

GLOBALIZATION – A REALITY AT THE BEGINNING OF THE 3rd MILLENNIUM

Emanoil MUSCALU¹
Lucia FRATICIU²

ABSTRACT

The paper aims at presenting reality that globalization of business is the most important phenomenon entailed by change within the new economy based on knowledge. Within the context where the domestic markets become no longer narrow and the global markets are offering a place for all competitors and advantages for us all, it is imperative that the management of Romanian organizations mostly those with economic character adapt to these realities as quickly as possible. Regardless the domain where the organizations unfold their activity, regardless their size, business development on an international plan becomes an existential condition.

KEYWORDS: *globalization, internationalization, knowledge*

JEL CLASSIFICATION: *F15; F63*

1. INTRODUCTION

In this uncertain world we might consider globalization among the few certainties. We cannot interfere to stop or slow it down as a process but we can take notice of its outcomes, we can profit of the advantages that globalization brings and we believe that that it is important to keep into account the tendencies that are dangerous within the phenomenon of globalization.

2. WHAT IS GLOBALIZATION?

Starting with the reality that globalization is being discussed about and treated under different forms through all areas of the society we live in, shaping as an inevitable phenomenon, as a symbol of the times we live in, we are trying to find an answer to the question what does globalization really mean?

We believe that a specification is necessary from the very beginning that there is no definition for globalization in a form that can be universally accepted and the reason is that under the umbrella of this term a multitude of complex processes are being included by reaching different domains of the society.

T. Friedman(2000) states that globalization is not a simple bias or .but an international; system. It is the system that now has taken the place of the one for the Cold War and the same as this one, globalization has its own laws and logic to influence directly or indirectly the policy, the environment, the geopolitics and economy of each country on the globe.

Bertrand Schneider is a well known man of science and animator of some important international debates, general secretary of the famous Rome Club and he appreciates that

¹ "Lucian Blaga" University, Romania, emanoil.muscalu@ulbsibiu.ro

² "Lucian Blaga" University, Romania, lucia.fraticiu@ulbsibiu.ro

globalization is a trend that has come out in the world economy, being accelerated by the development of the international society we find ourselves in. More than ever the international revolution has been the one that boosted globalization. Life without these two instruments that can connect us in few seconds with anybody on the globe seems impossible (Zaharia, 2004). Therefore a reality defining the contemporary world is no doubt unquestionable: namely that modern means of communication- the internet, television, radio, telephone connect people who live far away in this way offering them the opportunity to interact at a world scale.

David Held and Al (2004) define globalization as being the process that materializes a change within the space organization of social relationships and of transactions.

Professor Manfred Steger (2007) sustains that globalization would be a social condition characterized by economic, political, cultural, ecological links very tightly as such that make the present borders and frontiers irrelevant. The same author states that globalization refers to the enlargement and intensification of social relationships and of the human consciousness so that they can transcend the time and space limits.

A valuable answer to the question „what does globalization mean?” is being offered by Vasile Stănescu (2009) who states that Globalization is the most extensive process of social historical change in human history, the greatest challenge of the XXIst century, stimulating the whole human society in a joint direction as well as the whole area corresponding our planet.

We no doubt state the opinion of the specialists according to which globalization is not only an economic phenomenon but a general one, a complex, multifunctional one. It comprises the whole array of socio humanistic activities starting with the domestic market to the global one, from the political and economic dimension to the social, religious, spiritual one, from the domestic laws to the international relationships, from national state sovereignty to the global, to planetary society. All these problems get planetary connotations. Therefore, everything that happens on the globe has consequences on us all. Bauman Zygmund (2000) states that to be inhabitant of a globalized world is a sign of „social insufficiency”.

From an economic point of view (Stiglitz, 2003) globalization represents the clearing up of the barriers from what is called free exchange and integration of national economies. This phenomenon means a stronger integration of their countries and inhabitants as a consequence of reducing transport and communication costs significantly and removing the artificial barriers from the circulation of goods, services, capital, knowledge and people in the states.

The immediate outcome of business globalization is the internationalization of firms, considered unanimously by the specialists as being the most important and difficult decision in management. This decision must be rigorously grounded.

The decision asking to be grounded becomes possible according to specialists only after taking into account the following steps:

- determining on the basis of some analysis of SWOT type of the potential to participate in international business;
- establishing the forms to participate in international business advantageous for the firm and ready to accomplish;
- choosing the type of strategy to get on the international market;
- internationalization of the firm within the multi intercultural context.

Unfortunately, according to some researches such aspects are less taken into account mostly by executive managers and so less taken into account and materialized within the context where the internationalization of the firm is being shaped as the greatest risk in business.

Therefore, we outline the tough reality in the Romanian organizations as compared to the demands of business globalization and internationalization of firms.

3. OPINIONS PRO AND AGAINST GLOBALIZATION

Globalization proves to be not only a more difficult process to define but a phenomenon that has got many supporters and protestors too.

Those favouring globalization bring solid arguments among which we mention the following: it is an objective phenomenon and irreversibly regardless anyone's opinion. Globalization is accompanied by considerable advantages for those who can read them and turn into account and we mention the following:

- ensures markets for everybody;
- ensures the access to resources for everybody;
- facilitates the access to new assets and other financial resources;
- creates the unlimited access of all knowledge, the essence of the new economy. We notice the fastness of the access to information and knowledge, by their availability on line and in several languages due to the extraordinary progress in the field of information and communication technology.

There are of course opinions against globalization with arguments that cannot be completely neglected and among them we have:

- through the fastness it is spreading globalization has considerably amplified the expansion and manifestation of the present global financial crisis;
- it is a phenomenon rather difficult to manage by backing the opponents, an anthill where nobody knows what is happening;
- it influences the levels of all human lives from the economic one and the political to that of societies, to the transformation of peoples in fellows, to leveling culture, to religious mixture, to homogenizing the behavior of people(Mantzaridis, 2002);
- it entails negative outcomes on the environment and work standards;
- a powerful argument is that it enriches the rich people and makes poor the poor ones.

Grounding such arguments the opponents appreciate that the crisis scare will make this phenomenon limited and even disappear.

We will find ourselves pro globalization although specialist should not neglect the solutions for improving some aspects regarding globalization backed by the other group. We can appreciate that the process has well known advantages and negative consequences that ask for a clear analysis.

As the distinguished specialist J.Stiglitz(2008) outlines it is at an international level that globalization and the integration of the countries in the world entail the necessity for some greater collective actions so that people should act together in order to solve joint problems at the same time by creating at an international level of those types of global, democratic institutes ready to solve efficiently the problems brought by globalization. Regardless the outcomes whether harmful or on the contrary, one thing is obvious namely that countries that have effectively experienced globalization control a process much better are more and more ready to act in a globalized world (Dobrescu, 2010).

4. CONCLUSIONS

The outcomes of globalization, at least so far have been contradictory as they have brought many and extraordinary opportunities for economic growth even for the less developed countries or those developing as such, but at the same time dangerous trends among which we have the dissemination of financial crisis or constant degradation of the environment. Within this context we consider important to have a balanced vision on globalization ready to help us in a real plan to turn into account its advantages and opportunities and to grasp the dangers too in order to diminish the effects in time.

REFERENCES

- Bauman, Z.(2000). *Globalizarea și efectele ei sociale*. Prahova: Editura Antet
- Dobrescu, P.(2010). *Violența globalizării: asaltul asupra puterii americane*, Iași:Institutul European
- Friedman, T.(2000). *Lexus și măslinul. Cum să înțelegem globalizarea*. Bucharest: Editura Economică
- Held, D.& McGrew, A.& Goldblatt, D.& Perraton, J.(2004). *Transformări globale. Politică, economie și cultură*. Iasi: Editura Polirom
- Mantzaridis, G.(2002). *Globalizare și universalitate. Himeră și adevăr*. Bucharest: Editura Bizantină
- Stănescu, V.(2005). *Știința globalizării*. Bucharest: Editura All Back
- Stănescu, V.(2009). *Globalizarea: spre o nouă treaptă de civilizație...*, Cluj-Napoca: Editura Eikon, 2009
- Steger, M.(2007). *Globalization*. NY, London: Sterling
- Stiglitz, J., E.(2003). *Globalizarea – speranțe și deziluzii*. Bucharest: Editura Economică
- Stiglitz, J.E(2008). *Mecanisme Globalizării*, Iasi: Editura Polirom
- Zaharia, R(2004). *Economie mondială*, Bucharest: Editura ASE