INTRODUCTION

In approaching the end of the twentieth century, one cannot but be struck by both the similarities and differences of circumstances to those faced by our forefathers one hundred years ago. Then, as now, was an era of dramatic and widespread technological change. Then, as now, a new generation of telecommunication advances was shrinking the boundaries of economic activity. Then, as now, the organizational structures of firms and the socio-institutional framework of countries were in a state of flux. Then, as now, the cartography of political space was being reconfigured. Then, as now, the jurisdiction of national governments was being questioned, and the locus and composition of civic responsibilities were being redefined. Then, as now, new relationships and alliances were being forged between, and within, private and public institutions, and among different ethnic, religious and social groups.

But, to a more discerning observer, the differences between the two ages are more marked than the similarities. Key among these is that, while, for the most part, the events of the late nineteenth century occurred within a well-established and widely accepted social and political order, those now occurring seem to be challenging long-cherished ideologies and values – and, in some cases, the very cohesiveness of society. At the same time, contemporary events are moulding a very unpredictable future – both for individuals and for institutions – and, more often than not, they are as divisive as they are unifying in their consequences. Our contemporary world is in a state of transition and turmoil. Some may view this as a form of creative destruction – of ideas, of technologies, of institutions and of cultures. Others fear that it is the beginning of an era of social and political unrest, the like of which we have not seen for many generations. The order of hierarchical capitalism which, as a wealth-creating system, has served much of the world so well over the past century, is being increasingly questioned; but no one is quite sure what is going to replace it – or indeed what should replace it.
Part of our increasing sense of bewilderment and insecurity, I suggest, arises because many of the events now occurring are paradoxical, if not antithetical, in both their characteristics and implications. Indeed, we may well be moving out of Eric Hobsbawm’s Age of Extremes into an ‘Age of Paradoxes’. Nowhere is this more clearly seen than in the globalization of economic activity. Few can surely deny that alongside an impressive array of opportunities and benefits offered by deep cross-border economic interdependence, it is demanding enormous and often painful adjustments, not only of corporations and governments, but of the working lives, leisure pursuits and mind-sets of ordinary men and women. One political scientist, in a book published last year,5 avers that our planet is simultaneously ‘falling apart and coming together’; while William Greiber (1997), in a new polemic with the intriguing title One World, Ready or Not writes about ‘new technologies enabling nations to take sudden leaps into modernity, while at the same time promoting the renewal of economic barbarisms’ (p. 12).

In this chapter, I shall consider just four paradoxes or contradictions of our emerging global economy – or what the Chinese might prefer to call the ‘yin’ and ‘yang’ of globalization.6 I believe that the ways in which these paradoxes are approached and reconciled – if, indeed, they are reconciled – will determine the shape of our planet’s political and economic future; and the social well-being of each and every one of us. I shall also suggest that hints of how the paradoxes may best be resolved by the international community are already contained in the strategies and actions of some of our more successful multinational enterprises (MNEs); just as, a century ago, the emergence of large domestic enterprises helped point the ways in which national governments might best respond to the then emerging phenomenon of hierarchical capitalism.

COOPERATION AND COMPETITION: THE PARADOX OF RELATIONSHIPS

At the end of the last century, the main form of interface between firms was competition. Most transactions between buyers and sellers were at spot or ‘arm’s length’ prices, and adversarial in nature. Apart from the conclusion of mergers, combines and other business agreements to restrict competition, rival firms perceived little need to cooperate with each other. In most advanced industrial nations, free enterprise was perceived ‘to rule OK’; and where markets failed, either firms or non-market entities intervened by internalizing these markets – viz. by an ‘exit’, rather than a ‘voice’, response. Governments, like private corporations, were at best suspicious of, and at worst downright hostile to, each other. To the ‘yin’ of competition there was no counterbalancing ‘yang’ of cooperation.