

# Dynamic of the local and the global

How are the global and the local related? That is a question in economics, and as a result also in politics, in tensions between globalisation and nationalism. It is also an issue in linguistics and philosophy of knowledge, in the relation between the universal and the particular. How are these issues in different domains related? I start with the economic issue, then turn to the linguistic one and the one concerning knowledge, and consider the connections.

## **Derailment of the global in the economy**

Economic thought drives globalisation, and most of it has neglected the local. Consideration of the local was reduced to a global comparison of efficiency, under the term ‘comparative advantage’: Locally one should engage in activities that fit local abilities and resources, leaving other activities to places where they are performed more efficiently, in a global division of labour. This was connected with the ideal of maximum flexibility. Resources should flow to where they are most efficiently employed. Local roots only inhibit that, and constitute ‘rigidity’. Market logic became universal and all-encompassing, as if markets are the same everywhere.

In politics, this has now called forth a backlash of nationalism and populism. Local industrial communities broke down in the flight of production to lower wage countries. Local facilities and opportunities of work, trade, culture, education and medical care eroded, and social and family bonds unravelled. Local people felt robbed of their roots. The more mobile and higher educated fled to where prosperity blossomed, the others were left behind, feeling disregarded, disrespected, looked down upon, as the ‘deplorables’ who could not keep up. And then, immigrants were perceived to poach jobs that were left.

Big business was seen to abuse its global power of being able to shift its activities to any country, for leverage on local and national governments to obtain advantages of location subsidies, low energy prices, lenient environmental restrictions, leniency in dodging taxes, and local zoning advantages. The local was twisted to fit their advantage, to the neglect of the locals. Inequality in income and wealth increased, and labour conditions declined, with lagging wages, less continuity and quality and worse conditions of the work that was left.

Grudges built up and burst into nationalism, populism, and uprisings of the ‘yellow vests’, exerting revenge on affluent, arrogant, cosmopolitan elites that were seen to have engineered the excesses of present robber capitalism.

## **The neglected value of the local and the stable**

People are neither fully rational nor fully autonomous, as economists would have it.

The capacity for rational reflection is scarce and is to be saved for urgent, unfamiliar matters. The rest, most of daily activity, is left to subconscious, taken for granted routines, the rule of the familiar, and ‘heuristics’, shortcuts to choice and decision making. Emotions of threat and opportunity set the agenda for thought.

People are not autonomous but develop their knowledge and views in interaction with others. That entails dependence, and therefore requires trust, and trust is slow, needs to be built up. It rests on shared morality or personal bonds of empathy, familiarity, friendship or family. It takes time and it takes locality, both not allowed for in market ideology.

The alternative to trust, to deal with relational risk, is control, by hierarchy and authority, or by legal enforcement or material incentives. Society is not fully based on either trust or control, but on combinations of them, but in the decline of the local and the stable, trust has

been increasingly replaced by control, with society becoming either more legalistic or more authoritarian, or both together (as in the US, spreading to Europe).

One problem with that is that control is not fit for uncertainty, in contrast with risk. With risk one does not know what *will* happen but one does know what *can* happen, and one can then append probabilities and calculate optimal conduct. That is what economists do. With uncertainty one does not even know what *can* happen, so calculation, and thereby economics, drops out. The point now is that the most valuable relationships are the most uncertain, bringing the surprises that feed life. The conclusion is that if control pushes out trust, it degrades life, in the inability to deal with the uncertain. And that is what loss of locality does, in eroding the basis for trust.

A second problem with control is that professional work in many areas of society (in business, education, health care, science) is stifled by an accumulation of protocols for control. Work is pushed out by bureaucratic control. That also takes away room for the improvisation needed by a reality that is too rich and variable, uncertain, to be covered in closed protocols, and the room for taking one's own responsibility for what emerges from uncertainty, and thereby destroys the intrinsic value of work.

Concerning the rhetoric of flexibility: Some stability is needed, even according to an economic argument, as follows. High quality of relationships in general and of production in particular, requires mutual investment in understanding and empathy, embedded in the relationship, and for that to be done, some stability, some continuity of the relationship, is needed to recoup that investment, or else it will not be made.

## **Derailment of the local**

Some continuity of relationships is needed, but, and here economics has a point, economic relationships should not be so stable as to become rigid, locking people out from change, invention or adaptation. A path is to be found between rigidity and volatility.

People have two instinctive, innate drives: one towards protecting their interests for the sake of survival, and one towards respect within a community, which requires some sacrifice to others. That supports the give and take needed for trust. Unfortunately, the price for this local solidarity is suspicion of outsiders, to protect the community from invasion of outsiders that parasitize on the indigenous community. This is called 'parochial altruism'.

Discrimination of outsiders is in the genes.

There is an evolutionary argument for this. Trust and solidarity are good for the survival of communities, but it is the individual, not the community that carries the genes. Therefore, for mutual trust to survive, not to be pushed out by invading egotists, there is mistrust of outsiders coming in.

And this is what we are witnessing now, in emerging populism and nationalism, for example in Brexit. Withdrawal into the local is accompanied by a romantic nostalgia for former communities, myths, and heroes. St. George, Boadicea, Nelson. It deepens in a revival of nationalism, cultural myopia and discrimination of outsiders.

Nationalistic emotions and suspicion of the foreign are exploited by authoritarian leaders who claim to know and implement the wishes of the people, claim to be democratic in being chosen in elections, often rigged, and then throttle constitutional democracy with restrictions of the freedoms of expression, press, association and opposition, and abolish the separation of powers by manipulating the judiciary. They project an appearance of efficient decision making, in contrast with the muddle of Sisyphean democratic succession of governments that roll down what preceding governments struggled up. The difference is that in true democracy mistakes of policy are detected and redressed while in the authoritarian regime they are hidden and fester on, and when finally they break out, an escape is found in the

attribution of failure to a scapegoat, such as foreigners, other races or other religions, at home or abroad. And this feeds on the instinct of parochial altruism.

Nationalism blocks the international cooperation needed for the effective fight of terrorism, including malicious hacking, degradation of the environment, spread of disease, misconduct in financial markets, excesses of globalisation, and power play of emerging superpowers.

### **What now?**

How, then, to find a way between the global and the local, or a combination or moderation of the two?

We do need markets. However, they have moral boundaries, as in trade in slaves, organs, and weapons, and child labour, and where markets are morally desirable they routinely need institutions to both enable and constrain them, managing their imperfections.

Markets were assumed to work their magic automatically and universally. For a long time, the European Union focused exclusively on opening up to markets, in a ‘negative’ integration of eliminating national obstacles to markets. Faith in the automatic and universal blessing of ‘the’ market led to the naïve expectation, in developing the EU, that markets would automatically yield convergence of national systems, with goals of employment, living conditions, labour conditions, social protection and an end to exclusion, and a simplification of regulation. They did not.

In fact markets require regulation, and different industries have different markets, requiring different regulations. Thus, as markets spread to wider fields of activity, the EU faced the paradox that regulations did not decrease but increased. This contributed to the view of the EU as a bureaucratic busybody.

International trade remains beneficial, and blocking trade with import duties and quota is to no one’s advantage. But globalization is to be harnessed, not let free to rampage. Lobbies by large firms that twist the government’s arm with the threat of moving their activity elsewhere need to be stopped. It is astonishing how the political establishment sees only the economic side of this matter, and appears blind to the political costs in evoking popular protest that is developing into rebellion.

One can find a middle way between on the one hand volatility without any stability, and on the other hand rigidity with too much stability, in optimal, not maximal flexibility. In local communities one can find a middle way, with strong ties of trust, solidarity and reputation inside, in combination with weaker ties to outside communities, as an avenue for the transmission of novelty, and some exchange of inhabitants as a second way of bringing in diversity and novelty.

Diversity has a downside of lack of mutual understanding and acceptance, and an upside of diversity that yields a potential of novel combinations of ideas. There is a middle way of ‘optimal difference’, with enough variety for development but also enough cognitive and moral proximity to utilize that potential in collaboration. The capacity for that is not static but develops in practising it. It is also of economic advantage, in producing innovation by ‘novel combinations’, to develop the ability to work with people who think differently.

### **The universal and its particulars**

I propose that related to the issue of the global and the local, there is a fundamental, conceptual problem that has been part of philosophy since its beginning, and still remains. That is the problem of the general, universal (the global) vs. the specific, the particular (the local). Does the universal (‘horse’) somehow ‘contain’ all its particulars (all horses), or are

particulars manifestations or shadows of the universal (think of Plato's metaphor of the cave), or is the universal an essence shared by all of them, or is it a generalisation, an abstraction taken from the particulars? For some, like Plato, the general/universal is the real, as an essence purified from the messy complexity and variety of what is observed, for others it is illusory, and the specific/particular is the only real. In the latter view, the universal is seen as equalizing what is not equal, as Nietzsche hammered home.

The market has been taken as a universal, applying everywhere, across nations and industries, in essentially the same way, in the absence of regulatory variety.

## **Identity**

In present public debate identity figures prominently. What is the relation between shared, cultural identity (the global) and individual identity (the local)? Personal identity is seen as harbouring some authentic self that seeks expression, or realisation. Cultural identity is seen as a box: one is in or out, not both. Being in means sharing an essence, being out is lacking it. No two nationalities, no two passports. Sharing it partly with others, with another identity, is diluting or contaminating it, hence to be rejected.

But one can take a different perspective. Personal identity not as something given but as a potential for development whose realisation depends on the context, the path of one's life. Cultural identity can be seen as a position in a range of networks, and networks can overlap, so that identities may overlap.

## **Knowledge**

Science is supposed to yield universal laws or regularities (the global), but how do they arise, and how valid are they in application across different contexts (the local)? A old problem of induction was that no matter how many black swans one has encountered, there always remains the possibility of black swans, and indeed those were suddenly found.

Science generalizes from specific phenomena, arriving at the global, in abstraction from the detailed, fuzzy, variable local phenomena. It is maintained until systematic falsifications by new phenomena are found, in the forum of scientists.

In application, there is a tension between the scientists with their abstractions and practitioners who cannot afford to ignore the richness of complexities and deviations of specific contexts.

## **Dynamics**

The solution of the puzzle between the global and the local is, I propose, to take a dynamic view. Economic value, meaning, identity, truth and knowledge are more processes than things.

Concerning being, this was advocated, in particular, by the philosopher Martin Heidegger, and by philosophers otherwise as different as can be, such as Friedrich Nietzsche and Emmanuel Levinas. According to Heidegger, the human being is 'thrown into' the world, and develops its ideas from acting in it, rather than looking at it from outside with given ideas, as a Cartesian subject. According to Nietzsche, knowledge is perspectival, changing from one context to another.

According to Levinas, concerning personal development, the other person is a salient element in this world one is thrown into. In the process of one's development one needs opposition from the other to have a chance to be freed from prejudice, from constraints of the self, to move on and develop different ideas. There lies the value of difference, variety in

cognition and ethics, but not with so much distance that it cannot be crossed. But crossing a wider distance can be learned.

One form of change, professed by Aristotle, is the realization of pre-existing potential, as a flowering bud, a butterfly emerging from its caterpillar, a human being from its genes. But the real dynamic is where in realization of potential new potential is created. That is the dynamic that Hegel had in mind (but did not fully develop). For that one needs to interact with other people, or other contexts, with different potential, which show where the limits of validity of your views lie, and in what directions you might look for change .

In language and thought, the general/universal is abstracted from the variety of the specific/particular, dropping most of the local, with a wager on what applies also elsewhere. That enables the ability to learn: find out something here and then apply it elsewhere. This is what science does, and humanity benefits from it. It also applies to the development of meaning in language, the novelty of literature, and to innovation in science, the economy and politics.

But the application elsewhere of what is abstracted requires local re-embedding in the new context, an opening up to the specifics of it, adding the richness of the local to the rarefied universal.

### **Creative ambiguity**

Change of meaning, openness to development, in thought, identity, requires vagueness of the general/universal, permeability of their boundaries. Strict, unmovable, impermeable boundaries, with clear, unambiguous, necessary and sufficient conditions for belonging to the presumed box of content precludes such change. They yield closure that goes against life, losing the uncertainty of surprise. That is what the philosopher Wittgenstein found out, in his mid-life switch from logical categorization to discipline language to the discovery that in language meanings form a category of their own, as a ‘form of life’.

As with cultural identity, the view of the general concept or universal as a box, with a clear boundary, is misleading. There also the universal is better seen as a network or web of connections, of logic or association, between the particulars that it encompasses, brings together.

General notions, of meaning, love, happiness, justice, beauty, are applied and develop by virtue of their vagueness, allowing for variety of meaning according to context. A crucial correlate of that is not just tolerance of difference, variety, but active curiosity and appreciation of it.

Literature has a vital role, with two modes: of prose and poetry. Prose lets the particular triumph over the general/universal, the local over the global. For an example, consider the book ‘The hours’ (by Michael Cunningham): a mother succumbs to the urge to abandon her little son, surrendering him to a desolate life that ultimately ends in suicide. The author manages to create sympathy for her. Who is to be seen as a villain by general standards of ethics or morality gains sympathy, given specific circumstances, local in time and space, in development, along a path of life. Literature also yields an opportunity of moral simulation, of vicarious experimentation to explore the boundaries of the permissible, without running the risk of moral censure oneself, loading it off onto the protagonists of the story.

Poetry presents new worlds, stands reality on its head, yields twists of meaning or new meanings in making unusual, surprising, perhaps alienating, connections between words, by metaphor and rhyme or shared sounds, in vowels and consonants, assonance and alliteration. It ruffles existing webs of meaning, sending the spider of thought on a rampage.

### **Cycles of change**

Is there a general underlying logic connecting these different manifestations of the global and the local? I think there is, in a logic of a cycle between the two, as follows.

## **Conclusion**

While from a static perspective the local and the global are mutually exclusive, from a dynamic perspective they are complementary. But how to employ that requires a new mode of thought, and a new ethic. A philosophy not of substance but of process.

Going back to the economy: Markets differ locally, between industries and countries. That is a source not of inefficiency but of novelty. In outgoing trade the local is generalized to the global, shedding local particularities, in abstraction, and in incoming trade the global needs to be re-embedded in the richness of the local. That is a source of novelty, like the development of meaning when words are taken from one sentence to another. There is a circle in the global and the local not unlike the hermeneutic circle in language.