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## **THE END OF GLOBALIZATION: REASONS AND CONSEQUENCES<sup>3</sup>**

### **Résumé:**

The crisis of trust in two pillars of modern society – in state (Keynesian approach) and in market (neoliberal approach) is recognized by many leading scientists from Russia as well as from Europe and America. The world is becoming more and more uncertain and unsustainable at all levels from personal to global. Globalization, on the one hand, and uncertainty, “the end of the world as we know it” [1], on the other hand, make societies “liquid” [7], without a sustainable identity and a normative core. Fear of uncertainty becomes an economic and political term and comes from realizing the fundamentally fragile personal and public security in economic, political and social fields [2]. The notion of the post-crisis world has not been determined positively in any way since 2008 and till the present day, as the end of the old world order and its economic model is acknowledged by everyone, but global uncertainty is dominating in case of the vector of the new world order’s formation, and it is described as Interregnum. The same happens to the values, which only recently used to be recognized as universal, but now they are facing

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<sup>3</sup> The paper was prepared on the basis of the open lecture “The End of Globalization: Reasons and Consequences”, given by P. Dutkiewicz at the Russian Peoples’ Friendship University as a part of the Project 5-100: The Russian Academic Excellence Initiative

more and more fierce rejection of the non-western world. And populism's triumph in the European Union and the USA certifies that the crisis of values is beginning.

**Keywords:** end of global order, post-global sovereignty, shift of power, liquid society, fear as political category, populism, interregnum

## **Runaway Train**

Why is the globalization form, which we're experiencing now, coming to an end and what are the consequences of that? Following Ivan Krastev's [10] and Zygmunt Bauman's [5] reasoning, the author comes to the conclusion that the end of the globalization era as it was usual to understand it over several recent decades, and disintegration of what we call the global order are evident. All of us are feeling the approaching chaos, a principally different world coming. The rules of international law stop determining inter-state relations in this world, relations within states and between states are changing, new blocks are set up. Poorly-managed or absolutely uncontrollable situations from the point of view of nation-states are generated.

All governments of nation-states run across the problem of governability. It's becoming much more difficult to realize all state functions: to collect taxes, maintain social balance, integrate migrants, to have a dialogue with the civil society and the middle class the state relied on. The aims are still the same, but the previous methods of their achievement do not function any more. It's possible to take various roads looking for explanation of this phenomenon.

The first approach was offered by Ivan Krastev, a well-known European politologist, and the second was offered by macrosociologist Zygmunt Bauman. According to Krastev, the problem comes from the fact that after the Great Depression everyone believed in the state's leading role in regulation of economy. But in the 1960s the state stopped coping with this task and the Keynesian approach to the use of the state in the market's regulation went to the background. The followers of the liberal approach came to the foreground then, the market was

both the goal and the means, alpha and omega for them. After that liberalism degenerated and became a caricature of itself. Milton Friedman [8,9], who won the Noble Prize in Economic Sciences “for his achievements in the fields of consumption analysis, monetary history and theory and for his demonstration of the complexity of stabilization policy”, gave a paradigm that became dominating in the way of comprehension of economy all over the world. But that paradigm had an amazing effect, assisting transformation of a citizen into a consumer.

Such a transformation of an individual from a political citizen with local agenda and understanding of public goods into a consumer, whose behavior is guided by the idea of economic expediency, minimizes costs and maximizes social profits, became a law, which worked till the 2008 crisis. As a result of the crisis everything disintegrated. The market became unable to hold the global economic system. It was not enough that it took place in the West, it also happened in China and South-East Asia. And as a result of that, in the opinion of Ivan Krastev, the global crisis has become not only economic, but also the crisis of ideas: we stopped believing in the power of the market, the state power, in Friedman and in Keynes.

Such a crisis of total distrust in all habitual foundations of social life is a strong blow on the Western man’s worldview. The West is held up by a certain degree of trust in institutions. An individual trusted the state, but he cannot do that any more. He trusted banks – and banks deceived him. He stops trusting the cores of this system. That monstrous Presidential election campaign in the USA, polemics carried on by H. Clinton and D. Trump are nothing else but consequences of the end of globalization. According to studies of 2012, about 11% of representatives of American middle class were downgraded after losing 40% of their wealth. The Russians experienced breaking up of the foundations of the social structure and shock of the loss of social and economic standing already in the 1990s, but this shock threatens the Western society used to much bigger stability and wellbeing with changes in the essence.

Struggle for survival will start not on the national and regional level but on the individual level. The Western society is stopping to be the society of guaranteed survival and consequently a post-modern society. This breaks all social networks and politics as they are. A political individual's intentions are directed outwards, he shows his worth, he demonstrates political behavior, he takes part in elections, he believes that his interests will be heard and protected. All that is being destroyed now.

The second way to explain why the globalization train ran off its tracks is ideas of macrosociologist Zygmunt Bauman about the today's state of affairs of the society as Interregnum, where paradigms of the old are not working any more and paradigms of the new have not been defined yet. Any interregnum and lack of rules of the game mean chaos. It's possible to agree with another macrosociologist Michael Mann, who is a historical macrosociologist, a representative of the Neo-Weberian school of sociopolitical research, known for his papers on state. His theory is based on the fact that most industrial nation-states rule with the help of infrastructural power [11], which citizens subjugate to not because they are forced to but on their own free will because they understand the benefits and conveniences it brings. According to Mann, the infrastructural power is an institutional opportunity... collective power, "power through" society, coordinating the social life via a state infrastructure. The state is defined as an aggregate of central and radial institutions going through its territory [11]. But now the infrastructural power is coming to an end.

### **Where Does the Power Go?**

It's possible to come to the conclusion on the basis of analysis of these two approaches that the problem of new foundations for governing the state, region and world order is becoming the central problem. And the power again becomes this foundation. But what is power in the new environment, what are its sources and who can use it and how? Lacking power, both the state and market lose their sense. Dani Rodrik [14], a scholar of Turkish origin from the Harvard University, offered

an interesting view, stating that there is a gap between power and politics generating the crisis of system's governability at the national and global level. Jonathan Nitzan, the author of *Capital As Power: A Study of Order and Creorder* [13], focuses his attention on the nature of capital at the time of capitalism and offers an alternative to the Marxist and neoclassical economics view on this matter. He views capital as a qualitative appraisal of power. And power is not understood classically – as an ability to force following the interests of the subject of influence but as an ability to influence for subjugation on one's own free will.

Dani Rodrik says that at the moment we are watching power shift on global scales. Geographically, this is a shift of power from the Global North to the Global South, from developed countries of Europe and America to South-East Asia. There is a functional dimension besides the geographic one: the power is washed away from nation-state, there is a shift of locus. A center without power is the key aspect of system governability at any level today.

French sociologist Moises Naim, the author of *The End of Power* [12], offered a succinct definition: we are living at the time when it is easy to get power, it is difficult to apply it and even more difficult to hold. According to Naim, the reasons for that are “more revolution”, i.e. polyvariants of everything; “mobility revolution”, i.e. mobility of everything, “mentality revolution” when collective values give place to individual values. In this environment even a small de-institutionalized group can get global influence in a moment or considerably change the way of this or that state's existence.

### **Adversities of Post-Global Sovereignty**

In the environment of power blurring, the political center deprived of it, tries to manifest this lacking strength, which brings about authoritarian trends. Comparative analysis of a dozen countries showed that recently, independent of their geographic location and political regime in a country, authorities start taking similar decisions in governance. Political convergence of governing methods begins independent of the level of democratic development. This fundamentally changes the idea of sovereignty. The classical idea of sovereignty is inalienable

from control. Sovereignty as supremacy independent of any forces, circumstances and individuals. This is sovereignty as it was understood in the 19<sup>th</sup> century when a political subject having power has all opportunities as the said subject thinks fit. However, “globalization not only changes the socioeconomic and political global landscape but also transforms the inner essence of sovereignty, withdrawing the functions of physical space’s arrangement and governance from the state. We are speaking about formation of new approaches and control centers, origination of new concentrations of economic power, legitimate global intervention” [4]. But in the environment of universal spreading of the external standards of dominating rationality, we’re speaking about post-global sovereignty which takes external standards of rationality of its behavior. The issue of political subjectness’ potential is raised, understood as an aggregate of self-awareness, self-determination and self-design of a political community in the environment of the global world and ability to produce it (in contrast to the subjectness’ borrowing strategy) [3]. If power is beyond the borders of nation-states, there are two variants to strengthen national sovereignty: its preservation with military power support (V. Putin’s strategy) or global hegemony via signing global international trading agreements (B. Obama’s strategy). Which of the strategies will be able to get realized and turn out effective is an open issue.

### **Fear as Political Category**

The prospect of applying military power as an answer to external threat is becoming more tangible in recent years. The series of the Al Jazeera channel’s programs “Contemporary Fear” convincingly showed that in the environment of global uncertainty, lack of power, total distrust in institutions fear becomes one of the leading emotions of modern men. Fear as not only a psychological category but also an economic and political category of life becomes the dominating global-scale factor in foreign economic and political relations. Psychologists define the reasons for fear’s origination at an individual level: loneliness, isolation, depression, threats to self-respect, feeling of one’s inadequacy. The today’s world,

which is quickly developing technically, materially and rapidly renewing ideologically, creates the environment for development of such feelings both in case of an individual and at the level of societies as a whole. If a short-time fear can be an impulse for uniting and a protective reaction of a society, long-time diffusive fear turns into anxiety, depression and that develops into social stagnation.

Z. Bauman sees formation of a liquid society as a consequence of that, it differs from the pre-modernist and post-modernist society by a lack of a strong core. Identity in such a society is a function of market relations. In contrast to societies with a strong cultural nucleus, which understand their place in the existing social structure, a liquid society generates liquid fear [6]. The source and direction of this fear are not clear. In such an environment the society starts looking for a more or less definite enemy and makes attempts to return to the stable past, hence the rapid growth of the right populism all over the world. This social naiveté turns out to be justified because it's impossible to identify sources and levers of this fear. Individuals feel the fragility of personal situation, societies – fragility of the state of affairs in their country and the world as a whole.

Populism is also manifested, first of all, in mistrust in elites, second, the crisis of the normative component of the social system. It seems to people that in case of a radical change of the way of thinking and regulatory system, they will get a new quality of life. Third, the idea of a new world that attracts to ISIL (prohibited in Russia) numerous followers, is a manifestation of populism. The idea of a new world as an alternative to the existing unjust order has always been a strong ideology, which is difficult to resist. All those different manifestations of populism are united by their negation of rational behavior and reject objectiveness of the present state of affairs. This is a gentle revolution and it has already started. There is populism in many countries, left and right, religious and secular, and it is manifested in various forms: ISIL, Brexit or D. Trump's victory and social uprising against Washington elites, in France it is manifested as Islamophobia, in

Poland as going back to the traditional society. Thus, populism all over the world in all its variety is the only ideology which adequately answers the fear problem. Because of that populism in the environment of fear offers to sweep aside everything that frightens in the modern world and return to the Golden Age in the past, to the roots, sources, simple thoughts and simple recipes.

### **Is There an Alternative? / There Is No Model but There Is Process**

There is no doubt that global processes will continue but they will continue running in the channel of internationalization. Communications in social networks, information and capital movement over national borders will continue and even grow. But at the same time globalization will follow the way of regionalization, and an attempt to keep certain power levels will take place at the regional level. Such regional projects as the One Belt, One Road (OBOR) Initiative, Eurasian Economic Union, NATO, the USA and the European Union's discussion about the common market in the format of the Transatlantic Trade and Investment Partnership can serve as examples of this trend. Regionalization will lead to the secondary stratification of international relations.

What is the model of the future socioeconomic order? There is no such model but there is a process. This can be seen with China's successful development as an example, where there is no certain economic model as it is but there is a process combining state control and neoliberal market. This combination of economic liberalism and strict state rule in the political field has become the basis of the South-East Asia's success. One should believe not only in Keynes or Friedman, but in both Keynes and Friedman and in the national basis, which reflects political and historical culture of a given society. Thus, the prospects of successful development open only for those societies that will preserve their power, political subjectness and state governability, the rest are destined for even bigger difficulties. And the borderlines of this split will go not along the usual line of the global West and global non-West but basing on completely different grounds. New regional groups will set new rules of the game, and in that sense it



means the end of globalization. Globalization, which leads to unification of standards, has reached its limit, new stratification of the world is coming, including on the normative basis. The difference of approaches (language, goals, tasks, ways of their solution) laid as foundations in the Asian Infrastructure Investment Bank (AIIB), on the one hand, and the IMF and the World Bank, on the other hand, can serve as an example of that. There is a certain hope in prospect that these regional blocks and their normative projects will create a competitive situation, which will give a new push to globalization as well as boosting and development in several decades (if we refer to I. Wallerstein). The world will live in the environment of uncertainly and liquid today's society for many years before that.

Proceeding from the above-said, it's possible to speak about the importance of institutions, providing strong state. It means loss of freedoms to a certain degree. This development process (not a model) lays foundations of limitations of democratic freedoms. This process is global as the values of freedom are in conflict with the widely understood values of security all over the world.

### **Russia: Twenty Years in the Environment of Anomy and Global Uncertainty**

These processes are comprehended by social philosophers in the West as the new ones while the Russian society has been living in the environment of the not fully formed identity, personal and public instability, low level of inter-individual trust and distrust in institutions as well as value anomy for the third decade already. In this sense the Russians and residents of the former Soviet Union have a certain competitive advantage after working out certain survival strategies. And if there is a shift of locus in Russia from the economic point of view, military and political power, ambitions of the regional leader and political subjectness, freedom from external standards of rationality allow Russia to aspire to a place among the countries, which will find themselves in the role of locomotives of regional blocks and authors of an alternative regulatory system. It's important for Russia to succeed in overcoming the existing liquidity, not plunge into radicalism and

populism and put forward initiatives for the whole Eurasian macro-region and efficiently compete in the integration race with growing China and the weakening European Union.

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