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GLOBAL TRENDS OF INTEGRATION AND FRAGMENTATION¹

Abstract: Globalization as a mainstream narrative at the end of the 20th century has dramatically receded at the early decades of the 21st century. After the 2008 global crash and the Great Recession, followed by successive shocks (the Covid 19 pandemic and global economic shut-down, the escalation of international geopolitical tensions,) there is a reversal of official discourse. It is centered now more and more on “de-globalization”, its priorities and dangers. But both narratives in their mainstream and apologetic form are unable to interpret current world developments. Suffering from a fatal one-sidedness, they fail to grasp the dialectical interplay of contradictory forces driving simultaneously global trends of integration and fragmentation, embedded in the capital relation itself reaching its historical limits. A cognition-based production based on social cooperation and solidarity as it is emphasized by Noonomy research, has to overcome the barrier of the capital relation itself reorganizing society on genuine socialist bases.

Keywords: globalization, de-globalization, global crisis, noonomy

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全球一体化和碎片化趋势

摘要: 全球化作为二十世纪末的主导观念, 在二十一世纪的头几十年里急剧衰退。2008 年世界经济崩溃和大衰退之后, 各种冲击(新冠肺炎大流行、全球经济衰退、国际地缘政治紧张局势升级)接踵而至, 舆论主题开始发生转变。现在, 舆论越来越关注“去全球化”及其优先地位和风险性。然而, 无论是全球化还是“去全球化”, 它们的基本思想和扩展观点都无法解释当前的世界事件。其自身严重的片面性, 使它们无法把握各种对立力量之间相互作用的辩证关系, 这些力量决定了全球一体化趋势的同时, 也助长了全球碎片化趋势, 这些趋势蕴含在已达到历史极限的资本关系中。正如研究智慧经济的著述所强调的那样, 以知识为基础并受社会合作和团结影响的生产必须克服资本关系的障碍, 而资本关系则会自行以真正社会主义为基础改造社会。

关键词: 全球化、去全球化、全球危机、智慧经济学。

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Introduction

Globalization and/or de-globalization?

The world historical scene has been dramatically changed and it continues changing in an accelerated speed, through successive global shocks, spreading generalized confusion.

At the last decades of the 20th century, during the hot years of neoliberalism and dominance of globalized finance capital, capitalist globalization was presented distorted and fetishized in the dominant mainstream narrative. It was combined, particularly in the 1990s, after the disintegration of the USSR with the “end of history” myth and ended with this illusory “end”.

Already at early 21st century, myths and well-established beliefs were shattered. The crucial turning point of recent history, the real *Zeitenwende* happened not in 2022 but in 2008: it was the eruption of the global capitalist crisis with the Global Financial Crash and the Long Depression. The still unresolved world crisis, with all its ups and down, is spiraling through successive dramatic turns and brutal shocks such as the Covid 19 pandemic and shutdown, the new dangers of stagflation, and, above all, the worldwide escalation of geopolitical tensions between an aggressive US-led “collective West” and its targets, China and Russia declared as “primary strategic rivals”.

The obvious failure of neoliberalism in 2008, after the failure of Keynesianism in the 1970s, left a strategic vacuum for capitalism lacking an alternative economic strategy for an exit from the protracted global crisis.

Globalization started to be more or less replaced in public discourse by formally opposite narratives of *de-globalization*, of “decoupling or “de-risking” of “home-shoring”, or “friend-shoring”, a turn towards economic nationalism of various kinds, which soon also finds itself confronted with an impasse. [Michael-Matsas S., 2022; 2022 passim].

Conflicting assessments by leaders of US and global capital are revealing their strategic impasse in front of the simultaneous presence of conflicting global trends of economic integration and fragmentation. Larry Fink, the CEO of BlackRock, the world’s largest asset management firm with \$10 trillion in assets, in 2022, made a statement declaring “*an end to the globalization we have experienced over the last three decades*” [Foroohar R., 2022; Bukat-Lindel S., 2022; Tett G., 2022; Tooze, A.; Armstrong R., 2022]. From the other side, Jamie Dimon, chair and CEO of JP Morgan Chase, the biggest private US bank, doesn’t foresee possible a decoupling between the West and China, considering that it will lead to a disaster not only for both two biggest economies of the world but for the world economy as a whole. [Dimon J.; 2023]

Nouriel Roubini, known as one of the rare economists who predicted, in his way, the 2008 Crash, treats such an “end of globalization” as one of the ten *Megathreats* that “*imperil our future*” [Roubini N., 2022, pp. 144-166].

Globalization appears simultaneously as ending and endless.

Fragmentation collides with the reality of an already established integration of international social economic life, the already advanced interconnectedness of world social economic processes, which, at the same time, in its present historical social form generates further fragmentation.

This ‘double bind’ is the unsolved Sphinx riddle of the present. The wide spread confusion is compounded. It reigns now, in the most brutal manner in a post-post-Cold War dangerous world,

what the philosopher Alain Badiou had called “*a generalized disorientation of the world*” (Badiou A., 2022 passim).

“Globalization “and “de-globalization” in their rigid mainstream ideological-apologetic form, both suffer from a fatal one-sidedness, they are unable to grasp in their unity the contradictory aspects and trends of the real world, the complexities of the uneven and combined development of world historical process.

I. Global North and Global South

“Globalization” as neoliberal dogma, or “hyper-globalization” [Subramanian A., Kessler M., 2013 passim] in the 1990s parlance, did not limit itself in the recognition of the advanced interconnectedness of world economy, of the world character of modern productive forces and of and international division of labor. It preached the end of the national state and of its borders, and consequently of national antagonistic interests. It falsely was claiming to spread “democracy” and a “rising equality” between “developed” and “developing” countries, renamed now “emerging markets”.

In reality, the inequality divides between the metropolitan capitalist centers located in the Global North and the semi-peripheral and peripheral countries in the Global South has grown under the post-1980 phase of capitalist globalization. The world capital expansion of the imperialist Global North plundering the resources and over-exploiting the working populations in the Global South had a devastating impact in all their living conditions with famines, environmental destruction, wars, dictatorships, genocides (Rwanda 1994!) producing nonstop, unprecedented migratory waves of desperate people.

As mainstream economists had to admit there were “*serpents in the paradise of hypeglobalization*” [Subramanian A., Kessler M., 2013, p. 38] In 2002, the Keynesian Joseph Stiglitz had to give to his well-known book the title *Globalization and its discontents* [Stiglitz J., 2002]. Already at the end of the 1990s and early 21st century, a powerful global social movement against the ravages of capital globalization emerged with the Seattle 1999 anti-IMF mass revolt continued with the Genoa events in 2001 and later the Porto Allegre World Social Forum gatherings.

Against the myths, many empirical studies have exposed the globally growing inequality. A 2021 Oxfam report found that collectively, the 10 richest men in the world owned more than the combined wealth of the bottom 3.1 billion people, almost half of the entire world population. Their combined wealth doubled during the pandemic [Nabil A., et al, 2022 passim].

The rare exception of lowering mass poverty and social inequality during the last three decades was China. It took place not thanks to a West-led capital globalization but on a totally different political economy basis: an opening to the world market under the Chinese state economy sector control following the Chinese Communist Party political directions.

In every important turn of the post-2008 world crisis spiral, the divide between Global North and Global South manifests itself as a widening, ever deepening, unbridgeable gap. For instance, during and after the Covid pandemic shock, vaccination programs revealed in most dramatic terms the growing structural inequality between Global North and Global South, fracturing inhumanly humanity today. The *World Economic Outlook and Global Financial Stability Report* by the IMF, in autumn 2021 reported that “*as of late September 2021, 58 per cent of the population of high-income countries was fully vaccinated, against 36 per cent in emerging countries and a miserable 4 per cent in low-income countries*” belonging to the Global South [IMF, 2021; Wolf M., 2021].

The World Food Program's Report on what happened in the first year of the pandemic is alarming: "A record 270 million people are estimated to be acutely food insecure or at high risk in 2021- a 74 per cent jump from 2020" [Tooze A., 2021].

To repeat the title of the article in Oxfam International, *inequality kills*, indeed.

Despite all claims, that "globalization" mark "a new era' or "a new post-imperialist stage of capitalist development", the persisting divide between Global North and Global South demonstrates the domination and parasitism of the first over the later, the *continuing separation between oppressors and oppressed nations*, confirming Lenin's classical theory of imperialism as an epoch of declining capitalism.

Discourses on "de-globalization", from the other side, functions either as a call for predatory economic nationalism of a "MAGA" ("Make America Great Again") or an "America First" type or as the fallacy of an impossible national autarky for the weakest and poorest. In any case, the Global South will pay the biggest price of the common disaster. Its political reactions could be expected.

It is not accidental that the representatives of the Global South, where the vast majority of humanity lives, have opposed the sanctions policies and the weaponization of international finance by the US and the collective West against Russia. It is quite clear also why Global South countries have opposed Western driven anti-Chinese hysteria or why South Africa brought at the International Court of Justice the genocidal war in Gaza. These actions are not simply political maneuvers but expressions of a world historical divide.

II . Global North: trends of integration and of fragmentation

1. America

US capitalism is the center of the global capitalist system, and the center of its structural-systemic crisis and historical decline.

For historical and structural reasons that have determined the US social formation, American capitalism, in our imperialist epoch, particularly under the impact of two world wars, the Great Depression and later the "Cold War" had to break from isolationism, and integrate world affairs playing a leading role. Its inner equilibrium had necessarily to be based on a world equilibrium, exercising world hegemony. It was raised to this leading position in the last century replacing Britain and Europe into a subordinate, although necessary but only supportive role to US interests.

The post World War II period based on the Bretton Woods settlement and the Cold War was the "classical", always turbulent period of this US world hegemony. The collapse of the international equilibrium based on the Bretton Woods system in early 1970s, and the emergence of a world crisis combined with the international political maelstrom of the same period presented new challenges. The post-1980 neoliberal campaign and the frenzy of finance capital globalization were an attempt to overcome the crisis. Its highest point was the disintegration of the Soviet Union and the collapse of the Eastern European regimes. But integration into a Western led global capitalism under US hegemony proved to be both an illusion and a tragedy, leading to more political and economic fragmentation internationally, a worst global crisis and now to dangers bringing humanity at the brink of the abyss.

The post-1980 neoliberal globalization and the Washington Consensus did not save a crisis ridden international US rules-based order. On the contrary, the *decline* of the hegemonic US capitalism as the highest historical point of the global capitalist development, became manifest.

Even during the so-called “hyper-globalization” 1990s, its sustainability by the US and West’s ability was problematic. In 1998, D. Rodrik [Rodrik D., 1998, pp. 997-1032; Subramanian A., et al, 2013, p. 21] had warned that sustaining “*openness requires a domestic social consensus in its favor, which in turn requires mechanisms of social insurance to cushion domestic actors against globalization-induced shocks*”. But, on the eve of the 2008 Crash, according to Larry Summers “*globalization both increases the need for social insurance and undermines the government’s ability to provide it*” [Summers L., 2008].

The wages of the US workers were stagnated for three decades, social mobility declined and inequality has been sharply rising. Larry Katz of Harvard University captured the structural malaise in US and the breaking down of social consensus with the following metaphor:

“Think of the American economy as a large apartment block. A century ago-even 30 years ago- it was the object of envy. But in the last generation its character changed. The penthouses at the top keep getting larger and larger. The apartments in the middle are feeling more and more squeezed, and the basement has flooded. To round it off, the elevator is no longer working. That broken elevator is what gets people down the most” [quoted by Subramanian A., et al, p. 21]

The metaphor quite accurately describes much more than the Trump phenomenon (including the possibility of his return in the Presidential Elections of November 2024). It captures the internal disequilibrium and political dysfunction of the US, the disruption and absence of an international equilibrium to base itself upon, its decline, and consequently its imperialist drive to re-impose its global hegemony by all means against, first of all, Russia and China.

2. Europe

Europe is the space where the global trends of integration and fragmentation are manifested most sharply.

The attempt of the European Union to integrate its economy around the dominant German-French axis, as a mega-regionalization with a common euro-currency occupying a strategic base for a global hegemonic role has failed.

Today its economic weight, productivity and competition is squeezed between the two biggest economies in the world, America and China. It suffers more devastating blows in every new shock of the world crisis.

Its integration to the US financial system led, after the 2008 Crash, the euro-zone crisis, from which has never really recovered.

The euro proved unable to replace the US dollar as the main world reserve currency.

A capital and banking union are still lacking, and they have no chance to be achieved.

With the Brexit, the EU lost the City, a strategic center of global finance capital.

The EU economy never really recovered after the Covid pandemic as the European economy still stagnates after the contraction of the world economy of the global shutdown, which was much greater than that of 2008-09, despite emergency “heterodox” measures to avoid. collapse and restore sustainability.

The expansion of the European Union to integrate Central/Eastern Europe and the Balkans, was accompanied, with growing trends of fragmentation, starting with the brutal disintegration of former Yugoslavia. The region is subjugated in a subordinate quasi colonial status. Social fracturing and a deep economic divide are growing between West and East.

At the same time, especially after the euro-zone crisis, there is a growing divide also between the richer, “frugal” North and the poorer South of the EU.

The German-French axis itself of the EU integration process manifests serious fractures as the German economy, the industrial heart and motor force of the EU economy plunges into recession and becomes again “the great patient of Europe”.

The tensions and rupture between the European part of Global North and its former colonial Global South, particularly in Africa and the Middle East – and the huge migratory waves from the later to the former transformed into a ‘Fortress Europe”, reach an explosive moment.

Above all, the heart of the European Continent has become the tragic theater of the greatest global geopolitical confrontation from the end of World War II,

The social political consequences of the intertwining of all these contradictory global trends over the peoples of Europe are immense, producing polarization, tensions, growing conflicts, political instability [Michael-Matsas, 2023, p.3]

Western Europe is the weakest “*mega-link*” in the chain of the metropolitan centers of Global North.

Conclusions

In this complex volcanic international landscape, to outline possible paths of an exit from the crisis and find an alternative development, it is necessary to grasp the dialectical interplay of contradictory forces driving simultaneously global trends of integration and fragmentation. Both they are embedded in the capital relation itself reaching now its historical limits.

The unifying, universalizing force is generated by capital itself and at the same time it collides with capital’s inner limits, discovered by Karl Marx: “...*the universality for which capital ceaselessly strives*”, Marx writes in the *Grundrisse*, “*comes up against barriers in capital’s own nature, barriers which at a certain stage of its development will allow it to to be recognized as being itself the greater barrier in the way of this tendency, and will therefore drive towards its transcendence through itself.*” [Marx K., 1986, p. 337]

The international interconnectedness generated by capital is not a uniform, homogeneous, static abstract universality, in a “*progression through a homogeneous and empty time*”, as Walter Benjamin had aptly pointed out in his profound *Theses on the Concept of History* [Benjamin W., 1940]. It combines, in an integral but contradictory unity, in a world division of labor, various uneven levels and speeds of development, a multiplicity of historical temporalities.

The **transitional** nature of our epoch over-determines this multiplicity. The fact that the capital relation has become “the greater barrier” to the universalizing tendency and “therefore drives towards the transcendence though itself” are demonstrated both by the high development of the material-technological conditions. The Internet revolution in the 1990s produced, as Michael Roberts remarks,

“... *a stock market boom, bubble and bust but it did little to boost growth in the overall productivity of labor in the 200s onwards [...] Robert Solow, commented at the time, “you can see the **computer age everywhere but in the productivity statistics. Productivity growth has been slowing globally as a trend throughout the first two decades of this century**” [2024].*

The potentialities revealed by technological progress are real and greatly transformative. A cognition- based production based on social cooperation and solidarity as it is emphasized by Noonomy research, initiated by Sergey Bodrunov [Bodrunov S., 2022, passim; Bodrunov S., Desai R., Freeman A., 2022 passim], has to overcome the barrier of the capital relation itself reorganizing society according to social needs and not profit, in other words, **on genuine socialist bases**.

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