

# THE IMPACT OF SAFETY POLITICS IN THE CURRENT GLOBALIZATION CONTEXT

**LUÍS ANTÓNIO ALBUQUERQUE DO CARMO**

M.A.2013, Entrepreneurship and Internationalisation,  
Instituto Superior de Contabilidade e Administração do Porto, IPP,  
Rua Jaime Lopes Amorim, 4465-004 S.Mamede de Infesta, Portugal

**MARIA CLARA DIAS PINTO RIBEIRO**

Director of M.A.2013, Entrepreneurship and Internationalisation  
CECEJ - Instituto Superior de Contabilidade e Administração do Porto, IPP  
Rua Jaime Lopes Amorim, 4465-004 S.Mamede de Infesta, Portugal

[Diamar.clara@gmail.com](mailto:Diamar.clara@gmail.com)

Tel. 351229050000/351229733667

## *Abstract*

The globalization is a process of economical, social, cultural and political integration motivated by the needs generated by a consumption-orientated society and a set of factors that have led to its development, such as reducing transport costs, the technological advancement and the development of communication networks. However, the phenomenon of globalization has been accompanied by increasing levels of insecurity as a result of various types of threats and transnational crimes that the International Community seeks to control and minimize.

Throughout this work, we examined how the globalization process has been developing and how nations are able to maintain security levels consistent with their economical status and social development, without disturbing the normal course of organizations' economical activity and the well-being of people.

From the investigation developed we concluded that, besides the confirmation that economic integration and the opening of markets have influence on internal consumption, market globalization and migrations have been causing modifications in the consumption habits.

We also concluded that the security measures implemented by States or by the International Community affect international trade, but do not imply disproportionate costs or significant delays in transactions. Likewise, we concluded that the control measures implemented in international trade are sufficient to ensure the safety of the people and nations, enabling us to confirm two of the three conjectures raised in this study.

**JEL Classification:** F52, F55, H56

**Key-Words:** Globalization, Security, Organized Crime, Customs control

Theme Area: Economía del Sector Público, Administración e Gobernanza Pública

## 1. Introduction

Nowadays, the globalization phenomenon is a creation process of an integrated, global economy, in which the nations produce and freely commercialize goods and services, according to its comparative advantages, factor endowments and competitiveness, strongly motivated by the transport technology's evolution and by the information technology's "boom" associated to the influence under mass communication of media/information networks.

The concept of globalization is a result of the homogenization of commercial relations, with the consequent dwindling of the differences between the markets. It means that a growing number of countries are partaking in the worldwide economy, in a process that is changing the trade model and influencing more and more our daily lives. It goes beyond a simple process of getting to the bottom of economical integration, presenting as well a social, cultural and spatial dimension on a worldwide scale, favoured by the reduction of the transport costs and by the development of technology and information networks.

Side by side with these technological developments, modern globalization differs from the previous ones because it is connected to an expansion of economical power, especially that of the industrialized countries. Previously, trade was developed between sovereign states while, nowadays, globalization settles on neoliberal ideas, which demand the free functioning of the markets, dependent of the involved parties' will and without the intervention of the state.

The globalization process has been leading to the privatization of public enterprises and to the reduction of the monopolies, with the consequent flowing of the markets and the increase of the competition. At the same time, enterprises look for the reduction of production costs and for the profit maximization, resorting to several internationalization strategies.

The States' role has turned to the support for the organizations' international expansion, namely with the formation of economical blocks between geographically close countries.

Our planet's transformation into a "Global Village" is associated to the increasing interdependency and closing between peoples, as to the suppression or, at least, the fading of divisions and borders. Notwithstanding, at the same time and apparently paradoxically, the globalization process here portrayed is accompanied by a feeling of vulnerability and insecurity, consequence of the increase of transnational and of varied character threats and risks.

Questions of safety, or lack of it, are a result of the several sides of the relations mentioned above.

On a political level, we face the weakening of the States' positioning related to the international trade's regulation, assuming, however, a preponderant and decisive role to the future of the globalization process in "management", through international trade institutions.

On an economical level, it is stated that enterprises, searching for comparative advantages and for higher competitiveness, easily relocate productive structures with all the consequent social implications.

On the other hand, there is a worsening of the asymmetries between developed countries and countries in development, favouring uncontrolled migratory movements of people searching for better life conditions.

Hand in hand with this destabilization factors, there is an increment and a substantial transformation of organized crime and terrorism. Although these are ancient practices, with globalization they have become transnational instability factors, benefiting from undesirable secondary effects of this whole process – namely the alteration of employment, culture and social stability patterns, which encourage a feeling of unfairness and inequality – and also of technological advances (which don't benefit licit activities only).

### **1.1 Definition of Concepts**

Globalization presents different orientations according to the time in which it is inserted, whilst it does not exist consensus regarding a concept of what is globalization and what is its root. We could place the first wave of globalization in the expansion of the Roman Empire and relate the second with the boost given to the international trade by the Discoveries started by Portugal.

However, its definition and framing have caused the most diverse discussions, both in favour, by those who stand that the elimination of the barriers between countries could lead to the sustainable growth of people's life level, and against its development, by those who consider it as a source of inequalities which affect the quality of life and the security of the people.

Prado (2005), despite the lack of consensus over the subject, suggests four lines of interpretation for this phenomenon. The first, identified as a historical epoch, started after the Second World War and culminated in the fall of the Berlin Wall and the collapse of the Union of Soviet Socialist Republics (USSR), inserting the world into a new historical cycle.

The second interpretation regards globalization as a sociological phenomenon of time and space compression: the capital moves freely, as opposed to the workers who have restricted movements; thus pressuring the work factor to decrease the time of production, reducing costs.

On the third line of thought, where the existence of globalization is questioned, this comes out as an hegemony of the liberal values: it consists only of an ideology with the goal to legitimize the actual social order or, otherwise, the globalization exists and is function of the liberal values.

The last of these interpretations regards globalization as a social economical phenomenon, result of the interaction of three different processes, the expansion of the international fluxes of goods, services and capitals; the increase of competition in the international markets and the higher integration between the national economical systems.

Nevertheless, this process of worldwide integration, favoured by the reduction of the costs of transport and communication, as well as by the technological advances and information networks, presents strong implications on a cultural and social level, thus being object of opposite feelings. It creates both movements of sympathy by the inherent advantages, and feelings of repudiation, sometimes, violent ones.

The increase of competitiveness created the raising of unemployment, while the trade liberalization undervalued the national culture of the developing countries and the underdeveloped ones, causing an "effect of imperialism by pretending to create a relationship of transnational strength as a natural necessity" (Fernandes, 2002).

The mentioned factors create manifestations of social movements and, in a more preoccupying way, ease the raise of threats and unpredictable risks on an international scale, “in which come forward, besides organized crime and terrorism, the worsening of the North-South asymmetries, uncontrolled migratory movements, ecological attacks and the proliferation of massive destruction weapons” (Miguel, 2009).

Zygmunt Bauman, quoted by Bonaglia & Goldstein (2006), defines globalization as being “the undervaluing of order as it is”; this meaning, because of the fact that the society transformations occur on a worldwide scale, the individual becomes a mere spectator of the continued transformations of borders and institutions. From this perspective, globalization divides more than it unites, creating a growingly larger gap between those who have the most and those who own the least.

The anti-globalization vision advanced by Martin Khor, also quoted by Bonaglia & Goldstein (2006), defines globalization as being a present version of colonialism which, in this sense, does not represent a natural process but instead a way of making countries and individuals dependent of the market forces.

Nowadays, one of the most polemical questions concerns the consequences of globalization over the national sovereignty. To many critics, sovereignty is mined by the multinationals’ and the international organizations’ power (Bonaglia & Goldstein, 2006).

Friedman (2005) assumes globalization as an extraordinary opportunity, especially to the poorest, which wants to concur in an open market. He asserts that the world is increasingly more equalitarian and levelled and, thus, more just. This author defines globalization as “the inexorable integration of the markets, nation-states and technologies on a never previously seen level, with the consequence of allowing the individuals, the companies and the States to lengthen their own action more quickly, more deeply and with a small cost than it was ever previously possible all over the world”.

Globalization can be regarded “as the result of an internationalization process with changes from a multi domestic, diversified strategy to an unique strategy for all countries, which are now seen as constituting only one market” (Teixeira & Diz, 2005). These authors, quoting *O Grupo de Lisboa*, mention globalization is a new process, different from internationalization, translated into the expression “*made in the world*”.

Gouveia, Neves and Carvalho (2009) also define globalization as a phenomenon of spreading or explosion of knowing and doing, with roots on the most diverse points of the globe and that struck every element of society – from simple individuals to the States themselves – and influencing them on a social, political and economical level. To these authors, “globalization is a permanently accelerating phenomenon, as an accumulated result of the constant and successive transformation, which leads to new states of multiple interconnections on an international scale.

We can also add that globalization is a result of the evolution of other two concepts that precede it. The first is liberalism, a political doctrine, which preconizes individual liberty in the political, economical and religious fields. The theoretical basis of economical liberalism, presented by Adam Smith, results from the free functioning of self adjustable markets: when producers and consumers have the freedom to satisfy their needs in free competition, each product has the price which results from the adjusting of offer and search. Economical liberalism allows a superior flow of goods, taking profit from precisely the comparative advantages of each country or company, as opposed to the flows created by a closed economy. Hence

results a bigger diversification of consumerism, incremented by the globalization of communications and the access to more economical and increasingly more technologically developed means of communication.

The second concept is free trade, doctrine which suggests international trade free of barriers in such a way as to allow the economical development, based on the raise of production and efficient relocation of each country's resources. The free trade theory is based on a bunch of studies and economical theories from which can be highlighted the absolute advantages theory, by Adam Smith, the comparative advantages theory, by David Ricardo, the factor endowment theory, by Hecksher-Ohlin, the specific factor theory, by Samuelson and Jones and the scale economies mechanism (Krugman & Obstfeld, 2005).

Whichever the approached notion of globalization, we realize there is an increasing interdependency of economies with the domination of capitalism and the reduction of distances – both in time and space – as a result of the quick technological development. Nakano (1994) refers that with the market globalization and the increasing mobility of production factors, the capital and work factor have also become goods or tradable services, no longer being a fixed endowment of a certain region. In this scenery, international trade faces new rules where the strategies decided by the governments and multinational companies are important, namely the decisions on entrance barriers, product differentiation, scale economies and technological progress. Hence results the importance of the localization of production and of the characteristics and strategies determined by the companies, for the definition of external trade politics. Concerning the govern intervention in the economies, this intervention can affect the trade pattern but will increase the competition of national companies less easily. However, the globalization pressures have been leading the countries to direct efforts to control trade and investment.

With the actual pressure on the worldwide economy, the international trade system settles on a complex superposition of systems which comprises, besides the rules established on the ambit of the WTO and its annulments, the regional blocks and a set of non-traditional arrangements which covers areas in which the international trade interacts with other domestic policies, such as competition, distribution, environmental or protection of intellectual property politics (Nakano, 1994).

Baldwin (2011) explains in detail the outbreak of the new trade rules for the worldwide economy, in the recent change of century, characterized by the increase of regional agreements. The trade patterns of the 21<sup>st</sup> century are substantially different from the corresponding trade to the production of a product in a certain country and sold to a client in another country. The current worldwide trade is the conjugation of commercial investments, of the production internationalization with resource to the new technologies – whether of production or of communication – and of infrastructures, which allow coordinating every activity, which the author calls relation “trade-investment-services”.

Being the globalization issue analysed, it is now important to investigate the requirements related to the national and international security matters, always keeping in mind the connection between the two topics.

It is important to refer from the beginning the existence of studies about the characterization of several risks and threats to the security (Fonseca, 2010) and its relation to the globalization (Miguel, 2009), without, however, as far as it was possible to understand, including every problem related to international trade security.

The issues related to safety are viewed, at first, as ways of avoiding terrorism and fall upon the analysis of these acts in the commercial relations, like the implications of the 9/11 for the study of the international relations (Buzan, 2002). But the term safety has a wider scope when in light of international trade. For example, the action of the customs services in this matter: the Customs play a preponderant role in the execution of customs controls, which aim the protection of the States and the societies against the most diversified kinds of risk, both in the environment and the citizens protection against dangerous merchandise and in the fight against organized crime (Silva, 2010); in this perspective are the lines of direction emitted by the World Customs Organization (WCO, 2008) and by the European Union, mainly about the definition of the role played by the Communitarian Customs in the management of the external frontier (COM/2003/452).

The occurring transformations which, through the means of information and social communication arrive at the four corners of the world very quickly, have been causing effects of variable range, sometimes positive, other times negative. In this new context, globalization creates opposite feelings, provokes contradictory attitudes and carries, by itself, ambivalence and ambiguity.

The process of globalization, associated to the increasing interdependency, closeness and the reduction of the borderline obstacles between peoples, is accompanied by a strong sensation of vulnerability and insecurity.

The increase of unemployment and the cultural devaluation of some countries, when confronted with the cultural "colonization" taken into action by more developed countries rouse conflicts between societies and create new risk factors. According to Fernandes (2002) "the current world is considered risky, because from a social, economical, political or of the nature itself point of view, tends to stay out of the human reach and to escape its monitoring and protection".

The conjugation of the potential risks that affect society may unleash, in a most unexpected way, violence and crime. Facing the feeling of insecurity, additional protection measures are adopted, which by themselves indicate the break of trust in institutions and the decrease of the individual freedom (Fernandes, 2002).

In truth, the levels of trust in today's strongly globalized societies are meaningfully low, which is contrary to the entrepreneur and developing societies, which present high levels of trust. The less trust there is, the highest is the risk of being taken radical attitudes and more prominent is the intolerance and the fanaticism. Therefore, today's societies should invest in trust and in healthy relationships between the peoples, thus minimalizing the risk factors.

Contrarily to what would be expectable, the end of the Cold War did not imply the decrease of international conflicts: the bipolarity which had been threatening Humanity with a nuclear conflict gave way to the globalization with clear alterations in the relationships between countries concerning power distribution and the increase of the activities connected to organized crime and terrorism.

Concerning organized crime and terrorism, even though these are ancient practices, with globalization they have become transnational menaces, augmenting the insecurity's indices, whose highest peak was the attacks of 9/11 in 2001.

Nevertheless, some authors mention that the “war against terror” might have contributed to aggravate the situation, causing an atmosphere of fear in the public opinion, which emphasised terrorism potential dangers should create. Hobsbawm (2008) echoes stocktaking of worldwide terrorism, made in 2005, which reveals that in seven thousand and five hundred terrorist attacks in the whole world, six thousand and six hundred deaths were caused, suggesting that the majority of those attacks failed. It adds, “this phase is less dangerous than the political assassination epidemic occurred since the 70’s, which hasn’t been attracting much attention from the media because it doesn’t affect the United States nor the United Kingdom”.

Hobsbawm (2008) seems to be very critical concerning globalization’s progressive acceleration and the political and cultural impact this process has been causing: we are facing a “free, uncontrolled, global market”. According to this contemporaneous historian, globalization has been provoking an increase in economical and social inequalities, both on a national and on an international level, increasing the asymmetries between the north and the south, and mentioning that “the impact of globalization is bigger by those who less benefit from it”. He also adds the problems caused by the immigration fluxes of those who search for better life conditions. Such problems are a result of the lack of political supranational or transnational solutions: “(...) there are not global authorities able to take political decisions, nor do they possess the power to apply them. Globalization stops abruptly when it comes to the political field, whether it is domestic or international”.

## **1.2 Problem formulation and issues of investigation**

From the considerations hitherto exposed resulted the core of this investigation, which allowed us to formulate the problem: in which way is international trade affected by the security measures implemented by the States or by the International Community?

It is known that any and every barrier to the free circulation of goods affects and increases the price of international transactions. However, are preconized control measures sufficient to guarantee the safety of people and nations? Or, otherwise, does not the conjugation of the different kinds of risk, which affect societies in different scales, allow an effective control of those risks?

The relationship between the occurring globalization process and the safety issue is evident, not being less true that the success of globalization implies the definition and application of safety rules in every mentioned dimension.

While organized crime and terrorism defend that the end justifies the means, the States cannot use the same weapons. However, it is important to adapt institutions to these new reality, guaranteeing other levels of efficiency when fighting these threats, namely through the articulation of efforts on a national and an international level, in the speeding up of processes, in the adaptation of institutions to the current reality and in the fight to the asymmetries.

As far as it was possible for us to understand through the studied bibliography, we find answers for the notions of globalization and security, but did not found studies which allow to determinate the leverage of the security measures in international trade. Therefore, it is important to widen the research realized so far, searching for answers to the questions roused in this study.

To do so, we considered a set of hypothesis, whose validation or disconfirmation would result of the performed investigation.

The first of these hypothesis advocated that international trade is affected by the security measures implemented by the States or by the International Community. On a first analysis to this hypothesis, we are tempted to affirm that the same will be confirmed because any control measure is seen as an obstacle to commercial exchanges. However, it seems to us that a security measure will only truly influence international trade if it implies unmeasured costs or significant delays in transactions. Thereby, investigation tried to determinate the degree in which safety measures affect international trade.

The second hypothesis stressed that the advocated control measures are enough to guarantee people's and nations' safety.

The denial of this hypothesis would allow us to investigate a third one, which determined that the conjugation of the different kinds of risk does not allow an effective control of the same. According to this hypothesis, the variety of risks that affects societies questions the safety of these societies concerning the possible difficulty in controlling the factors that cause insecurity.

### **1.3 Research's Methodology and Design**

The issues of investigation previously exposed hamper the utilization of quantitative investigation methods concerning the impossibility of obtaining data and indicators of observable tendencies. To do so, several factors contribute, from which two can be highlighted: (i) the commercial transactions' volume is strongly affected by the financial crisis which devastate the countries who contribute the most to the process of globalization, making it impossible to determinate if the transactions' volume had been affected by financial-economical reasons or by changes in the legislation concerning the imposition of certain security controls; and (ii) the imposed security measures have evolved throughout the last few years, by strength of political positions, not being possible to relate the beginning of such a measure to the variation of the transactions' volume.

Because of the features mentioned and considering the investigation specificity, one opted by the alternative utilization of a qualitative investigation method, which in a more assertive way would allow the analysis and the study of the subjectivity inherent to the exposed problem of investigation. The application of this method is characterized by presenting a bigger interest in the investigation process itself and not only in the results. Simultaneously, it is an inductive process from which concepts are developed and the comprehension of the phenomena is reached.

Between the institutions that control and apply the security rules superiorly defined, there are the Customs, organisms responsible for both the protection of the Society, and the facilitation of international trade, through the external frontier management and the security guarantee of the logistic chain.

Because of these reasons, investigation developed itself by the aid of detailed interviews to individuals who perform certain roles in Communitarian Customs and in European Commission and whose principal activity is related with the study and implementation of communitarian control measurements aiming the security and protection of the people and the European Union's territory itself.

## **2. Safety politics' impact on the current globalization context**

National or international safety issues always involve several organisms from any nation: secret services, emigration services, police bodies, army and, concerning merchandise control, customs. Merchandise control is precisely what may have an impact on the international trade globalisation process, which is why we consider that interviewing people from the European Commission and the Union Customs would be the most appropriate way to evaluate the relevance of the questions drawn in this investigation.

### **2.1 Characterization of the interviewees panel**

The interviewees develop their professional activity in the study and implementation of national and communitarian control measures, thus possessing the experience and knowledge necessary to allow attaining the results suggested in the investigation. Besides the other activities they perform, they have in common the fact that they are connected to the risk analysis management and/or represent the institution in which they work in one of the Contact Groups created by the European Commission, aiming to assure the correct implementation of the communitarian legislation, to test a new legislation and to identify the best work practices concerning risk analysis management.

From the European Commission we obtained the participation of the responsible for the B2 Unit from the D.G. XXI, Mr Paul Brennan, and from Mrs Katelijne Claes. This unit is responsible for the risk and security management implemented by the Communitarian space Customs. Besides the management of the Contact Groups (RALFH, ODDYSSUD and ICARUS), characterized above, this Unit has as their main goals the correct implementation of risk management's rules and the technical support to the Member-States as to unify the application of these rules.

From the Spanish Customs we interviewed Mr Adolfo Sáinz, technician in the Bilbao Customs, responsible for the realization of customs controls and Contact Point of the RALFH Group.

Mr Bruno Hamon was another interviewee and he is the Head of Services of Antifraud Fight from the Le Havre Customs, France.

From Netherlands we got the contribution of Mr Frank Heijmann, Head of National and International Commercial Relations of the Dutch Customs Administration, having already worked as Counsellor for the International and Customs Matters alongside with the Dutch Finance Ministry.

In this set of interviews also participated Mrs Marta Figlak and Mr Michal Lekszycki from the Risk Management Department from the Szczecin Customs, Poland. Besides the activity in the risk management area, they participate in the RALFH Contact Group activities.

From Portugal, we interviewed Mr Carlos Braga da Cruz Silva, Head of Leixões Customs. Employee for the Portuguese Customs since 1986 and Head of Customs since 2002, he also represents the Leixões Customs in the RALFH Contact Group.

From Slovenia we interviewed the Head of the Koper Customs, Mr Milan Bogatic, who accumulates roles as RALFH's and ODDYSSUD's Contact Groups Coordinator. It was also possible to interview the Sub director from the same Customs Office, Mr Nedjan Jerman.

Lastly, we obtained the collaboration for this investigation from Mr Mark Ellis, Superior Technician of the English Customs, where he supervises the customs control strategy's development of the postal mail in the United Kingdom.

## **2.2 Data analysis and treatment. Verification of the Investigation's Hypothesis.**

### **Influence in Consumerism with economical integration.**

The influences in economical integration in internal consumerism are obvious to every interviewee and their majority (90%) consider that the integration process created a larger search for foreign products. The increase of competitiveness, the ease of the circulation of the products and the decrease of transport costs are pointed as possible causes of the changes in consumerism. Such factors result from consequences related to the economies' integration process and which translate to the offer globalization, the search globalization and the increase of consumerism. The search of foreign products elapses from the economic growth and development, which propitiates an easier access to those products.

On the other hand, an integration process favours the product, tastes and consumption habits' homogenization, often helped by the migratory movements of those who search for better life conditions in developed countries and of those who, having already been in foreign countries, return bringing new consumption habits which they intend to keep.

The globalization process is admittedly impelled by the evolution of transports' technology and by the massification of the use of the new technologies and social networks. Therefore, it is not odd that the influences in consumerism and the highest search for foreign countries are incremented by the ease of using the Internet for buying cheaper products and, at the same time, by the increase of the knowledge on foreign countries. Additionally, free trade has been favouring the importations increase and hampering exportations, as it is hard for European countries to compete for price with other developing countries.

From this analysis result two verifications confirmed by the previously studied bibliography: the first refers to the globalization resultant from the domestic markets' integration in a worldwide integrated market, resultant from commercial, financial and productive globalization (Prado, 2005). The second is that there is an increasing interdependency of the economies, dominated by capitalism and by the reduction of distances towards the fast development of new technologies.

It is also clear from the collected data the corroboration of the dynamic effects of an integration process, analysed at length on the fifth note of the first chapter: (i) the market dimension's amplification, which allows the improvement of scale economies and the investment growth; and (ii), the increase of competition possibilities deriving from the elimination of customs barriers, influencing the organizations' internal efficiency and the appeal to technological innovation.

### **The opening of markets; changes in the countries' internal trade**

On the opening of markets, especially favoured by the reduction of commercial barriers and consequent changes in internal trade, 80% of the interviewees were convinced of the existence of a

relationship between the two factors, translated by the decrease of the goods' prices and by the increase of competition. The increase of the productive ability of the Developing Countries, related to cheaper labour costs, the lack of social conditions and production control of those countries, resulted in the increase of available goods, in more competitive prices. Regardless of the European consumers' higher buying power, those factors have resulted in the increase of competition and even in the transference of the European Union's production to less developed countries but that enable the reduction of production costs – hence the loss of competitive ability, with the consequent stagnation of the salaries so that the ditch between the economies doesn't increase and, lastly, the increase of unemployment.

The increase of the number of imported goods has also resulted from the opening of markets. This increase is particularly influenced by the end of the Multi Fibre Agreement, which limited the low-cost entrance of textile products in the communitarian space. Inevitably connected to the previous aspect, the homogenization of the consumption's tastes and tendencies, increased by the swelling of "global markets", has also resulted from the opening of markets. A few years from now, there were certain characteristics that distinguished societies: there was, for example, a typically Portuguese way of eating, different from the French, German or American; nowadays, any metropolis is similar, from the alimentation to the hotels, besides the way of dressing and the need to possess consumerism goods branded by new technologies. There is an excessive concentration in basis characteristics, which reflect on the education and thought, which restrain the creativity characteristic of each society and which homogenize the countries.

Particularly in Portugal, the internal trade changes result, on one hand, by the existence of more products to an inferior cost and, on the other hand, by the inability of the traditional productions of the country to maintain an effective presence in the markets. Our future development will depend on our ability to be capable of maintaining our own basis characteristics, in a certain worldwide framing.

As Gonçalves (1998) says, the globalization process has been creating a complex system of interdependency between the economies, causing asymmetries and external vulnerability, as strong as the costs resultant from the adjustment process.

Some of the consequences referred as a result of the opening of the markets have also been noticed by Hobsbawm (2008), who considers that globalization has been provoking an increase of social and economical inequalities, with the consequent raise of the asymmetries between countries.

The collected data also mirror Nakano's (1994) remarks, because it is stated that the widest opening in the work market has been resulting in the transference of manpower between countries, in a way such as to spread the production over several countries, profiting from the comparative advantages of each one.

### **Changing of consumerism habits**

Intrinsically connected to the previous matter are the changes of consumerism habits as a result of the intensification of trade between countries, verified by all the interviewees.

Once again the factor that influences the interviewees' answers the most is the increase of competition, associated with the increase of the offer and the decrease of prices. But the decrease of prices is, more often than desired, related to products of inferior quality, which question the consumers' safety.

Another factor mentioned as influential of consumerism habits is related to the search of new products, often influenced by more aggressive marketing technics, which generate the increase of the buying of products as an impulse and of superfluous goods, hence the bigger volume of products' acquisition, preserved for less time, with consequences in the increase of energy expense – in the production and the transportation – and in environmental costs.

The search for new designs is not foreign to the changing of consumerism habits as well. In a global market in which the Internet allows the access to information and the contact with the most recent novelties, no matter where in the world they appear, it is understandable that the globalization and the cultural integration resulting from the free circulation of goods and people provoke the changing of consumerism habits.

The influence on the consumerism habits certainly depends from the internationalization strategies defined by the operators (and supported by the internationalization politics of the respective countries) as to counter the competitive pressures on the internal markets (Ribeiro & Santos, 2005) and to being able to create competitive advantages in the external markets, namely with the application of enough resources to compete in the institutional environment of the new markets (Cuervo-Cazurra & Un, 2007).

### **Migratory movement's influence in culture**

It is recognized that the globalization process, not only because of the aggravation of the North-South asymmetries, but also because of the ease created concerning the free circulation of people, has been causing migratory movements, some of them uncontrolled (Miguel, 2009). On the other hand, as a consequence of those movements, there might be some influences in culture of the constituent people.

90% of the interviewees confirm that influence. Only one of the Slovenian interviewee considered migratory movements in that country to be so small that there is not any cultural effect deriving from them.

The immigration volume depends on each State's policies, being substantially superior in periods of higher economical development. In that way, the United Kingdom has been feeling the influence of these movements with higher impact on the public services (health, education and habitation), on the financial system and on the social security contributory system.

The changes in people's diets resultant from the variety of cultures that integrate some European countries are also important.

In Portugal, we may identify three big immigrant movements: the most traditional one, from African countries, especially Cabo Verde and Angola; later, from Brazil and, more recently, from Eastern countries.

The first one, having very specific characteristics, connected with relative ease, especially in the south of the country; from an economical point of view they are individuals who have undifferentiated jobs and have not had influence in the productive fabric of the country neither in its habits.

Brazil shows great affinity with the Portuguese population. The Brazilian influence in Portugal is very tightly connected to the globalization process, with strong repercussions in culture. The Brazilian shows (soap operas, humour shows and talk shows) are a good example of the influence over the Portuguese

behaviour on the most diverse levels: social (with the search for higher individual freedom), the taste and the cult of appearance and a great liberalization of traditions.

The Eastern immigrants, on a cultural level, have not had influence over the way of living of the Portuguese, but they also do not show big differences compared to Portugal. They have quite qualified manpower, which competes with the Portuguese one.

There are still the cultural influences caused by immigrants who, when returning to their country, incorporate in their own culture the habit changes acquired during their stay abroad.

### **The Communitarian Customs' Role in the management of the external frontier**

On the role of the Communitarian Customs in the management of the external border, the interviewees' opinion is unanimous concerning their importance as a control and protection of the society and the Union's interests' security. As a whole and concerning that importance, the answers complete themselves and define in an extensive way the attributions of these organisms, in the same way they are defined by the World Customs Organization (WCO, 2008) and predicted by the European Union (COM/2003/452).

The European Union results from a customs union, based on the customs' activity: the creation of a common customs list applicable to the merchandise fit to be transacted with other countries and the free circulation between the Member States. It is obvious the privileged position, both historical and geographical, to perform a key part as the European Union's first entity to control the goods on the external frontier.

Over the past few years, a paradigm change has been occurring, in which the customs authorities have stopped working based only on a traditional vision of simple impositions' charge, but also as a XXI century organism with a vocation for cooperation and high risk movement detection. Through this perspective, to the traditional financial interests' protection function joins a set of security and protection functions, fundamental in the definition of public policies: (i) to assure the fulfilment of environment, health and consumers' security protection rules; (ii) to guarantee the legitimacy of exportation of dual-use goods or sensitive technologies; (iii) to detect and withhold counterfeit; (iv) to control money movements performed by travellers to avoid money laundering or tax evasion; (v) to protect cultural patrimony; (vi) to protect endangered species; and (vii) to collaborate with other entities in the fight against human, drugs, pornography and fire weapons' traffic – elements related to organized crime and terrorism.

Concerning these functions and the actual state of economical globalization, it is crucial to conciliate two vectors of performance: facilitation and control. To do so, it becomes essential to think of the customs in a global way, based on the standardization of procedures concerning the whole EU and thought in order to increase security.

The standardization of procedures is related to the reorganization and identification of the controls, how and where, being also related to the different way of organization of the customs services from Member State to Member State. The lack of homogeneity – result of the inexistence of one unique Communitarian organism with a vocation towards the customs control – is translated to different endowments of control equipment and to different competences attributed by each country to their customs.

From these difficulties, stands out the importance of international cooperation between customs, namely through the Contact Groups previously mentioned and a higher standardization of equipment and competences.

**Would a safe trade surpass the control of 100% of the containers, as the North American legislation preconizes? What inconveniences would such measures bring?**

All the interviewees considered the realization of non-intrusive control measures over every merchandise movement made in containers as a measure that does not result in a safer trade.

The control of 100% of containers would be an impracticable measure because of the associated costs – namely the costs related to the acquisition of control means, the operational costs and the costs associated to the means of transportation – and because of the resultant obstruction to the legal trade, with implications in competition.

It is also a general opinion that such a measure would be disproportionate up against the existent risks: on one hand, there is a low risk associated to the use of containers to terrorist attacks and, on the other hand, terrorist threats may be considered, because of its nature, uncontrollable. Therefore, these controls would result in retrocession of work methods, which would make visible the incapacity to apply alternative solutions.

What seems crucial is the application of risk analysis criteria based on a good quality information treatment: “Who is moving what to whom”.<sup>1</sup> The utilization of these risk analysis criteria, based on the regulation regarding the protection and safety, in the rules of the economy, health and citizens’ protection, the fauna and the flora and of the environment, and being grounded on the knowledge of the commercial streams, the operators and the products, make the preventive measures more efficient and the international trade safer. We retrace in passing that the terrorist attacks of the 11<sup>th</sup> September 2001 were due to internal security’s mistakes, non-related to flaws in the goods control.

**In what way is international trade affected by the security measures implemented by the States? Are there any significant costs resultants from the implemented measures?**

It was unanimously recognized that international trade is affected by the security measures implemented by the States. There are economical costs, namely costs additional to the transportation logistic and costs related to the time spent with the implementation of the security measures, which provokes delays in commercial transactions.

However, only one interviewee considered those costs to be significant, costs of time and money to the economical agents and to the States, which could be reduced by using more modern equipment and with a better organization of the competent entities.

Most of the interviewees (90%) believe that the costs resultant from the security measures should be analysed, taking into consideration the benefit-cost relation of such measures; adding that those costs are

---

<sup>1</sup> Interview of Mrs. Marta Figlak and Mr Michal Lekszycki

compensated and justified because they result in benefits for the consumer and for society in general. Controls are necessary and lead to costs, diluted in the logistic chain and commonly accepted by the economical operators.

The price of life in a democracy and in a sufficiently safe society brings costs that the companies, the private corporations and the States must incorporate. What matters are that those costs do not destroy the ability of the economical fabric to generate wealth, and that they do not paralyze the economy.

It is also understood that all control measures are a result of the mandatory application of communitarian legislation and, in that way, they should be seen as an example to consider in the international trade's logistic, like other commercial politic measures, whose cost ends up diluting with the others and being paid by the final customers.

We cannot think that globalization allows the reduction of costs that affect international trade in an equivalent way to the verified reduction at the time when Portugal adhered to the EEC. The virtues of a customs union only make sense within a certain space and are only potentiated when confronted with other realities. Bringing the EU or the Mercosul advantages to a global sphere is a chimera.

However, the keynote put upon the legitimate trade's facilitation measures, which aim to reduce the costs associated to that trade, is significant. An example is the concession of the Authorized Economic Operator (AEO), from where the economical agents have been reducing the traditional controls applied to the goods or services transacted by them.

The references to the need of implementation of new technologies in the risk analysis, aiming for the reduction of costs when taking decisions and the transmission of information between the competent entities and the economical agents involved in international trade are also important. An example is the "Data Pipeline" Project (Stijn & et al, 2011), developed in the range of the "Cassandra Project", under the auguries of the European Commission (in which the Dutch colleague interviewed in this article participated), which studies the possibility of integrating all the information of the international trade's logistic chain (from the exportation to the importation on the destination), brought from different sources, into a single information exchange system.

The Port of Leixões has already implemented "A Single Window" where the agents and entities related to the port activities interact: Harbour Master, Customs, Frontier and Foreign Services, Port Captainship, Maritime Hygiene, Borderline Inspection Post of veterinary services, Dockland Operators and Navigation Assistants. Connected to the single reception project (which included the settlement of automatic means of controlling the entrances and exits of people and merchandise), it allowed the simplification of procedures and increased the fiscal security conditions of the port, contributing to an increment of efficiency of the customs activity. This port is also involved in a communitarian project – "MIELE Project" – that intends to widen the concept of the "Single Window" to a vaster set of countries and entities, like the "Data Pipeline" above mentioned.

From this analysis, the first hypothesis raised in this work is confirmed: international trade is affected by the security measures implemented by the States or by the International Community, but such measures do not imply excessive costs or significant delays in transactions.

**Are the control measures preconized enough to guarantee the safety of people and nations?  
Or does the conjugation of the different types of risk, which in different scales affect societies, not allow control over those risks?**

The last question the interviewees answered aimed to collect information that would confirm or invalidate the second assumption of the investigation, which stipulated that the preconized control measures were enough to guarantee the security of people and nations. Perhaps because of the uncertainty and the insecurity caused by recent terrorist actions, the question caused one negative reaction – justified by the lack of quality of the information on the goods that had arrived at the European Union – and two inconclusive answers; hence the opinion of 70% of the interviewees that the current safety measures are the most adequate was justified with several arguments.

It is known that the reduction of risks increases with the information's integration and with the transparency of commercial transactions. All operators are obliged to supply the customs – or any other control entity – with the information needed to the realization of the risk analysis foreseen to the movement of goods in international trade. That obligation includes all operators, regardless of their trust level, but a higher transparency of information, besides the involvement of the economical operators into the security measures, mean more access for those operators to simplified procedures and they will see their transactions simplified. To the legitimate trade companies it is important that the controls are only oriented to the shipping of problematic merchandise – since it meddles with its efficiency – so they are interested in providing correct information and correct sectorial information.

On the other hand, the experiences about harmonization between security, control and facilitation have been successful. The customs possess an experience and knowledge capital connected to international trade that has been allowing them to perform their control functions with a margin of security sufficiently large: (i) they have knowledge on the goods, the routes and the logistical procedure; (ii) they control goods, means of transport and transport agents; (iii) they may inspect; and (iv) they have information *à priori* about the transportation documents. That is to say, they possess the conditions to take the adequate measures concerning goods to avoid the dangers of illicit trade, through the implementation of efficient and effective safety measures.

However, we must be aware that there is no zero risk and that nothing can be one hundred per cent controlled. There are no perfect control measures and terrorist acts are extremely difficult to handle, as it was recently demonstrated in France or, previously, in the United States, United Kingdom or in Spain.

The risk management in the logistic chain of international trade must go through a periodical and realistic risk and taken measures appreciation, aiming for its evaluation and to assure a coherent answer to the risks, being these also in permanent evolution. To this constant adaptation it will be crucial to make the information, the communication informatics systems and risk analysis better and to increment the communication between the customs administrations, between them and the other security forces and with the economic operators.

As it is impossible to guarantee total transactions' security, it is important to find the balance between the costs and the efficacy of the controls, inspiring in society confidence towards the developed actions, aiming for security.

### 3. CONCLUSIONS

We began this investigation focused on the understanding of the globalization process, on the way it has been developing and on how the relation between this process and the need to maintain security levels that allow the normal organizations' economical development and the well being of societies has been happening.

Free trade shows strong arguments to its implementation, from the increase of quantity and variety of goods available for consumption, to the possibility of countries to produce the products in which they are more efficient, to the increase of competition and to the creation of jobs in the sectors with higher competitive ability. With globalization, competition has been occurring on a global scale, involving the international trade's growth.

But this apparently positive process is accompanied by several problems that affect in an increasingly incontestable way the contemporaneous societies: the increase of social and economical inequalities, the transference of production units to countries where the competitive advantages are superior, the migratory movements of individuals searching for better life conditions, the cultural changes resultant from the changes of consumerism habits provoked by the new technologies' and information diffusion's "boom".

Globalization provokes opposite feelings and creates a feeling of vulnerability and insecurity, increased by the publicizing, by minute, of all the events, which translates that insecurity all around the world.

The performed investigation confirmed that the economical integration and the opening of markets influence the internal consumerism, increasing the search for foreign products, this is, the increase of competition creates a reduction of the prices and the increase of the search.

On the other hand, the intensification of trade between countries has been implying changes on consumerism habits, essentially because of the previously mentioned reasons and because of the increasingly easier access to information.

In spite of being predictable, it was also possible to notice the influence of migratory movements in the countries' cultures, especially in the changes related to consumerism habits.

In the range of international trade, the role of customs institutions when controlling the external frontier as control, protection and security organisms concerning society's and the Union's interests has been determinant. Besides acting as charging organisms of the rightful impositions due by the goods in international trade, customs play a major role in the protection of the Community against illegal trade and in supporting legal trade, public and environmental health and in implementing protection and security measures, through the application of risk analysis criteria. In that way, the security measures based on the exhaustive control of containers are inadequate for two reasons: (i) for being considered impossible to put into practice due to the associated costs and to the obstruction caused to legal trade; and (ii) for being disproportional when compared to the existent risks.

The developed work allowed to confirm the hypothesis that international trade is affected by the security measures implemented by the States or by the International Community, but such measures do not

imply excessive costs or significant delays in the transactions. If costs do exist, whether they are economical or related to the time spent on implementing security measures, it is also true that such costs should be analysed while taking into account the benefit-cost relation of such measures. The costs resultant from the controls, necessary and mandatory in the face of the communitarian legislation, are diluted in the logistical chain and commonly accepted by the economical operators, not unlike other commercial policies' measures. The confirmation of the first hypothesis also results from the legal trade's facilitation measures that allow the reduction of the costs associated to that trade and from the implementation of the new technologies in the risk analysis that allow the reduction of the costs resultant from making decisions and transmitting information between the capable entities and the economical agents involved in international trade.

Through the last question of the interviews it was possible to confirm the second hypothesis of this investigation – that the implemented control measures are enough to guarantee the security of people and nations. In face of this statement, it was not possible to confirm the third hypothesis, which would only be investigated if the second were not confirmed.

The developed actions on a Communitarian level on making security, control and facilitation compatible have been confirming the taken decisions, to which the knowledge and experience of the customs institutions, connected to international trade, has been decisive.

Is it also of interest to analyse the limitations of this investigation. The first is based upon the selected sample, since it was only grounded on European individualities. One may question whether the same study, involving people from other continents, developing countries or inserted in different economical realities, would allow the acquirement of the same conclusions.

The second limitation is a consequence of the chosen investigation method: although we are certain that the results would be similar, it would be interesting to confirm them through quantitative methods – for example, based on primary data collected through questionnaires – directed to a larger universe, both geographical and numerical.

The present investigation is especially aimed to determine the impact of security politics on international trade. As a clue to future investigations it is suggested a more extensive study that aims to determine how far do security politics as a whole guarantee the protection and security of the societies, at a time when globalization has been leading to the reduction of time and space and to the increase of social, economical and political pressure over people and governors.

Despite the fact that the collected data confirm the two main investigated hypothesis, it is important to retain that there are no perfect control measures and that the risks that rule over security are real and, many times, hard to control.

The challenge of nowadays is to find a balanced trade-off between facilitation and control, avoiding constraints to the trade and, at the same time, guaranteeing the safety of international trade. To do so, it is important to keep in mind that the risk management criteria in international trade should be examined periodically in order to assure a firm response to risks related to the protection and security of societies and countries, making the improvement of information and of the systems related to it crucial. To summarize, it is important to grasp onto the words of Benjamin Franklin, a representative figure of the American Enlightenment of the XVIII century: "the way to be safe is never to be secure".

## References

- Baldwin, R. (2011). *21<sup>st</sup> Century Regionalism: Filling the Gap Between 21<sup>st</sup> Century Trade and 20<sup>th</sup> Century Trade Rules*. Centre for Economic Policy Research. CEPR Policy Insight, n.56, may 2011. Electronic Version. Recovered in 2012, 26<sup>th</sup> February, from <http://www.cepr.org/pubs/policyinsights/PolicyInsight56.pdf>
- Bonaglia, F. and Goldstein, A. (2006). *Globalização e Desenvolvimento*. Lisboa: Editorial Presença.
- Buzan, B. (2002). *As Implicações do 11 de Setembro para o Estudo das Relações Internacionais*. Rio de Janeiro, Brazil: Pontifical Catholic University of Rio de Janeiro. Recovered in 2011, 16<sup>th</sup> July, from [http://www.scielo.br/scielo.php?pid=S0102-85292002000200001&script=sci\\_arttext](http://www.scielo.br/scielo.php?pid=S0102-85292002000200001&script=sci_arttext)
- COM/2003/452 (Communication of the Commission to the Counsel, to the European Parliament and to the Economical and Social Committee about the customs' role in the integrated management of external frontiers)
- Cuervo-Cazurra, A. and Un, C. (2007). Types of Difficulties in Internationalization and their Consequences. In *A New Generation in International Strategic Management*. Edited by Stephen Tallman. United Kingdom: MPG Books Ltd.
- Fernandes, A. (2002, April). *Níveis de Confiança e Sociedade de Risco*. Azores: Communication presented in the International Colloquy "Terrorism and Worldly Order", Azores University. Recovered in 2011, 9<sup>th</sup> October, from <http://ler.letras.up.pt/uploads/ficheiros/1494.pdf>
- Fonseca, F. (2010). *A Evolução das Políticas de Segurança Interna em Portugal, na Era da Globalização*. Unedited mastership dissertation. Lisbon: Technical University of Lisbon, Instituto Superior de Ciências Sociais e Políticas – Social and Political Sciences. Recovered in 2011, 9<sup>th</sup> October, from <http://www.repository.utl.pt/handle/10400.5/2977>
- Friedman, T. (2005). *O Mundo é Plano – Uma História Breve do Século XXI*. Lisbon: Actual Editora.
- Gonçalves, R. (1998). *Globalização Económica e Vulnerabilidade Externa*. Communication presented at the seminar "Global Economy, Regional Integration and Sustainable Development", Colégio do Brasil and Fluminense Federal University, Rio de Janeiro. Recovered in 2011, 9<sup>th</sup> October, from <http://www.reggen.org.br/midia/documentos/globalizacaoeconomica.pdf>
- Gouveia, L., Neves, N. and Carvalho, C. (2009). *Um Ensaio sobre a Governação na Era da Globalização*. Geopolitical Magazine no 3, July 2009. ISSN 1646-8066. Electronic Version. Recovered in 2011, 26<sup>th</sup> November, from [http://www2.ufp.pt/~lmbg/com/geo\\_eraglobal09.pdf](http://www2.ufp.pt/~lmbg/com/geo_eraglobal09.pdf)
- Hobsbawm, E. (2008). *Globalização, Democracia e Terrorismo*. Lisbon: Editorial Presença
- Krugman, P. and Obstfeld, M. (2005). *Economia Internacional – Teoria e Política* (6th ed.). São Paulo, Brazil: Pearson.
- Miguel, N. (2009). *Globalização, Crime Organizado e Terrorismo: Que Relação*. Foreign Affairs Magazine, no 14 April 2009. Lisbon: Diplomatic Institute of the Ministry of Foreign Affairs. Recovered

in 2011, 16<sup>th</sup> July, from [http://www.mne.gov.pt/NR/rdonlyres/97F56DBA-D5CD-4245-AFF8-8DB66BC6377B/0/revista\\_mne14\\_internet.pdf](http://www.mne.gov.pt/NR/rdonlyres/97F56DBA-D5CD-4245-AFF8-8DB66BC6377B/0/revista_mne14_internet.pdf)

- Nakano, Y. (1994). *Globalização, Competitividade e Novas Regras de Comércio Mundial*. Political Economy Magazine, Vol. 14, no 4 (56). Brazil. Recovered in 2011, 16<sup>th</sup> July, from <http://www.rep.org.br/pdf/56-1.pdf>
- Prado, L. (2005). *Globalização: Notas sobre um Conceito Controverso*. Recovered in 2011, 16<sup>th</sup> July, from <http://dc242.4shared.com/doc/nYTr4pd6/preview.html>
- Ribeiro, J. and Santos, J. (2005). *Dilemas Competitivos da Empresa Nacional: Algumas Reflexões*. NIPE WP 16/2005. Investigation in Economic Politics Nucleus from Minho University.
- Silva, C. (2010). *O Controlo Aduaneiro na Era da Globalização – Uma Dicotomia Necessária*. In “CIJE’s 10 Years of Investigation – Juridical and Economical Studies”. Coimbra: Almedina.
- Stijn, E. et al (2011). *The Data Pipeline*. Global Trade facilitation Conference 2011 Connecting International Trade: Single Windows and Supply Chains in the Next Decade. Cassandra Project. European Commission.
- Teixeira, S. and Diz, H. (2005). *Estratégias de Internacionalização*. Lisbon: Publisher Team.
- WCO (2008). *Customs in the 21st – Enhancing Growth and Development Through Trade Facilitation and Border Security*. Brussels, Belgium: WCO. Recovered in 2011, 21<sup>st</sup> August, from <http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/Annex%20II%20-%20Customs%20in%20the%2021st%20Century.pdf>