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WHAT DOES GLOBALIZATION LEAD TO: CLASH OR RAPPROCHEMENT OF CIVILIZATIONS?

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Abstract

Globalization is a complex, multifaceted and not entirely understood phenomenon. The paper covers only one side of globalization: relationship between countries with the most developed economies. Among the diversity of the parties and definitions of globalization, this study will address only one aspect – consideration of the balance of forces in the international arena between the most developed economies of the world. The author draws attention to the fact that initially globalization was a one-way street. In a unipolar world, peripheral economies adapted to the needs of the most developed economy of the world – the United States and its closest allies. The purpose of the study is an attempt to fix and, in part, to determine the reasons for the change in the dominant status of developed economies and to predict the emergence of a new configuration of relations between the developed economies of the world. The established rules of the game allowed mainly Western transnational corporations to ignore the economic interests of the countries from the world margin. However, the uneven capitalist development of enterprises, industries and countries eventually led to the emergence of new global players on the world stage. Regional transnational states and quasi-state associations were the counterbalance to the expanded transnational corporations. Historically existing civilizations acquired adequate political and economic power. However, in a vertical and multi-layer market, the threat of their collision is not fatal.

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1. Introduction

Since the mid-1990s, the researchers have increasingly used the term "globalization" to describe the process of changes in modern society, including those in the field of transnational relations. Much has been written about globalization both in the West and in our country. Philosophers and sociologists note that the ongoing changes affected not only the economy or politics, but also technological, and social and cultural spheres of public life. It is beyond argument that globalization is one of the most complex multifaceted and complicated phenomena. Summarizing the experience gained in the study of globalization, I.G. Grentikova, for example, singled out the following approaches to globalization:

- 1. Globalization is considered to be an objective historical process, as a qualitatively new stage in the internationalization of the economic, political and cultural life of mankind.
- 2. Globalization is seen as a process of world integration.
- 3. Globalization is treated as foreign policy and ideological goal / all-round assistance to neoliberal forms and methods of free market development.
- 4. Globalization is global "Americanization" and expanded "Westernization", and the spread of Western capitalism and Western institutions (it is very close to the third approach).
- 5. Globalization is a completely new historical reality distinct from the world economy. (Grentikova, 2008)

According to Panasenkova (2012), the abundance of viewpoints is caused by "Relative novelty of the research object itself (a little more than two decades has passed since the early 1990s), as well as the complexity of the processes occurring in the global economy ... There are numerous approaches to globalization and different definitions and interpretations of the concept, including its time frame."

The process of global transformation of society turned out to be so deep and multidimensional that, according to Ulrich Beck's apt remark, to define the "concept and discourse" of globalization "... is like nailing pudding to a wall" (Beck, 2001).

Nevertheless, the majority of authors that write about globalization consider that its "...main factor is the tendency towards unification and uniformity" (Zhimbeeva, 2009). This is also indicated by Avdokushin (2014), who thinks that "... the development of globalization is ultimately a movement towards one-dimensionality ...".

Until the beginning of the 90s of the twentieth century, there were two world-systems – a capitalist system and a socialist one. Each of the systems considered itself to be the system of the future. However, after the collapse of socialism in the USSR, the capitalist world-system found itself in splendid solitude. Francis Fukuyama was quick to declare this as "the end of the history". However, in fact, it was only the end of the competition between the two systems. From that moment onwards, researchers typically state the beginning of globalization.

There are still countries that refer themselves to socialist states, including as an example China, Vietnam or Cuba. However, confrontation of the two systems was a competition of two types of society:

the one based on market and cost, and the other one oriented towards plan and lack of value. One can admit it or not, the collapse of an alternative system to capitalism meant a total victory of value.

Since the world guided by America became unexpectedly unipolar, from the very beginning globalization virtually took the form of the westernization of modern social life. Greyhounds notes that "Since globalization started, the world tends to merge with the West, or at least to attain greater similarity with it" (Borzykh, 2011).

2. Problem Statement

Since the beginning of the 90s of the last century, nothing external threatened the capitalist world-system. However, this could not prevent internal contradictions, the main one being the tendency of uneven development of capitalist countries. In due time V.I. Lenin wrote, "Unevenness and spasmodicity in the development of individual enterprises, individual industries and individual countries are inevitable under capitalism." (Lenin, 1969). After the collapse of world socialism, Marxism as a theory was not only compromised, but thrown to the dustbin of history; however the very tendency of uneven development under capitalism did not disappear. After V.I. Lenin, after the Second World War, the world witnessed the revival of industry in Germany, Italy and Japan, the economic miracle of the Asian tigers, and an impressive rise of China to the economic Olympus, and to a lesser extent that of India.

In this regard, the question arises concerning the conformity of these two conflicting trends: 1) globalization as a process of assimilating the world to America as a leading capitalist power and 2) the process of uneven development of capitalist countries. What should be expected: clash or rapprochement of civilizations?

3. Research Questions

Thus, among the diversity of the parties and definitions of globalization this study will address only one aspect – consideration of the balance of forces in the international arena between the most developed economies of the world.

4. Purpose of the Study

The purpose of the study is an attempt to fix and, in part, to determine the reasons for the change in the dominant status of developed economies and to predict the emergence of a new configuration of relations between the developed economies of the world.

5. Research Methods

The study employs historical comparative and logical methods as the main ones.

6. Findings

Several paradigms describe the process and perspectives of development of human society. For a long time, Marx's "scientific communism" with its series of progressively alternating socio-economic

formations was used as an explanation. In fact, it was the West-centrist model, which was endowed with

An alternative interpretation of history was a civilizational model, which asserted that there is no single human civilization implying a Western cultural culture, but there are many cultural and historical entities that collaboratively create history. Civilizations live for thousands of years and perfectly adapt to different socio-economic structures without losing their identity.

The globalization unfolding beneath our eyes virtually continued the "progressive" version of interpretation of the human development. In contrast, Samuel Huntington updated civilizational division of human history. From his point of view, "... global politics is the politics of civilizations. Superpower rivalry was replaced by clash of civilizations" (Huntington, 2003). This bestseller by S. Huntington at one time was the subject of much debate and caused not only purely academic interest in the book. Two world wars that were caused by this kind of "clash" happened within recent memory of people. Does humanity go down this road again? How should this clash of civilizations be understood? Can cultural-historical formations seriously compete with the military and political power of the superpowers?

To answer these questions, it is necessary to figure out how competitors can appear in the unipolar world. In the XIX century, when a conflict of interest arose between the Scottish "Jurdine and Matheson & Co." the provider of Bengal opium and the Chinese government, the so-called opium wars of the 30-60s started. Why cannot the US forces, whose budget exceeds the military budgets of all their potential adversaries, afford similar actions now?

America gained a dominant status primarily due to its economic efficiency. This means that the country and the whole Western world have the most technologically advanced production and most extensive trade and financial omnipresence. It would seem that they have the taps in their hands. America can invest more money in innovations, buy and put potentially dangerous patents on the shelf, ruin or buy competitors in the bud, and gather the best specialists from around the world. In such conditions all competitors are supposed to be left behind America forever.

However, experience shows that this is not happening due to uneven development under capitalism. What does this unevenness depend on? Why at the end of the XIX century, backward agrarian countries like Germany and Russia caught up with the advanced England and France? How could the industry of Germany and Japan be raised from the ruins after the war? Nevertheless, this happened.

This happened because in the XIX century Russia and Germany joined capitalism, installed the most advanced machine tools and equipment at newly emerging factories and used the latest technologies and forms of work organization. FRG and Japan followed the same way after the Second World War. In addition, enterprises that were not destroyed in the war were dismantled and removed by the victor countries, and this aggravated the situation. Nevertheless, the percentage of new enterprises and technologies in Germany and Japan very soon turned out to be higher than those in the victor countries as a result of the money windfall of American dollars that happened according to the Marshall plan (which extended to Asia).

After the failure of world socialism, the United States faced a fateful choice: either to strive for economic efficiency through automation and robotization of production in their country, or to move production to Asia, where people are ready to work for peanuts manufacturing the same products. A simple 122

calculation showed that since robots are very expensive, it is much more profitable to move industrial production to countries of the so-called "third world". What to do, "Production is moved to the countries where costs are lower, and the quality of services, infrastructure and labor is higher" (Shaov, 2012). Striving for economic efficiency, Americans built new enterprises at a state-of-the-art level in Asia, Africa and Latin America.

The results of this economic expansion turned out to be "... very eloquent: from 1994 to 2004, India's trade turnover increased by 333%, that of China grew by 487%, that of Chile increased by 550%, and that of Vietnam grew by 575%." (Lehmann, 2007) This could be assessed as economic growth. However, it was surprising that patriotically-minded Chinese government, in particular, was able to create extremely favorable conditions for the localization industrial manufacturing. For example, in the automotive industry, the localization of manufactured components and assemblies in the first year was 10 percent, in the second and in the third years it was 30 and 20 percent, respectively, and so on. Thus, after about 10 years, China developed the national automotive industry that employed the latest technology and trained its own qualified personnel. This concerned not only the automotive industry. Import-substituting industrialization greatly contributed to the development of India and Vietnam. Four Asian Dragons: Hong Kong, Singapore, Taiwan and South Korea have successfully tried another strategy – export-oriented one. The results were extremely impressive.

The delayed industrialization of Russia is due the fact that the government did not exhibit its patriotic orientation during the period of "perestroika". Paradoxically, "perestroika" gave the country a historic chance even more enviable than that of China and India. Indeed, since 1991 to the present, more than 75,000 industrial enterprises have been destroyed in Russia, many of which were built under the first five-year plans. It seems that if the team of "reformers" headed by E. Gaidar realized that they had laid the foundations of future power of Russia, they would have probably been less zealous in destroying the industry of the country.

Moreover, due to the lack of the money windfall of Western credits, new and therefore the most advanced industry in Russia had to follow the non-capitalist way of development, in particular through self-financing. The situation has been observed up to the present. Although, this does not apply to computerization, since, due to small investments, this milestone was passed a long time ago). Eventually, this lengthens but does not cancel the economic revival of Russia. However, the goal will be achieved with a significant delay – by 2030 or so.

Western economic theory is primarily focused on market relations and does not always pay attention to deep production processes. It is not surprising that our Western partners are wondering why the Russian economy has not yet been torn to shreds, but continues its painful and barely noticeable rise.

We see that, according to the internal laws of capitalist development, new global players appear on the world stage. This path led to the multipolarity of the modern world that is not always officially recognized. But this does not prejudge the question of what the relationship will be like between the new players. Lenin's theory of imperialism was historically limited. Lenin believed that the economy of free competition was replaced by the economy of monopolies, and that, in turn, led to state-monopoly capitalism. The world was shared between the leading world superpowers. All available markets were

occupied. For this reason, the struggle for new markets could lead, and, indeed, led to military redistribution.

Contrary to the forecasts of V.I. Lenin, the imperialism of transnational corporations (TNCs) and transnational banks followed state-monopoly imperialism which caused two world wars. Both offshore companies that allow corporations to evade unfavorable national jurisdiction and free movement of capital are the main tools used in the struggle between the state and transnational corporations. The current globalization is mainly an attempt of transnational corporations to establish their dominance over the entire planet

Lenin was a hostage to the extensive side of the capitalism development. However, the main current changes are caused by intensification of globalization. And "... increased competition and hypercompetition are the most important factors. In 1965, IBM faced 2,500 competitors, in 1992, the number of competitors increased up to 50 thousand", (Zavorin, 2004), and today there are even more IBM competitors. The world did not yet see such abundance of similar goods, and, as a consequence, their diverse varieties. This led to competition between similar goods within each industry, but not industries as it was in the classical era. As a result, the market has changed dramatically and become vertical and layered.

In the past, the fact that America and Japan produce cars and computers was fraught with a conflict of interests so serious and clear that trade wars could easily turn into real ones. The transition of the global capitalist system to a predominantly intensive method of running a business caused a variety of consumer properties. Due to this, today we are witnessing a paradox that would be impossible in the conditions of an extensive economy: America and Japan sell each other both cars and computers ...

Goods began to compete with each other not only in cost, but also in quality. There was a new economic measure: price/quality ratio. Striving for economic efficiency, companies produced goods focusing on components of the highest possible quality. The Boeing, for example, or Airbus, are the collective products of numerous companies. A fuselage is manufactured by one company, engines are produced by another company, and the wings come from the third company. As a result of the multi-layered structure of the present market, companies not only compete with each other, but are economically dependent on each other.

However, does this really mean that the states that are formally stand behind the companies need each other? In the past, America had benefits from the benefits of the company General Motors, but now the situation with modern transnational corporations looks different. Some researchers emphasize that "One of the most serious future problems is connected with the state. The starting point here is the relationship between globalization and the nation state ... "(Kish, 2010)

Is the modern state capable of fighting against transnational corporations? "Today, transnational capital originates not only in the United States, Great Britain or Germany. Surprisingly, the largest TNCs were established in India, China and Brazil – the countries whose economies were dismissive of the West fifteen years ago" (Veselovsky, 2008).

The financial capabilities of such firms as Toyota, Sony or Microsoft often exceed the capabilities of small states. Besides, the occurrence of cryptocurrency means that transnational corporations internationally supported in offshore zones are trying to introduce their "transnational" currency, impinging on the holy of holies of the modern state. After all, "The electronic currency frees citizens from the state 124

supervision / ... / everyone becomes a global player without restrictions and rules" (Lskavyan & Fedorov, 2014).

The more financially powerful transnational corporations become, the more consolidated the rebuff of the state should be. The establishment of transnational states or quasi-state associations seems to be the most adequate response to the new challenge. For example, as noted by Gurin (2012), "Recently, there has been a clear worldwide tendency towards a rapprochement of the states that are members of common cultural and civilizational communities. Multi-polarity is becoming a reality of the modern world system".

The current globalization, to a greater extent, is the success of transnational corporations. Politically, the world is drifting towards regional alliances, which are becoming the most effective political, economic and cultural structures. This is evidenced by the success of the European Union and the creation of NAFTA. Integration processes are becoming intensified in Latin America and in Southeast Asia. The Eurasian Economic Union is getting stronger.

Indeed, major political, economic and cultural associations can be referred to as civilizations. In addition, this process is facilitated by the fact that, the United States as an example, even by its formal features, is currently a transnational state. De facto, China, India, and Russia are major international associations. Of course, political association will be created to increase economic efficiency in the states acting apart.

Strengthening of such regional associations will make civilizations not just some cultural and historical institutions, but turn them into completely tangible political and economic units. Sooner or later, it will deprive America of its present privileged position and will make the country just one of the regional civilizations.

Since today the market is multi-layered, civilizations of a new historical type will have no reason to conflict with each other. The more developed they are, the more economically dependent on each other they will be. In any case, the fatal predestination of the conflict of civilizations does not currently exist.

7. Conclusion

Nowadays, globalization is a framework structure with the content composed of numerous conflicting concepts. And since globalization is not completed, we can only speak about the most obvious trends in the changes observed. One of the trends shows that globalization is the process of the global assimilation with the most economically developed Western civilization headed by America.

Due to uneven development within the capitalist system, the process of social and economic integration is observed to grow in different regions of the world, primarily in the European Union, China, India, and Russia (the Eurasian Union). Civilizations of a new type are currently being formed as large transnational associations. In many ways, this process is a response to the expansion of transnational corporations.

At the same time, the features of the modern multi-layer market lead to the fact that the economic and political contradictions between civilizations do not predetermine the fatal necessity of their collision. Globalization will continue in the form of a slow tectonic rapprochement of civilizations.

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