

GLOBALIZATION AND “GLOBALISM”

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Globalization is a historical process that presents a threat, a challenge, and an opportunity to developing countries. It should be clearly distinguished from the ideology affirming that national states lost autonomy, and the state, relevance, in the new global economy.

Globalization is only a threat as long as it involves the advance of markets at a global scale; or, we know well that markets are global to social justice. It is also a threat because it comes together with this ideology that I propose to call “globalism”. This ideology says that in the near future (not to say today) the only possibility for all nations is the rational rule of unfettered markets, where only the ablest, the modern, the holders of the new information technology and the global culture will survive. Thus, there would have no more room for collective action, or for active state policymaking: national states have definitively lost capacity.

It is a challenge because, although globalism is just an ideology, globalization is not. And globalization means that markets that are by definition blind are stronger and freer than ever, that there is no safe haven from international market competition. Thus, there is no other alternative but to compete. This is the challenge.

It is an opportunity because, if developing countries have some disadvantages, as a trade off they have advantages that are not negligible. Advantages are related with the possibility of coping and diffusing technology and with smaller labor costs. Drawbacks are, more than anything else, non-cohesive civil societies, a weak states, and poor governments.

Note that the advantages are economical or technological, while the disadvantages, political. Convergence did not take place, the gap between developed and developing countries is increasing mostly for political reasons, not for economic ones. It happened mostly because weak states and populist and/or incompetent governments are dominating in the poor countries; because weak states that are unable to keep solvent and maintain the rule of law; because populist governments are

captured by interest groups, and incompetent governments make huge policy mistakes: mistakes that, besides deriving from their own incompetence, and, often, of the outcome of incompetent counseling or of international organizations.

What to do? How to face the challenges of globalization? How to profit the opportunities that markets provide? How to make business enterprises internationally more competitive? How to improve workers', managers' and entrepreneurs' capabilities?

There are many correct answers to these broad questions, but what has just been said leads to a central one: the challenge is to improve politics. It is to improve civil society, to reform the state, and to assure better governance.

To improve civil society is difficult because the object to be changed is elusive. A cohesive, plural and democratic civil society is never the outcome of deliberate decision-making; it comes out of civic education and economic growth. To assure better governments, i.e., better politicians and better higher civil servants or bureaucrats is a more concrete task, but still strictly dependent of reforming the state. So, among the three areas where politics is exercised, the one more fitted to deliberate change is the state. That is probably the reason why institutions became so strategic in the present, why reforming the state is so crucial.

But there are many inconsistent views on what means reforming the state. If the state is the only tool developing countries count to face globalization, reforming the state cannot mean downsizing, deregulating, withering the state away. It may mean reducing state personnel, but often means increasing state revenues and social expenditures. It may mean deregulate, but only to re-regulate in a better way.

Reforming the state means two things: to define precisely the state role, and to increase state capacity.

In defining the role of the state, it is required to distinguish the roles of private organizations and individual (the production of goods and services for the market), from corporative organizations (representations of interests), from public non-state organizations (provision of semi-public goods, where positive externalities are high, and social control or public advocacy), from the state itself, whose exclusive role is to exert extroverse power, taxing citizens, guaranteeing citizens' rights, and establishing the rule of law consistent with innovation and reduced transactions costs.

In increasing state capacity, the state is supposed to:

a. improve democracy, by establishing institutions that assure individual freedom, political and social rights, and select the best and more representative politicians;

b. improve markets, by establishing institutions that guarantee property rights and contracts;

c. improve state fiscal and financial health, by establishing institutions that assure tax collection and limit state indebtedness; the higher will be state capability, the more effective will be tax collection and the more limited state (and nation-state) indebtedness;

d. improve public administration, by establishing institutions that allow for autonomous and accountable agencies, competent civil servants, and efficient managerial practices.

Thus, a capable state is a democratic, rule of the law directed, solvent, and managerial state – a state where republican rights, the rights that every citizen has the public patrimony be not captured by private interests – is upheld.

Given that, I will say one word about managerial public administration. The essential idea is not putting bureaucrats against politicians, agencies against politics, but making politicians and bureaucrats more autonomous and more accountable.

Why more autonomous? Because the world to be regulated became incredibly complex, in such a way that it is impossible to predict and regulate by the law everything; some discretionary power must be delegated to agencies. Because, contrarily to naïve institutionalism, the good state does not make dispensable good governments. Because a state that would foresee and regulate by law everything would not meet the neo-liberal ideal of the minimum state: on the contrary, it would lead to the maximum or the bureaucratic state. The modern state requires autonomous agencies able to regulate day-to-day problems.

Why more accountable? Because more autonomy goes hand and hand with more public responsibility. In the managerial state accountability has to be manifold: it will come from the parliament, which originally delegated authority; it must come from classical auditing procedures; it must come from management contracts; and, last but not least, from social control, from the direct control of civil society.

The capable state has to be built in order to face globalization and profit from it. This is a major task for all developing countries. It is a task that governments and civil society have to act together to fulfill. It is a task that cannot be delegated. That has to be the outcome of a national debate, in which citizens learn from others experiences, but are the only responsible by their own rights and wrongs.