GLOBALIZATION, A COMPLEX AND CONTRADICTORY PROCESS WITH MULTIPLE MEANINGS

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Abstract: The globalization is a complex process and contradictory process, from different points of view: the historic positioning of the process, the definition of globalization and its impacts. On one hand, there is gain, advantages and wealth and on the other hand there are expenses, sacrifices, poverty. The two type of impacts (positive and negative), analyzed in the article, strike both developed and developing countries. Between the exaggerated optimism that offers groundless hopes and the pessimism that generates emotional tensions, the most appropriate way is for sure the middle one. The phenomenon related to globalization mustn't be approached disdainfully, with ignorance, with fear when facing its magnificence, but nor from the defeated position, or by inevitably accepting it as the implacable fate.

Key words: globalization, FDI (Foreign Direct Investment), TNC (Transnational Corporation), financial globalization, informational revolution

The dialectics of globalization points out a process that, however complex, vast, dynamic, upright, innovative, competitive it may be, is just as much contradictory. The conflicts of opinion accompany the historic positioning of the process, its defining, the fundamental coordinates, the dimensions alike, but especially the impact of the transformations at countries-nation level, of the induced fears concerning the humankind's fate and even of the Planet.

There are opinions according to which **globalization is not at all neither a new phenomenon, nor irreversible.** To this respect, Brigid Gavin (2001) invokes the "**golden age**" of the economic globalization characteristic to the end of the **XIX century** until around the First World War. The global fluxes of commerce and FDI (Foreign Direct Investment) were remarkable given the technological circumstances, the level of means of communication and transportation back then. In Great Britain, France and Germany (the three great European powers) the weight of the commerce and the GDP (Gross Domestic Product) had an average of 40% in the year 1913. Still in the period of glory which was the end of the XIX century beginning of the XX century, the outcome assets from the European countries were more amplified than nowadays. Great Britain used to be the greatest assets exporter. The financial crisis of the '90s has characterized the end of the XIX century as well. Another co-ordinate of the globalization that proves that the phenomenon is not new consists of the FDI fluxes. Before the First World War, the FDI stock that the European countries had abroad was, from a weight point of view, bigger than the one nowadays, reaching 60-80% of GDP. Nor the manpower migration from Europe to the USA hasn't been any lower than it is nowadays before the First World War.

The intensity of the economic globalization from the end of the XIX century and the beginning of the XX century has been confirmed by other aspects as well. The information was circulating very fast thanks to the telegraph, the blast of the capital movement was favoring the infrastructure financing in North and South America. The outcome assets from France during the 1900-1913 periods were annually about 5% from GDP compared to only 1% at the end of the 1890s. The global capacity of the merchant fleet transportation has doubled between the 1860 and the 1913, and the length of the railway road was of over 1 million kilometers in 1913. The volume of the world commerce has multiplied six times between the years 1890 and 1914 (Emmanuel Lechypre; *L'Expansion*, 2006).

These comparative approaches support the idea that globalization is a **multidimensional, cyclic, reiterative process,** although not at the same level of indicators. However, prestigious economists such as Ohmae in Japan, Julius in Great Britain, Reich in the US state that **the globalization is not similar to the classical economic integration,** and changing the production from a national level to a global one, through TNC, overcoming the rhythm of growth of the commerce by FDI and the complementarities between commerce and FDI are specific only to the contemporary globalization. **The liberalization of the international fluxes makes the globalization an objective and irreversible phenomenon.** The most relevant **factor of its irreversibility** is the **technologic progress.** The level of the new technology is an irreversible parameter.

The subjective components of the globalization process can however, hold down its evolution. Situating on extreme positions the **national political factors** and their intervention in the process of deciding can constitute a danger in losing the globalization race, giving a **subjective and reversible connotation** to the process (Dumitrescu, Sterian; Bal, Ana; 2002). For the time being, it's difficult to give a trenchant response to these characteristics: objective-subjective, reversible-irreversible, and labeling the phenomenon with an attribute or the other will probably be done by its dynamic in time.

Regarding the globalization concept, we find contradictory opinions in the debates area as well. An eloquent example for that is the analysis of the researchers Bruno Amoroso and Andreea Gallina (2002). They have reached the conclusion that both the supporters and the critics perceive the globalization as a "universal concept that comprises all contemporary phenomenons related to internationalization", the specifics of the actual degree being impressed by "innovation, technological endowment and cultural progress". This would have to be the convergence point between the two trends. **The one thing that distinguishes the supporters of the globalization by its critics is the way it is implemented.** While some of them are preoccupied by putting the globalization process to good use as efficiently as possible (supporters), the others (critics) try to diminish its negative effects. Both of the approaches appreciate the western modernity as being the model for development at global scale, in the future. The issue is the way people should get adapted to it. The appropriate expression would be: "**Think globally, act locally!**" whose meaning consist in the importance of the "local and endogenous growth". This slogan represents as well the compromise between the supporters and the opponents of the globalization. The analysis has identified the third position in approaching the concept of globalization, respectively the ones that consider the process as being "the last degree of western form domination over the world economy, following the previous stages, respectively slave system, mercantilism, colonialism and imperialism". The justification would be that the amplification of the economic growth is not used for exploitation and profit any more, but in supporting the "global apartheid" process, of reaching such an accumulation level that "1/5 of the world's population benefits of 80% of its resources". In the authors' opinion, the explanation of these transformations resides in the fact that: "the ideal type of modernity pursued over more than 500 years by the western world has encountered a serious obstacle: it can't be reproduced at global scale". The effects can't be eliminated or diminished in intensity unless by demolishing the trend towards globalization in the favor of all the other forms of national and international development, in a reinvention of the globalization slogan as follows: "**Think locally, act globally!**".

But what does globalization mean for the mankind, under the aspect of the variety of impacts? On one hand, there is gain, advantages and wealth and on the other hand there are expenses, sacrifices, poverty. The two type of impacts (positive and negative) strike both developed and developing countries. The proportion of the **commercial fluxes in the developed countries generates economic growth and working places. The increasing of the competition favors the exports, and these ones increase the companies' incomes, but** the same phenomenon for the same country category **generates contradictory aspects as well.** For instance, the competition at international level implies **reorganization, reform, and bankruptcy of some companies, manpower mobility, and unemployment.**

The same international fluxes produce contrastive effects on the **developing countries** as well. Going on the foot steps of the positive aspects, it can be seen that **they have shifted from the category of those that preponderantly export row materials to the category of the countries that primordially export manufactured goods.** The shimming of these countries in the international commerce forces to emulation, competition and adjustment. The opening through international commerce has allowed a faster development and even enrichment of the East Asian countries, changing in the same time the destiny of millions of people from the region who, although paid less than in the West, just by simply changing the working conditions from agriculture with more civilized ones from the factory, have raised their life standard. The back-hand of the situation may that the emergent countries are threatened with a bigger instability and insecurity than the developed countries, because the rhythm of growth of the profit from exports is lower than the export itself (Jean-Pierre Robin; *Problèmes économiques,* 2003).

Under the aspect of the assets fluxes and of the FDI, **the developed countries win from the diminishment of the manpower costs, row material, and low fiscality.** The evaluations regarding the **effects of the delocalization of the activity through TNC (Transnational Corporation)** reflect as well the conflict of opinions. The increasing of the TNC competitiveness, the creation of new working places through the activity of the subsidiaries, the growth of exports of these subsidiaries are shadowed by the **reduction of the working places from the origin countries, of the incomes** and sometimes, even of the **purchasing power.**

FDI and the delocalization through TNC is most definitely **a progress factor for the developing countries.** They sometimes meet the latest technology and the best management techniques, that in different circumstance it might have been impossible to purchase with their own funds and to directly use them. These countries (China, India, Singapore, Indonesia, Mexico, and Brazil) **have known economic growth and dynamism** and they've put down their **TNC in the world's tops** (China, Hong Kong). **The contradictory aspect** of globalization in the developed countries translates through **the inadaptability of the available manpower to the TNC demands, the bankruptcy of the local producers, unequal development.**

The financial globalization and the deregulation have allowed **the developed countries** to create **a balance between savings and portfolio investments.** The earnings from the activity on the assets markets and the stock exchange markets are very important. But as we've shown before, the financial globalization can also create a lack of balance. The financial fluxes from the developed countries towards the other countries can sometimes ruin the sheet payments balance. Moreover, the financial globalization can generate speculative activities that can start serious crises. The growth of the inequalities is sometimes due to this type of globalization, because the obtained profits are higher than those coming from the productive activity (D'Agostino, Serge; 2002). Many criticisms have been advanced at the address of the financial globalization, even by governors or presidents: John Major, Lamberto Dini or Jacques Chirac. But it must not be forgotten that what is happening on the financial markets is the consequence of an established logic and verified even by the governments of the developed countries. Muhammad Yunus, the laureate of Bengalese origin to the Nobel Price for Peace in 2006, considers that globalization doesn't have to be a "financial imperialism" (2006). **For the developing countries, the portfolio investments have been beneficial because they have covered their financing needs.** The contradictory aspect resides in the increasing of the external debt of these countries, and in certain conditions, the triggering of financial crisis.

Regarding the migration of the manpower, we can appreciate that it brings benefits to the developed countries through the financing of the pensions system and through developing activities using cheap manpower, but as shown, what concerns the governments of the developed countries is the less qualified component of the immigration because it generates delinquency, claims, chaos, insecurity. Sometimes, the developed countries give up in taking position in issues related to violating the human rights in countries such as China. This can be explained by the fact that an extended freedom for such countries should be repaid by accepting tens of millions of immigrants every year.

Out of all the **inconvenient of the globalization**, the most to blame are: **the widening of the inequality and the accentuation of poverty, as well as the loss of sovereignty and the decision power of the countries-nation.** Through globalization, the countries that can be hampered are the countries marginalized geographically, politically or because of the economic policies, because of the weakness of the institutions, of the lack of infrastructure or corruption. As a result of globalization, workers and owners from the unprotected economic sectors have to lose equally; unqualified workers from the industrialized countries have to lose, becoming unemployed, creating new jobs being a more slow process (Mario D. Nuti, 2002). The polarization of the society reunites the most "**no global**", that assert the right to a decent life, to social security, to a safer future, to human dignity. But **holding responsible the globalization for all difficulties, many economic analysts consider it unjustified.**

Alvin Toffler (1995) considers that those who can't connect rapidly to the current system, accepting the informational revolution, through which wealth is acquired, will only have to lose and be left outside the system, overwhelmed by poverty.

On the short run, globalization may cause losses, but on the long run it brings gains as well. Improving the global average, which consists in giving indemnities to the loosing part by the winning part, is not enough to consider globalization as a process that generates wealth. It's necessary that the indemnities exceed the losses, which can be achieved by activating the mechanisms of net advantages redistribution of the globalization. Therefore, the reference should be not only the current situation but the perspective as well, not just the national level, but the international one as well where the mechanisms register redistribution lacks. An inappropriate redistribution of the incomes becomes a perturbing element, which weakens the internal and international cohesion between peoples. However, "**there is no doubt that globalization, although accompanied by the reduction of the absolute poverty, has determined the increase of the**

relative poverty" (Mario D. Nuti, 2002). Achieving a "**world tolerable order**" can happen only by preventing the development of the globalization process towards the extremes, keeping a **balance between liberalism and democracy** and a proportion between its advantages and disadvantages (Sterian Dumitrescu; Ana Bal, 2005)**.**

The world well known economist Jagdish Bhagwati (2005) appreciates globalization as being "**a good thing, but not sufficient**", considering that it's **very important to accelerate the process of choosing and implementing adequate policies and institutional mechanisms** through which shock therapies and excessively rapid reformation can be avoided. The globalization process is still incomplete, the phenomenon associated to it having an evolutional trend, but the scenario of this process for the future is hard to imagine, for the time being. The tendencies outlined by the *L'Expansion* (2006) magazine points out aspects that question the future evolution of the contemporary globalization:

- more and more countries tempted by the protectionist policies, reacting because of the delocalization phenomenon;
- delaying the negotiations within World Trade Organization (WTO);
- the harsh competition that can be foreseen prospecting the provisioning with raw materials and hydrocarbons, that become more and more rare and expensive;
- the growing economic power of China, India and Brazil that are becoming remarkable, uncomfortable and submissive contestants.

The only certainty in the publication's opinion would be that the third globalization (which is different from the other two so far) has started off by being "more political, less conflictive, less dominated by the Occident". Between the exaggerated optimism that offers groundless hopes and the pessimism that generates emotional tensions, **the most appropriate way is for sure the middle one.** The phenomenon related to globalization mustn't be approached disdainfully, with ignorance, with fear when facing its magnificence, but nor from the defeated position, or by inevitably accepting it as the implacable fate.

What rests each and every one of us with a balance position? As economic individuals and entities, we should have mobilization, initiative, effort, respect towards the democratic institutions, to manifest understanding and respect for our fellow citizens, to act with a mutual aid spirit when facing calamities, in one word we should be soldiery.

As state entities, the responsibility materializes through reform, adjustment to the new world conjuncture, **cooperation,** ensuring the people's security, accomplishing justice and social cohesion, protecting the Planet. Thus globalization can take the dimensions of a modern, relevant and efficient process.

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