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Globalization A Croatian Point of View *

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Summary

The European entrepreneurial undertaking, in the form of an equipped and armed merchant ship, ready to circumnavigate and conquer the Globe, created the modern world as a world with one side only: the mondialised West. To be globalised today, such a world has to be re-made as a new net, but now as a new multitask and multidirectional entrepreneurial feedback. Contemporary global liberal interventionism and governmental entrepreneurship are segmented today into a dangerously simplified multitask global pyramid of governance through one-directional cascades. For a real globalisation, this process has to be two-directional at least: from the center to the periphery - but from the periphery to the center, too. Otherwise, at the beginning of a new "centennial trend" and a "great cycle", there is the risk that the collapse of the liberal civilization of the 19th century could be repeated, once again due to the weakness of the world system peripheries. The question how to strengthen the "anonymous" global cultural and political processes of that two-directional kind is becoming the central global and strategic issue for today's politics and political science. It has turned out that these processes in the real global environment could be successfully analyzed and effectively made use of only with the complete unreduced methodical front of all the fields of political science i.e. a whole set of expertly managed public policies. From the historically based Croatian point of view, its opportunity for integration into the world center was always in finding a world-market "niche", never in creating a mini-empire or in controlling a mondialized or a mega-national net. Without a methodically global political science approach, leaning on Central European and Mediterranean cultural and political science traditions, such Croatian interests will not be fulfilled.

In the Croatian province of Dalmatia, my ancestors used to say: "We just put a finger into the sea and we are connected with the whole world." They were almost serious about that.

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This anecdotal, traditionalist Croatian viewpoint, defending the dignity of its own little spot in the great world, looking down on you from its smiling campanilistic height must have numerous siblings all over the globe.

This point of view is not entirely wrong from the perspective of politico-economic history. In one version, it was materialized in the very foundation of the processes which have been turning our globalized planet into the one and only western world. The Mediterranean world, the worlds of Central and Western Europe, the old worlds of Near-, Middle-, and Far East, the black Africa, the Americas, Australia, East Europe, are not separated any more but have started to permeate and pervade each other. Braudel's *Le temps du monde* (1979) and Wallerstein's *The Modern World-System* (1974, 1980) show how it happened. In the core of these processes were not capitalist manufactures or industrial factories, they came later. The core was *entrepreneurial undertaking* in the form of an equipped and armed merchant ship, ready to circumnavigate, conquer and thus to create the world.

European seamen, merchants, soldiers and missionaries from those ships, understanding the meaning of their fingers in the sea, made use of the Chinese gunpowder and compass, the Levant sails, a Middle East religion, and the expanded idea of the high hull taken from Portuguese fishermen, and the entrepreneurial experience of Nearand Far-East caravans. The Portuguese idea of a high ship's hull, for example, would have remained just a finger in the sea on the shores of an anonymous Iberian fishing village, had it not been for the typical European entrepreneurial combination: the entrepreneurship with an unfettered global ambition (Cf. Schumpeter, 1935; Braudel, 1979). This specific market combination of the finger and the sea made our world one and now able to globalise itself intensively at a new level of intensity and frequency of communication, reaching eventually every Portuguese and Dalmatian fishing hamlet.

Entrepreneurship and empires

Central Europe has a long and rich historical experience of that road to mondialisation, especially in the marginalization of the old worlds and the uncoupling of the new ones. The novelty is that the world is coming back. Hopefully, a good one.

The historical modalities of adjustment are numerous, too. I am going to mention here only two. When the new, united, mondialised, west-centered global "arena" had been created, the attempts to enter the center from Central Europe were reduced to the possibility of creating a "niche", or an empire.

In the transitional period from the centrality of the Mediterranean and the Central European world to the centrality of the European North-West, there was a little ship owner from the Croatian island of Cres. He was evidently a great captain and entrepreneur, but today he is practically anonymous. Croats are *Mittel*-Europeans also because they do not like to remember their businessmen, but they celebrate their rulers, soldiers and an occasional artist. Our captain was not a textbook historian, but he understood that Venice was drowning in history and he sailed to England with two good ships and a good crew. Despite competition, he managed to obtain a British concession for a permanent line for India, and made himself and his crews rich men. So he practically inde-

pendently developed the theory of "niches" in the world economy on the basis of understanding the "analysis of the world system" and of the alteration of its thoroughfares – centuries before Wallerstein. The feeling for winds and currents and the entrepreneurial art of navigation – not only on oceans, but on markets, in politics and history – turned out to be more important than the differences in the technical characteristics of the ships adjusted for sailing in the Adriatic Sea or on the Atlantic or the Indian Ocean.

Such a "niche" could not have been created by Germany, because Germany could not simply set sail. For a long century of wars Germany had been trying to penetrate into the world center, attempting to make room for the *Reich* as an empire and reach the shores of the English Channel and the Mediterranean, but Germany never made it. The price of every attempt was high, not only for Germany. But today, Germany is on the English Channel and the Mediterranean, as a EU member. This better (and very costly) understanding of European and global currents and winds sweeping the world political economy bore fruit. These results are offered now to others, to us. In the meantime, as Istvan Bibo (1986, 1946) reminds us, the tragedies of the development of minor Central European nations were not as spectacular but nevertheless not less terrible.

Of course, the politics (Vukadinović, 1999) that implements a strategy of development and change (especially when it means the change of the regime – global, national, regional, or of a sector), always to an extent leans on some kind of the trial-and-error method. It leans on an art of "scraping through" (Lindblom, 1959) Scylla and Charybdis of real politico-economic developments. But in its policies, politics must be supported by scientific and professional knowledge. Unnecessary strategic and methodological errors are too costly these days (Johnson & Keehn, 1994; Lalović, 1989). The price paid by great sinners is bigger, but small sinners cannot afford even the lower price.

On the one hand, scientific insights and professional procedures of political and convergent social and other sciences, and of experts educated in them, are nowadays increasingly important in political and economic navigation through the globalizational currents and storms. On the other hand, social sciences, and political science in particular, have no clear answers to the question where our global ship is heading to. Perhaps we, political scientists, have neglected these fundamental questions a little.

I am always glad to cite, as precious exceptions, John Gray (e. g. 1997), Ulrich Beck (e. g. 1992), Anthony Giddens (e. g. 1998) and his colleagues, or earlier authors, Charles Lindblom and A. O. Hirschman. But they are mainly political philosophers, or political sociologists, or political economists, and not usually regarded as mainstream political scientists, nominally, at least, until the 1994 IPSA Congress in Berlin, and practically till today (cf. Goodin & Klingemann 1996, but also APSA 1985). And yet we must bear in mind that it is our very Central European tradition of *Staatswissenschaften* and political sciences (in plural) that the world has inherited as a comprehensive understanding of fundamental political phenomena, institutions and processes, and of practical coping with policy problems (Conrad, 1909-1911; Beckerath, 1956).

Of course, similar insufficiency, a lack of answers to the fundamental questions of global change, transformation and development (or even the non-existence of some existential questions of humanity as political questions), is also common to the leading world political parties and their *Weltanschaungs* (Gray, 1998). A better understanding

of anonimized vectors of political, social and politico-economic processes (which we have neglected), and their politico-entrepreneurial interfering into the policy applications in the governance politics and the strategies of transformation and the development in globalization – could give a second, slightly better wind, if not plain sailing, to the world globalized politics.

I am aware this is not going to be too original, but I must remind you of the famous Karl Polanyi's (1959) analysis of the defeat of 19th century as a civilization. Simply, we could say that the liberal and the first global civilization of that great century was partly lost because of a lack of understanding of the transformation of such a simple institutional arrangement as the golden standard in international market relations. Together with the golden standard, the "European concert" and the "European balance" as the models of international governance collapsed too, as did the "high finances", the liberal nation-state, the faith in the market, and the real structure of market's self-regulating forces. That structure had similarities with our current global structure. However, our naive faith in the globalization (or even more naive campanilistic hatred of the multitude of the small mondial dots) which the Internet and the global political and financial boom & crisis brought into every nook of the world – is even much greater in the much more complicated and dangerous world of today.

That is the responsibility of contemporary liberal interventionism and government entrepreneurship, segmented in a dangerously multitask world pyramid by cascades. Globalization must go on, but it must be multidirectional. From the center to the periphery, but also from the periphery to the center. And not only in the new multiculturalism, but especially in the New Economy.

This is not only wishful thinking of mainly shipwrecked Central European nations (Bibo, 1986; Strpić, 1998a; 1998b; Artus, 1999). This is also an urgent need of the world's most advanced economies.

A centennial politico-economic trend

Let us remind ourselves of the work of one Austrian and American neighbor of ours, J. A. Schumpeter (1939), and of Mandel's and Huntington's works. Great business cycles (or long waves) have emerged in dense tides of entrepreneurial innovations (and extra profits, too) and at the close of severe economic crises or long stagnation. These innovations, regardless of their technical character and the market sector, were followed by an intensified exchange at the strongest national and regional markets, and by the intensification of world communication. Later, their forms were also changing. Particularly strong economic tides and new social and political forms emerge when the start of a new cycle coincides with the beginning of a new centennial trend *de long durée* (Braudel, 1979), marked by the world prices dictated by the most developed economies (at first, by their sudden increase, and then a sudden drop). I would say that a new space and a new form of world market and world society emerge only when the "right" fre-

¹ E. Mandel, 1972; and, not so successful, S. Huntington, 1991.

quency of exchange is found. And that does not depend only on the renewed strength of the world center, but also on the revitalization of the world peripheries.

Two decades have passed since the moment when Braudel felt that a centennial trend was reversed in the 1970s. The great cycle begun in the 1790s produced a downward centennial trend which began in 1817 with the change of the English prices (Imbert, 1959). In the 1850s and 1870s it was repeated in the economic and political innovations. Cyclically, it was reversed just at the turn of the century. Its start was marked by the great French and American revolutions, and Napoleonic wars; the political revolutions of 1848 marked its continuation, while the beginning of the domination of monopolist capital and the disintegration of the Austro-Hungarian empire marked its end. Polanyi's "great transformation" of the 19th into the 20th century occurred also because of the short English centralised economic breath due to the distant and weak peripheries, and not only because of the failure to adapt at the moment of the collapse of the golden standard.

The dual start of the new centennial trend's take-off was marked in blood by the two world wars, by the emergence of modern totalitarian systems and tendencies, and by the new position of the state in the society. The trend's end is marked by the information and biotech production, the communications revolution, the dissolution of communist empires – particularly in Central European countries – by the crash of the cold war world structure, by the liberal reconstruction of big governments and by the uncertain (Gray, 1998) processes and policies of cultural, economic and political globalization, as well as by the regional regrouping of great and middle powers. The depth of the Great Crash in the 1930s and of the postwar economic boom of the 1950s made us think even then that this might be a historically tall order for humankind. An unusually long stagflation in the 1970s and the 1980s gave us a similar warning in opposite terms.

Perhaps we are at the beginning of the emergence of a world fundamentally different from the one we were living in in the last four tri-centennial³ trends of Braudelian *long duration*.

For Europe, these periods were taken especially from Imbert's data (Imbert, 1959), with consulting of J. Griziotti Kerstchmann's (*Il problema del trend secolare nelle fluttuazzioni dei prezzi*, 1935) and F. Spooner's (*Cambridge Economic History* IV, 1967) results, as well as the results of *Parisian Laboratoire de l'École des Hautes Études*. The periods are as follows:

- I. Take off 1250, peak and crisis 1350, end 1507-10.
- II. Take off 1507-10, peak and crisis 1650, end 1733-43.
- III. Take off 1733-43, peak and crisis 1817, end 1896.
- IV. Take off 1896, peak and crisis 1974 (?), end ... ?

Of course, these dates are linked only with the trends in European market prices. They would not completely correspond to long political cycles and centennial political trends, which are only analogous to economic cycles and trends. But their connections could be clearly argumented.

² Schumpeter (1939) and Mandel (1972) placed the crisis of the great cycle, or the long wave, in 1847-1850, in the age of European civil revolutions.

³ In Braudel's texts there is no expression "tri-centennial trend". Nevertheless, it seems to me that such a notion was in his thought (even though the measured periods are a little shorter; so the second millennium would have four "tri-centennial" trends). I think that Braudel did not dare to say it aloud, because he thought he did not have sufficient evidence.

Maybe this is all about a permutation much bigger than a transition to "post-modernity", bigger than Braudel's expectations in 1979, when he warned those who would read his books in 2000 to mark his words. Perhaps it is a change that will cruelly surprise even Fukuyama (1992, 1989) and Dahrendorf (1997). Maybe it will be more (but less, also) than the *End of History* and more/less than an *Authoritarian Century* in their perhaps too naive liberal or too schematic totalitarian versions. It could be that we are just flattering this trend by attributing to it apparently augmentative label of globalization.

Anyway, the actual politico-economic characteristics of a potential reverse of the centennial trend/cycle are enough of a warning. As the tireless Greenspan⁴ reminds American businessmen and political leaders, a decade of the US economic recovery were based on the rising profits in too few industries and on too many uncertain new jobs. It is well known that both the domestic and the global American policies always depend mainly on domestic economic situation and employment - especially in the presidential election years. Furthermore, the American investment surplus has not found a safe area for reinvestment after the crash of the LTCM system.⁵ American private investments, unfamiliar with the specific Eastern market, resulted in an actual radicalization of the Russian bank crisis (G. Becker, 1998), with still unpredictable consequences for the Russian political development. Even more than that, it provoked a mistaken but usual reaction by the American and foreign investors: withdrawing cash from the unsafe periphery to the apparently more stable investment areas and entering bigger and bigger mergers in the central economies. This is an old, and in recent economic history oft used response to a crisis or an indication of a crisis. If it is not only a temporary respite, or an opportunity for gathering momentum for global expansion, this kind of response is not sustainable in the globalization era. It could leave the world capital without the global breath, again.

For a Feedback of a Global Political Science

The question how to give more strength to the "anonymous" global cultural, economic and political processes of this kind is the main global policy issue for politics and for political science, and not only for economics and economists. An economist, who is merely an economist, cannot even be a good economist, as another neighbour of ours, F. A. von Hayek (Leube & Zlabinger, 1985) once said. We could paraphrase his words today and say that a political scientist, occupied only with "political" politics, cannot be a good political scientist. And the key issue for all Central European global politics and policies, as well as for political science, is how to become not only one among the many peripheral fields of globalization but one of the few centers of the globalizing feedback processes. At the same time, for us, this means that we have to become another successful world center of political science. We have to contribute to the understanding of globalization based on our specific Central European tradition in political sciences as a genuine cultural tradition in defining and solving scientific and practical political prob-

⁴ Governor of American Central Bank (Federal Reserve Fund).

⁵ Long Term Capital Management.

lems now built into the world mainstream of our discipline, just as our recent political history is now an inseparable part of the universal political experience of the contemporary world.

When a rather specific globalizational domino for a decade raged in and devastated the biggest part of the former Yugoslavia, from the Croatian point of view some quite new (and very old) perspectives opened, not only strategic, but also theoretical.

Then it turned out that this turbulent "Milošević-like" process cannot be successfully analyzed within the frameworks of the usual narrow approaches from the point of view of political system only, or of the party theory, or only economically or only strategically, or even through the clichés of the local political history – just as the later transitological literature turned out to be insufficient for understanding the development and the transformation of Central and Eastern Europe. The earlier studies, based on rational expectations, were theoretically refuted by the problems of the Far East or South America (Johnson & Keen, 1994).

It is important to mention that the same methodological problem emerges regularly in a routine understanding of the political and politico-economical processes of most advanced countries of North America and Western Europe. After the famous Blondell's critique of Almond's comparative methodology (Blondell, 1969), *The Report of Trilateral Commission* (Crozier et al., 1982, 1975), twenty years ago, pointed out to this problem once again, but more as a practical problem of governing western democracies. The later report of APSA's NEHL Committee (APSA, 1985) described basically the same problem as the one of raising research funds. The results of the 1994 IPSA's Congress in Berlin (Goodin & Klingemann, 1996) expressed it as a need for a systematic (cf. Leca et Grawitz, 1985) integration of the great traditions of political science, and for recognizing at least eight branches or fields of our discipline (Strpić, 1997; 1998).

In the former Yugoslavia, and in the former and today's Croatia, the same problem was manifested practically as a resurrection of Thomas Hobbes. The fundamental and systematic modern political theory, in its classical form – which is often too easily classified as normative only – surfaced as quite a real one and, in terms of a positive political analysis, with the cruellest consequences. The falling apart of our Leviathan of fundamental political franchises and obligations, the primordial system of chaotic exchange of powers for the sake of domination took its toll in the methodologically natural but real-politically quite unnatural state of modern society.

This situation and its processes in the real global environment could be successfully analyzed and effectively overcome only with the help of the entire methodical front of all the political science fields – and even more than that. In line with an old observation by Moreno (Moreno & Zeleny, 1961), some aspects of social change can be understood only politico-dramatologically, and some of them from very specific, fundamentally theoretical, cultural, behavioural and institutional aspects (cf., e. a., Evans & Thomas 1991; Alexandrovitz 1998).

The behaviour of presidents Milošević, Tuđman or Izetbegović – starring in the recent history of the countries of the former Yugoslavia – can be understood only if we take into account a dramaturgical analysis of their characters in playing out their sce-

narios together with an analysis of their political actions. The same applies to the key players and the drama of the NATO intervention in Kosovo and Serbia. In home political science simulations, played out at the Faculty of Political Science of Zagreb University, it turned out that the accurate predictions regarding certain quite military-technical aspects of the intervention could only be arrived at in a very complex way (for example, seizing a territory without sending in ground troops, the restriction of the campaign, as well as passing over Russia in fashioning an international resolution to this problem).

In a way, the same applies also to my ancestral figure from the beginning of this article. We should not forget him, or his faith and his animosities. It is obvious that now a global sea has almost completely surrounded him. Even all the nearby campaniles are under the sea; thus all my campanilism has become quite groundless. In contrast to his ancient neighbour from Cres, who sailed away with his trade, my ancestor's heirs are more like Germany. Only, they must swim if they want to remain afloat. But they will manage to swim only if they swim with the same entrepreneurial spirit and wisdom. We must not leave them to fend for themselves. Political scientists will help; on every shore as well as on the Central European coast of the global fishing village.

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