

# ECONOMIC AND SOCIAL IMPLICATIONS OF GLOBALIZATION

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## Abstract:

*The confrontation between third millennium will not be between civilizations but between forces of globalization and global agents. Already live in a global economy, context in which it is necessary to understand by globalization the modernization process of life world by spreading economic means of production and communication at world level. Globalization produces a capitalism healthy whereas stimulates competition beneficial between an ever-increasing number of companies.*

*Economic and political unification under the global financial corporate banner is accompanied by mixing spiritual values and return unique realm. After internationalism political correctness (multiculturalism, feminism, ecological radically) administered Western individualism typical bruising, it seems that the ground is ready for the big toe-in.*

*Globalization can be seen as a crucial stage of expansion and economic interdependence. This stage is completing a process of aggregation of relatively autonomous local economies whose element mainly in the past has been constant widening of the space for the exchange of each economic savings. Economic renewal based on knowledge of known but a contrary geospatial evolution. Advances in knowledge are favored and intimately linked to the possibility of communication. So, they are favored by communication infrastructure and communication technologies.*

**Key words:** globalization, world economy, liberalization, regionalization, economic integration

**JEL classification:** F15, F63

## I. INTRODUCTION

What is called today's globalization represents, on the one hand, stage reached by the real, positive, long-lasting process for the development of international evolution economic life, or three decades and economical exchange and interdependence between national economies and the States. Trade internationalization, which is characterized by increasing the volume of goods and services exchanged, was added internationalization production. Globalization means an assembly increasingly integrated into which the roles of the member-nation remain important, but where economic movements may not be reduced to international trade.

At the basis of this process is, as I have shown a few essential factors: accelerate technological change; multiplication and diversification economical exchange; sizzling with circulating capital; requirements of world market; rapid development of management, Both in production and in the process of organization of exchange deals, as well as increasing economic efficiency, on the basis of new technologies and guidelines for organizing economic activity, both domestic and especially international. Given this side, globalization may is also defined as the process of modernization of world economic life by spreading of means of production and of modern communication at world level. (Taşnadi, Doltu, 1999).

## II. GLOBALIZATION IN THEORY AND PRACTICE

Globalization includes many risks and contradictions. It is also a process of redistribution of economic power and the enhancement of social disparities and procurements on a worldwide level. For this reason, it forms, in particular in the last few years, subject to scenes disputes theoretical-ideological. As it is revealed in these debates, globalization is legitimated by liberal ideas, spice, who sees in the market the only economic regulator life, both at national level, as well as to scale

global economy, Expressing interests and promoting grand capital and is regarded critical of a wide circle of economists, experts in politics and politicians, that emphasize different facets, diction contradiction his fighters, of this process. Thus, together with the important role played by free-wheeling development, spice financing of international trade and rapid circulation of creation of science and technology contemporary, all countries to access resources, financial spice for development, are highlighted, before all, Effects of social and economic of this process: increased economic and social inequalities, national and international; increased competition and unfair forms of it; the increase in Romanian Nationalist capital financial markets in relation to power representative bodies, Democratic chosen in each country and affecting national sovereignty.

Globalization has been and is possible due to the measures for the liberalization of trade, the capital investments and the financial markets influenced in their turn the efforts of regional economic integration. Although the process of liberalization takes place at different speeds and in various means, All countries are concerned that their economic relations to constitute part of the liberalization process since liberalization of trade and the capital investments may promote more efficient allocation of resources which leads to invigorate economy and welfare. Economic Integration on a world scale in the first instance it is the result of a governmental policies promoted consciously of industrialized countries, continued and in the present. (Dachin, 2003)

Globalization cannot be avoided; everywhere there is a need for high technology, capital investment, management and marketing performance. Any country is concerned for the entry in the process of globalization positive, by attracting potential capital, in particular in the form direct investment. However, globalization has and less pleasant. Majority investor may take a decision to close firms acquired for the purpose of eliminating competition; it may reduce their activity in an enterprise in a country and to intensify where profits are larger; may promote obtaining goods with low value-added in one place, when processing top great value added at a subsidiary in another country. (Gills, James, 2007)

Competition in the global market is very hard; there is nothing more mobile today than its share capital. International directs investments trade flows, transfers of billions at the speed of light decide exchange rates, external power for the purchase of a country and of its currency. Engine trade are no longer differences of relative costs. What matters now is the advantage absolutely in all markets and in all countries, at the same time.

Globalization, from a theoretical point of view, provides the key to progress, means transparency, high standards of quality, the protection of the environment; in order to synthesize, it means everything that contributes to improving the living conditions at the global level. However, globalization is without prejudice as a matter of fact all benefits and even less benefit in equal measures all of these states. In the XX century, the average overall income per capita has increased, but he had a considerable variation from one country to another. Although revenue increased, inequalities have become more pronounced than they were at the beginning of the twentieth century. (Turner, Khondker, 2010)

Practically, the impact of globalization on the poor constituted central subject of the report on the development Worldwide in 1999-2000: entry in the twenty-first century (World Development Report 1999/2000: Entering the 21st Century. The report shows that based on current projections, number of the poor will continue to grow. It is estimated that the number of those who will live with the equivalent of a dollar per day will amount to 1.5 billion, on the rise of 1.2 billion in 1987. In 2050 numbers of people who will be under this threshold of poverty international are likely to reach 1.9 billion. Furthermore, on the basis of recent trends, income inequality industrial countries and those in the process of development will continue to grow.

In order to improve this situation it is important to study not so much the effect in itself, as well as especially the causes leading to it, and these causes do not-and have the origin of the theoretical part of globalization within the concept in itself, but in the manner of application, In view of the fact that this phenomenon occurs at the macro level, and as a result, the decisions are not taken by each individual in hand, but are taken from state. From among institutions whose

powers shall enter promotion of globalization, two are the subject of several controversies: World Bank and the International Monetary Fund.

Under the terms of this, currency World Bank: 'our dream is a world without poverty' seems an irony. When financing from the World Bank brings in most cases, for very poor or in the process of development, an increase in poverty in place economic growth, this institution tends to become incredible. Thus, the outbreak crisis, the International Monetary Fund wrote solutions are becoming obsolete, inadequate or in the best case, standard, without to take account of the effects it might have on the population, and the results obtained were very weak. (Stiglitz, 2005)

Conclusion: no, the World Bank or International Monetary Fund does not work as it would be highly desirable, whereas, either intentionally or negligently, make decisions which make almost inapplicable globalization.

Taking into account the standard of living of some Third World countries, such as may be required them to focus attention to ecology, for example? For someone who lives with less than 1 \$ per day it is impossible to overcome their interest in quality or at the environment; essential for such a person is to ensure that our lives and that was all. Therefore, the reality contrasts rather badly with conceptually by globalization. Globalization, as is done now, it is not the idyllic and did not bring general welfare.

In spite of these failures, it should not be ignored but positive effects of globalization, which are of major importance. It is true that in the Third World countries the hinted that reported at the beginning of the century, Living conditions have improved and for these countries, and the life expectancy, for example, has increased as a result of progress in the health care sector got here thanks to globalization. (Miron, 2002)

A positive element, the transformation of globalization is access to information. We live in a world where progress includes in the definition to access to information. Globalization isn't perfect, but its certainty's brother.

Whereas the process of globalization has gained force its own, member become, objectively, less powerful, less able to carry out their duties 'social' traditional, such as redistributing welfare and protect the environment. What's more, they are becoming less capable of carrying out tasks necessary capital international: ensuring the rights of property, ensuring social order, the fight against crime, ensuring peace, etc. in the case of globalization, permeable boundaries are becoming, more and more processes have, at present, A cross-border nature, and some I can't even be located.

### III. ADVANTAGES OF GLOBALIZATION

Globalization is a chance for economic growth of poor countries and those with economies in transition. As a result of globalization, developed countries export not only capital and jobs, but also new technologies and labor standards higher. As a result, the phenomena of globalization and integration involves from the Member States to a part of their sovereign attributes, one of the fundamental norms international law. Reconsidering democratic principles, the right to private property, the principles s rules of international law requires that a necessity. Thus, regardless of changes to be made according to the trade, the basic principles of commercial policy will remain still valid for a long time, with all technological progress what will be done.

In the market economy globalizes will remain valid principles to promote, support and protect individual interests and/or group. Politicians focused his attention toward new world order-economic, financial, military and eco-friendly. N believed there was both a vision optimistic on globalization and a pessimism generated by political risks of the phenomenon. However, very few people, groups or governments oppose globalization.

Active in the campaign against globalization are in particular ecology and some non-governmental organizations, paradoxically even in the United States. For poor countries and with an economy in transition, globalization becomes a chance, since foreign investors are attracted to transfer capital in countries with labor cheaper. Globalization involves the risk that gambling to be dominated by the economy. Political factor by tradition decision-making, territorial, shall be placed

in the shadow of the power represented by the businessmen, financiers and bankers. It is necessary to have an overall political framework for global economy, similar political framework created by national state to the national economy. (Dinu, 2000)

The United Nations seeks to three decades, adopting a program aimed at reducing disparities and combating poverty. The result efforts for three decades is not reduced, but deepening these offsets. Politicians should focus on the ability of politics to act at national and international level, in such a way that globalization does not mean only creation of markets, and therefore not to be separated from the political and social. Contemporary evolution shows that the phenomenon of globalization has to be built. In addition to regulations which facilitate global expansion markets must be obtained political support for the achievement of the objectives remained behind - in particular the social and environmental implications. (Bari, 2002)

Liberalism, as a driver of globalization, will deploy the mechanisms for an entire planet. Globalization does not imply a convergence toward a liberal model of minimal state. On the other hand, globalization, on the need of efficiency, is likely to mislead a consolidation of public functions of the state. In 2007, the state can no longer work by manipulating and influencing public undertakings. On the other hand, the state sets the rules of the game, and political forces shall have the task of solving the problems which arise (economic crisis, poverty). For successful integration in global system, the politician's responsibility is difficult, to choose priorities in the economy. In the new millennium the focus is on not on tradition and conservation national entity, but on progressions and globalization. For this reason, the process of regional integration imposes significant constraints of policies in the economic, financial and banking, commercial and social at national level. Recovery politics autonomy has objective to meet its purpose politics - to represent general interests and not narrow group interests. (Ignat, 1992)

Rule in this period of transition to global world is difficult; on the one hand, at the national level governments have an obligation to strengthen the authority in order to ensure that Member to ensure good citizens, And on the other hand states must realize the role that derives from dual imperatives of globalization. There is a trend toward simplification proposals, in the global era, that the state is to be considered an adversary, a real obstacle in the way of globalization. National State remains, however, from a political point of view, the main way that makes it possible to exercise democracy, if this is not the case, the citizens being reduced to a size of ordinary consumers.

Member-nation cannot evade their responsibility; within each country there is a need for a strong state, in order to ensure that the governing citizens' protection. Civil society must find balance between freedom private and public responsibility, between efficient markets and social solidarity. Political factors are intended to assess realistic risks and find appropriate solutions. The governing involves constitutional separation of powers, the rule of the law and the exercise of power by executive, concerned ministries. Chance which he represents globalization must be recovered. (Drăgan, Zaharia, 2000)

As a reaction to the global problems, many members opt for an association, and this is a way to defend themselves against the negative effects of globalization. In the future enlarged European Union, with a number of members almost double than that of today, cohesion Community actions will be ensured through the establishment of a European Constitution, which have no knowledge the European Treaties. The result would be a document uniform, affordable citizens and very explicit. However, such a document would be fundamental solution for the purpose of establishing Community rules of the game, in the areas in which is still present in doubt: relationships between European institutions, delimitation of competences between the levels between EU and Community, national, regional, local. Establish a clear competences result in increased transparency decisions and to enhance their democratic legitimacy, so necessary to their acceptance extensive livestock farming. Also, a document as well as the Charter of Fundamental Rights would legitimate in the framework of a Constitution, which by its very nature shall establish the rights citizens - this time of European citizens. (Stiglitz, 2012)

Taking into account the importance that can have such a document, the process of reflection preparatory must involve the Member States and, equally, those which will have this status in the

future. It would be a measure which would result in not only obtaining a general agreement on the final text of the European Constitution, but would give and the legitimacy required in relation to national Constitutions. Existence of a European Constitution is necessary to guarantee a thorough integration into the European architecture, to building enlarged European Union. Also, this would be the guarantee that in the new world order human rights and of the Member will not be able to be breached.

#### IV. DISADVANTAGES OF GLOBALIZATION

Transition to a new stage of civilization presents contradictory consequences. It is a serious worsening of existing gaps in the world today between rich countries and poor countries, in order that the promotion new infrastructure, new technologies that characterize the postindustrial company, involves enormous resources. Times, poor countries do not have these resources. (Păltănea, 1994)

Careful analysis highlights negative effects of globalization, namely:

- destroy politics. "If the court rules policy has disappeared and self-contained in absorbing to make it reappear economic state of war of all against all, competition and competition, economic law becomes "ipso facto", The law of politics;
- destroy the state-nation and empty policy of substance, it must be huge threats to press to environment, corrupt ethics and destroys crops;
- destroy ethics. Alleged ethics business ethics and market are "myths", whereas scam is a rule exception and honesty. Every kick is used when the game is about money: dumping, price manipulation, industrial espionage, use fiscal paradise, public offers of purchase, etc.
- destroy culture. Economic and imperialism economy which characterized modernity have reduced crop to folklore.

The West replaced inside or culture by means of a mechanical that works to the exclusion and not to integrate its members. Abstract integration of humanity in techno-cosmos by world market and competition become generalized, decomposition social connection, despite myth "invisible hand". This decomposition corresponds to social and political uncultured. In the absence of recognition and a confer legitimacy necessary, culture relieves everywhere, distinguished two forms of this reflux: the explosion was and increasing religious ascendancy of religiously tinted forms of integration, with serious consequences in security-related matters, democracy and general prosperity.

Globalization increases gap between the rich and the poor, social inequalities and discrimination, are to be found even within advanced democratic societies.

Between negative aspects of globalization, there is evidence that impact, economic instability caused by imports cheaper in industrialized countries in those lagging behind, under the conditions liberalize the markets, financial mass rioting as a result of speculative activities, or massive staff redundancies, Consequence of industrial corporate mergers. In fact, all these aspects are mirroring a wrong way to develop or understand globalization, according to which this planet is a huge market, within (i.e. from which they had gone any rules), Where the goods may be put into circulation and can be changed, without any kind of hindrance, ignoring any social dimension, territorial or ethics. (Robinson, 1991)

One thing is sure: the phenomenon of globalization will include gradually all countries, regardless of their degree of development, whereas the technology of communication has a way which does to him economic opportunities limited to partners. Technological globalization promoters have as a rule resources required for such penetrations.

The phenomenon of globalization comprises three stages or levels, whose opening is carried out in an order not at all accidental. (Stiglitz, Ocampo, Spiegel, 2006)

Globalization has changed technological economic theory classical, traditional, pointing out that the production and trade is based in present increasingly on know-how, innovation, research

and development, infrastructure and services for the communication and less on natural resources, Industrial machinery and equipment.

Politic globalization reflect neo-liberals ideology hegemony in which triumphed over the market economy and democratic domination Western model in internal decisions of a country and the decisions between the countries. The victory of democracy had been facilitated by the technological benefits of globalization, and which made marriage between information and communication technology, the latter giving an incredible speed of release first.

Economic globalization reflects globalization and internationalization trade, production and consumption. Electronic transactions, the transnational development and the formation of strategic alliances countries boundaries more often met, and turnover figures of some economic entities beyond the GDP of many countries.

Globalization is not aimed at conquest both countries, as well as that of the markets. Modern concern such power is not conquest of territories, that during the time of the great security outbreaks or in colonial periods, but treasures acquisition. This conquest is accompanied by destruction impressive. Whole industries are lost brutally, in all regions, with social suffering those results from: massive unemployment, underused employment, exclusion.

## V. CONCLUSIONS

Words "new global consciousness" has started to be grown increasingly global environments. From the global consciousness unique thinking imposed by a planetary moral authority is no longer than a step. In the global vision, world unification under the umbrella of a probationary authority shall mark worlds most advanced in history. But I see in the "political unification forced in a universal state" the last step of the steady decline of civilization before final collapse.

The process of globalization, a result of information revolution world, has a beneficial effect on humanity; he leads to democratize international relations. We're not at the end of history, but we are living in, in a concrete filled with history, and we are witnesses to the birth of global civilization. For the first time in human history, individuals and peoples have the opportunity to be free, to take destiny into their own hands. Explosion due to modern technology, boundaries, and once with them, men's minds were opened. Human man can no longer be controlled, planned, standardized by a central authority, be it good or bad. Information flows instantly in all the corners of the world; in addition, the goods, services and capital move. (Michalet, 1985)

Globalization imposes special requirements for national economies. At macro-economic level is necessary to a strategy able to ensure both occupational orientation toward economic Macro-stabilization alone, as well as to give momentum of the modernization process of technological and productive structure of the economy, Taking into account the requirements of the potential upper national result, but the framing and efficiency of Romania in international division of labor and in world competition.

Employers' associations consider decisive orientation must be facing rising from his chair motion, spice level of competitiveness and of management. On the one hand, should be started on the premise that on the world market may not penetrate and especially cannot maintain than companies viable, powerful, and able to adapt to market requirements world and worldwide competition.

Recent years have put the contrast in this requirement, resulting in a particular concern at the level of enterprises, but also of the state. The reality shows that emphasize mergers which take place between companies, is one of important features of the development throughout the world, particularly in the developed countries; in these circumstances mergers will dominate the market and the international capital in the next 10 years.

As it is known, the goods are produced under conditions very different from the point of view of cost and productivity, of management, not only from an enterprise to another, but also from one country to another. That goods offered on the world market, they join the competition with all

similar goods, irrespective of their origin. World market and world economy appear to the producers of those goods, including to their countries of origin, As a system, or reflecting system and devote levels achieved in the world of labor productivity and costs and, ultimately, economic proportions, especially between supply and demand, including additions and alternatives to national production. In this way, the ability to create and to dispose of material wealth and nonmaterial is determined not only for the efforts and how to use the resources to the national economy, But also on the way in which they are estimated aces efforts and skills to produce and sell it into the world economy, which has become global.

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