
**THE DIALECTICS OF MODERNITY.
A THEORETICAL INTERPRETATION OF GLOBALIZATION**

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Globalization is the most extended theoretical framework of the interpretation of the present. It is a high-level theoretical generalization, and at the same time also an empirical reality anyone can experience. One of the most important and also the most difficult fields of the social-philosophical research of globalization is the continual way its functional and non-functional elements and moments are interconnected, like the cogs of a machinery. Globalization consists, on the one hand, of global functioning systems (in the more or less exact system-theoretical sense of the word). What is really global, is functional. What is really functional, is global. It is important to understand the real causal problematic in the coexistence of globalization and modern nation state. First, we should see what we mostly do not realize. We were and are living in a concrete form of the modern state which controlled almost the whole social reproduction and specially the reproduction of social capital. We must understand, it does not depend on a special historical form of the modern state. The modern etatism is a much broader phenomenon than totalitarianism or welfare state. This modern etatism was based on state property and on the taxes. The whole process of history consists of a consistent line in which modern etatism step for step acquires the control over social reproduction (education, public health, etc.). It means that modern societies (in theoretical sense) reproduced themselves almost totally through the modern etatism. Globalization is not genuinely directed against modern etatism, but it changes radically the circumstances in which the modern state functions. And because the whole process of social reproduction was mediated by the modern etatism, the states are the losers in this process. They took over the responsibility for the whole social reproduction, but because of the global integration of great functional systems and markets they were no more capable of the fulfilling there responsibilities. This is the historical moment of state indebtedness of our days.

Keywords: *globalization, etatism, functional systems, non-functional relations, social capital, state debt, monetarism, neoliberalism, post-communism, post-modernism, post-material values.*

Globalization is a field which concerns everyone, and humanity in general in new qualitative and existential ways. In this sense, the legitimate fields of globalization are for example, the issues of ecology, raw materials, migration, global health problems, global positive or negative tendencies of population, energy, arms trading, the drug crisis, or dilemmas of integration and world economy. There is another significant aspect of globalization as well – and this is the focus of our present work – which does not limit

the problems and phenomena of globalization to 'global issues' but examines structural and functional connections of the whole new global situation.

Globalization has manifested throughout the history of the 20th century as radical and irrevocable transformations in history and society. Globalization *before* the 20th century, such as for example the invention and expansion of the telegraph which enabled opportunities of global communication and action, resulted in immeasurable effects on international politics and finance. The correct interpretation of the history of globalization is of especial importance for scientific and other research, because it might distract scientific and everyday consciousness from the intellectual course according to which every generation, every decade, every world-political turn, or significant step in civilization is the proper victory of globalization over a 'not-yet-globalized' preceding state.

The above thoughts nevertheless do not contradict our starting thesis that says the world-historical turn of 1989 is a unique and *outstanding stage* in the evolution of globalization. The primary cause of which is that up to 1989, the mere existence of the two world regimes restricted the process of globalization.

When analysing the great mutation of globalization in 1989, we must understand that globalization and Existing Socialism have influenced one another *mutually* right from the beginning. For it was not only that the dynamic forces of globalization shattered the Iron Curtain with increasing violence but in addition, as members of the elite of Existing Socialism became increasingly anxious as the achievements of globalization gathered pace they felt that they would irrevocably fall behind if they did not participate in these processes.

The image of globalization appears both for the everyday consciousness and the intelligentsia as *a new system of power and domination*. Hence it is not a coincidence that those who took the first signs of globalization with the least enthusiasm were the ones who possess some kind of concrete and real power (which of course was not considered 'global'). Yet *the real model of globalization* is fundamentally different from these visions. Globalization is not a new, rigid and utopian structure of (global) power most of all, but economic, political, cultural and social processes that can only take place within the framework of global reality. This is not an abstract and unintelligible new system of power and dependence, but *a new world with a new kind of functioning*, a world that is not simply 'multi-polar', but infinitely polarized (Kiss 1997).

Real globalization creates new social states of affairs in every aspect. *The access to the ocean of globalization is at stake in the fight between subject and subject, subject and group, group and group, or smaller and larger groups* (Idem 2002b; Schmied-Kowarzik 2002). The structuring power of globalization penetrates *all strata* of social life.

The New Coexistence of Functional and Non-functional

One of the most important and complex fields of the social-philosophical research of globalization is the continual way its *functional and non-functional elements* and moments are interconnected, like the cogs of a machine. The more the global processes fulfil their global character, the more obviously they feature 'clearly' functional characteristics in their operations (Luhmann 1973). For example, the more obviously 'global' the structure of world economy gets, the more clearly do the functional theoretical definitions prevail. From a theoretical aspect, functional and non-functional elements are *heterogeneous*, but from a practical aspect, they fit into one another in an organic and *homogeneous* manner.

Globalization is therefore neither a new yet unknown centre of power, nor a world-government, but is a qualitatively new system of the relations of all actors. One of its specific traits is the possibility of the access it affords to global processes and networks in a rather 'democratic' way. The criteria of *access* and *accessibility* are fundamental phenomena of globalization. They are also where we can find the weakest points of globalization. Globalization demolishes differences and limits by ensuring *in principle* total accessibility. In this sense it is therefore 'democratic': the participation in global processes could even create a new concept of 'equality'. Globalization that is built from elements of discrimination in its dynamic progress would be a contradiction not only in a theoretical, but in a practical sense as well. The world-historical balance of globalization should prevail in this connection. *This balance will depend on the final proportions between the democracy moreover, the equality of accessibility, and the discriminative moments, i.e. the self-destructive real social processes in the field of the forces of these two tendencies.*

On the *one side* of the coin globalization establishes new relations in a qualitative and manifold sense. A qualitatively new character of relations is made up by the fact that the mediums and strata that used to separate the individual from global affairs drop away as the individual is able to access the multi-faceted communication of global networks directly, just like any other actor. On the *other side* of this coin is the question of whether there will evolve *really* new resources on the side of globalization, which will be able to meet the increasing demands that accessibility generates. As globalization grows it increases the demand for resources, but to a much smaller extent than the possible 'amount of resources' required by the world of more and more immediate accessibility. The failure of access requirements critically deforms the well-built system of global networks. Such as for example, the kind of mass-communication that offers a wide variety of TV-channels, while failing to increase the quality of 'resources' of entertainment and culture – as accessibility grows all it can offer to meet the increasing demand is low-standard programs.

Understanding the reality of globalization and its functional (sub)systems is an exceptional challenge for human *everyday consciousness* (see Lefebvre 1972). The representation of global reality is an 'extensive' task for social actors and secondly, it is a '*qualitative*' task to represent the new functional and abstract qualities of globalization in the *per definitionem* non-functional and non-abstract dimensions of the social and political communication. Globalization *as a whole*, as a new world order, or a system of new structural relations cannot appear in the global flow of information the same way particular global problems (*e.g.*, the drug issue) do.

The problem of decoding the new codes also divides society according to the capacity to 'decode'. For 'decoding' can be interpreted as developing a capacity to 'access' the processes of globalization to some extent, *i.e.* a capacity to use the opportunities information systems offer. At this point, the situation of information systems is exactly like that of modern art at the time when modern functional systems appeared. Bertolt Brecht expressed this phenomenon with the example of a photo of the exterior of the AEG building that shows nothing of the endless diverse functions and processes that take place inside the building.

Shaping the Spatial and Temporal Structure of Globalization

Globalization is the most extensive framework of the interpretation of the present. It is a high-level theoretical generalization, and at the same time also an empirical reality anyone can experience. *Re-thinking the problem of historical space and time might be an objective measure of progression* (Kaempfer 2005).

This new, threefold aspect also possesses a *coercive* discursive-logical force. For in evolutionary systems theory, the total absence of *coercive power* and coherence in each particular connection and statement was really relevant. *'Reality', 'future', and 'progress' do not lie in the intellectually risky cognition of new and unknown facts, but simply in tautologically forcing the evolutionary systems theory upon certain facts or phenomena.*

Many traits of the phenomenon of globalization, but most of its whole *actorial* structure are the reason why this extremely coercive and coherent theory and logic have to face the *significant contingency* of future processes, *the strongly limited opportunities of real foresight*, and the *extraordinary measures of some relevant degrees of real existing actorial freedom.*

The present is a mixture of the spacetime relations of (global) structures, and the spacetime relations of actors. Therefore the society of globalization in its theoretical and abstract form does not fit into the heuristic space of the traditional theories of democracy or bureaucracy, or even traditional social issues any more. It is a shift in the structure of spacetime. As for example, neither the principle, nor the representations of the liberal and democratic political structure suffer any harm by the fact that both the power of the creation of simultaneity and the possibility of unlimited spatial relocation lead to a devaluation of all spatial factors, or a higher value of all factors that possesses the power to create total simultaneity in time or perpetual spatial movement that also converges to simultaneity. *Globalization is the final, dynamic form of the (social) temporalization of (social) space.*

Neither the traditional, nor the new problem of historical-social spacetime can be solved by the analogy of sciences. And beside the traditional concepts of space and time, new concepts appear as well, which are becoming increasingly decisive for aspects of globalization.

A New Model of Theory Building

This paper does not intend to make an ontological judgement on the true character of reality. It proposes a new kind of reality as one of an 'uncertain' character (after Heisenberg), but accepting in addition attributes like 'chaotic', 'non-linear', or even 'soft'. Our actual propositions will not be directly determined by these theoretical considerations, as the functional systems of globalization, their dynamic structures and spacetime relations, and most of all, the measure of the latitude of the 'actors' gives a sufficient positive explanation in defining this quality of 'uncertainty'.

Globalization raises a row of alternatives, all of which need to be interpreted, on the field of *ideology as well as the state, society, and culture.* From the aspect of the theory of science, the theory of globalization is a theory of society, and no matter how many unprecedented new definitions are on the phenomenon of globalization, it is neither necessary, nor possible to create a new theoretical model for any of them.

As we have seen, globalization is neither a new and unknown centre of power, nor a world government, but a qualitatively new system of the relations of every actor. *The relationship of the East and the West changes in the globalized world-society;*

the roles of debtors and creditors, winners and losers get interwoven in this new world order that is based upon new interdependencies. In respect of social capital, it should be noted that there is a tendency to a 'downward spiral', induced by globalization resulting in the types of social capital that society invests in individuals reduces both in quality and quantity. This is mainly the consequence of the crisis of the public sphere. A remedy for this problem could be a rightly interpreted knowledge society.

The fall of Existing Socialism put the neo-liberal complex of politics and economy in a hegemonic position, and this led to the theoretically *illegitimate identification of neo-liberalism and liberalism.*

The structural and functional characteristics of the global world are being definitively shaped by this *neo-liberal complex.* In this context, Anthony Giddens' and Tony Blair's Third Way appears as the unequal relation between neo-liberalism and social democracy.

Post-Modernism and Neo-Liberalism

Globalization is occurring in a universe of *post-modern values* (Kiss 2002a). We do not attempt to define the main characteristics of post-modernism in contrast to modernism. This paper does not support the widespread view of the contrast of modernism and post-modernism, because we firmly believe that the essence of post-modernism can be revealed alone in its relations to structuralism and neo-Marxism. These two streams were emblematic of the philosophy of the sixties. Sometimes they amplified one another, and sometimes were polemic with each other. By the mid-seventies, neo-Marxism ceased to exist as abruptly as a natural disaster, and around that time, the failure of structuralism was also apparent.

As post-modernism was born on the ruins of neo-Marxism and structuralism, it took over the achievements, but at the same time also dismissed their positive aspirations for intellectual reconstruction. Therefore, post-modernism can be seen to be the discourse of cognition without an intention of intellectual reconstruction.

Post-modernism is however not the only hegemonic stream (now in a narrower, *also philosophical sense*) nowadays (Meier 1990; Kiss 2003). With the fall of neo-Marxism, *the neo-liberal-neo-positivistic philosophical methodology got into a strategically decisive position in politics as well as in economy and philosophical methodology* (see Popper 1979) Today's philosophy therefore is under the twofold hegemony of post-modernism and neo-liberalism-neo-positivism. The most important *symmetry*-relation between these two streams is the attempt to re-regulate the whole process of thinking by recognition and object constitution. Their heuristic strategies are opposite to one another: neo-liberalism-neo-positivism sets reductionist verification as its chief requirement, while post-modernism makes verification legitimate. However, these two streams have one more thing in common: both the limitation of the scope of the rules of philosophical verification and its total elimination were realized not through power-free inter-subjective discourses, but through the medium of interpersonal power.

There is a simple but so far neglected, although quite decisive fact, namely that *the launch of the processes of globalization and the change of post-communist regime took place practically at the same time.* In our opinion this is not a coincidence, but that there is a manifold relation behind this simultaneity.

New Semantics for Identity and Difference

Another important element of the new order of international politics (the ‘new world order’) is the new interpretation of ‘identity’ and ‘difference’. By 1989, the logic of neo-liberal identity and difference exchanged the basic semantics of identity and difference of socialism, as well as those of Christianity. This means *that neither the solidarity of socialism, nor the brotherly love of Christianity can diminish the brutal power of difference*. Neo-liberal identity consists in nothing else but the unconditioned respect and guarantee of the freedom and the rights of the individual (which rights might become merely formal at a certain extent of social differences). In such cases, *difference is not a mere difference, value, or ideology, but it might even become an essential feature of social existence*.

The exceptional importance of the difference-moment resides in the fact that in our age, a divided world has been replaced by a unipolar one. While in the divided world, difference was founded by hidden identity, the concrete contents of the neo-liberal equality of human rights are ensured by unreconciled differences. *The power of difference is the final character of difference, and its absolute measure*. The power of difference over identity establishes rigid and static states of affairs. If the measure of difference exceeds a certain extent, the dimensions of mediation are eliminated therefore the two poles of the difference-relation cannot get into interaction with each other. *The total freedom of every actor and a system of rigid oppositions inapt for communication* – this duality is the most important one of the problems that binds the present to the future.

The Bias of Self-Destruction

The end of the Soviet World Regime, as a superpower and an ideology, became not only a *decisive*, but also an *irrevocable fact* of today's universal history (Meyer 1993). As *ultima ratio*, it might appear in a different hue in different interpretations of historical eras. However, its self-evident final world-historical value could hardly be traced back to any other process. Although this concrete fact of the end of history has not yet lost its universal quality, it seems like this macroscopic, Gorbachevian ‘end of history’ (Kojève 1947; Fukuyama 1992) itself is a part of a higher and also universal transformation process. With the end of the divided world, which took place in the blink of an eye, disappeared all ideological bias. At the same time, a new vision emerged: *the vision of a self-destructive society*.

The Gorbachevian ‘end of history’ blasted the ‘moment of truth’ in the society of Existing Socialism. But it is also a cosmic and colossally ironic gesture, a ruse of reason (*List der Vernunft*), that this moment of truth became a reality for Western societies as well. As the Great Enemy bade farewell, the self-image of Western society was also removed from its overall determining framework of *bipolarity*, which had provided the Western part of the world with a position of comfortable and unchallenged superiority before.

A fundamental tendency of a self-destructive society is the extent of state debt that makes it impossible for the economy to catch up – even under the most favourable economical growth. *Achilles cannot pass the turtle*. The self-destructive society is therefore a society that is unable to maintain a highly developed level of welfare as might be expected by a civilized state. Although initially a question of budget and economy is not ultimately simply a question of the economy.

Even a bankrupt economy is not necessarily self-destructive whereas bankrupt institutions that used to be supported by the state are necessarily self-destructive. Therefore

the fundamental problem of the self-destructive society is not simply an economic one. *The state debt is not equal with economic recession.* The self-identity of a state, society and citizen is seriously questioned from this aspect. Therefore a state, society, or citizen either does not have an opportunity to materialize all-human values, nor are they even bound to use up, or even directly destroy these values.

The self-destructive society is a new and extensive reality. The 'West', the developed part of the world should be considered as the winner of Gorbachev's farewell and it drew profit from the global transformation of world economy. On the other hand, even this 'West' has had to struggle against the consequences of self-destructive society, because of the growing importance of the debt challenge. At the same point in time, the former 'second' world did not get the financial support it needed to establish its new political democracy and new competitive market economy. At the same period, the old or new 'third' world reached the bottom as evidenced by mass migration and poverty (de Bernard 2002). In this 'post-historical' history, a new question has arisen: can the politically hegemonic liberalism *as liberalism* break away from the downward-circling spiral of self-destructive society?

The Double Function of the Post-Socialist Transformation

The states and societies of the former 'real socialist' part of the world had to solve several, not only different, but fundamentally antagonistic problems. First, they had to evolve a real and reliable democratic political system, with all known problems of this 'project'. Second, these states and societies had to take successful and effective measures to reduce or even gradually bridge the critically deepening economic and humanitarian gaps between the West and the East by shaping their own competitive economy on the basis of the self-destructive society. These two, in the main antagonistic tasks have been calling for an international and conscious solution right from the start. The all-time western partners have clearly stated that they did *not* want to think in terms of such a solution. In the post-socialistic societies however, these two huge projects (building up a democracy that works, and handling the problem of state debt) are the requirements of an international and conscious solution.

This antagonistic relation *fundamentally re-shapes and reevaluates even the basic functions of post-socialist democracy.* Such a democracy cannot realize the ideal type of the democratic system. So it becomes the most important function of the post-socialistic democracy to *bail out* the economic heritage of 'Real Socialism'. It becomes the real function of post-socialist democracy in the circumstances given, to manage the whole debt problem of former Existing/Real Socialism. Post-socialist democracy loses its privileged and singularly fortunate character of a general liberation and unveils its extraordinary character. Right after this democracy was born to success, it could get into a *Weimar type* crisis; a row of political crises caused by the failing bailout, or – on the contrary – huge humanitarian shocks following successful bailouts.

The two simultaneous and in many aspects antagonistic functions of post-socialistic democracy, clash sharply in relation to the term *legitimacy*. Post-socialistic democracy – as every post-totalitarian democracy – is one of the most legitimate political structures right from the beginning. But it would be foolish to think that *the actual reality that follows from the bailout function of democracy would not have any influence on the legitimacy of the same democracy.* In this tension, two concepts of legitimacy turn against one another, *i.e.* the (immaculate) classical *political-theoretical* concept of legitimacy and the (deficient) *practical problem-solving* legitimacy.

Globalization and Politics as a Subsystem

Any research of actual society is starting out from totally new and unprecedented universal characteristics of *globalization*. *On the other side, the concrete appearance of global everyday life stands contrary to the still unmapped significance and magnitude of these unprecedented new traits* (Mazur and Chumakov 2003). This vast distance between a holistic and theoretical approach and the microscopic and particular everyday practice creates a specific space of theory and practice.

In this framework, it would be necessary to analyze also the actual relationship of *globalization and politics*. But we are excused from this task by the fact that politics, the political subsystem, and political classes slowly seem to find their proper new places in the world of globalization (and the new world economy).

The double face of democracy becomes a fundamental issue of globalization. On the one hand, this is commonly *functional* and *structural* because global operations can (could) only evolve and operate on the basis of democratic liberalism or liberal democracy. *In this sense, liberal democracy is the 'modus vivendi' of globalization*. But, on the other hand, its functional and structural foundation shall not make us forget the immanent and original *value components* of liberal democracy, which used to ensure exceptionally strong legitimacy for the political system even before the functional and structural dimensions were developed or even reflected completely. The fundamentally democratic character of the political face of globalization expanded into yet unclear new functions. *Democratic values left the realm of founding values and became pragmatic and constructive components of concrete structures and functions*.

If we define liberal democracy by the aspect that the party that wins the elections controls the operation of state administration and redistribution for a cycle, we can clearly realize a new trend of modern democracies. Possessing the totality of state power means power of a smaller extent and a narrower scope of action than before globalization. The dimension of political power is smaller, yet the role it plays in answering global challenges is more important than before. A state in the hands of the ruling political party can no more possess instruments of production, neither does it produce. It redistributes the taxes of other producers and it tries to fulfil its tasks that no other player was willing to undertake. But the expanding demands and pretensions of insatiable individuals and groups stand (both absolutely and relatively) contrary to the weakening power and competence of the state.

The present model of the world should be considered as *the mature form of globalization*. Its decisive trait is the phenomenon of *state debt*, which fundamentally defines the economic and political framework of globalization for the societies and for human life. This is a general model, in which the extensive process of accession to the EU is taking place. These multiple functions illustrate that *even the lack of a theory has its own victims*.

The most important characteristics of the theoretical starting situation created by globalization can be fully examined at this conflict. The demolition of the welfare state does not basically appear as an economic or political problem in this discourse (although it might still be controversial in this context as well), but as a humanitarian, modern, cultural, and society-building factor. The context of globalization does not erase the validity (*Gültigkeit*) of the individual subsystems, but it positions new, general and painfully concrete 'global', *i.e.* general and universal contexts above their rationality.

Therefore one of the great challenges of the future is the relationship between globalization and the nation state. The great problematic dimension for the future (and

the many questions to be decided) springs from the fact that *the state is not a neutral actor that can be characterized solely by functional characteristics*, but since the modern state after 1945 (or even already after Louis Bonaparte or Bismarck!) undertook social tasks and the challenges of the civilization to the extreme totally unknown before. These tasks could only be lifted from the bonds of the indebted state shattered by the processes of globalization by destroying huge 'areas' in the social network. The states are the losers in this process. But there is also another tendency, the first stark signs already apparent in today's global and European processes. There are namely also fortunate (nation) states, which could use the achievements of globalization and even integration to *realize their original ends and pretensions as nation states*, or even their long forgotten aspirations to expand as nation states. *They use European resources for national goals*. These nation states are already the winners of the expansion of the EU in multiple aspects, which can also be interpreted as a process of globalization.

The problem of the systemic difference of the political sphere (das Politische) and economy shows also the new quality of globalization. It is a question of theory of systems (*Systemtheorie*). If we examined the phenomena solely from one (political) or another (economical) viewpoint, we would not get to any particular conclusion. In this case we would make the new complexes of present phenomena – shaped by globalization – the subject of a past, pre-globalization kind of language and reconstruction. Instead of using a language the new complexes would require, both one-sided approaches (economical or political discourse) would use the language of (exceeded and suspending) normality. If we used the traditional *political* terminology as the medium of the inquiry of globalization, we would get to one of the idyllic normalities. It would emanate from the vision of the victory of liberal values, and the worldwide spread of the democratic order. However, if we used the traditional *economic* terminology, the image of the globalizing world might no longer seem so idyllic, nor 'normal'. *All details, aspects and dimensions of the economic and political qualities of globalization can be described by the language of normality – except for the fact of globalization itself*. And it is so, because the philosophical difference between the self-destructive character of globalization and the affirmative character of the language of normality.

The specific problem of the reconstruction of the *micro-level* of globalization is that while anyone can sense and understand this micro-level directly, one can only acquire models and patterns that make a well-known micro-level recognizable as the *micro-level of globalization*. There is a set of phenomena, which could be characterized as the micro-sphere of globalization, but its specific micro-sphere can be identified as part of globalization just after a whole interpretation of the macro- and medium levels of globalization.

It is the medium sphere that occupies a privileged position in the theoretical reconstruction of globalization. The medium sphere does not simply show a new side of the phenomenon of globalization, but it shows its most relevant new side, because globalization appears in this environment as the decisive determining factor of the whole social life. On this level the new functional systems of globalization broadly confront real social life. It is the virtual, but also physical area, *of which system-theoretical functioning penetrates historical frameworks of non-functional nature, like values, contracts or tradition*. As defined earlier, globalization is a state of exceeding a critical mass of functionally operating systems. Now we can understand why the most dramatic confrontation takes place in the medium sphere, for it is here that the *functional sphere overlaps the non-functional sphere*.

In the philosophical tradition, the semantics of all decisive terms of political philosophy and political practice was shaped when the real existing political subsystem was identical with the matters of social theories in general. *In globalization qualified by functional operation and no more solely by (non-functional, therefore system-theoretically different) politics, the real existing political subsystem is no more identical with the matters of general social theory.* What about the theory of Social Contract or the original Human Rights in a situation where the unconditional respect towards them remains, but at the same time, in the real conditions of global monetarism, these rights are obviously violated, while nobody can be made responsible for them either morally or politically!

On this decisive medium-level of globalization, the relative *devaluation of the political subsystem* leads to the revealing of so far *hidden genealogical dimensions*. Who on Earth knew that Marxism that started to decline critically after the 1970–80s, was still carrying a considerable measure of humanitarian and utopian potential? Who on earth knew that it was the framework of the nation state that secretly carried the functions of the welfare state? Who knew that it did it in such a self-evident way that as soon as the nation states shattered financially, the whole future of the institutional framework of social politics shattered? Thus the relative devaluation of the political subsystem has already shown that *the collapse of the political sphere also means the devaluation of 'society'* in its shaping of the most important relations (Zakaria, Shattuck, and Plattner 1998). Moreover, there are some signs that indicate that *the collapse of the political sphere might even lead to the devaluation of mankind.*

The relative weakening if not a decline of the system of politics – despite the naïve expectations – will not liberate the society from the conventional organization power and the repression of the state. This is because it is another decisive consequence of globalization-monetarism that the economy, like several other subsystems, can escape from the legal interventions of the state critically impoverished by the omnipresent networks of common debt (Ehrke 2004). On the one hand, the impoverished state will no more be able to control the function of the subsystems within its territory. On the other hand, paradoxically, it must use all of its energies to control the functions of existence and reproduction which it can no more influence.

Globalization and Modernization

The socio-theoretical concept of *globalization* does not mean a new, rigid structure of (world) power, but *a new framework and context of social action*, in which economy, politics, culture, and all other actors of society are shaping their relations in a new and unprecedented global context.

The decisive processes of globalization are part of the development of modern rationalism. Rationalization, Max Weber's 'disenchantment of the world' (*Entzauberung der Welt*) or even the 'Dialectics of Enlightenment' must appear in a new context. All critiques of modern rationality were stated because of emancipation that had not taken place, although its necessity was increasingly parallel with the progress of rationalization. *The omission of emancipation might put the process of rationalization and globalization into a critical danger.*

The relation to modernity in a historical-philosophical sense is decisive not only from the aspect of potential enemies and enemy images. In a positive sense, it is decisive because *in several important aspects, globalization, which in fact sprung out from the soil of modernity intends to eliminate the so far most important achievements of modernity as well.*

The downward spiral of social capital is also a consequence of this concrete structure of globalization. And because this phenomenon is a consequence of globalization, it is global as well. We are not trying to ignore the numerous impressive 'successful stories' of globalization. We are proposing that the actual structural characteristics of globalization as the cause of the *upward* spiral of great accomplishments of civilisations and the *downward* spiral of social capital for social reproduction do not cross each other. The knowledge component operating in modern production is a part of a broader concept of knowledge capital, while social capital, which is invested in successive generations, does not reproduce itself on the level of human civilization. This also means that *the future shall become the field of the new battle of (global) civilization and (social) barbarism*, even if none of the definitions of these terms will remind us of the concepts of civilization or barbarism that have occurred in history so far (Elias 1976).

The fundamental rise of modern rationality cannot be reconstructed without a historical analysis of emancipation. Rationality, 'disenchantment' (*Entzauberung*), 'the Dialectics of Enlightenment' must appear in a new context. Thus the phenomenon and the issue of emancipation must appear in the historical and philosophical discourse of the 'farewell to the myths' as well. This refers to liberalism as a political concept on a theoretical level and the concretization and manifestation of modern rationality.

Modern liberalism is the political face of *modern rationality*. The *indifference towards various issues of emancipation was the great failure of liberal politics*. As an integrating political concept, it should have integrated the immanent and necessary moments of emancipation in its modern rationality. Instead of having done that, the present neo-liberalism even protests against issues of emancipation in its indifference and ignorance. The lack of emancipation might thrust the whole process of rationalization into a critical danger.

The global world represents the basic dimensions of the problem of universal values. Its political and social triumph is due to the worldwide victory of neo-liberalism that is based on human rights, and of which values it had become universal in a most evident and seemingly natural manner. The functioning new world order embodies universal real dimensions, and it does it in the trivial existentially bounded (*seinsverbunden*) manner of facticity.

The classically new basic situation, *i.e.* the 'universality of particularities', the process of every individual and group becoming a global actor is in a sharply antagonistic position to the rule of universal values. Without a doubt, it is a *grave new contradiction* of today's globalization that this omnipresence of particular universalism makes *the global pretension of particular interests* a horrible near danger. This fundamental contradiction is also paradoxical: in a global world that is being constituted by universal values that embody universal operation, every particular individual might evidently become an actor. But such dialectic of transformation to independent and monadic actors might become self-destructive. It is because globalization is only capable of regulating the rules of vindicating particular interests to a limited extent. A new historical era of 'wars of every man, against every man' might start.

Liberalism and Monetarism

In the 1970s and 1980s re-shaped liberal ideas were defined by special political and ideological characteristics. Existing Socialism was in defensive, and it could not find its proper place among the co-ordinates of a new, already globalizing reality. It was the Re-

al Socialism that shaped the whole political, social and also the hermeneutical horizon, ahead of which classical, human rights-based liberalism and monetarist restriction could and *did* appear as two essentially connected consequences of one and the same theory. *It was namely the 'order' of Existing Socialism itself, in which the 'neo-liberalism' of the critique of state redistribution did not differ from the human rights idealism of classical liberalism!* Before the horizon of Existing Socialism, the really 'liberal' description of modern market economy seemed to be fully isomorphic with its 'monetarist' description, which new isomorphism accepted an existing political and economic state (*i.e.* monetarist restriction) of the continually existing Western capitalism (apprehended from the embedded anti-totalitarian perspective) as 'liberalism'. On such a hermeneutical basis, the actual politics of monetarist economy was called 'liberalism' *as an opposite of both Existing Socialism and the Western-type redistribution.*

Therefore, the statement 'liberalism = monetarism' is not only a wrong use of terminology, but it is extremely harmful and misleading as well (Kiss 1999). The economic policy of monetarist restriction was introduced first in England, then in the United States, actually by conservative politicians and parties, as a response to the *Keynesian* policy that was considered in another sense too 'liberal' at that time. Considering Margaret Thatcher or Ronald Reagan 'liberal' from any real aspect of liberalism would be, indeed, quite an absurd assumption. By this, again, we arrive at the fact that the complexity of monetarist restriction is essentially incompatible with any basic vision of liberalism.

In a global context, by monetarism we mean the uniform fundamental complex of today's political and fiscal order. It entails the international order of both inwards and outwards indebted states, in which the policy of monetarist restriction prevails both internationally and in the framework of the nation state. This is the complex that we shall further call 'monetarism', independent from the strongly differing and various views as to whether state of indebtedness is only temporary or not. In international political and economic terminology, there is no other special term for this extensive ruling *global* economic system. It is evident from the fact that even other important actors consider today's world economy and the system of world politics to be bound to it 'normality'. While it cuts back social functions of the state (including several functions that had been a *taboo* before), it strengthens the state's debt-managing forced functions (what is totally anti-liberal), radically redefining politics that had been intact and in the most important sphere of society the earlier vision of liberalism.

Monetarism makes – in a functional and system-theoretical sense – a theatre out of the central political environment that should have been the central subsystem from the aspect of political liberalism. It thrusts the whole system of politics towards programmed failure. The other reason why monetarism is not liberalism is that at certain points of the financial system, it makes regulating and conscious (*state*) intervention possible even into the seemingly most spontaneous processes. It is not only against its own ideology, but it even contradicts its own deeper definition as a system of a *free play of free forces*.

Within the framework of Existing Socialism, the indebtedness of the state meant necessarily increasing personal freedom – it is no wonder that so many things were considered progressive under the captivity of Existing Socialism. Hungarian financial policy, for example, could manage to take new credits in whatever world political or world economical context, ideological course, or in case of emergency. Meanwhile, the Hungarian political class was obviously less resourceful (and what is more important, less successful) at elabo-

rating a concept to mobilize the productive powers of society. Therefore, there was a point when the row of credits as a supposed starting point of future constructive economical processes inevitably turned to a destructive phase. But even past the critical point, neither economists, nor politicians could manage to get the economy off the forced course of this vicious circle. Moreover, in the meanwhile, an insightful outsider could not escape the suspicion that neither the political class, nor the opinion-making economists were aware and conscious of the further consequences of fatal debt problems.

Globalization and its Actors

While globalization – for functional and structural reasons – pushes the less versatile and overloaded states backwards and makes the spiral of social capital move downwards, it *provides a real space for action to the new historical actors* down to the level of the individual. *Under the circumstances of globalization, the latitude and freedom of the action of actors can be extreme.*

It is not easy to reconstruct adequately the actorial side into the theory of globalization. First, because it is seemingly extremely trivial; it is often difficult even to make it accepted that the free and seemingly contingent action of singular actors could be a legitimate part of scientific research. Second, because the importance of the actorial side is *ab ovo* a less theoretical element. Third, because the actorial side in its arbitrariness does not always reveal the dynamic structures and functions behind it, therefore stressing it might even seem a misinterpretation. The actorial side underlines the specific ‘uncertainty’ (in a Heisenberg's sense) of the theories of globalization (and the future), while the functional systems of globalization, their dynamic structures and space-time relations, and most of all, the extent of the latitude of the actors might provide sufficient objective explanation for a positive and objectively founded description of this ‘uncertainty’ character.

While globalization provides enormous latitude for the action of the actors, there are hardly any global actors for the representation of social formations. The problem of missing actors is completed with the problem of missing groups of representation and competence. *The task of global competence does not possess any actors, and the global actor does not possess competence.* Neither traditional forecast, nor traditional consensus-building, nor traditional bureaucracy (administration), nor any traditional ‘institutions’ are appropriate or able to develop optimal global competence legitimately. *This increases the possibility that global decisions might be the most irrational.*

The actors of globalization are often missing as is shown clearly in comparison with the new specific global functions. The case of missing actors occurs when political or other processes of globalization create new and strong functions, but at the same time, there are not any equally strong, socially legitimated and responsible actors to fulfil these functions. The empty places and functions of missing actors either remain unrecognized or tricky interest groups push themselves into this vacuum (Michels 1987). The basic model is simple: *an interest group pushing into the vacuum can only be called an actor in one specific sense, i.e. that it follows solely its own interests.* To achieve this end, it must shape the political space to some extent, but it does not do it as a legitimate and constructive actor, therefore its activity inevitably implies the destruction of political space.

The actorial aspect in general is a theoretically attractive new component of globalization. Although this term can also be used for the political and social reality of the pre-

globalization era, yet globalization opens a new era in the history of this term, mainly because globalization liberates individual actors from the organizational and original interconnectedness of bigger political and social integrities, mostly *organizations* and it arranges the universe of the actors in a new way. We are actors both in a theoretical and in a practical sense. Unfortunately, we still identify this new side of globalization rather with the actually existing 'caesarian' components of the actorial dimension, than with its also actually existing democratic components. Global competence itself also lacks adequate actorial foundation.

The relation to modernity in a historical-philosophical sense is decisive not only from the aspect of potential enemies and enemy images. In a positive sense, it is decisive because *in several important aspects, globalization, which in fact sprung out from the soil of modernity intends to eliminate the so far most important achievements of modernity as well.*

Therefore, on these bases, the sensible consequences of the deeply interdependent relationship of globalization and liberalism/neo-liberalism are getting crystallized around the issue of the state. Now we can clearly see that the state as a 'buffer' is a central element of the battlefield of globalization, but of course, only if we consciously insist on the actual achievements of modernity and emancipation. Pointing out these criteria is not an unnecessary theoretical enterprise nowadays. It is namely not included in the expectations concerning morals, society or even good manners that beyond pursuing his own particular interests, one had any duties in order to preserve the achievements of civilization, emancipation, or modernization.

Neo-liberalism has arrived to a great change. After its worldwide victory it remained the only regulator of globalization on the political-ideological scene. And past the acme of its exclusive hegemony it became identical with the whole of the existing social and economic world order in common political consciousness. It is a not yet achieved high-level realization of the present world order, globalization and rationalization that also amplifies the tendencies that follow from 'bidding farewell' to the myths. If neo-liberalism is really an outcome of such a height of rationalization in this theoretical framework, it must not pass by the developing new forms of emancipation.

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