

## What is at Stake with Globalization?

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### **Abstract**

*It is hard to explain why it is necessary to defend globalization even in the 21<sup>st</sup> century. Why globalization becomes the necessary evil every twenty years? And why there are plenty of organized movements against globalization, but no one for it? Answering these questions has become a kind of strange sport, because there are a few decent more than reasonable arguments that must be given every time globalization is under attack, and maybe other argument can't be invented. Nevertheless, it is of utmost importance to be certain that people are able to find out these arguments and understand them, even they describe some situations that are apparently unfavorable for some people.*

*However, the main cause of the continuing bombardment of globalization is in fact its destroying effect on states authority. As long as we are heading to a more global world, the power of governments over their modern subjects (not citizens as they wrongly believe they are) is falling apart. This fact is felt by all those who take a benefit from government protection and funding. As long as an individual can travel around the world and choose where to stay easier than 50 years ago, it is more difficult for the state to tax this citizen. And therefore, it is more difficult to provide funding to those who depend on the state help (and are a source of political power).*

### **1. Introduction**

Globalization is today one of the most argued (and disputed too) issues. Much passion and not enough reason are consumed in respect with this problem. The objective of this humble essay is to clarify whether globalization is really a target or, behind it, there are unspoken reasons for which globalization hurts interests of important groups of interest. Of course, this dilemma brings us to the consideration that maybe the liberty, which is delivered by a more global world, is in fact targeted by “antiglobalists”.

On the first hand, it is obvious that globalization and freedom evolved together in any given historical age. For instance, the commercial and cultural openness of ancient Athens coincides with ancient Greeks political openness, and the tyrants period (which, by the way, isn't necessarily equivalent with an economic and cultural deterioration in the cities ruled by tyrants) is best described by the regress of the peaceful international movements (of persons) and the regress of trade. However, the Romans come for the first time in history with the concept of globalization, given the roman citizenship and the

included rights and obligations. Once the roman civilization loose its power (and it is a very slow process), the world fell into anarchy and isolation.

It is only in the 19<sup>th</sup> century that globalization is born again, revived by the powerful British Empire. It is no mystery that this era is marked by the Industrial Revolution, abolition of slavery, free trade and abolition of Corn Laws. These four very important episodes of history bring the world into a global age which will be slowed only by the world wars (and the ideologies and mythology developed for sustaining the effort of war).

## **2. Arguments and Realization**

Analyzing these four outstanding events will prepare us for understanding not the arguments against globalization, but (which is of utmost importance) the motivation behind those arguments. Because, as with the arguments against capitalism, it is clear that are mistaken; the problem is rather to find out what are the interests of the opponents in order to counteract their actions.

The simplest example is given by the farmers. In many countries, farmers are a protected and privileged segment of the population. This protection is really keeping them in poverty (or in the best case, as in EU or USA, succeeds in keeping a surviving number of well lived farmers, because the number of farmers is so small). Let's remember the lesson of the industrial revolution in the 18<sup>th</sup> century England. At some point in history, the nobles understood the power of trade, and consequently, given the state of the demand at that time, they started to grow sheep, more and more. That move came with a cost, because the peasants were living on the noble's domains by cultivating the land. When nobles started to use this land for feeding sheep, it remained less and less for the peasants.

What would have done a modern politician, full of a sense of justice and social understanding? Probably would have been stated a law by which the peasants would have been guaranteed the land for living on it. In this scenario, the peasants are happy, they can continue with their humble life, living at the very edge of survival, prisoners of the Malthusian law. The noble are incapable of increasing their revenues, and they have to tax the peasants for having an income. The economy is lacking the goods that would have been produced (clothes and other textiles), and the trade shrinks. Maybe you recognize this scenario. It is happening every day in the so called underdeveloped countries.

What happened in reality? The feudal domains were transformed into pastures. The peasants were left without any resource for living. So, they run to cities in great numbers. Here, because of the increasing number of habitants, that could be transformed into workers plus technologies that required repetitive simple work (process known as industrialization), business started to increase at very rapid pace. Soon, the economy was transformed. Everyone was better off: nobles gained money from clothes trade, former peasants – workers – had an outstanding number of opportunities. This was the start of the capitalism as we know it. In our age, with the current political system, the capitalism wouldn't be ever born.

We will discuss now the importance of the abolition of slavery. First of all, this move frees an impressive quantity of workforce, which can be used in any place in the world. Slavery had two great disadvantages. One, slaves cannot be used as workforce in

industry, because a free society cannot tolerate a double standard in such a close space as a town. Two, slaves are not paid according the economic law of supply and demand, but just priced accordingly. That means that a slave has not a salary, and he is not paid for his work. He is paid for what it is, i.e. a slave, and receives a flat rent. Only his price depends on his capacity of work, but this price is part of the owner's capital.

This is obvious not an efficient system and stimulates economic isolation. In fact, slavery of black people is not very far from the situation of peasants in Europe before Industrial Revolution. As we sawed that peasant were freed from their bonds, it was natural that slaves were also be freed. Only after the abolition of slavery, Africa becomes the theater of a run for colonies. Free people make trade and industrial production, and the concept of colony was the solution of the 19<sup>th</sup> century to the problem of development in poor countries. The 'mother' countries made large investments in their colonies, trying to bring the infrastructure and education to a level comparably to the homeland. In the same time, trade was exploding, because colonies sold prime materials, and homelands consumer's goods never seen by those poor people.

This was the first path to a global world. And it attracted also many enemies, that accused (as we hear today) the global world of exploitation. Today we are able to evaluate those accusations and see that of all the former colonies, the most successful are those who actually are still colonies, or remained for a longer period of time under the 'exploitation' of the homeland. Canada and Australia are today linked politically to Great Britain. Of all African countries, South Africa remained longer under a rule that preserved the ancient values. And even if the political regime of apartheid was blamed, we could wonder if this regime was not the result of a fear of black people, but fear of a communist revolution, as happened anywhere around. The fact is that in all the other former colonies in Africa communist regimes were imposed. What was the consequence of this so called freedom? Endless civil wars, unscrupulous tyrants ruling everywhere and, most important, a decadence from every point of view. Now Africa is poorer than fifty years ago.

The answer of the modern world was inappropriate, because the contemporary politicians lack an ideology. In modern times, a politician is just a clerk, without a vision of his time. He is just executing what is best for a given situation, without connecting that situation to other existing problems. For instance, when a policy maker is confronted with a problem like "people in Africa need water", his reflex is to send aids. And try to solve the problem by sending more and more aids. Now, this is just a short term solution, but aids in Africa are sent from 50 years.

Instead, if someone will argue that we should import African goods without taxes, the policy maker will be revolted. How to permit such a thing, when their goods are so cheap that will force "our" workers to accept lower salaries? This way of thinking stands behind all antiglobalists. Give them charity, but don't allow them to work for us. I think this mentality is the most dangerous enemy of the modern world. In the long run, it will bring open conflicts, if not thrown away.

Because we already spoke of slavery, let's briefly note that because of trade restriction, the workers in the economies 'protected' by custom taxes are a kind of privileged, but in the same time dependent group of people. Like the slaves, they are paid rather for what they are, i.e. citizens of the 'protected' state, and, like the slaves, they depend on the policymaker will of maintaining their way of living. Of course they do not

feel as slaves, because they have two aces (specific to the modern world): the right to vote and the right to strike. And of course, they are not starving.

That brings us to the free trade. It is such an irony that today the free trade is negotiated (in WTO meetings for instance). What is to be negotiated with the free trade? The free trade is accepted because everyone is better off, there is nothing more to be gained, aside gains from free trade itself, without losing some of these gains. From the arguments presented until now, it is clear that at stake in these negotiations are only the privileges of certain groups of people that are essential to the political power. These groups have interests in agriculture and industry, and are represented by powerful unions, often with political ties. The entire agricultural system of EU, for instance, is such an exhibit of anticapitalism and antiglobal ideology. The simple concept of awarding small productions and punishing greater productions sounds very anti capitalist.

Without this system (and also without stupid sanitary standards), poor countries could export food in EU, making good money and beginning to develop. What we have today instead? It is clear for poor countries that they can develop only by selling goods to rich countries. If the barrier is too high for selling the product of people's work, performed in their home country, then they have another option. They could try to work exactly where the demand is located, i.e. in developed countries. So, we managed to describe exactly the current situation. Because the developed countries don't allow free trade with poor countries, they are confronted with a wave of immigrants (legal or illegal), they can't handle with. One way or another the laws or economy must surge, no matter the effort made to counteract them.

### **3. Conclusions**

Now a new kind of threat is developing in the form of the financial turmoil. In a global world, every country is at risk when something wrong happens somewhere. And each state has little things to do to protect its economy. However the question is: is something to be protected? The most recent example has still time to bring its final consequences.

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