## Globalization and Current Civilizational Developments\*

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ABSTRACT. While the essence of globalization is humanity's evolution into a single structural and functional system, recently, however, the contradictions of globalization and attendant civilizational and regional trends are becoming more prevalent. These trends are investigated in this article in terms of their information-technological, economic, social, political, demographic and cultural aspects. The article shows that the only productive adoption of Western achievements by other civilizations results from the selective and purposeful adaptation of local mentalities, cultures, values, conditions and behavioral stereotypes.

KEY WORDS. Globalization, uneven development, civilization, global transformational processes, information society, information-technology gap, Westernization, quasi-Westernization.

## The Nature of Globalization

Ours is the time of globalization. While the label has become customary, its content and definition remains far from clear. What is globalization? What is its essence? And, most importantly, what does it contribute to humanity in general and its components in particular? Many contemporary researchers, among them Ukrainians, have raised and attempted to an-

<sup>1</sup> Hlobalni transformatsii i stratehii rozvytku [Global Transformations and Development Strategies], eds. O. H. Bilorus, D. H. Lukyanenko et al. (Kyiv: Kyiv National Economic University, 1998); Hlobalizatsiya i bez-

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swer these questions in this and other scholarly publications.

In this respect, three basic approaches to the study of globalization are evident in the academic literature<sup>3</sup>: 1) hyperglobalists, who think that modern globalization is a qualitatively new era in the history of humanity, which, from the perspective of individual nations and states, is subjected totally to the functioning of a global megasystem, including first and foremost the discipline of the world market; 2) skeptics, who claim that globalization is largely a myth and that the relevant processes, being deeply rooted in world history, are nothing but the continuation of old trends superimposed on, rather than determining, the development of individual nations; and 3) transformationists, according to whom the world is really living through qualitative global-scale transformations which, nevertheless, are deeply rooted in history and, on the whole, do not minimize the ethnic and civilizational diversity of socio-cultural and economic groups.

At the end of the twentieth century, the majority of intellectuals perceived globalization optimistically, and S. Huntington's dismal warning about a «clash of civilizations» was not yet controversial. 11 September 2001, however, marked the beginning of the twenty-first, not only in terms of the calendar, but also by popular perception. The next few years radically changed both the world (with the American intervention in Afghanistan and Iraq, the crisis of confidence among NATO members owing to Middle East

peka rozvytku [Globalization and the Security of Development], eds. O. H. Bilorus, D. H. Lukyanenko et al., (Kyiv: Kyiv National Economic University, 2001); Yu. N. Pakhomov, S. B. Krymskiy, Yu. V. Pavlenko, *Puti i* pereputya sovremennoi tsivilizatsiyi [Roads and Crossroads of Modern Civilization] (Kyiv: Charitable Foundation International Business Center, 1998); Tsivilizatsionnye modeli sovremennosti i ikh istoricheskiye korni [Civilizational Models of Our Time and Their Historical Roots], eds. Yu. N. Pakhomov, S. B. Krymskiy, Yu. V. Pavlenko et al., (Kyiv: Naukova Dumka, 2002); Yu. V. Pavlenko, Istoriya mirovoi tsivilizatsii: filosofskiy analiz [A History of World Civilization: A Philosophical Analysis] (Kyiv: Phoenix Publishers, 2002); S. L. Udovyk, Globalizatsiya: semioticheskiye podkhody [Globalization: Semiotic Approaches] (Moscow: Refl-book; Kyiv: Vakler, 2002); A. S. Filipenko, Ekonomichnyi rozvytok suchasnoyi tsivilizatsii [The Economic Development of Modern Civilization] (Kyiv: Znannia Publishers, 2000); V. M. Sheiko, Kultura. Tsyvilizatsiya. Hlobalizatsiya. [Culture. Civilization. Globalization], volumes I and II, (Kharkiv: Osnova Publishers, 2001); M. A. Shepelev, Hlobalistyka [Globalistics], parts 1 and 2, (Dnipropetrovsk: Dnipropetrovsk National University, 2001).

<sup>&</sup>lt;sup>2</sup> S. Sidenko, «Sotsialno-ekonomichnyi aspekt suchasnoyi hlobalizatsii [The Socio-Economic Aspect of Present-Day Globalization],» Journal of International Economic Policy 1:1 (2004).

<sup>3</sup> D. Held, A. McGrew, D. Goldblatt, J. Perraton, Global in transformatsiyi. Polityka, ekonomika, kul'tura [Global Transformations. Politics, Economics, Culture] (Kyiv: Phoenix Publishers, 2003), pp. 24-33.

S. Huntington, «Stolknoveniye tsivilisaziyi? [A Clash of Civilizations?]» Polis No. 3 (1994).

events, the expansion of the European Union, the decrease in Russia's influence on the post-Soviet countries, the growing anti-globalist movement, demonstrating the trend toward the deepening of regionalization, primarily on civilizational grounds, and the strengthening of fundamentalism not only in the Muslim world but in the United States, Western Europe, Russia and the like) and the attitude of the academic community to these recent global transformations. More specifically, this attitude has become more cautious, critical and skeptical. The 1990s romance between Western (largely North American) researchers and globalization is receding into the past. In its place the contradictions of globalization and attendant civilizational / regional trends are becoming more prevalent and merit discussion and deeper appreciation.

The essence of globalization is humanity's evolution into a single structural and functional system. It follows that, as with any system, it has its hierarchy, in which some elements, blocks and subsystems are working for the benefit of those which form its backbone and play the leading role. And yet, one cannot help but notice the stark inequality among the components that form the global civilization and the ever- widening gap (in the use of information technology and the living standards of the majority of people) between the West — the most advanced nations that have attained the level of an information society — as the civilization's central link, and the rest of humanity, which increasingly lags behind the leaders.

The character of the ever-strengthening global patterns and trends is primarily determined by the interests and capabilities of a handful of the most powerful nations, financial institutions and transnational corporations. According to I. Wallerstein, under these conditions the majority of the second and third echelon countries (the semi-periphery and periphery relative to North America, Japan and Western Europe as the world system nucleus) will more likely adapt to the requirements of the powerful minority instead of independently and actively pursue their own interests. The more economically and tech-

nically advanced countries of the West and partly of the Far East are becoming indisputable leaders of the new post-industrial (global and, according to M. Castels<sup>5</sup>, informational) world.

The rapidly widening gap between them and the rest of the world is striking. The general socio-economic situation and, in part, the quality of life of the vast majority of the population in non-Western countries throughout the past decades have been declining rather than rising, this decline being particularly conspicuous in regions such as tropical Africa, post-Soviet Eurasia and in parts of Latin America.

It should be stressed that the growing inequality in development and quality of life between the West and most other regions of the globe has been a fact of life during the past two or three centuries, effectively since the Industrial Revolution in Britain in the late eighteenth century and the subsequent division of the world by the leading powers of Europe. Using their economic, technological and military superiority to their advantage, the colonial powers proved instrumental in organizing the world around them and mobilizing global resources to serve their own interest in their own accelerated development and enrichment.

Globalization today is comprised of several interrelated but contradirectional trends. Postindustrial Western countries, led by the United States, have marched confidently ahead of the rest of the world in terms of overall consumption and standard of living, and this tendency is strengthening.° Some countries in the Pacific Rim, first Japan, then South Korea, Taiwan, Hong Kong and Singapore, and, more recently in the final quarter of the twentieth century, China, have developed in parallel to the West and at a more rapid rate, establishing a Far Eastern center of priority development. leader today is Japan, but China may soon take over

Civilization] (Kyiv: Znannia Publishers, 2000), pp. 120-121.

<sup>5</sup> M. Castels, Informatsionnaya epokha: Ekonomika. Obshchestvo. Kul'tura. [The Information Age: Economy, Society and Culture (Moscow: Moscow State University Higher School of Economics, 2000).

A. S. Filipenko, Ekonomichnyi rozvytok suchasnovi tsivilizatsii [The Economic Development of Modern

that honoured role. The these forecasts are true, by the middle of the twenty-first century the traditional and balanced system with the East and the West as the two centers of civilization will have been restored. Indeed, this two-center system was in place as early as at the overlap of the Roman Empire and the Han Empire in China, and remained in existence until the eighteenth century.

The present-day rigid hierarchy is based on the hegemony of the West, and to some degree Japan, in three spheres: finance, politics and military power and information. Indeed, information hegemony is playing an increasingly decisive role and is dominating production and finance, determining their character and capabilities just as production determined the character of the appropriation of natural resources in agro-industrial societies. For this reason, modern scholars echo the American sociologist, D. Bell, 8 in defining the period following Industrialization (which began with the Industrial Revolution in Britain) as the Information Age, or Information Society, which represents a qualitatively new level of the development of the noosphere.

It is clear today that globalization and the establishment of an Information Society are two facets and aspects of one process that dominates the modern stage of development of humankind. The leading role in this process is played by the Western (Europe-North America, Euro-Atlantic) civilization, which has in the course of history gathered around itself Latin America, Eastern Europe and North Asia («Eurasia» in the narrower, cultural and historical sense the term). Taken together, this civilizational structure, which was formed as a whole as early as the late eighteenth century, has been tentatively called the Macro-Christian World. Three large traditional macro-civilizations remain outside its borders: the Muslim-Afrasian, Indian-

<sup>&</sup>lt;sup>7</sup> Tsivilizatsionnyye modeli i yikh istorycheskiye korni [Civilizational Models of Our Time and Their Historical Roots], eds. Yu. N. Pakhomov, S. B. Krymskiy, Yu. V. Pavlenko et al., (Kyiv: Naukova Dumka, 2002).

<sup>8</sup> D. Bell, The Framework of the Information Society (Oxford: Oxford University Press., 1980).

<sup>9</sup> Yu. V. Pavlenko, Istoriya svitovoyi tsivilizatsiyi: sotsiokylturnyi rozvytok lyudstva [A History of World

Civilization: the Sociocultural Development of Humankind] (Kyiv: Lybid Publishers, 1996), pp. 318-338

South Asian (Hindu-Buddhist) and Sino-Far Eastern (Confucian-Buddhist) worlds.

Throughout the past two centuries, the great civilizations of the East have been forced to react in one way or another to the challenges of the West, which today are part of the globalized planetary structure of humanity. The clashes that occur and, most importantly, are yet to occur within the framework of the global trans-civilization macro-system have been and are caused, first and foremost, by an asymmetry in international exchanges and commerce. Its consequences include the depletion of resources in the majority of the world's regions and the deterioration in the quality of life of its inhabitants, the captive participants in globalization.

As mentioned above, the main contradiction of globalization is between the wealthy advanced nations, which are already in the post-industrial-information phase, and the rest of humanity, of which some countries are even regressing to previous stages of development (Afghanistan, Somalia, Sudan, Rwanda and Sierra Leone). This contradiction has information-technological, economic, social, political, demographic and cultural aspects, to name a few.

As the leader in the development of computer and other modern technologies, the West has monopolized the formation of information flows to suit its own needs (among them the ability to monitor the status of the world at any given moment in time) and to control them. By supplying the latest in industrial technology, it sells the best quality products on the world market, and manages to upgrade its technology base and launch a new generation of products even before other countries attain and are able to use simply the standard products. As a result, other countries are doomed either to replicate its outdated products at a minimal profit or be content with spheres that do not require high technology, such as agriculture and mining industries, which, with the exception of oil and gas, do not yield high revenues.

By monopolizing control over information and the production of advanced technology, the West, and to

a certain degree Japan, have achieved information and technological dominance in the world, making all the other countries dependent on them. As a result, a contradiction on a global scale between the West and the rest of the world has emerged, a contradiction that cannot be overcome if the vast majority of countries continue to lag behind.

The economic inequality between the leaders and stragglers in the field of information technology is growing at an accelerated pace. In the course of two centuries of asymmetrical relations first between Europe and the New World and then between Western Europe-North America and the rest of the world, the West has accumulated enormous wealth. Today, it is concentrated in the hands of transnational corporations (TNCs) based, for a number of reasons, in the West and primarily in the United States. Whereas the home countries of these TNCs profit by this enormous capital, the host countries are dependent on their presence and, hence, serve their interests at the expense of the interests of their own nations as a rule.

Paying no heed to the interests of individual regions and those of humanity as a whole, transnational capital determines the rate and direction of the development of entire countries. By channeling the international division of labor towards Western interests, it ensures an artificially high living standard for its home countries on the one hand and dooms other countries to eke out a living under extreme conditions on the other. In effect, the countries outside the nucleus and that are involved in the global economic system mainly operate so as to reproduce their workforce. In some regions (for example, many countries of Tropical Africa), even the physical survival of part of the population cannot be ensured.

As a consequence of the growing inequality in information-technology and economic wealth, the social gap between the haves and the have-nots of the world is widening. Today, we can speak about a global, supranational social structure that humanity is increasingly assuming: the superclass of the rich and of the poor.

Representatives of the first class, the ruling superclass, are owners and co-owners of the world capital, which functions through national and, more frequently, transnational financial structures and corporations. The global superclass of the rich includes the majority of the population in Western countries and to a certain degree in Japan, South Korea, Taiwan, and the classes and social groups in countries outside of the world-system nucleus that serve the interests of the ruling superclass of countries. These are the so-called comprador bourgeoisie, corrupt governments and the intellectuals who provide the ideological support for these interests.

The other class, the exploited superclass, comprises the bulk of humanity in most countries. In its purest concentrations, it is represented by the vast majority of the population of non-Western countries, because in the West the high level of social security (thanks to the traditional division of world wealth in favor of the West) makes it possible for low-income groups to enjoy a quality of life that is not equivalent to their real participation in the global production of goods and services.

Simplifying today's realities, we can say that the main contradiction of our time has moved beyond the borders of individual countries and is assuming global proportions. In the advanced countries, an effective social security system reduces the effect of such social and class contradictions. However, their manifestations at the global level are all the more acute since one pole is accumulating excess wealth and the other excess poverty.

The growing information-technology gap, the unequal exchange between leaders and stragglers, and social and material inequality on a worldwide scale require the fortification by military-political means and blessing of international institutions. A variety of sanctions may be used against those who will not obey — including the use of military force in violation of every principle of international law (for instance, air strikes against Serbia without the consent of the United Nations Security Council during the 1999 Kosovo conflict and the recent ag-

gression by the US, Britain and their allies against Iraq).

Notwithstanding the foregoing, even after collapse of the Soviet Union there remain a few countries powerful enough to pursue their own policy. These include not only Japan but also India, China, Iran and, in some situations, Russia, which periodically demonstrates the ambitions of a great power. These countries are creating a political counterbalance to the global hegemony of the West. At the same time, the West uses its best efforts to prevent anti-Western, mainly anti-American, forces in any region of the world from growing too strong. However, the brutal behavior of the United States under President George W. Bush only encourages them and lends them greater moral authority in many Asian and African countries, particularly among Muslim nations.

Having been compromised by the colonial and neocolonial interference of the West, many different regions of the world and the entire planet as a whole have found themselves in a state of uncontrollable demographic change. Significant growth of the population is typical of the poorest countries, which have preserved traditional values that stimulate reproduction.

Under low-rate or zero economic growth, a rapid increase in the population enhances poverty in Sub-Saharan Africa and many regions of Asia and Latin America. The most mobile individuals migrate to countries with a high standard of living, on their way overcoming obstacles by various, and more often than not criminal, methods. As a result, the West becomes infested with illegal immigrants, which gives rise to additional antagonisms in its own system. At the same time, it needs more and more cheap, undemanding immigrants devoid of any civil rights and prepared to do any work for next to nothing. At the same time, this is exactly how underdeveloped and overpopulated countries lose their most energetic and able-bodied citizens - a vital human resource which could otherwise contribute to their development.

Under conditions of a massive brain and physical drain, numerous countries, in part former Soviet republics, find themselves in a still more difficult situation. Meanwhile, the West grows stronger due to the contributions of the physical energy and intellect of legal and illegal immigrants from countries in a state of stagnation or degradation, or even from those (such as China) which are developing at a momentous rate but are still very far from a Western standard of living.

It should be remembered that capitalist industrial production has given rise to global environmental problems. Traditional civilizations oriented themselves toward simple and not expansive producdeveloped tion and optimal forms of socioenvironmental balance that fit the natural and economic conditions of their regions. However, this balance could only be maintained under conditions of simple production. High levels of production, as is known, is an inherent characteristic of the capitalist economy in any of its historical forms, including its current one.

Based on the industrial economic model of extensive production, the West began to use the world's resources on a global scale and in its own interests, depleting them thoughtlessly and contaminating the environment. In time, the West began to take care of environmental protection on its own territory, removing hazardous industries and dumping their waste into other regions. As a result, two different types of manmade landscapes dominate the face of the Earth today (natural landscapes have all but disappeared). The first type is formed and maintained with due attention to the demands that the rich part of humanity places on the environment; it complies with scientific standards and determines the environmental situation in the economically and technologically advanced countries. The second type emerges spontaneously in the poorer regions that specialize in «dirty production», where no environmental standards are observed.

Nonetheless, while it is clear that the well-being of the West is threatened by the world environmental crisis as well as by the growing inequal-

ity between the haves and the stagnating (or degrading) have-nots, today, however, this threat is not yet direct enough to impact on the quality of life of the inhabitants of Western countries, especially the ruling classes.

Western society as a whole is perfectly satisfied with the emerging New World Order. Moreover, the West sees it as a confirmation of the ideological and socio-cultural values of Western civilization in the Modern Era, best reflected in Protestantism and especially in Calvinism with its belief in enterprising businessmen who use the natural environment and other people as a means for attaining their goals.

Under globalization, when the most advanced part of humanity has achieved the post-industrial-information level of development, we also observe the emergence of profound contradictions both between Western forms of mass culture and traditional values of non-Western nations as well as within the socio-cultural system of the West itself. Thus, two major levels of cultural contradictions may be distinguished in the age of globalization — within the Western culture and within the universal human culture.

The main socio-cultural collision within modern Western society has been well defined by D. Bell. 10 It lies in the incompatibility of basically Protestant ideals and values which, to recall M. Weber, 11 secured the establishment of capitalism on the European and global scale, and those of the mass culture of consumer society, forced as these ideals and values are on people through advertising and the mass media at large. Hedonistic consumerism as an attitude to life is in direct conflict with the asceticabor spirit of early and classical capitalism, obstructing its reproduction and therefore the sociocultural Western type in general.

Furthermore, as the «US melting pot» begins to backfire (something S. Huntington shows graphically

<sup>&</sup>lt;sup>10</sup> D. Bell, Cultural Contradictions of Capitalism (New York: Basic Books, 1975).

<sup>&</sup>lt;sup>11</sup> M. Weber, *Protestants'ka etika i dukh kapitalizmu* [*Protestant Ethic and the Spirit of Capitalism*] (Kyiv: Osnovy Publishers, 1994).

in his latest  $book^{12}$ ), the Anglo-Saxon, bourgeois, protestant socio-culture loses its absolute dominance as it becomes undermined by the Afro-American, Latin, Hindi, Japanese and Chinese socio-cultures.

This is why on the global scale the cultural contradictions prove even more acute. At this level, we observe an insurmountable antagonism between the specific ideal-value-motivation principles of great traditional civilizations, above all the Muslim-Afrasian, Hindu-South Asian and the Sino-Far Eastern, on the one hand, and the quasi-values of the commercialized culture of the one-dimensional, to quote Herbert Marcuse, 13 mass consumer society.

In contrast to the diversity of ideological and

In contrast to the diversity of ideological and value bases of traditional civilizations (which have entered a productive dialogue), global Westernization, or to be more accurate, quasi-Westernization (since by consuming commercialized cultural surrogates, non-Western societies do not gain access to the really sublime specimens of Western culture) leads to a cultural and civilizational levelling of humanity. To use the terminology of Konstantin Leontiev, 14 a secondary simplification is replacing a flowering diversity.

destroying the traditional socio-cultural foundation, quasi-Westernization is imposing fragmentary and superficial stereotypes. The latter conflict with local tradition because they are planted on foreign soil without the attendant classical cultural principles that serve them as a balance in the West. This is why globalization impacts equally detrimentally on the socio-cultural principles of non-Western regions and on their economy and environment. It is only in the Far East that we can see examples of apt absorption of Western ideas by traditional Oriental cultures. This success is due not to any self-denial for the sake of all things Western, but rather to a conscious and selective use of those Western achievements that could be combined with local tradition.

 <sup>12</sup> S. Huntington, Kto my? [Who Are We?] (Moscow: Transitkniga, 2004).
 13 H. Marcuse, Odnomerny chelovek [One Dimensional Man] (Moscow: REFL-Book, 1994).

<sup>14</sup> K. N. Leontiev, «Vizantiystvo i slavyanstvo [Byzantinism and Slavdom],» *Izbrannoye* [Selected Works] (Moscow: RA ROG — Moskovsky Rabochiy Publishers, 1993), pp. 19—118.

Characteristically, quasi-Westernization affects most negatively the cultures of the regions that stand civilizationally closest to the West. These are Latin America and post-Soviet Eurasia. For a number of reasons, the latter do not have a solid enough groundwork of their own to resist its penetration. The destructive influence of commercialized quasi-Westernization on Latin American, African and post-Soviet countries is also all the stronger because a large part of their educated classes tend to look at themselves as «almost Westerners».

As we can see, the West-initiated process of globalization makes humankind face qualitatively new and truly global problems in the economic, social, political, demographic, environmental and cultural dimensions. Having occupied the dominant place in the world after the collapse of the Soviet Union, the West is trying to strengthen and secure its position. To that end, it imposes on the rest of mankind those development programs which are primarily profitable for itself, using international financial institutions such as the International Monetary Fund (IMF) and the World Bank. This triggers a reaction by many non-Western nations, which manifests itself not only in the rise of fundamentalism and nationalism in different regions, but also in the phenomenon of regionalism that can be regarded as a natural response of individual, mainly civilizationallyrelated nations to pressure from the US and TNCs. These instances include not only the creation and enlargement of the European Union, but also comparable, if thus far less effective, processes in the Muslim world, Latin America, Southeast Asia and in the former Soviet republics.

There is no room in this article for a detailed analysis of the extent to which Oriental countries, and primarily China, can become a real alternative to the West in the foreseeable future. Many factors, however, make it possible to regard this direction of world development as likely, most decisive of which is the ability of the Confucian-Buddhist, Sino-Far Eastern world successfully to adapt the best Western achievements to their own tradition.

The impression is that in the nearest few decades, two centers of priority development will compete on a global scale: North Atlantic (North America and Europe) and Far Eastern (China and Japan). India and some countries of the Muslim Orient are working on their own, specific forms of synthesis of traditional values and Western achievements. Subsaharan Africa, Latin America and post-Soviet Eurasia find themselves in a more difficult situation—they have not yet embarked on their own effective path toward a post-industrial-information society. It is the single most important goal of non-Western nations to find their own, unique way that would best suit the needs of their civilizational region. But there can be no guarantee of success on that road.

Under globalization, humankind faces a dilemma. One scenario is the creation of a unipolar West-centered world dominated by the US and quasi-Westernization (and, accordingly, exploitation, depletion and cultural leveling) of all other regions, primarily those which are historically closest to the West: Latin America, Sub-Saharan Africa and post-Soviet Eurasia. The second scenario consists of the creation of a multi-polar world and the curbing of Western hegemony (primarily of the US) by the Sino-Far Eastern world and subsequently the countries forming the Muslim Afrasian and Hindi-South Asian civilization system. In this, Russia could play a role, too.

The future will show which of these two scenarios is going to be realized. It seems that the first scenario will dominate in the medium-term perspective, while preconditions for the realization of the second scenario in a long-term perspective will ripen and grow. Each of them, however, is fraught with controversy and trials not less severe than those which humankind went through in the twentieth century.

Recent years have added complexity and acuteness to global transformational processes. Their conceptualization today causes some accents in the understanding of developmental trends to shift.

The nature and behavior of every country is organically linked with its civilizational essence. Furthermore, individual civilizational worlds rather than individual countries are capable of opposing the destructive challenges of the transnational forces of a globalized world. This means that in order to find a productive model of socio-economic development, each country must understand its own socio-cultural groundwork. This has a direct bearing on Ukraine, where the issue of civilizational self-identity remains unresolved.

Under globalization, the world is not so much standardized according to superficially-adopted American specimens as it acquires the form of a polycivilizational structural and functional system, in which individual components may behave differently from others and determine, by virtue of their traditional ideals and values, the future of their nations to a great extent. This concerns Ukraine as well. For this reason understanding our place in the global world system is of theoretical and, even more importantly, practical significance.

Without a doubt, Ukraine is not a «transit», «frontier» or «borderline» area, as some authors write<sup>15</sup>, but basically an organic, western part of the Orthodox-East Slavic civilization, with the reservation that due to well-known historical circumstances its western provinces, which had been part of central European countries such as the Polish-Lithuanian Commonwealth, the Austro-Hungarian Empire, and Poland between the two world wars, are a zone where the Orthodox-East Slavic and the Western European — North American civilizations overlap within the boundaries of the Macro Christian world that is common to both of them.

This conclusion removes the question of whether Ukraine belongs to «Europe» or not as one that was

See I. Lysiak-Rudnytsky, Istorychni ese [Historical Essays], vol. 1, (Kyiv: Osnovy Publishers, 1994), pp.
 1-10; V. Derhachov, Heopolityka [Geopolitics] (Kyiv: Abrys Publishers, 2000), p. 430; O. M. Chernysh, «Tranzytni tsyvilizatsii [Civilizations in Transit],» Praktychna filosofiya [Practical Philosophy] 1:2 (2001): pp. 233—242; V. Tkachenko, O. Reyent, Ukraina: na mezhi tsyvilizatsiy (istoryko-politilogichnia rozvidky) [Ukraine: At the Junction of Civilizations. (Historico-Political Studies)] (Kyiv: Institute of History of the National Academy of Sciences of Ukraine, 1995); V. Kremen, D. Tabachnyk, V. Tkachenko, Ukraina: alternatyva postupu (krytyka istorychnoho dosvidu) [Ukraine: An Alternative to Progress (A Critique of Historical Experience)] (Kyiv: ARC-Ukraine, 1996).

incorrectly posed. Ukraine is undoubtedly an organic part of the Macro Christian world, but within its limits it belongs (together with Belarus and Russia) to the Orthodox-East Slavic rather than the North Atlantic civilization. Its western provinces are exactly where the borderline between these two main components of the Macro Christian world lies. These components are deeply rooted in the civilization structures of the Middle Ages, as represented by the Western Christian and Byzantine-Eastern Christian worlds.

All this makes it possible to better understand our place in the modern world. On the one hand, we stand the closest (even in comparison with Russia) to the West but are not (just like Russia, Belarus, Georgia or Armenia) its constituent part. We have not had a Renaissance and Reformation which, gether with capitalism and rationalism, have shaped the modern Western man. This is why advice by foreign experts and international financial organizations on economic reform should be purposefully adapted to our local conditions, which differ significantly from those in the West, especially in North America. At the same time, we are potentially capable of absorbing Euro-Atlantic achievements more organically than the majority of other countries. We have a long (almost five centuries) experience of such adaptation.

A lopsided orientation toward the West, which has been observed throughout the years of independence and has grown even stronger after the 2004 presidential election, is accounted for by erroneous ideas about our civilizational identity. We are an organic part of the Macro Christian world, but we also have our own civilizational nature and our own interests, which never always coincide with the Western or Russian concepts of our place in the world.

Certainly enough, it is very important to develop mutually profitable economic and other relations with the West in order to obtain technology and funds for our development. Furthermore, even the almost insignificant extent of our involvement in Western European structures today means that the international community has at least some leverage on

the observance by Ukrainian authorities of human rights and those of ethnic and religious minorities. The West is going to remain an example for us yet for some time to come. However, even the best of its achievements should be adapted to local sociocultural conditions. This can only be done purposefully, using relevant institutional mechanisms.

The Nobel Prizewinning scholar D. North defines institutions as rules of the game in society, or, more precisely, as man-imposed restrictions to channel human cooperation into a certain direction. According to him, all institutions have three dimensions: formal rules, informal rules, and procedures of their execution. He reasonably points out that whereas formal rules even in the most advanced nations comprise but a small (although very important) part of the mass of such restrictions, informal rules exist throughout human society. Whereas formal rules can be changed by one swift purposeful effort (introduced as they are in the interest of those who has enough power to generate new rules), informal rules change very slowly and spontaneously, leaving a historical heritage that may be desirable or not. The results of purposeful institutional change depend on the mode of its introduction, which in turn is determined by the entire socio-cultural system of the given society. Depending on the culture of this or that society, the introduction of one and the same set of rules may lead to diametrically opposing results: development in a direction that is favorfor reformers; reduction towards previous forms; or freak social experiments.

The educated circles of most countries tend to think that the norm and the optimal form of an institutional system capable of ensuring an efficient economy and a high quality of life, civil society and rule of law, as well as guaranteed movement toward a modern information-age civilization in the context of globalization processes is precisely the institutional system that has established itself in Western countries. In accordance with that belief,

<sup>&</sup>lt;sup>16</sup> D. North, Instytutsii, instytutsiyna zmina ta funktsionuvannya ekonomiky [Institutions, Institutional Change and the Functioning of Economy] (Kyiv: Osnovy Publishers, 2000).

reforms have been conducted in many countries throughout several decades — with the active participation of Western powers and the predominantly Western, by origin and character, international financial organizations. The consequences in different regions were strikingly different too: from a rapid rise in Japan, South Korea, Taiwan, Singapore and Southeast Asia at large, then mainland China and more recently India, to a systemic degradation of Sub-Saharan Africa (except for the Republic of South Africa) and the former Soviet republics (with the exception of the Baltic states), with the leading countries of Latin America, North Africa, the Near and Middle East mainly marking time — with periodic ups and downs.

According to Yu. M. Pakhomov,  $^{17}$  world experience shows that mechanical transplantation of Western principles of organizing economic life onto non-Western civilization soil leads to negative consequences everywhere and without exception. Graphic examples are provided by the absolute majority of African, Latin American and post-Soviet countries. Only those countries are successful whose governments consistently adapt elements of Western institutions, rather than the Western institutional system as such, to their own civilizational conditions, synthesizing and modernizing their traditional civilizational institutions through the adaptation of a number of those Western phenomena and achievements which not only are recognized as useful but also can be adapted and absorbed by that particular environment. No matter which area we may look at, an indispensable prerequisite for this is the ability effectively to combine local and borrowed elements based on adapting the latter to the former. The best examples are provided by Japan with other Far Eastern «tigers» and China. Other necessary conditions of success on this path include the strength and efficiency of the state and the people's confidence in the government and the path it has chosen. This last condition is only possible when the chosen path is

<sup>&</sup>lt;sup>17</sup> Yu. N. Pakhomov, S. B. Krymskiy, Yu. V. Pavlenko, *Puti i pereputya sovremennoi tsivilizatsiyi* [Roads and Crossroads of Modern Civilization] (Kyiv: Charitable Foundation International Business Center, 1998), pp. 390—442.

in line and not in conflict with the basic sociocultural principles, mentality and values of the given society and graphically demonstrates its advantages for the ordinary citizen.

All conditions being equal, wherever society and the state reach a consensus on and obtain a synthesis of their own formal and informal institutions (as an aspect of their civilization that has crystallized over centuries) with institutional innovations of primarily Western origin, they score a success. And just the opposite, transformations are doomed to failure wherever a consensus between society and the State is missing and the authorities (in a broader sense, the ruling classes) mechanically, and more than not by brutal force, attempt to fit historical institutions into the Procrustean bed of newly chosen patterns.

Therefore, perhaps the main problem of any reform, and more often than not the reform of the economy, is the seminal development and consistent, planned introduction by a strong enough government of a long-term program based on the adaptation of desirable institutional change (the introduction of adequate formal rules) to currently effective formal and, even more importantly, informal institutions that have taken centuries to evolve and are part and parcel, whether we like it or not, of the country's civilizational makeup and socio-economic and socio-cultural life.

## Conclusion

The above considerations make it possible to draw the following conclusions:

1. The essence of globalization is the evolution of humankind into a single structural and functional system. The world is increasingly governed by global regularities and tendencies whose character is chiefly determined by the interests and capabilities of a limited number of the most powerful countries and transnational corporations. This is why the main (and growing) contradiction of globalization is that between the group of the most advanced Western pow-

ers and the rest of humankind that is experiencing exploitation (mainly through inadequate exchange) on the part of the world leaders and, by an large, is falling behind them at an increasing rate. This contradiction has many aspects, among which we can single out the following: information/technological, economic, social, political, demographic, environmental and cultural.

- 2. World domination by the West and primarily the United States manifests itself whereby Western conceptions, principles of governance, legal norms and stereotypes of activity and behavior, among them those in the sphere of the economy, are imposed on the rest of nations and civilizations. These innovations more often than not conflict with traditional ideals, values and motivations, either destroying them or forming a contradictory and hardly viable symbiosis with them, as can be observed in Africa, Latin America or in the former Soviet republics. Furthermore, the imposition of Western values and forms of activity on non-Western societies causes their outright rejection and the growth of anti-Western sentiments, as is the case with the Muslim world today. The conflict between traditional, largely informal institutions and the formal and rational institutions of Western origin that are being transplanted onto foreign soil gives rise to crises and destruction in all spheres of life.
- 3. It takes selective and purposeful adaptation to local mentality, culture, values, conditions and behavioral stereotypes to ensure a productive adoption of Western achievements by other civilizations. In each particular case, this calls for a clear understanding by the nation of its civilizational groundwork and ethno-cultural distinctions. Positive examples of this approach are Japan, South Korea and China countries which are forming the second civilizational center of priority development in the world, the West so far retaining its dominant position.

Therefore, a better understanding by Ukraine of its civilizational identity and place in a globalized world should make it easier for her to develop an optimal model of socio-economic development. This

is why further research into problems of globalization and civilizational change seems very important, as it is of great theoretical and top priority practical (economic) significance.

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