

Andrzej Halasiewicz

Regional Development and Processes of Globalization

(James Cécora, *Cultivating Grass-Roots for Regional Development in a Globalising Economy*, Ashgate 1999)

In the last issue (1999/5) of 'Eastern European Countryside' there was a short note about the death of James Cécora, one of the pioneers of collective empirical research by economists and sociologists from Eastern and Western Europe about the functioning of rural households. We pointed out that we would present his last book, published a few months after the author's death, in this year's issue of our review. It seems that the book is also important for those who did not know its author personally and did not have the opportunity of working with him.

Cultivating Grass-Roots for Regional Development in a Globalising Economy represents an unintentional synthesis of the academic achievement of Cécora who makes use of his research experience on the functioning of rural households for considerations of a more general nature, while proposing a view of the processes of globalization from a regional perspective and considering the possibilities of adapting regional development to the rules imposed by globalization.

Regional development (meso scale) has been arousing growing interest for some years, particularly in those countries of Central and Eastern Europe aspiring to the European Union. This development affects social practice, termed regional policy or regional structural policy, realized by means of structural funds. The policy aims at increasing economic and social cohesion of member countries by helping less developed regions and thus diminishing the differences in the standard of development and living between different regions of Europe. Differences in regional development are a far more serious problem for the whole world than for Europe alone. In the Report on Social Development 1999, commissioned by the United Nations Development Programme (UNDP), a justified claim was presented for establishing new principles of globalization. Its purpose should be to serve people and not simply to multiply money, because globalization is

more than the transfer of means and goods — it is a growing mutual dependency of people in the whole world as a result of '...the shrinkage of space and time as well as the disappearance of borders.' Globalization offers considerable possibilities of enriching human life as well as creating an international society based on mutually accepted values. It has unfortunately been dominated by market activities and the resulting possibilities are not equally accessible to all. A result of this situation is the dramatic and dangerous polarization of people and countries, those deriving profits and others hardly noticing the consequences of globalization, not actively participating in the process underway. 20% of the world population commands 86% of the world's gross product, 82% of world export markets, 68% of direct foreign investments and 74% of the telephone lines. 20% of the poorest people, living in developing countries command just about 1% of the share of each of the above mentioned categories. Over 80% of direct foreign investments destined for developing countries as well as those in Central and Eastern Europe in the nineties were allocated to 20 countries, mainly China.

These inequalities took on dangerous dimensions, states James Cécora, aware of the complexity and ambiguity of regional development processes and globalization, describing the local possibilities of combatting negative social phenomena.

He concentrates on the specific role of innovation of local businessmen, pointing out that three quarters of them start up businesses near where they live. The dynamics of regional development is dependent on local human capital. This is confirmed by research concerning tradition, industriousness, innovation, dynamism, and the qualifications of the local population.

The rapidity of the process of globalization is accompanied by a weakening of the role of democratic institutions both at national and regional level and this has a direct effect on the influence of the regions on shaping their own identity. James Cécora interprets Campagni's hypothesis in an interesting manner, saying that the less developed regions of the European Union benefit less from the wealth of the Common European Market than the developed ones while the less developed ones carry the costs of harmonizing power and adapting their life style to the general tendencies. The constant expansion of international companies, the pressing globalization of finance, consumers, the employment market, the development of supranational jurisdiction and judiciary leads to the further concentration of power in the hands of the supraregional and supranational oligarchy which has quick access to information and other resources. Yet on the global financial market decisions about withdrawing capital are taken far more quickly than decisions about its investment. Decisions have little in common with the potential of local industriousness and even less with regional needs and this, according to the author, causes the regions to become the objects of

'casino capitalism' and their situation unfortunately depends on decisions made without them and beyond them.

The themes concerning comparisons between the managers of large corporations and the owners of small and medium regional businesses are equally interesting. The latter as opposed to the former are not 'global players.' Their decisions are not a result of 'purely objective market factors,' they depend on many points which are difficult to notice and measure, such as: the dependence of future and past transactions or experiences resulting from personal traits and the moral values of partners, their credibility, honesty and reliability.

In Jim Cécora's book it is also worth noticing that we are dealing with indirect references to the protestant ethic of capitalism which is nonexistent during the time of globalization, and also to a kind of lack of faith in the free market which is always the best regulator of the economic system. This leads, amongst others, to underlining the role of the state in the processes of balanced regional development. Particularly in the era of the information society owners and managers of small and medium businesses should get external support in their access to information because only then will local resources have the chance of being appropriately put to use.