

## Public action in the globalization process

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**Abstract:** *The types of public investments change from a stage to another. The state always had economical objectives, even if these were not so explicit. However, its role of economy manager developed in the postwar period. The intervention systems diversified and their manipulation becomes more and more frequent. The establishment of intervention types and mechanisms must submit to the requirements. The essential problem is not the global reduction of the state investment, but its efficiency increase. In the current age, the characteristics of a public action are conditioned by the effects of globalization on the state sovereignty, power and capacity. At the end of the past century, debates on this subject were the main focus of the mass media and they emphasized some profound dissensions regarding the nature and implications of globalization.*

**Key Words:** globalization, nation-state, asymmetrical effects, international political economy, states capacity.

### Globalization – a controversial reality

As an economical process and a political project, the globalization is the focus of theoretical debates. For the most, it is a controversial process that can be approached from multiple angles. There are divergent versions related to globalization and the debates are sometimes disconnected from reality. The dissimulation of evidence has made possible the occurrence of myths and paradoxes in the

approach of this complex process, with multiple sides and with profound unequal consequences.

This subject seems to be an inexhaustible one and the theoretical reflections emphasize the fundamental dissensions regarding the nature and implications of globalization, the appeal, on a large scale, to myths and fiction, terminological confusions and so on.

Its content does not belong to a single scientific domain, fact that underlines the interdisciplinarity of the problems and the ne -

cessity of using some adequate conceptual instrument and of replacing the old theoretical paradigms. Sometimes globalization is regarded as an unavoidable and irreversible process; its diffusion on the entire geographical space represents a certain and impressive phenomenon.

There are major differences between the authors that give priority to the effects of the contemporary globalization and those who believe that this phenomenon is just a myth that doesn't really affect the politics and capacity of the states. Skeptical persons think that the states preserve their regulatory capacities of the internal and international reports.

In spite of the manifestation of the current processes contradicting aspects and of a clear theoretical cleavage, there is a large agreement on certain undeniable realities. The globalization profoundly changes the state and society that are trying to adapt to a more interconnected and ever changing world. This process is but an incomplete reality that develops at different speeds and its implications do not have the same impact on all of the states.

The second age of globalization is characterized thorough an asymmetrical dispersion and effects, as well as the emphasizing of the global economy polarization. Although more integrated, there is a clearer fragmentation tendency of the global economy under the impact of regional economical blocks.

Since the '70, the international political economy, a new study domain, registers a genuine disparity. Among its theoretical attempts: the analysis of globalization and of the transformation of the state capacity and power.

### The national state in the globalization age

There are numerous points of view regarding the nature and impact of globalization. A significant subject of the "globalization literature" is the effects on the state autonomy, capacity and power.

The realistic assessment of the state role in the globalization age and the identification of the multiple implications on the internal and external prerogatives of the public authorities' powers require certain methodological specifications.

Firstly, a distinction between the "state-nation" concept, referring to a territorial entity which defines a homogenous population and the territorial state that can enclose people with multiple national identities must be made (Ray, 2007, p 76). In many cases, the states become globalization agencies, although their nature and functions change. When I speak about the erosion of the state-nation we take into account the heterogeneity of cultural identities, of life styles, and so on.

Secondly, the delimitation in time of general effects on different phases and stages of the globalization process is imposed. Or, the crisis of the state-nation is often associated with the second age of globalization.

Thirdly, the impact of globalization must be analyzed in tight connection with its current characteristics that determine a spreading area and asymmetrical effects. According to some estimation, the globalization doesn't affect in the same way humankind; for a few, it is very favorable and it marginalizes or excludes approximately two thirds of the world population. Thus, a shaded and comprehensive approach of the globalization effects is imposed.

There is a large agreement materialized in the proliferation of the theses that forecast the diminution of the role of state as actors of the power on the internal and international stages, the undermining not only of the sovereignty, but also of the “national” economy idea. The capacity of creating and implementing the economic policy is contested, as a result of the disintegration and decline of the state capacity, of the diminution of its autonomy and power in regard to the transnational capital.

Among these malignant consequences of globalization is the reduced state autonomy in the economy, external policy and national security domains, the exposure of national economies to disturbances derived from external shocks and so on. The nature of sovereignty has changed, while numerous problems exceed the national state capacity.

While we are witnessing the emphasis of the state vulnerability, the triumph of the market power is proclaimed. The debates regarding the globalization implications on the market relations with the state become more and more controversial. The market has the tendency to transcend the national borders, while the states fragment the territory. Although, their origin, as modern social institutions, is almost in the same historical age, they have different logics. The market logic is by nature economical, respectively the profit and efficiency, while the state logic is political, based on power and legitimacy. They are interactive; sometimes they work together and some times they are in conflict, but they always influence each other. The attempt to oppose and replace one with the other will lead to perverse results for society (Nayar, 2005, p. 16).

The economical capacity of the states is

tightly connected with the efficient functioning of the markets. The manifestation of the state legitimacy, in the context of its market interventions, has its reason in the market failures, regardless of their internal or external sources. As the national market requires a political authority in the likeness of the state in order to establish the rules of the game, the necessity of an authority in the case of economy and international market is required, as well.

Thus, the economical globalization is, simply, not the exclusive promotion of the market logics. It is the result of the interaction between markets and states.

Some globalization ideologists have predicted the collapse and, even, the end of the state-nation, exacerbating the profound transformations of the power and autonomy and ignoring the evidence of reality. Obviously, the past can't be simply projected in the future. Today, nobody can impugn the diminution of the state capacity to control the economy and society. In its essence, the powerless state myth derives from the legitimacy crisis and the lack of reaction from the states at the aggression of some internal and external factors. Paradoxically, the state wasn't disposed of its competencies and prerogatives, but they were transferred deliberately to some local and international courts. Thus, the globalization that causes the considerable diminution of power and intervention capacity is, partly, the product of the state policy.

One of the standard arguments used to support the decline or end of the state-nation is the transition from the Fordist regulation mode to the post-Fordist one.

After The Second World War, the capitalism was organized inside the national territorial areas and the regulation implied

a corporatist alliance between the national capital, syndicates and the state intervention. The state was involved mostly in management and even the property of economy (the nationalized industries, monopolies on the public utilities and so on).

The post-war Fordist economies competed on the international markets and the state protected the national companies. However, in the '70 – '80, the global Fordism enters a crisis and registers the end of the political consensus regarding the prosperity of the Keynesian state. Some approaches and traditions say that the state-nation is sinking under the attack of both devolution of its functions towards the local and sub-national levels and the transfer of sovereignty to the international institutions.

A realistic evaluation of the political and economical changes finds inopportune the overstatement of the globalization phenomenon and its effects. Important works and

structures regarding this matter demonstrate that the globalization doesn't mean the end of the state, but it determines the reconstruction and rethinking of the investment mode and its action capacity, as well as the adjustment to new constraints imposed by the international institutions.

The accommodation or adjustment to globalization, the adaptation and not the restriction, the re-installment of rights and forceful return of the state are the essential points at the present. Although their nature and functions change, the states remain the significant actors in the global economy and society, integrated in the transnational regulation systems; the state will continue to have a significant position as an agent of globalization in the regulation of the restructured neo-liberalism failures, as well as in the identification of new regulation strategies and of maximizing the conditions for national competitiveness and profitability of the capital.

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