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ON THE EMERGENCE OF GLOCALISATION

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Abstract: *Globalisation became truly frequented notion of our era. There is wide consent that global processes increase both risks and opportunities for individuals, enterprises as well as whole communities and countries. In spite of this, it is only seldom stated that globalisation involves also numerous local impacts. Indeed, particular manifestations of global processes can be contemplated in concrete localities and polarity between the global and the local is not accurate. The global does include local and globalisation means also the linking of localities. The main objective of this paper consists in the clarification of socioeconomic nexuses between global processes and localities. Taking into consideration recent socioeconomic developments, we are increasingly entitled to talk about the process of glocalisation that involves both global and local aspects. Global and local represent two sides of the same coin and the nature of contemporary time-spatial processes may be better understood by recognizing and analyzing socioeconomic aspects of glocalisation.*

Key Words: *Globalization, Glocalisation, Fordism, Post-Fordism*

JEL Codes: *B20, B52, F01, H70, R10, R19*

FROM FORDISM TOWARDS POST-FORDISM

Immense socioeconomic changes in 1960-ies and 1970-ies were usually depicted as the transformation of advanced countries from fordism towards post-fordism. According to the 'regulation school', fordism was a mode of capital accumulation that originated in 1914 when Henry Ford introduced a five-dollar, eight-hour workday for the assembly line production of cars (see for instance Aglietta, 1979).

The regime of intensive accumulation was formed already in 1930-ies, but mainly after World War II, when it constituted true bait mainly for Western Europe both physically and mentally destroyed by the war. This societal-economic paradigm called fordism was prevailing in basically all advanced countries until 1970-ies, when oil crisis suffocated practically the whole planet. The typical features of fordism are as follows:

- The division of labour was based on the rigorous separation of management functions from individual standardised manual performances of workers, which resulted in a greater productivity. However, this division of labour required a higher degree of labour-discipline and subservience to a central directing authority.
- Regime of intensive accumulation enabled the augmentation of investments on the one hand and the growth of employees' purchasing power on the other hand.
- Mass production and mass consumption became principal categories of fordism.
- Mode of regulation was determined mainly by collective bargaining and trade-unionism as well as by intense redistribution processes in the framework of welfare state. The state interventions into the economy were typical phenomenon of the time for the sake of prevailing Keynesian doctrine. Keynesian approach, in a certain sense, represented the application of Fordism at the level of the state.

Welfare state that was created in the fordist era handled very extensive social nets. Strong redistribution processes in the framework of social but also many other policies formed adequate social and economic conditions facilitating the stability of fordist society based mainly on mass production and mass consumption.

Relatively idyllic fordist times were broken by formidable economic problems in 1970-ies. Oil crisis in combination with quickly advancing technological development and the rise of globalisation enfeebled the dominance of fordist paradigm. Fordist way of production appeared to be obsolete in new socioeconomic conditions. It was claimed that fordist

industrial production is too rigid, non-flexible and finally leading towards the decline of competitiveness. All of these changes finally stimulated the gradual appearance of a new system of flexible accumulation that was based on new core innovations.

New findings in the sphere of microelectronics and information technologies enabled the transformation of production, which started to utilise flexible computerised and robotic systems. New information and communication technologies enormously speeded up the operations on financial and capital markets as well as transfers of the capital. One cannot omit nor the liberalisation of the world trade and quick movement of capital in combination with deregulation measures.

If rigidity in the labour market, owing to trade-unions or cultural impediments, was the main feature of Fordism, extreme flexibility became the central concept in the post-fordist era (Harvey, 1989). Flexible accumulation is based on a couple of fundamental principles:

- Just in time production, which aims at the minimisation of inventory at every stage of production since unused inventory represents unrealised capital.
- Total quality management, when the introduction of quality control circles to check the quality of supplies of components inside and outside the factory.
- Teamwork, which consists in the creation of autonomous task-oriented work groups.
- Managerial decentralisation, consisting in the replacement of centrally controlled hierarchies by flexible and somehow flowing organisational styles and practices.
- Flexible labour force implies the possibility of laying off workers during a lean periods and hiring them back in times of prosperity.
- Functionally flexible workers including task integration and rotation and/or multiskilled labour force.

These transformations in the organisation of the work facilitated the further growth of productivity, which became officially proclaimed necessity vis-à-vis sharpened competition at the global level. Increasing differentiation of the society to the bigger number of social groups and the saturation of the high proportion of society with consumer goods in advanced countries changed the patterns of consumer's behaviour and heightened the scope of specific needs and wishes. Enterprises were forced to respond flexibly and started the production of smaller and special series of products. Obviously, those happenings were detrimental to the mass production based on fordist principles.

Table 1: Differences between Fordism and Post-Fordism

FORDISM	POSTFORDISM
ECONOMY AND THE PRODUCTION PROCESS	
Economies of Scale	Economies of Scope
Mass production of homogeneous goods	Small batch production
Mass consumer's society – less differentiated demand	Differentiation of demand and individualisation of consumer styles
Large stocks and inventory	Minimal stocks (just in time)
Testing quality ex-post (rejects and errors detected late)	Quality control part of production process (immediate detection of errors)
Dominance of industry	Dominance of tertiary sector and rise of quaternary sector – disindustrialisation
Cost reductions through wage control	Learning-by-doing integrated in long-term planning
Payment per rate (based on job design criteria)	Personal payment (detailed bonus system)
Single task performance by worker	Multiple tasks
High degree of job specialisation	Elimination of job demarcation
Vertical labour organisation	More horizontal labour organisation
Trade Unionism	Individualism
SPACE, STATE AND IDEOLOGY	
Welfare state – extensive social security system guaranteed by state	Postwelfare state based - privatisation of social security systems and collective needs
Keynesianism and state interventionism – market regulation	Neoliberalism – deregulations, support of free market functioning
National, central, exogenous regional policy	'Territorialised' endogenous regional policy
Subsidized state/city	'Entrepreneurial' state/city, sharpened interregional/intercity competition
Centralisation – hierarchic top down management	Decentralisation – emphasis on bottom up activities, new public management
Public sector regulates and controls private sector	Public Private Partnership, co-operative behaviour of public sector, which stimulates the activities of private sector.

Source: modified according to Swyngedouw (1986) and Harvey (1989).

The implementation of new information and communication technologies further fortified the strike of post-fordist tendencies. Production became flexible enough in order to able to respond to the market requirements. Manufacturing capacity that played relevant role in the course of fordism became less important and impulses emanated by demand side turned into decisive factor for the management of the production. Very often, pivotal developmental change was depicted as 'from producer's market towards consumer's market'.

Piore and Sabel (1984) speak about 'industrial divides' that embody the periods of fordist mass production and post-fordist flexible specialisation. According to them, the first industrial divide took place especially after 1920-ies and complies with fordist societal-economic paradigm. The second industrial divide should be perceived as a consequence of economic pressures in 1970-ies and is based primarily on post-fordist categories.

When evaluating contemporary economic and social tendencies, it is largely omitted that while western economies coped with post-fordist modernising trends in the course of two or three decades, transitional economies are exposed to the modernisation tendencies in a much shorter, compressed period.

GENERAL FEATURES OF GLOBALISATION

Globalisation can be comprehended as one of the most important phenomena of contemporary world. Concurrently, globalisation has abundant interrelations with post-fordism. Recent years witnessed its quick evolution and global processes shape the relations on our planet more and more. At the same time, global processes create the environment the world has never experienced before. Although we are talking about global processes, at the same time we can contemplate their ample local and regional impacts, which is of great importance for this article.

There are numerous approaches to the definition of globalisation. While some talk about globalisation as a historical epoch, the others claim that it is only one of great narrations well known from the history. Economists perceive almost exclusively economic causes and consequences of globalisation and sociologists for a change its social sources and impacts. Very often, we can hear that this process involves the unification of various cultures and worldwide spread of western values. Many people think that globalisation represents one of accompanying phenomena of technological revolution (see for example Castells, 1993). Quick pace of globalisation caused that the process itself is qualitatively ahead of other, e.g. democratic or moral components of space (see also Soros, 1998). To sum it up, there is nothing like generally accepted definition of globalisation.

Globalisation as well as other major processes bears many pros and cons. And since the society is more sensitive to its negative aspects, general discourses concentrate namely upon its unfavourable environmental, economic as well as social consequences. The fact that globalization contributes to the dissolution of the nation states, which involves also important

territorial-political connotations is stated only seldom. However, the world witnessed the same situation a couple of centuries ago, when nation state practically eliminated the autonomous cities as well as other self – governing entities. Thus, from spatial point of view, we are currently entitled to talk about higher rank of territorial integration.

Global processes bring far-reaching social, economic and cultural implications. Until now they could not be carefully investigated because there is a wide consent that the globalisation is at its very beginning. Moreover, the transformations of recent years have taken different forms in different places. Some states, but possibly even more so some companies and communities have been considerably more apt than the others to crop potential transformation benefits from global processes. Other states, companies and communities have received little except increased marginalization.

However, as already indicated, globalisation can be generally perceived as a dominant general trend that changes the organization of the society at the world level. From the economic perspective that influences remaining spheres substantially, it is a process of change from national to global scale of integration of production, exchange and consumption. This process was enabled mainly by the technological informational revolution that provided the basic infrastructure for the formation of global economy.

SOCIOECONOMIC IMPACTS OF GLOBALISATION

Globalisation brings ample social and economic impacts. One of the most serious aspects is the augmentation of uneven social and economic development. It is caused by the different power and abilities of firms, individuals and subsequently localities, cities, regions and states to participate actively in globalisation. The division of the power is not mirrored merely in inequalities between people or enterprises; key players of globalisation influence the character and priorities of public sector. States find themselves under increasing influence of multinational and transnational corporations and world financial markets. Public sector distinctively yields to increasingly aggressive private activities.

One of the most relevant impacts of informational revolution and accompanying phenomena of global character is quickly advancing time-space compression. The concept of time-space compression describes increasing movement and communication in space, widening of social contacts in space and human perception of such changes. Growing spatial mobility and

surmounting the spatial barriers are enabled by technological progress in the field of production, transport, communication and information.

Thus, the size of the world of 1960 was one fiftieth of the 16th century world. Increased functional integration made possible by time-space compression has, in turn, led to the emergence of a global scene of accumulation, consumption, distribution and production, and equally important, differentiation. The role of time and space in our everyday lives has changed dramatically over last few years. World is rapidly diminishing in our perception (Harvey, 1989).

Time-space compression subsequently affects the character of the society. At the same time, one can contemplate also geographical expansion of social contacts. The concept of time-space distanciation depicts the processes leading to the weakening of the integration of social relations in localities and their expansion in virtually global space (Giddens, 1990). It is necessary to underline that possibilities of utilization of informational technologies are rather uneven.

One has to notice, that various individuals and social groups play different roles in the framework of our contracting world. There is sharp discrepancy between those that act as parts of global communication network and the others that lack the access to global networks. Uneven distribution of the options of using the global information system (such as internet, for instance) stems from the differences between the industrial developed countries and the third world, younger and older generations or wealth and poverty. This leads to the strengthening of already existing inequalities and the formation and proliferation of new ones.

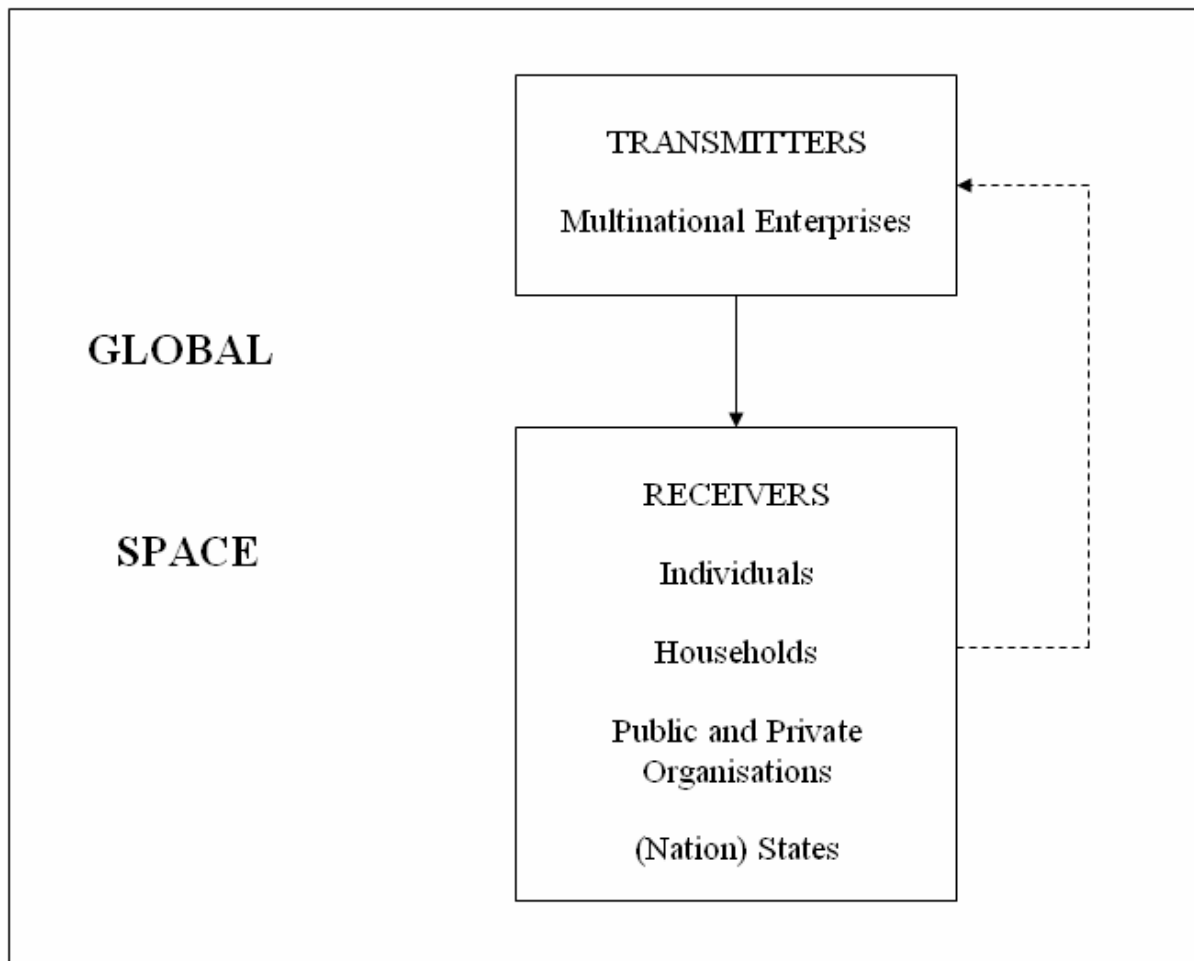
Global processes involve various players, such as nation states, public and private organizations, households and individuals. In principle, they can be involved in globalisation in two ways:

- Activities of some players can actively contribute to the formation of the process of globalisation. The typical example is when multinational company directs its activities into certain area; this has extensive socio-economic implications including changes in the composition of jobs and consequent impacts on the individuals, connections of the territory with the global environment and many others. Of course, the number of the processes that can more or less directly shape the process of globalisation is quite limited. And another aspect has to be mentioned: globalisation processes induced by such influential players create global external environment in which these players

operate. This group is relatively small and relatively powerful and can be succinctly called ‘transmitters’ of global processes.

- Most actors, as well as their behavior, are influenced by globalisation. They are ‘receivers’ of global processes.

Figure 1: Players of Global Processes



Source: Sucháček (2004b)

This division is essential for understanding the impact of globalisation on any locality in general. Looking for comparative advantages is an inherent part of the behavior of players present in the market. They investigate local differences and utilize those, which can relevantly contribute to the competitiveness within the market. Globalisation involves the extension of this process to an international and global level. Global actors are highly selective in entrance to particular places both in terms of capital and labour opportunities.

Most of the actors, constitutive to globalisation, are located in large global cities (see for instance Sucháček, 2002). Some of those who are mostly absent from processes that contribute to globalisation, are concentrated in global cities as well. Such simultaneous concentration of executive-professional-managerial technocracy and urban underclass in the urban spaces is reflected in increasing social and economic polarisation. On the other hand, majority of receivers of global processes is concentrated in non – metropolitan areas, regions and localities. The destinies of such territories are increasingly affected just by global, influential and at the same time typically distanted actors. Such kind of intense external control of provincial territories became one of symptomatic features of modern epoch just due to the fact that this control is performed in both economic and administrative – political terms.

GLOBALISATION AND DISSOLUTION OF THE NATION STATE

The relation between the globalization and the nation state can be compared to the relation between the nation state and self – governing cities and other traditional communities in the history. While nation state curbed and oppressed various self – governing entities, multinational corporations misuse their power and move the majority of negative externalities related to their activities to the nation states. In that way, they increase their profits. Nation states thus reap what they sowed many decades ago.

Ironically, nation states unconsciously created the appropriate conditions for the birth and rise of globalization. In spite of the fact that nation states perceive themselves as the final product of the history, they presumably formed only temporary and from historical point of view episodic room for entirely different arrangement of powers. From global and contemporary perspective, modern states served only as a certain incubator for the development of the economy. In contrast to the nation states, enterprises are able to merge on the global scale.

As already mentioned, technologies and infrastructure played a pivotal role during juvenile years of the nation state as they enabled the management of the country from the power centre. Paradoxically, technologies facilitated the penetrability of the national borders substantially in both intangible and material terms. Spatial interactions are thus less limited by the borders which also weakens the position of the nation state traditionally delimited just by national borders. International flow of information, energy, goods and people currently reaches the degree the world has never experienced before. That is why the states are barely able to control these flows.

Under global pressures, states are increasingly incapable to perform their traditional functions. Last years witnessed the important transformations in the realm of the nation states. They are forming new larger groupings, such as European Union that represents, *sui generis*, a legitimate, post-modern form of the state as it partially answers to the distinct democratic deficit of globalization. Even more importantly, we can contemplate the resurrections of localism and regionalism. Splitting of the nation state to larger arrangements on the one hand and on localities and regions on the other hand is in compliance with the globalization.

While external forces of global nature compel the nation states to group together in order to survive in both social and economic terms, localities and regions represent the territories, which are more and more intensely hit by various social and economic streams and factors. And since the population is sensitive namely to the events in its surroundings, it is only hardly surprising, that original communitarian feelings and activities became in spite of numerous braking factors increasingly tangible. A great advantage is that in contrast to often artificially bound nation states, regions and localities are integrated in a natural, 'bottom – up' way.

All above mentioned developments irritate the proponents of the nation states and they persistently defend this type of institution. But in reality, nation states are unable to cope with numerous topical challenges. Naturally, nation states cannot cease to exist. On the contrary, their existence with decreasing power is largely beneficial for influential global players. However, the role of the nation state is increasingly determined by the fact that the turnover of ten largest multinationals exceeds the aggregate gross domestic product of one hundred poorest nation states on the one hand and localities and regions are in the information age aware of their self – governing nature more and more.

TOWARDS GLOCALISATION

One of the most important features of fordist period was the dominance of the nation state level in the formation of socioeconomic and political reality. The nation state was comprehended as almost natural scale through which both subnational and international processes and phenomena were understood. Crisis of fordism and ascent of post-fordism imply a substantial territorial re-scaling of a series of regulatory practices (see Peck and Tickel, 1994).

Concurrently with gradual fading of the nation state, the phenomenon of glocalisation emerged. It should be comprehended as a process, which involves numerous economic,

institutional and socio-cultural connotations. At the same time, it has to be underlined that particular manifestations of global processes can be observed in concrete localities and polarity between the global and the local is not accurate.

Glocalisation comprises two processes: globalisation and localisation. While localisation refers to human beings, individual subjects, organisations, communities or localities, globalisation embraces the planetary processes. However, the underlying causes of global processes can be always found in concrete localities. Glocalisation is often interpreted as 'think globally and act locally', which is perceived as possibly proper strategy for the future sustainable development of the whole Earth. The term expresses the human capability to overarch (at least mentally) the various territorial scales.

From economic perspective, we can hear almost every day about turbulent and volatile character of global processes; at the same time, economic subjects constitutive to globalisation can be found in particular localities. Conceptions of learning regions or intelligent regions reflect the current economic-territorial reality from a perspective interconnecting the global and the local (see for instance Lundvall et al, 1992 or Malmberg, 1996 or Kern, Malinovský and Sucháček, 2007).

Moreover, in fact the 'forces of globalisation' and the 'demands of global competitiveness' turned out to be powerful vehicles for economic elites to shape local conditions in their desired image: high productivity, low wages and absentee state. Companies are simultaneously intensely local and intensely global. The lowering of the scales of the regulation of work and of social reproduction coincides with an increasing scale in the organisation of the economy and the forces of production (see also Swyngedouw, 1996).

Perhaps, the process of glocalisation and the re-definitions of territorial and functional scales are most pronounced in the realm of financial system. The volatility in the money markets made production planning extremely risky and uncertain. The internationalisation of production and planning of production chains and input/output flows, which characterised much of the post-war international division of labour, became a high-risk strategy.

Liberated money markets and the volatility of the international money markets created a new market environment. Buying and selling currencies and speculating on exchange rate fluctuations allowed for the development and rapid growth of a speculative foreign exchange (Forex) and, from the mid-eighties, an augmenting derivatives market. For instance, the Forex market grew from a modest 15 billion USD in 1970, when most deals were directly related to

settling trade, to well over two trillion today (Swyngedouw, 1996). And to allocate these immense flows of hot money in an appropriate way, space and place does matter again.

Glocalisation is also quite frequently conceived as a concept that is being adopted by economic subjects all over the world. It means tailoring the company's products and services in order to comply with the interests of strongly differentiated local markets across the globe. So, pecuniary interests are surely one of driving forces of glocalisation.

From institutional standpoint, weakening the influence of the state means the transfer of more activities to both global and local levels. For example, formerly practically 'nationalised' collective bargaining has been transposed to strongly localised forms of negotiating wages and working conditions. Naturally, this results in growing amount of interactions among global and local players. The same applies to the whole set of other regulatory practices formerly almost exclusively performed by the state. Concurrently, the concept of government, based largely on strictly hierarchized structures is largely replaced by more flexible governance that pragmatically couples formerly strictly divided private and public sectors (Sucháček, 2004a or Sucháček, 2005).

Last but not least, glocalisation involves also social networks, which are in compliance with the conception of time-space distanciation. Communication devices reached a high qualitative level, which enables us to bridge the long distances without difficulties. Incidentally, these developments do not stimulate (and sometimes even weaken) genuine, face-to-face communication.

INSTEAD OF CONCLUSION

Global and local represent two sides of the same coin and the nature of contemporary societal processes entitles us to use also the term 'glocalisation'. It is appropriate to return to the population and individuals that still represent primary impetuses of societal development. At the same time, economic, social, institutional and other superstructures created by people indeed find themselves under the process of rank-territorial and functional transformations. However, these transformations at the global level have their sources in particular groups of the population constitutive to globalisation that exist physically and consequently they can be always classed into particular time-space context or at the particular place in a concrete time. In other words, glocalisation simply does matter.

Space of places is increasingly replaced by space of flows, which means that transmitters of globalisation are contrary to the historical experience not fixed to one place any more; and the same applies also to non-negligible part of the population that can be ranked among receivers of global processes. However, global existence of the ‘travelers’ – and no matter whether businessmen, i.e. rather transmitters, or tourists, i.e. rather receivers – is expressible as the mobility among concrete localities. Global – local nexus is inherent to the character of spatial processes in general since global processes would not come into existence in case that there would be no localities.

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