested in adoption of protective position and stepping back, aside, rather than take part in a long run. Like a tortoise.

Proponents of the first type of attitude see globalisation as an opportunity and hope, while those advocating the second one look at it as a threat and source of many serious dangers.

More balanced attitudes

These break up the above-discussed dichotomous typology. They define globalisation as a phenomenon and process which is multivalent and far from unambiguous. One can end up winning in the process, but with only a slightly different set of circumstances one can turn out a loser in the end, either. The

ultimate score depends on who involves therein and how well one is prepared to be able to win rather than lose. Such position differs substantially from both mentioned forms of passivism. The attitude it proclaims is activist. Large and powerful countries (such as the USA) are sure winners in the game of globalisation, while smaller countries having unstable economy and uncertain institutional order (Poland), may either win or lose.

Ambiguities globalisation brings are manifested, among other things, by growing differences among countries. In the twenty years between 1960-1980 (that is during the two decades that directly preceded the outburst of globalisation) global economy enjoyed a period of dynamic growth. Asian tigers managed to make a huge step forward, Latin America recorded a considerable rate of economic growth, which, albeit less impressive, was even visible in Black Africa and Arab countries. However, that period of world-wide prosperity came to an end and was no longer felt in most of the world in the years 1980-2000 (that is, in the first twenty years of globalisation). In Latin America *per capita* GDP between 1960-1980 increased by 78%, while in the subsequent decade its further growth did not even reach 8%. Respective numbers for Black Africa were as follows: from 39% in the first place, falling down to a negative value of -14% in the latter period. Arab countries experienced a decade of stagnation as well, although previously their economic potential had tripled.

Levels of both income and wealth became much more differentiated in that period on the global scale, too. Horst Köhler (later on to head the IMF) expressed the following belief two years before the tragedy of 11th September 2001: "Extreme inequalities in the way the income achieved is distributed world-wide becomes an ever increasing threat to political and social stability of our world".

4. Free market-based globalisation

Globalisation which is based upon totally open market and implements, reaching over State borders, economic patterns adducing the *laissez faire* principle, reveals all well-known features of free-market economy, however, blown up to the global scale. This means growth, but, at the same time, generation of striking social inequalities as well as unemployment, favourable conditions for formation of cartels, cycle-wise process of growth, and so on. Such a radical economic liberalism is in plain contradiction with liberal and democratic social order. Free market is not a sufficient basis to ensure maintenance of free and open society. This is emphasised by John Gray, an outstanding expert in liberalism, as he writes, *inter alia*: "*An entirely new system of global regulation – starting with currencies, capital movements, commerce and environment protection – is the only possible way to turn the creative energy*

of global economy back to be truly useful for people and their vital needs". This way, Gray declares himself in opposition to what the Enlightenment poet Kazimierz Brodziński once recommended, as he, functionally, identified free market with the Providence: *"May everyone do his job on his little scale, as the Holy Spirit tells him to, and the whole thing will compose itself alone"*.

5. Regulating globalisation: the utopia and partial solutions

A system of global regulation could take on various shapes, which would translate into new, complex forms of globalisation, different than those known by now. One alternative would be to appoint a global government, which, in fact, would reflect dreams of a number of philosophers (including Immanuel Kant and Polish thinker August Cieszkowski). This is an idea that has not been implemented ever so far and in this sense it should be seen as an utopia. Making any plans in that respect one would come out of the map of history, such as we have ever experienced.

Since there is no global government in place, it is perhaps better after all that there are those who attempt to control or even regulate political processes going on in the world, because otherwise everything would unfold with no control at all, leaving the sheer matter of survival of States and nations up to pure and primitive force. It also seems to be better than not, if the United States, the only real superpower left in the world, attempt to exert such control, instead of implementing a modern version of Monroe's isolationist doctrine. Admittedly, economic, political or military power are not the United States' only assets, other important ones being found in important characteristics of American culture: traditional American pragmatism, as well as cultural expansiveness, typical of a dominating country, occur to be a better solution for the world, compared to ideological closure. An attitude, in which consumption is ranked so high, effectively restrains obstinacy and aggressive behaviours. Existence of multicultural society with a number of various religions provides a natural barrier against religious fanaticism or ethnic nationalism. Universal human rights seem, at present, the best thinkable version of laws of nature. However, as that model of "regulation" imposed upon the process of globalisation – the model basing on a prevailing role of the United States as the superpower – is approved, this should be accompanied by the awareness that this is in fact a country that principally looks after its won national interests in what it does, rather than taking care for arguments of global welfare. Moreover, it relies its behaviour upon rational concepts developed in and for that particular State, and not upon general rationality as such. Henry Kissinger even dared to say: *"Globalisation is just another name given to the US domination"*. Those who subscribe to that point of view, however, have to consider that global interest

must not ever be defined by a government or by citizens of just one State, no matter how large or powerful.

Even considering that establishment of global government is an idea that should be regarded in purely utopian categories, this doesn't necessarily have to suggest other forms of regulation are totally unrealistic as well. Such forms include, for example, a model basing on a deal of collective agreements, mentioned some fifty years ago by Stanisław Ossowski (as he considered possible systems of a single country). According to that model, utopian solutions are replaced with "piecemeal engineering" (postulated by Karl Popper), less risky or arbitrary and more practical than the concept of a thorough reconstruction of society, not to mention the whole humanity. A force of international agreements could stem from particular arrangements made in individual areas, concerning, for example, ecology, defence and arms, health care, prosecution of crime, waging wars, as well as conditions of work, taxation, capital movement, migration, and so on. As examples, institutions as the Red Cross (and its equivalents in other parts of the world) may be mentioned, along with international courts or attempts to reach international agreements in the area of environment protection. This repertory also includes the so-called Tobin tax. Such solutions are, in fact, meant to address particular issues and to regulate individual problems, however, in order for them to be viable, they have to be binding to everybody, and this is the key trouble, as evidenced by failure of many global regulations in the fields of ecology or arms control. For such globalisation regulating model to be effective, it would have to rely on a superior-level loyalty: reaching beyond the loyalty to interests of one's own country and up to that to collective agreements and arrangements.

The war declared by the United States and their allies against Saddam Hussein's Iraqi in the spring of 2003 has shown that any unilateral model of globalisation is in plain conflict with models basing on collective agreements. In that particular respects two alternatives have arisen: the American one, reflecting the former model and the European one, which seems to build upon the latter model. The European solution is that advocated by a number of weaker countries, incapable of imposing their will to the world, but looking for reliable measures of security, also in the form of international agreements. This is the way Prince Adam Czartoryski proposed two Centuries ago as he considered, in his essay *On diplomacy*, a need to establish such a supra-national deal, in which rights and interests of individual countries and nations would have been guaranteed. The postulate has remained fully valid in our days. The question is, whether we are going to be able to make it real.