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GLOBALIZATION – A PROCESS OR PROJECT FOR HOMOGENIZATION

ABSTRACT

In the first years of the new millennium the domination of societies and economies based on the grounds of knowledge, which participate in the global markets is more and more common, as a consequence of the tendency of the organization and mobility of the business activities, knowledge and capital, as well as the liberalization and simplification of the foreign trade relations among countries. The globalization allows the economic subjects appearance on the global market, by usage of local as well as other available resources. Information systems and telecommunications give new physionomy of the world market, enabling the organizations to identify the specific needs of the consumers from different geographical regions in the world and to react quickly by diversification of products and services. Thus, the traditional advantage of the producers which are geographically closer to consumers is significantly reduced. Telecommunications also allow designing of the world electronic markets, where consumers and suppliers come in direct contact. Thus, the need of presence of classical intermediaries is lost, but of course there is the need for new ones. However, there is the question of whether the global market creates irresponsibility, because it presents interpersonal institutional infrastructure which does not take responsibility not even for itself. The global market risk allows to determine which, if there are any, to prosper, and which to suffer.

Key words: globalization, modern age, deregulation, logic of market, global localizing

“GLOBALIZATION IS A PROCESS FOR STANDARDIZATION AND HOMOGENIZATION OF THE WORLD”

Before we can creatively formulate and discuss globalization, we should take a stand regarding whether this term implies a real historical process, or it is an ideological construction of the thought i.e. a project developed by powerful social groups intended to divert the attention away from the real social problems. This question is important because it determines our overall attitude towards the idea of globalization and affirms or brings into question the purpose of our efforts to study this phenomenon.

Authors who are of the opinion that globalization is a real social process disagree on many issues related to this process, and it should also be mentioned that that they are the majority.

What is important for us are the differences and attitudes of authors who see globalization as a project. It should be mentioned that the basic difference between them is the issue whether globalization is just a myth, an empty or superfluous construction of the thought (Wallenstein, Hirst), or it is an ideological project with a real content. According to Wallenstein who belongs to the first group, the globalization discourse is a huge misunderstanding of contemporary reality - which has been imposed by powerful authors. According to him the globalization discourse leads to ignoring real issues as well as misunderstanding the actual crisis in the world today. Thus, the world is the era of transition, but not a transition intended only for undeveloped societies that should join globalization, but transformation of the entire capitalist system into something different.

The future is far from being certain, says Wallenstein, it is uncertain. According to him the key question is not whether to obey the globalization or not, but what to do when this process begins to erode (Wallenstein, 1979)?

Such a position approaches the other group of authors who consider globalization as a project. It is about authors who see globalization as neoliberal project of influential groups that comes true and leaves painful consequences on the whole society especially on the processes of state welfare. The key authors that should be mentioned are Noam Chomsky and Susan George. For them, globalization is a powerful idea which justifies global capital movements, founded on gaining profits at the expense of marginalized individuals and groups. According to these authors the consequences of neoliberalism are devastating and evident in various areas of social life. First of all, neoliberalism leads to dehumanization, different types of alienation and exploitation of human and natural resources. The capital movement is out of social and state control.

On the other hand, as we already mentioned, a significant number of authors consider globalization as a process - historical process.

Discussing globalization consequences means or at least it could be understood to a certain extent as an assessment or evaluation of realized and expected effects of a comprehensive and long-term process. In other words, it is a kind of taking certain moral and valuable attitude towards the phenomenon. But, the problem arises at the moment when we face different assessments.

Questions: Is it good or bad when national states have less and less sovereignty or autonomy? Scientific objectivity implies neutrality on values, at least for those who accept such a possibility. There are some difficulties there because the affirmation of one value could mean degradation of the other at the same time. Furthermore, there are also difficulties because the globalization process hasn't been completed yet, and it could be hardly said that the recent effects were final and that in future they might be eventually transformed into something else or even in its own contradiction.

The next question is, whether the global expansion of the democratic regime consecutively leads to degradation of genuine democracy at the same time. There is also the problem that the process of globalization leaves opposing consequences as seen from the standpoint of a value. Namely, does the expansion of freedom in the economic activities mean a lack of opportunity in order to achieve the same freedom in other spheres?

Also, when starting from the same standpoint of values or when following only one dimension, there remains the problem of different understanding of short and long term effects. Namely, is capitalism entering a phase of expansion or is it cutting off the branch it is sitting on? Although there are confirmed empirical data, how could you explain the fact that globalization increases the gap between the rich and the poor, where the poor statesmen actually queue and desperately try to attract capital that "relatively speaking" could make them even poorer.

HYPER GLOBALISTS' THESIS

For the hyperglobalists, globalization is a new era in the history of mankind, where "the traditional national-states become unnatural, even unsustainable economic units in the global economy"(Ohmae, 1995: 5). Economic globalization affects the denationalization of the economy by creating a transnational network of production, trade and finances. In these economies without borders, national governments became something more than transmission belts for the global capital, or simple transferring institutions, sandwiched between powerful local, regional and global mechanisms of governance. According to hyperglobalists, the economic globalization creates new forms of social organizations that suppress the traditional

– national states as primary economic and political units of the society.

The global expansion of consumerist ideology also imposes a new meaning of identity to the marginalized, distorting, traditional culture and way of life. The global expansion of liberal democracy further strengthens the sense of global civilization, which is defined by universal standards of the economic and political organizations. Since the institutions of global and regional authorities have even more significant role, the sovereignty and autonomy of the state erodes more and more. According to the hyperglobalists, the economic and political power becomes denationalized and scattered, thus the national state becomes more than a kind of transnational organization for economy management.

SKEPTICS' THESIS

Sceptics argue that the governments are not passive victims of internationalization, but on the contrary they are its main actors. They say that the disappearance of inequality between the north and the south has nothing in common with internationalization and that the increasing economic marginalization happens in most societies in the Third World, since the market and the investments circulate within the boards of the rich world, which increases the exclusion of a significant part of the rest of the world. Thus, sceptics generally reject the term internationalization as well as existence of a deep-rooted inequality and hierarchy in the global economy. According to many sceptics, this inequality creates opportunities for development of fundamentalism and aggressive nationalism, so the world becomes fragmented into civilization blocks, cultural and ethnic enclaves. The emergence of cultural homogenization and global culture are myths.

TRANSFORMATIONALISTS' THESIS

According to transformationalists in the new millennium, globalization is a central driving force standing behind the rapid economic and political changes that transform modern societies and the world order. In the transformationalists' explanations it is increasingly emphasized that globalization is a long historical process pervaded with contradictions and significantly shaped by conjuncture facts. First of all, regarding future globalization, this precaution is conditioned by the contemporary patterns of unpredictable global economic, military, technological, environmental, political, cultural and historical migration flows. Basically, views of the transformationalists represent a belief that contemporary globalization makes a reconstruction or creates power, functions and authorities out of national governments, although it

isn't opposed that the state still has pretensions for the highest executive authority of those inside the territory. Namely, along with the expansion of jurisdiction and compulsion of law enforced by the institutions of the international authorities, are also the obligations under by international laws. This is especially present in the EU and in the activities of the World Trade Organization where the sovereign power is divided among the international, national and local authorities. But, in situations where the sovereignty is untouched, the states will not be able to keep it like that for a longer period of time, although somewhere the exclusive jurisdiction over the run of events within their territorial borders might be preserved. Global systems, from financial to environmental, connect the fate of local communities with the fate of communities through out the world. Global communication and shipping infrastructure also encourages new forms of economic and social organizations that exceed the national boundaries without any impact on the performances and the control. Some states deplete absolute sovereignty within its territorial borders which could be witnessed by the practice of diplomatic immunity.

Thus, sovereignty today cannot be understood as a defined territorial border, but it could be understood more as a political bargain for the resources within the complex transnational networks (Held, 1991).

Supported by the revolution of information, the global market risk allows determining who, if there are any, will be prosperous and who will suffer. Namely, if there isn't global governance, the global market risk cannot be regulated by the model of the national markets, and also not a single national market could resist it.

A major problem in the process of overcoming the global market force is the creation, a process of interacting and incorporating the matrix of national and international public policy. Ohmae (Ohma1990, 1993, 1995) argued that corporations "without leaders" are the main drivers in the inter-linked economy concentrated in the US, Europe and Japan. He said that the macroeconomic and industrial state interventions made by national governments, can only distort and stop the rational processes of resource allocation with global corporate decisions and consumer choices. According to him, these corporations should follow the strategy "Global localization" worldwide, respectively in specific regional markets, and when positioned, effectively meet various specific needs of local consumer groups. This implies that trans-national corporations should primarily rely on direct foreign investments and entire domestic production in order to meet such specific market needs.

Globalization trends divided the world into two zones: a zone of stagnation and a zone of development, which has crucial impact on the position of each individual country. The countries that fail to articulate the development resources in the development of modern technologies inevitably remain in stagnation, failing to join the trends of the developed world.

The linking process of the economies of various countries is not new. From the beginning of the capitalist way of production, internationalization of the economy and the society itself has been a way for existence and survival of individual national economies. However, a complete internationalization and transnationalization of the economy is evident, so some aspects of normal way of living are opened to doubt. The benefits of globalization mostly belong to the private sector i.e. to the global entrepreneurs, traders in the form of multinational companies. Using the underdevelopment of the existing and the absence of some other necessary economic institutions, multinational companies organize the production at locations where their production costs are the lowest, while they book their profits in those countries where taxes are also the lowest that enables achieving the highest possible price for their products. Certainly, even the most powerful multinational companies expect help from their “own” countries. All global changes reduce and even tend to suspend the power of the influence of national states, so even in case when they are willing, these states are unable to offer the necessary protection for the citizens.

The supranational capital has no mercy towards the social policy, the equal care for all classes of people, especially for those who are unable to generate profits and most of all require help from the state. There is an increasing resentment and anger that these dissatisfied masses take out on their governments. So, it is urgently necessary to create a new international legal order that would regulate those relations, powers and privileges, otherwise ordinary people would be under pressure of intensive terror and merciless exploitation.

Global competition with its massive movement of capital towards recently underdeveloped countries creates a new economic phenomenon that increasingly becomes a foundation of the “new economy”. The consequences are high in developed countries characterized by old developed economies. The movement of capital towards underdeveloped countries creates new competitors and competition with such sizes as no one has expected until now. Large quantities of cheap goods are being produced in unimaginable proportions. Exports are allowed from the developed countries because of the opened markets. This “export offensive” today is called an “attack” of markets and economies from the developed countries. Domestic production is threatened, so certain ways and possibilities are initiated in order to protect it. The proclaimed worldwide liberalization is falling into crisis more and more.

Taking all that into consideration we can say that this situation looks like unfair competition, where small businesses especially suffer, being unable to cope with the enormous quantities of extremely cheap imported products.

These multinational companies make huge profits by using cheap labour and by exploitation of the population in underdeveloped countries.

Globalization affects the labour market and demographic rearrangement of labour, changes the flows of labour supply and demands. A great many of the working age population in the developing or underdeveloped countries mostly move towards western, capitalist countries, searching for better living conditions, better earnings and better social protection. The young people also leave their own country and mostly go to developed countries in search of a better life (better conditions for learning, studying, building a career, etc.).

But, negative consequences appear in poorer countries - as a result of brain drain and labour deficit, a gap occurs between the rich countries that attract educated and skilled personnel and the poor countries that fail to keep those highly skilled professionals, where the state invested for their professional status.

It becomes increasingly clear that poor societies, the countries of the so-called Third World, cannot withstand the race with rich countries, they simply have no chances in such an unfair competition that started with a tremendous advantage of the richest countries.

Someone should ask the question: Could such a globalization survive all the shocks which it undoubtedly entails?

A serious problem facing globalization is its selectivity. Namely, the globalization phenomenon is selective: it works in favour of some countries and does damage to others. Measured by “TERMS OF TRADE” (the ratio between export and import prices) and direct investments, the integration was quite uneven; some countries have managed to collect a huge part of the foreign capital, while other remained on the side. Those other countries have over two billion of population and unfortunately in those countries the only expanding process is poverty.

Briefly explained, globalization is not and has never been global. We can understand the Ulrich Beck’s thought who said that we couldn’t talk about globalization, since it is just internationalization. A great part of the world (one third of the total world population) has never participated, has never been a part of the positive consequences of globalization, while in the meantime, there is a threat of even greater marginalization of the undeveloped.

Although the globalization acts selectively, its effects are non-selective. Globalizing the ways of production, technological innovation, cultural patterns of living, environmental impact etc., strengthens the entropic processes (Rifkin.1986) - political, cultural and ecological entropy that standardize matrices of production, style of living etc., including them in a new sociality dimension - global society. Market globalization, technologies and information, basically allow the communities to have equal access to that communication level of the society.

However, having in mind the constant asymmetrical development of the world and the asymmetric information (Stieglitz, 2002) that assumes inequality, then this

is a new opportunity for total expansion of the new model - a pole in the asymmetry - its increase and a new division of the world.

It is a fact that the fundamental importance for the current economic globalization in this new system of the created global world, unequally prepared various nations and states differ in their economic, military-strategic and informational potential (Mazur and Chumakov, 2003: 183).

As implemented by institutions of the World Bank and the International Monetary Fund, the globalization in practice is just a momentary economic integration of rich and poor countries, regarding the market and the investment as well (Reipert, 2006: 57). Concerning this fact and the understanding that the rise of the standard of living in the history of human society depended on the growing market, it should be considered whether the result of globalization is an increased living standard in proportion to the market growth; in case of an increased standard, whether this growth is globally uniform for all states, and it is equal or not for all the citizens within a single state, as an expression of the growth of the total wealth in the globalized world society. The answer to this question should be sought in the theory of globalization.

Analyses show that the global market and transnational companies don't work on the principle of labour mobility, but work on the principle of capital mobility that requires a location that offers the best qualification structure and lowest cost of labour. Companies that look for high qualified and productive workforce have better opportunities to locate themselves in developed countries with all their conveniences, but instead, they locate capacities in countries with cheap labour, because these countries have the most flexible labour and low social expenses.

Thus, globalization as a process transforms i.e. reconstructs the power and authority of national governments, so the hyper globalization thesis "the end of sovereign national states" as well as the thesis of the sceptics "nothing has changed" should be rejected. Modern problems cannot be solved at the level of national states, but global processes must be taken into account in order to bring adequate solution of these issues. In this era of globalization, the global cultural approach should be focused on the cultural homogenization problem as well as on the influence of the culture and mass media on the situation of individual or national identity. According to Held: In a situation when the mankind has the capacity for self-destruction by means of wars and environmental disasters, the creation of a global democratic and humane society is the best long term guarantee for the survival of the mankind, although it may seem like an utopia (Held, 1995). And finally, I'd like to finish with the words of the Swedish anthropologist Friedman: Ethnic and cultural fragmentation and the modernistic homogenization do not represent two different arguments, two conflicted views about what happens in the contemporary

world, but they represent two constituent trends of the global reality.

Globalization is a process of standardization and homogenization i.e. globalization is a source of hybridization and creation of complex social relations.

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