

## GLOBALIZATION AND HARMONIZATION: THE ESSENCE OF THE PROCESSES, THEIR INTERCONNECTIONS AND GLOBAL SIGNIFICANCE<sup>1</sup>

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### Abstract

In the paper the attention shall be accentuated on the complex and interrelated character of the two processes, which at present are acquiring global significance - globalization and harmonization - and reveal organic connections between them. In the authors' opinion, their significance will be growing, affecting the future paths of the society's development.

It should be noted that the globalization process deals mainly with the socio-economic aspects not only on the international, but on the national economic scenes as well. The harmonization, in particular on a global scale ("global harmonization"), is directed at the solution of "technical" issues, which inevitably accompany the scientific and social progress. The term "harmonization" was first mentioned in the "Agenda for the XXI century" of the UN conference in 1992 in Rio. It was defined there as the modernization of the systems classifications and labeling (of the chemical products, in particular) designated to secure the material safety of the users. The term had not been duly elaborated then and remains so since that time, leaving the task of the interpretation of its contents, evidently, to the specialists. It was only stressed then that the conference considered the process of the harmonization as one of the six main directions of the activities for the next century.

### Introduction

The purpose of the presentation is double sided:

- to accentuate the attention on two processes of global essence - globalization and harmonization - which at present are acquiring world significance and seem to define to a significant degree the future development of the postindustrial society;
- to reveal organic connections between them and also complex character of their interrelations.

It should be noted that there is a difference between these processes: the globalization, at least ostensibly, deals mainly with the socio-economic aspects not only on the international, but on the national economic scenes as well. Whereas the harmonization processes, in particular on a global

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level (“global harmonization”), as the discussions at the TIEMS conference in Oslo showed, are directed at the solution of “technical” issues, which inevitably accompany the scientific and social progress of the modern society.

An important aspect of globalization, as a process of building up and strengthening (on all the azimuths) of general societal interdependency, particularly in its economic dimension, could be manifestly observed during last several decades. The term “harmonization”, according to the “Agenda for the XXI century”, accepted by the UNCED conference in Rio, was defined as the creation of the classifications system and labeling (of the chemical products, in particular) designated to secure general material safety. It was only stressed then that the harmonization should be considered as one of the main directions of the international activities for the next century.

As in the case of globalization, the term “harmonization” might be leading to some disagreements, even contradictions, among the members of scientific or business communities, or political establishments, as its contents have not still been refined to a sufficient degree and the interpretations may vary and well result in unexpected and diverse conclusions.

Generally, the harmonization process may be considered from two angles: first, as narrowly “technical” process, with limited tasks, referring mainly to the sphere of hazardous materials or goods; and, second, more general, as a process of a wider societal significance, securing societal and technological safety and/or defending certain (and significant) economic interests.

Thus, the harmonization process is directed at the creation of the classification and labelling system on a global scale, formulation of more or less strictly defined aims and methods of the realization, whether, they refer to hazardous materials or products, elimination (or minimization) of negative health and environmental effects, uniformity in labelling of dangerous chemicals, or their safe transportation or supply/use.

It should be stressed in the beginning that the processes to be interpreted here are extremely complex, the effects of which have just started to be felt in many countries of the world, whether highly developed or only at the initial phase of their economic and political development. For the presentation’s purposes it is important to elucidate the interconnections between them and with other societal, technological and other processes, specific of the society at the present stage of its evolution. Due to complexities of the societal, economic and other phenomena, touched upon in the narrative, only a simplified version of the results of the processes analysis and developments considered here could be suggested, hoping that the general ideas would be worth of presenting here.

The authors of the paper find it expedient:

- To accentuate attention on the globalization and harmonization, because at present they have been acquiring exceptional significance, and defining to a significant degree the direction and substance of trends in the postindustrial society;
- To examine these processes and trends from the point of view of their importance, which, undoubtedly, will be growing at least in the foreseeable future, affecting the paths of our society’s progress, and also to appraise the interrelations between them and their possible impacts on socio-economic, technological and other developments.

The processes to be analyzed here seem to be particularly promising from purely scientific, as well as applied, specifically political, points of view. It should be noted that the globalization, at least ostensibly and at least temporarily, expresses itself not only on the international level, mainly in the socio-economic sphere (international finance and trade, especially), but on the national level as well. Whereas, the harmonization processes, in particular on a global scale (“global harmonization”), as the discussions at the last year’s TIEMS conference in Oslo artfully

demonstrated, are directed at the solution of “technical” issues, which inevitably and manifestly accompany the scientific and social progress of the modern society.

So, the need now arises, first, to present both these processes tied together into a super complex phenomenon and influencing still more strongly all the main spheres of human activities – societal, in particular economic, technological, environmental, and political. Second, to thoroughly examine the phenomenon from its probable perspective, to define its place in the current economic, particularly international trade and finance, and industrial, activities, and forecast its possible impacts on future developments in various fields of human endeavors.

### Globalization

The term "globalization", when used, is often presented or understood, as an abstract and general idea, not, at least directly, connected with any existing practices, objects or events, devoid of any “material” essence, thus, loosing any real meaning or sense. In the result, this, now notorious, term might become, not only a platitude or an empty slogan, but also an illusory notion, precluding a realistic research or analysis and, in the end, disarming a researcher, a politician or any interested person or international or national organization or movement facing some genuinely complex processes and/or threats, connected with real and serious problems, for example, global dissemination of information, activities of international financial markets, capital investments flows, political upheavals of interstate character, or possibilities of deployment of new kinds of most destructive weapons. All these events or threats became fully manifest in the last two-three decades of the previous century. Consequently, these real developments of obligatory character, taking place in different parts of the world, make it double necessary to separate them from the globalization as an ideology, which, being also a reality, though of a different nature, should be left outside this presentation.

The globalization process should be approached as a reality specific of a modern “society” (in traditional sense, as a basic entity) closely connected with the events and developments surpassing the bounds of national institutions and acquiring genuine global essence and significance. Activities of influential international organizations, WTO in particular, aimed at the propagation of the globalization process, make it more manifest and also to better observe the connections between the schemes or ideas of globalization, on the one hand, and practices of globalization, especially in such key branches of world economy, as international financial markets or trade, investments or assistance, on the other. At the same time, it is evident that sheer increase in numbers of objects (subjects) of the international processes, and/or members of the UNO and other international organizations cannot be interpreted as an expression of the globalization process or serve a justification for the destruction or disorganization of the existing national societal entities the *nation states* system - as one of the fundamental principles of the international law and order, established as far back as the XVII century. Or extenuate the idea of national sovereignty and non-interference, as if it is in the interests of speeding up “globalization”. Moreover, to ignore the reality of a rapid increase in the numbers of TNC or international financial institutions with their increasing and practically unopposed influence on global, and more and more often on national economic activities of many countries, of the Third world particularly [5,7].

A definition of the term “globalization” may be suggested (in the frames of this paper), as a process of aggregation and incorporation of various basic components of the human civilization into an unprecedented and extremely complex phenomenon, which could emerge only at a particular period of the society’s evolution; in its essence contradictory to the process of societal, in particular political, diversification.

Therefore, the globalization, in the context of the human society’s evolution, should include not only its physical elements, but also consciousness, that is, many non-material components, the

products of the human anthropo-socio genesis and its cultural evolution. An important aspect of globalization, as a process of building up and strengthening (on all the azimuths) of general societal interdependency, particularly in its economic dimension, could be manifestly observed during last several decades. Incidentally, that became a reason (to some specialists) to connect the process of globalization with Kondratiev's cycles (the so called "long waves") in the economic activities. As a result of this approach an idea has been put forward that the present globalization oscillation, if tied with this cycle, has already been passing a half of it, with the final conclusion that the globalization should have to exhaust itself with the cycle's end. In other words, the eclipse of the globalization is "inevitable" and would take place in the 20s of this century, creating a new, "post-globalization", period. This point of view, unfortunately, is based, on only one (though, of course, important) aspect of this whole intricate process – namely, economic – ignoring a necessity of a holistic approach to globalization, especially its long term, extremely complicated, and in many respects contradictory, essence [4].

Summarizing the above points, it is possible to denote several important specific features of the globalization process:

- As to the general impact of the globalization on the human society it should be stated, that, whether it would be strengthening the trend to the homogeneity or, on the contrary, to the heterogeneity of the society, the perspective seems to suggest that both these trends do not automatically lead to the alleged disintegration of the society's entity, in various forms. Evidently, the general principles and mechanisms of the societal "defense", worked out during its long evolution, would prevent its disintegration or radical changes with possible general negative effects [11].
- The possibility of the reversion of the globalization process seems at present unlikely. In some respects this possibility could be admitted, only if it would refer to separate aspects or parameters, and not to the phenomenon taken as a whole. Or accept the possibility that the globalization could take a *pulsating* character;
- As to the issue of the predetermined nature of the globalization, the position (of the authors, at least) may be reduced to that on the basis of the growing interconnections of main global processes, as constituent parts of the self-organizing evolution of the human society, the globalization at present is gradually acquiring an *imperative* character;
- Specifics of the globalization may give the reason to think that the process could be, generally speaking, managed, but not so much in the sense of taking decisions concerning its particular dimensions or contexts, as rather *directing or organizing* it mainly through the international organizations or institutions with particular tasks or functions [10].
- It is possible, with a degree of certainty, to assert that the globalization could not in foreseeable future eliminate the *national state*, of any existing kind, or, for that matter, *national economy* as such. Rather, it would most probably lead to the reconstruction of the sovereign "territorial" type of a state, which would mean the preservation (or creation) of "big" state organizations (unions?), their modernization on the federal or confederate basis, or the development of the interstate, or regional institutions of supranational, though limited functions; the economy would preserve its strength in large state formations, probably loosing it in smaller ones, with their place to be replaced by prospective and new national economic organizations, which could easier adapt themselves to new global realities;
- The hegemony of separate leading sovereign states in the international sphere would in the foreseeable future be preserved (if not growing) with diminishing roles of other less developed countries, in resolution of international, particularly economic, problems. But simultaneously the leading states should become more flexible, if their *status* ("big eight"?) preserved. Moreover, their hegemony might, by necessity, become limited, especially having in view the possibility of the formation of new global societal, economic in

particular, unions, systems or various other components (NGO, public movements, etc.) [6].

It should be stressed that political positions in respect to globalization, as announced in 1990s by alternative forms of thought and public movements, though still not heterogeneous or extremely strong, have a propensity to take the distinctly opposing direction and to a separation from the thought mainstream. In their opinion, globalization is **not**: inevitable or fatally predetermined; universal or eliminating all the differences or contradictions– from economic to cultural; eliminating the trends to the “westernization” (or, rather, americanization”); without alternatives to this process; effacing societal differences and inequalities. Instead, eliminating sovereign “territorial” states. In fact, in the existing world *modus vivendi*, the elimination of the national states may well be transformed into a system, where a corporate (TNC) capitalism would predominate [9]. This position, incidentally, to some extent also applies to Russian political scene [3,9].

### Harmonization

The term “harmonization” was first used in the “Agenda for the XXI century” (item 19), adopted by the UNCED conference in 1992 in Rio. It was defined then as the system of the classifications and labeling (to be created by stages) and designated to secure the safety, in the sphere of, specifically, the production and trade of chemical products. At that time the term had not been elaborated and has remained so since, leaving the task of the interpretation of its contents and search of the realization methods, evidently, to the specialists of later times [14]. It was stressed only that the process of harmonization, should be considered as one of the six main directions of the international activities for the next century.

As in the case of globalization, the term “harmonization” might be leading to some disagreements, even contradictions, among the members of scientific or business communities, or political establishments, as its contents have not still been refined to a sufficient degree and the interpretations may vary and well result in unexpected and diverse conclusions.

Generally, the harmonization process may be considered from two angles: first, as narrowly “technical” process, with limited tasks, referring mainly to the sphere of hazardous materials or goods; and, second, more general, as a process of a wider societal significance, securing societal and technological safety and/or defending certain (and significant) economic interests [1,2].

It is not necessary here to indulge into technicalities of the harmonization process, so far as the purpose of this presentation is to establish close, probably organic, connections between the globalization and harmonization processes, and to show that they both strive (intentionally, or not) to fulfil, at least in the final count, the tasks apparent in the case of the globalization. It should be stressed, and appreciated, that the main specific features (up to minute details) of the harmonization were artfully analysed by the participants of the last year’s TIEMS conference in Oslo at the session meetings devoted to the harmonization problems. It is desirable here to list and characterize only several particular points connected with the harmonization.

Manifestly, the harmonization process is directed at the creation of the classification and labelling systems, formulation of more or less strictly defined aims and methods of their realization, whether, they refer to hazardous materials or products, exclusion (or minimization) of negative health and environmental effects, uniformity in labelling of dangerous chemicals, or their safe transportation or supply/use. It has been stated that all these systems should finally acquire either international or global significance (“global harmonization”). It is worth mentioning that several classification and labelling systems have already been in existence, the main among them are the International system for Transport of Dangerous Goods, and appropriate classification systems in the USA, Canada and the EU.

The OECD countries through several co-ordinating groups (dealing with chemical, transport, storage and other classification systems) have endorsed the idea to apply appropriate criteria, developed and used by them, into the Globally Harmonised System (GHS) to be created at a later stage.

Among influential international organizations that are engaged in the harmonization activities should be mentioned such as: OECD, International Labour Organisation (ILO), UN Committee of Experts of Transport of Dangerous Goods (UNCETDG), UNEP, WHO, FAO, UNITAR. This fact alone shows the importance of and the attention to the problems of the harmonization on the part of the international community, and also its general significance. By the way, the mandate for the harmonisation of classification and labelling was defined by UNCED as "a globally (stressed by the authors) harmonised hazard classification and compatible labelling system including material safety data sheets and easily understandable symbols'.

The general goals of the GHS are to enhance protection of the society and the environment by:

- Provision of an internationally comprehensible system for hazard communication and a recognized framework for the countries without respective existing systems;
- Facilitation and security of international trade, particularly in chemicals, and products, whose hazards have been properly assessed and identified on an international basis and standards;
- Reduction of the need for testing and evaluation of dangerous materials [12].

The global system would use a building block approach in which application may vary according to the circumstances, type of product, and stage of life cycle, allowing selection of the elements appropriate to the needs of the various end users (transport, consumers, workers, emergency responders).

There are three main specific features of the GHS:

- First, the classification of hazardous and other substances and mixtures, to be carried out under the auspices of OECD and various UN organizations, such as the Committee of Experts on the Transport of Dangerous Goods, (CETDG), for physicochemical hazards.
- Second, harmonization of hazard communication processes and methods (e.g. usage of labels, safety data sheets, etc.), carried out under the auspices of the International Labor Office.
- Third, the criteria will be incorporated with other harmonised elements into an International Recommendation for GHS, which will be adopted by the UNESCO in 2003. The GHS will employ a building by stages approach in which application may vary according to the circumstances, type of products, stage of life cycles, etc., allowing selection of the elements appropriate to the needs of the various end users.

The very nature of the harmonization of various and (probably) sometimes competing regulations implies that certain essential changes might be made in the existing systems and procedures in order to comply with the unified procedures and rules to be adopted by the appropriate international agencies. As beneficial as these regulatory changes promise to be, it is clear that much effort in time or resources will be needed on the part of governments and private organizations to implement necessary adjustments. They could include updating data and appropriate information, materials properties, formulating data sheets, samples of product labels, transportation classifications, software packages, and etc [13].

As the first stage of these activities would proceed, the emphasis must by necessity shift from *what* the criteria and regulations of the system should be to *how* the worked out rules and separate existing systems could be transformed by various national and international agencies, and manufacturers into a comprehensive global system, securing import, trade transportation and distribution of hazardous and other appropriate products.

But the main aspect that could show where the **real interests** should be sought is the economic significance of the branches of the economy that propagate the introduction of the internationally recognized and harmonized systems, global in final count. The figures given here will speak for themselves.

As Dr. L. Séguin from Canada showed at the TIEMS conference last year (on the basis of the report of the American Chemistry Council), the US chemical industry represented in only one year (2000) sales of 435 billion USD, or 10% of the global export market and also the most important sector for investment in R&D!. The report also mentioned that in the second quarter of 2000 (after-tax) profits reached 3 billions USD, an increase of 24% over the same period of 1999. The overall chemical industry for the year 2000 was expected to come up with after-tax profits of 45 billions dollars!

Knowing that two of the main partners of the US in chemical trading are Western Europe and Japan, it is possible to see where the interests in the “harmonizing” the classification of chemicals and the documents systems concentrate.

It should be noted that back in 1992 the American National Standard Institute (ANSI) came up with a standardized format for the safety sheets (MSDS). This change induced investments of several billions of dollars from the US chemical industry alone, and the modification was affecting the format of only one document, mainly in North America. Dr. Seguin concludes that it is possible to expect a much more important worldwide impact from the coming GHS. In the software market there is also a considerable and increasing interest in the development of the GHS.

Several large chemical companies, just for an example, have decided to invest millions of dollars to develop their own IT system in order to create, manage and distribute their samples of the appropriate documentations needed by the “harmonized” systems. Since the advent of the Internet, they very often had to reinvest because they realized that posting documents on their Web sites introduced an important return on investment (ROI) for the years to come.

Attempts should be made to highlight what global harmonization would mean to small, medium and large organizations. In this respect smaller players on the markets must, more than the big ones, plan in advance to spread the investment over at least several years to minimize the impact, which seems to be inevitable with the coming of GHS.

## Conclusion

The problems of globalization, widely discussed nowadays, have become, on the one hand, scientifically and socially all permeating, and, on the other (simultaneously with the first position) to a large degree dissipated and vague which could impede the understanding of the whole subject and obscure its general socio-political essence and significance.

In order to come to some definite conclusions on the basis of the suggestions, submitted here, it is necessary to indicate basic similarities between the processes touched upon in the text above:

- Both processes concern the globalization factors which are specific of the modern society at the present stage of the development;
- The main purposes and aims of the processes in question, as manifestly stated in the appropriate documents, referred to earlier, practically coincide – to support and ease the globalization trends already evident in all the most important spheres of human activities – economic, technological, environmental and others;
- Of course, there are differences between these processes: whereas the process of globalization (in the narrow sense of the term) concerns mainly socio-economic, environmental, and some others developments, with the emphasis on the societal, political in particular, essence of them, the harmonization process deals, at least at present, with

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more “technical” problems, namely with the creation of the classification and labeling systems and their internationalization, at a later stage their transformation into the global harmonized system of much wider societal significance and, it should be added, impacts;

- From the point of view of the perspectives of their development and resulting consequences it is possible only to make a guess that the society, armed with the most advanced scientific methods of analyses shall be able to prevent negative consequences.

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