

Trends of the New Role of the Local: Disjunctures and Contradictions in the Global Networks

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Abstract

According to the socio-political transformations happened in the last two decades, this work is focused on analyzing and discussing the trends of the global-local relationship at present. In this period, the constitution of a complex relation has been observed among local changes and certain transformations in global fields with implications in all the dimensions of the social life. From the point of view considered here, this relation is associated to the own globalization of the production, consumption and distribution relations and its consequences. In this context, we start from the assumption that the global market, increasingly interdependent and interconnected, has given rise to a new kind of relation between the local and the global, in which the external instabilities had repercussions, in an asymmetrical way, more directly on some parts of the *network* than on others. This is because a structural disjunction was caused with regard to the controls of the flows, notoriously centered on few local environments and conditioned by economic and political factors.

Key words: global-local, networks, globalization, market, local development.

Introduction

The studies about the global-local relation are taking on an increasingly significance at present. This is due to the search of explanations about how and why some facts, decisions and processes that happened in the global area have more and more influence on the social, economic and political changes in the local environments. In the last two decades a complex constitution of causal relations between the global and local levels has been observed that is materialized and has implications in several dimensions of the social life. This relation is featured by the remarkable interdependence that local environments achieved which can be easily observed in the global economy, with the dependency of the local economies on the

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thermometer of the world markets and the consequences in different countries of crisis originated in other countries. This is a phenomenon that involves a lot of uncertainty which, at the same time, is also showing less control capacity, being associated to the complex relationships of production, distribution and consumption that are being carried out in a global sphere. With an increasingly interconnected global market and a remarkable increase in the complexity level of the networks and links between the local environments and the *global* area, either in policy, or in economy, or in the values and consumption standards, it seems us clear the need of carrying out a review of the actual paradigms about the local development and about the most usually accepted global exchange relations. We propose here an analysis from another approach: about the production, consumption, technologies and communication global networks that from our point of view, it would explain more satisfactorily the distribution inequality of opportunities and risks among the different local environments.

The global-local relations in the threshold of the 21st century: the market supremacy and the *local* pre-eminence

Connecting the transformations happening in the global area with the local changes is a difficult and arduous job, since there is not a clear frontier that allows to identify and determine the transformations agents or the involved variables, the intensity in which they work or their extent. We can state that there is not a harmonic diffusion in that bi-directional relation between the *local* and the *global*; on the contrary, that interaction occurs in a fractional, badly-proportioned, variable way, according to the specificity of each local environment in its relation with the global – or its links with other local environments and the global economy, as we will discuss as follows.

The local environments, with different manners and intensities, develop a determinant *hinge* function in that process of material and symbolic exchanges of globalization. Through the dynamical and intrinsic mechanisms of the economic rationality, they are transmitters and receivers of the transforming agents of the global society. Due to the fact that social changes are nowadays guided to a large extent according to the given outline by the market agents, deformities are obviously shown in that interaction of the *local* with the global (Machado, 2001: 53-57). We think

inequality among the different local environments is the result of the different roles that they have in the global economy and the quality of their answers to it.

The discussion about the global-local relation has achieved new aspects since the end of the iron curtain and the expansion process of the markets. With the crisis of the socialistic paradigms and the progress of the capitalism in a global scale, the State has begun to undergo not just a decrease in its performance spectrum but also an efficiency loss of many regulation and control mechanisms and instruments of activities inside its territorial space. This can be observed in the economic, defensive and communications management and in their administrative and legal machines. At the same time a reduction of the influence of the nation-State in what happens in its political and economic space is being observed, what is reflected in an internal fragmentation, with the creation of "empty spaces", left by the State, which most of them have to be filled in by local governments.

In the global sphere, it can be observed that the national governments have become dependent of the market agents for the maintenance of the internal economic stability, what in the nineties turned them too vulnerable to the perverse effects of the globalized economy, as the strange movement of the speculative capitals. Then, in the inner growth and employment creation prospect, the stock exchange development and the investments flow became an important variable. In this way, the development possibilities of planning and inner promotion activities were very damaged, whereas the inner instabilities of social nature became increasingly more frequently.

Financial globalization and concentration of the economic power

Due to its remarkable expansion throughout the last decades and the performance increase of the speculative capital, the world financial markets became increasingly uncertainty sources, giving rise to a constant instability and fear setting. One of the main origins of this instability was the liberalization and deregulation of the local market happened in the last decades of the last century, that led to a literal world-wide extension of the capitals market, increasingly supported by the communication technologies development. With the economic liberalization and the establishment of complex networks of capital transactions over the country frontiers, the dangerous phenomenon of the so-called "financial bubbles" is observed, in which the earnings

levels are as high as the risks, while there is not a sudden sale movement by the investors. The global financial crisis properly illustrate the creation of an increasingly dual reality: the crisis consequences involve less countries where these capitals, moving globally, have their origin, than the areas where they work. The anarchic and uncontrolled movement of large capital volumes can have an overwhelming effect, with tragic social consequences. In order to have the right dimension of it, the three largest American pension funds -*Fidelity Investments, Vanguard Group, Capital Research and Management*- controlled, in 1995, 500 billions dollars. The speculative performance of these "mammoth of the finances" (Ramonet: 1996, 34) can cause chain reactions in the whole system supplanting the capacity of the central banks to maintain the normality of their economies. The Asian case is a good example, where the fast growth of the early nineties as well as the deregulation of the controls of the financial flows attracted the abundance of capitals toward the East Asian countries. The financial volume invested in the Indonesia, Korea, Malaysia, Philippines and Thailand markets added up, in 1996, 93 billions dollars. Next year, a sudden turbulence in the markets caused that in hardly two weeks an amount equivalent to 105 billions dollars, that is 11% of the GNP of these countries, was moving frantically, carrying the bankruptcy of those stock exchanges and provoking a net sale of 12 billions dollars (UNDP: 1999, 40). This led these countries to a deep economic crisis, recession and serious social tensions. As it is already known, after this crisis, similar ones occurred in other countries and regions.

Due to the fact that an integration level to establish regulation instruments in a world-wide sphere has not been achieved, this function is in a certain way still carried out by the strongest economies of the central countries. The largest decision centers and control are located there. If we analyze this from the point of view of the power concentration in certain points of the *network*, we will arrive to a very reduced number of cities, such as New York, London, Berlin and Tokyo, that concentrate a meaningful part of the mega-companies head offices working in a global scale, as well as the huge investment funds, the big nodes of communication and information networks and the cultural and technology irradiation centers.

Global insertion and economic development: the *local* and the production networks

The gradual erosion of the State has been responsible for a process that has been strengthening over the last years: the economic and political prominence of the local governments in the search of new perspectives and alternatives for the economic development. The local governments are increasingly influenced by the decisions taken in the external field, outside their respective national States. They are in charge of taking advantage from the opportunities and benefits offered by the globalized economy, and looking for alternatives to be inserted in the production networks formed in the global economy in an autonomous way. In this sense, a trend was created so that the regional and local governments could demand more powers in order to apply policies directed to attract investments and generate development and employment in their concrete territories, even demand a wider capacity to legislate and negotiate directly with the transnational companies (Entrena: 1998). Some frequently used strategies are the growing incentives offered through rate reductions to the companies, subsidies, infrastructure works, technical support and other facilities (Entrena and Gómez: 2000).

The remarkable growth of the financial transactions, the international trade and the need of financing and lending services to these activities impelled the fact that the growth of these functions was located in big cities (Sassen, 1994; Friedmann, 1986). The development of the communication technologies has provided an expressive concentration of control and decision in certain points of the *network*. Gradually the cities began to consolidate as key places for the necessary advanced services in the implementation and management of global and regional economic operations². Some cities, due to characteristics such as economic development level, geographical location or positions acquired in the past, tend to contribute in order to concentrate the executive centers of the companies, especially those which operate in regional or global scales, carrying out more important roles in the production, distribution and consumption relationships.

² When Knight and Gappert (KNIGHT and GAPPERT, 1989, p. 19) expose the features of the global cities, they state that those have "the 'skills' of anticipating, beginning and being adapted to the changes". This would be carried out in different ways, depending on the "nature of their institutions and how the organizations, individuals and community, either individually or collectively, consider their roles, articulate their intentions, communicate their concepts and persecute a common objective through their positions facing the global society". From this perspective, the city would articulate its values not only through the imperatives of the "market, industry or the political life, through the scientific contributions, but also through its social and symbolic life, as it is shown for the other side of the world and for the new generations through literature, art, architecture and how

The international capital brought by the transnational corporations, represents the possibility of new economic perspectives: direct investment flows, creation of research centers, regional development and the subsidiary possibility of new businesses with the incentive to other sectors of the domestic economy. The corporations maintain relations with the external actors in function of their own competitive advantages, in order to obtain the possibility of maximum competitiveness. Therefore, a strategic decision is to maintain their means of productions in regions or countries in which they could maximize their benefits ("*local advantages*") (Sally, 1996: 65-66 and 77). This contributes to the changes in the existing productive systems, since these companies that operate globally must plan their investments and restructure their productive processes in the world area in order to have a greater competitiveness (Furtado, 2000: 9-11).

With the governments increasingly losing the power of pursuing the technological development through isolated public policies, that dispense of the investments of these companies, there is a trend to the increase in this type of response for the problems of the local development. The integration with the global production networks is not only a solution of competitive adjustment but it can mean the economic survival in such process. A logic consequence of this setting is the competition between the regional and local governments mutually for the resources and capacities of the transnational corporations. This type of competition ends up to generate a continuous economic deregulation process, with the collapse of tariffs and the need of a constant creativity for the supports and incentives formulation that are able to maintain the local attraction to the investing capital.

In the last analysis, this type of development strategy generates a fragmentation of the *local*. As Entrena emphasizes, confronted by the processes of lose of maneuver which the State experiences, the local and regional entities feel the need of assuming roles that determine the organization and management of their social and economic space, in a way to attenuate the undesirable local effects of the processes impelled from foreign and distant areas (Entrena, 1998: 174-175). The *old* nation-State becomes to have a secondary position. Though the definition of the macroeconomic policies, the foreign policy and the whole legal system are based under its protection as a last resort, the intrinsic mechanisms to the dynamics of the market end up to define a complex network whose extremities and interstitial points cross the frontiers of the countries and where the local assumes a certain prominence according to the

its future is planned and invested. Global cities summary the global society; they will serve as a centre of a multipolar world."

role that plays in the market. This generates a growing competitiveness between the local environments for investments and economic hegemony (local, regional or world-wide). The economic marginalization of some areas, the unequal and fractional development is, therefore, a natural consequence of the advance of this process.

The neural points of the global network: a comparison of the leadership of the *local* in the "North" and "South"

When the evolution of the values negotiated in the international trade is observed, we can verify that the economies of the industrialized countries, and especially the United States, were the most benefited with the liberalization of the world economy in the last decades. Let us take as an example the world trade. The participation of the United States in the global trade has followed a rising line since the eighties and in a more pronounced way in the following decade, growing in an annual average of a 7% (WTO, 2001). However the economies of the countries of the "South" and of the countries of the ancient socialist block did not achieve to obtain so positive results. The countries of the Central-Eastern Europe and of the ex-Soviet Union, noticed a reduction, even in nominal terms, of their foreign trade between the end of the eighties and the beginning of the nineties, before experiencing some recovery in the second half of this last decade. At the same time, the African continent, as a result of a stagnation setting in these two last decades, also experienced a remarkable reduction of its participation in the world export of goods: from 5.9% in 1980, these exports fell to 2.01% in 1999 (WTO, 2000). Together with the growth of the American economy, the greater transformation in the last two decades was the increase of the participation of the Asian continent in the world trade. This phenomenon is more associated with the economic development of only some countries such as Japan, China, South Korea and, in a smaller degree, the so-called "Asian Tigers". Concerning Latin America, its participation in the total of the exports of goods has been remarkably reduced comparing to 1980, from 5.39% to 5.21%. These data show that, in spite of the different liberalizations observed throughout the two last decades of the 20th century, the globalization of the economy did not produce meaningful changes in terms of decentralizing the production and goods and services consumption of a small group of countries and regions. On the contrary, the investments and the international trade are still very focused on the economies of the most industrialized countries and marginally in some developing countries.

These facts illustrate some ascertainties. The countries where a larger achievement was obtained coincide with those which, in a certain way, exercise a larger control of the globalization process. That is, those with a larger control capacity of the goods and services trade in the global sphere. Besides they are the origin of a meaningful part of the capitals circulating in the financial market. The countries or regions where the precepts of the free-market (in fact) were applied in a more paradigmatic way, without them having a meaningful part of participation and controls in the goods, services and, especially, capitals market, – and because of it they do not participate satisfactorily in the decisions center –, were those which more severely suffered the consequences of the imbalances and uncertainty of the market. The countries where the action of the market agents is limited by certain types of control from the State, such as China or Cuba, were those which less suffered with the impacts of the world crisis. That can be explained by the smaller interconnection with the global networks – as it will be explained below.

Because of the consequences of the recent crisis, instabilities and uncertainties, it is observed that the global-local discussion is directly associated to the inequalities among the different regions and their different capacities of control exercised by the countries over the process. Though a growing erosion of the nation-States is observed, the roles developed by the local settings are submitted to certain decision circles that are materialized in other dimensions: the international agreements, the regional blocks, the policies adopted by the hegemonic nations and their barter power in the negotiations. This fact considerably reduces the political joint capacity and the economic space for the positive development of the local settings that are not inserted in such privileged areas.

Development theories and the global-local relation: new elements for a reflection

"In the attempts for understanding the trends pointed out by the globalization and trying to offer a satisfactory explanation about the inequalities and contradictions of the development among different regions in the world -that here we associate to the abstract concept of the "local"- there are some theoretical descriptions that can be defined as "classic" (Sztompka: 1993): the dependency theory, the world system theory and the imperialism theory. These theories tried to elaborate an answer to the development and underdevelopment problems, connecting them to the dynamics of the global economic exchanges. They discussed, although in an incipient way, what we call nowadays inequalities of the North-

South relation. The dependency theory, developed from different approaches by authors such as Gunder Frank (1969), E. Faletto and Cardoso (1969), deals with the relation between the so-called third and first world after the decolonization process. In a general way, it is revealed that the underdevelopment in the peripheral countries it is not just due to internal factors, but to the asymmetrical commercial relation they maintain with the central countries, as well as other factors such as the autonomous technology lack, the capitals dependency and the association of the international capital with sectors of the local elite in the dependent country. This kind of relation carries out a development whose dynamical complement is outside. This, at the same time, would feed a development process based on a dependency circuit with the developed countries -the capital and technology holders.

The world system theory, formulated by Wallerstein (1974), is devoted to analyze the problem of the world economic interdependence, distinguishing three principal stages in the history. The first one would be the so-called "mini-systems", that characterize small self-sufficient economic units provided with internal work division and a cultural singularity. The "world empires" would be the following stage. These, at the same time, contain a series of previous "mini-systems", giving rise to large economic entities, that lived in state of war and territorial conquest. The expansion of this stage, with the incorporation of new territories, the increase in the administrative complexity with the development of a bureaucratic body and the need of specialization, sets up the bases for the third stage: the "world-system". This last stage was configured in the 16th century, with the maritime expansion and the consolidation of the capitalistic system. The innovations in the transportation, in the telecommunications and in the military technology are the dynamical elements of the formation of this stage, what leads to the inequality and to the hierarchical structuring of the global society. It can be distinguished in it three levels: central societies, peripheral societies and the intermediate semi-peripheral societies (Sztompka: 1993, 115).

The imperialism theory, with many variants and derivations, has Lenin (1969) as main exponent. It considers the imperialism as the last stage in the development of the capitalism. The imperialistic expansion sees the economic control on these countries as essential for the survival and expansion of the system. Its purposes would be to achieve cheap raw materials and labor force and open new markets for its surpluses. As a result, a limited number of capitalistic metropolis become exploiters of the immense majority of less developed societies. The consequence of this unequal relation of resources and benefits would be the increase in the abysmal inequality between poor and rich countries. The contradiction of the capitalism

system in its last stage of advance only would be solved with the union of the workers, who would begin the revolutionary process of taking the power.

These theories had much influence since they appeared, mainly because they favored a better understanding of the asymmetrical relation among the different countries and regions in the world and of the dependency relation developed between certain areas and the central countries. However, these theories were gradually abandoned, at about the same time when the communist paradigms were falling and the erosion process of the nation-State was moving forward. Evidently when these theories and their aspects are analyzed, we see that they are insufficient to explain many of the phenomena currently associated with the globalization and the Global-local and North-South relations. From our point of view, the existing theoretical gaps in those theories would be linked to elements that throughout the last decades have gained a meaningful dimension, that are:

1) **The fragmentation of the local.** The erosion of the State gave rise to a gap between the decisions taken in the global settings and the local controls. While the efficiency of many of the controls of the nation-State was being lost, the cities and the regional governments had to look for own alternatives for the original problems outside their space and control. The mentioned theories were elaborated in a context in which, as in a dependency situation, the nation-State maintained a relative control over what was happening in its *internal economic and political space*, centralizing the economic and political decisions and determining the courses of the internal development.

2) **The globalization of the production, consumption and distribution relations.** The mentioned theories were written in an era where the production, consumption and distribution relations were, to a great extent, carried out within the context of the national State. The national governments, through the interventionism, were acting in order to protect the internal market, trying to give rise to an auspicious environment for the development of the national economy. In this way many transnational corporations had to establish units in certain countries, with a "nationalized" production, in order to respond to this market. The economic opening process began in the late seventies, obtaining an extraordinary force in the eighties and nineties of the last century, with the restructuring and economic opening processes. The liberalization of the economies, favoring a greater goods circulation, stimulated remarkably the competitiveness, giving rise to the acceleration of the productive

restructuring processes. Despite the current outstanding restrictions in international trade, the economic opening and on the other hand, the need of a competitiveness increasing, caused that the companies globalized the production (such as the specialized factories in producing determined components of a machine or vehicle) and the distribution of the products, which also resulted in the globalization of the consumption, with the crowded markets from imported products from various origin.

3) **New globalized elites.** The "classic" theories glimpsed a local, traditional elite, linked to territory and with a particular type of interests in a certain area or region. These, co-opted by the foreign capital, would work for defending their interests, narrowly linked to their local political and economic power. The current globalization generated the creation of new elites, in which the territoriality is no longer the fundamental element. The appearance of this new elite, articulated globally and whose political and economic power is established in its investments and applications in global scope networks (financial speculation and / or productive investments through means of investment funds, stock market, trusts, etc.), broke with the traditional circuit of local power. One of its key elements, that decisively altered the local economic relations, transforming the whole traditional economy was the decentralization (or globalization) of the production, consumption and distribution relations.

4) **The growing importance of the networks.** Once we have seen the erosion process the State goes through, the analysis of the dynamics of the globalization from the approach of the networks that are formed among the different local environments seem to be quite efficient to explain the contemporary transformations. Currently it is observed the creation of commercial, economic, social and political networks, in which every *local* performs determined roles. The large financial centers, the headquarters of the multinational corporations, the operation bases of the communicative networks and of information, transportation, production and cultural spreading centers, all this tends to be concentrated in certain local environments. In that context, the market plays a fundamental role through the dynamical and intrinsic mechanisms of the economic rationality upon determining the local key of the network, constituting the scheme of the relations that will be consolidated among different points. The analysis of these networks, from this perspective, explains in a quite satisfactory way the "why" of these marginalized areas existence and other ones very well "included" in this process.

Changes in the Global-Local Relation

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Local and Regional Production, Distribution and Consumption	Global Production, Distribution and Consumption
Local Market	Global Insertion
National State	Local Autonomy
Local Systems	Global Network
Isolation, peculiarities	Interactivity, connectivity
Independence	Interdependence
Local community	" Global Village"
Traditional Elite	Global Elites
State Interventionism	Managerial State
Conventional, regional communication	Global Communication, the Internet and new technologies
Centralized national planning	Local public policies
Nation-State	City
Centralization	Fragmentation

Elaborated by the author

New trends in the global-local relations

Taking into account these new factors, there is a need of making new positions and formulations, adapted to the current context and considering the new and multifaceted transformation agents. The multiple and complex relations formed in the contemporary society, in local or global scale, make us consider it from another point of view. It is increasingly more difficult to analyze the social transformations as a result of autonomous and located processes. Nowadays, it is obtaining more consistence the vision of a modern society that begins to be transformed in a complex and multifaceted network in which prevails and is overlapped in an interactive way to the social relations that are processed endogenously in the communities (Castells, 1996). Many of the determinant factors in the local changes become the results of these interactions with the external processes. With regard to it, we can state that the history shows social changes mostly have an exogenous nature to the local community. The pressure and the movements working in favor of the changes are from outside, as a result

of the competition, the conflict, the contact with the different, the shocks of all kinds (cultural, economic, technological, ethnic) and at the same time the result of these prolific material and symbolic exchanges. We can emphasize the fact that in the ancient societies, the change elements were more limited, the contacts and exchanges with other societies were generally in a slower and more gradual way. The technological development level of the communications and transportation historically meant an obstacle for it. In the last two decades this contact and exchange process has increased in an extraordinary way, as never before. The transformation agents are much more numerous, act from farther points (frequently, in a deterritorialized way, through digital communication, for example). As a consequence of the increase in the exchanges intensity, the products of this transformation are much more numerous than formerly, whether in space or in time.

No rarely, the change processes are almost carried out in a frantic way, dying uncontrollably and irascibly, which regenerates fear and apprehension. As we have mentioned above, the world crisis, caused mainly by the speed of the exchange processes in the economic space, are symptoms of this lack of control. The arrival of these crisis involves two different aspects. The first one is that, in a definitive way, the competitive adjustment to the mentioned globalization implies an acceptance of this uncertainty space, the own risks that involves. The other option is the isolationism, which also involves the risk of the socioeconomic erosion – with the exceptions of the socialist and Islamic fundamentalists countries, that because of their closed and interventionist economies were scarcely affected by the crisis happened in the last decade in Asia and Latin America. The second aspect is these crisis show that the local-global exchange processes contain a large paradox, almost insoluble: it is confronted with the heterogeneity of the local settings. The growth of the investments and international trade and the need of financing and lending services related to those activities favored the located growth of those functions in certain places. The socially less developed regions, improperly provided of infrastructure, located in regions in conflict or too poor to attract the market, are usually in disadvantage, for taking the offered opportunities of the globalization; or, on the other hand, fighting with the imbalances and the consequences of the same process. Obviously the reaction capacity to the crisis by these regions is smaller and the risks larger. In this way a chain is formed, from which it is very difficult to release, where some local environments are exceedingly benefited, giving rise to nodes of economic and social development, while others

tend to be marginalized, being submitted in a considerable way to the orders from the economic sphere.

**Contradictions of the current global-local relation and
what the Globalization *in fact* would be**

Paradoxes	Globalization <i>in fact</i>
Commercial Blocks	Global Networks
State or supra-state interventionism (blocks, bilateral or multilateral treaties, commercial barriers)	Free trade
Investment planning and national or regional production	Global Planning
Accumulation of the positive effects in the most favorable points for the capital	Wider transfer of the spatial diffusion of the positive effects
Investments and opportunities centered in some zones, generating more competitive centers	Peer competition among the environments for the opportunities
Concentration of the benefits of the globalization in few regions	Universalization of the benefits
Concentration of the research and technology networks in a few countries	Knowledge Diffusion
“North-South”	“Global society”
Stagnation of the negative effects and imbalances to marginalized or peripheral zones	Global absorption of the effects, collective performance and actions located in less privileged areas, benefiting the whole (global society)

Elaborated by the author

The economic growth in some regions associated to the underdevelopment in others, that the current globalization is carrying out, leads us to a very asymmetrical kind of interconnection. This is denoted by the way how the infrastructural, financial and monetary, technological diffusion and information, production, marketing and goods and service consumption networks are established and consolidated. The positive impacts of the financial and commercial exchange flows, the intra-industrial transactions, the supplements and

research and technology chains influence the main nodal points of the networks, the most important corridors among those nodules and their access points and, to a lesser extent, what it would be their interstitial areas of intervention. The economic rationality points out to the fact that the directly productive activities are moved to places where they could find cumulative conditions favorable to success, blocking in that way the escape and spatial diffusion of the flowing effects, reducing in that way their territorial and geographical extent. All this culminates in a concentrating process, that acts contradictorily raising opportunities and giving rise to imbalances, catalyzing productive forces, promoting the fractional kind development, triggering economic erosion processes and condemning large regions in the globe to backwardness.

Conclusion

At the beginning of this article, we stated that gradually throughout the last years, the local environments began to assume an important leadership in the social changes. It has become them in the direct receptacles of the transformations coming from the global context. It is in the local environments where the fractional and multidirectional diffusion of the globalization obtains its territoriality, where it is materialized. The global-local relation is featured by the fact of being a multi-faceted, unequal and asymmetrical process, determined according to the role developed by each one of these local environments and their integration level with the capital, information, technologies networks and the market. This role is associated with their position in the hierarchy of the global relations: the extent of their action, the significance and economic dynamism that their productive sectors have, their economic and political joint capacity and their functional complementarity. However, in the last decades, we have observed the systematical creation of enrichment and impoverishment spirals, depending on the fact that the *local* is or is not linked with the networks and how. This "selective" dynamics of globalization, guided by the markets *rationality*, began to affect in a differentiated way to regions or local environments that by their own nature show different structure, qualities and supra-local linkages. In this context, the external instabilities began to have repercussions in an asymmetrical way more directly on some parts of the network than on others. This due to the fact a structural disjunction with regard to the controls of the diffusion flows (or even of the own networks) was created, notoriously concentrated in some few local environments and conditioned by economic and political factors, such as the blocks

creation, the interventionism and the hegemonic action of some States. As a result, an excessive geo-economic concentration of the investments capital and control has been observed, coexisting with the creation and expansion of excluded peripheral areas. In this way, most of the countries, regions, peoples and human groupings, though they have to answered to a great extent for the consequences of the transformations, do not participate in the decisions associated with them meaningfully, ending by being marginalized in this process, assuming a predominantly passive role.

From our point of view, the present trends show the need that the present and future theories about globalization – which aim to explain satisfactorily the dynamics of global-local relations – will have to contain an analysis about the complex production, distribution and consumption networks, which was absent in the traditional theories. Thus, with this article, we expect to have contributed to establish new basis for the study of the *local environments* as economic and political global actors as well as to a better understanding of the dynamic of the competitive development process among the different *locals*.

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