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Popa, Catalin C.

Naval Academy 'Mircea cel Batran', Constantza, Romania

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TENDENCIES IN DEFINING AN OPTIMUM GLOBALIZATION MODEL

Cătălin C. POPA, Lecturer

*Naval Academy „Mircea cel Bătrân”, Constanța, Romania
catalin_popa@anmb.ro, golea_p@yahoo.com*

Abstract

Over viewing the most recently evolutions throughout global economy, we can easily conceive that the collateral effects of economical globalization and market integration, represents the main issues debated in specialized professional or political circles. The unanimous impression underlines the fact that integration in contemporary global market development exceeded too much and to profound the conceptual frame formulated as work hypothesis for the beginning of '80's the realities evolving radically uncontrolled. In this case, the free capital global running is no longer a factor for market equilibrium as "market fundamentalists" predicted, financial integration as global process creating and forcing gradually the market bubbles in lack of an efficient frame of global supervision. In this context, the international effort should be oriented toward remodeling the fundamental global structures implicated in globalization process.

Keywords: globalization, global economy, economical integration, global factors

It becomes more clearly every day passed away, that we are witnesses of a profound reconfiguration of global order from political, economical and social point of view. First step after the moment when the credit crise consequences will be blurred, or within this action plan, should be the reconfiguration of political, social and economical structures from a global perspective.

On the base of this complex process will be the new conceptual design of “globalization matrix” because we need first to understand the priorities in economical functionality in relation to the new international realities from a global society as main perspective for the next decade.

In this paperwork I have tried to configure a matrix of globalization determinants, taking under consideration all those factors that have determined or influenced the globalization and integration processes. Starting on the idea of most accepted factors, traditionally used in defining the globalization matrix , based on three dimensions (economical, political and technological), I'm proposing five fundamental factors in the way of configuring the globalization process: (1) economical-financial factor, (2) technological factor, (3) social factor, (4) political factor and (5) cultural factor (figure 1). In the next paragraphs we'll explain the importance and relevance of each determinant factor, in our opinion, for overseeing the structural function of globalization as a succeeded approach [7].

Based on these five factors, first of all, is very important to notice the fact that globalization matrix has a natural direction and a logical determination conditionality between its components, as can be figured in matrix in the relation of “economical-financial → technological → social → political → cultural” (see figure 1).

Obviously, **economical - financial factor** should be maintained in the top of determinist pyramid of globalization synergy, representing the engine of all tumultuous movements between nations and the rational reason for transnational vector phenomena. In spite of this, the financial and economical dimensions can easily be doubled by a lack of authority, deliberately considering that the markets are self-adjustable and able to get the equilibrium from inside. We have two issues on this meter some times neglected by officials or specialists [9].

First the expression of “economical” is a must to be completed by the “financial” factor under the same dimension, or separately but into the same equation at least. Second, as fine as the U.S. sub-prime crise already is proving – we need free markets but governed in some limits negotiated on a global level. The economical and financial

institutions are reduced in spectrum of their targets, being focused on profit idea, not always harmonized in social responsibility terms.

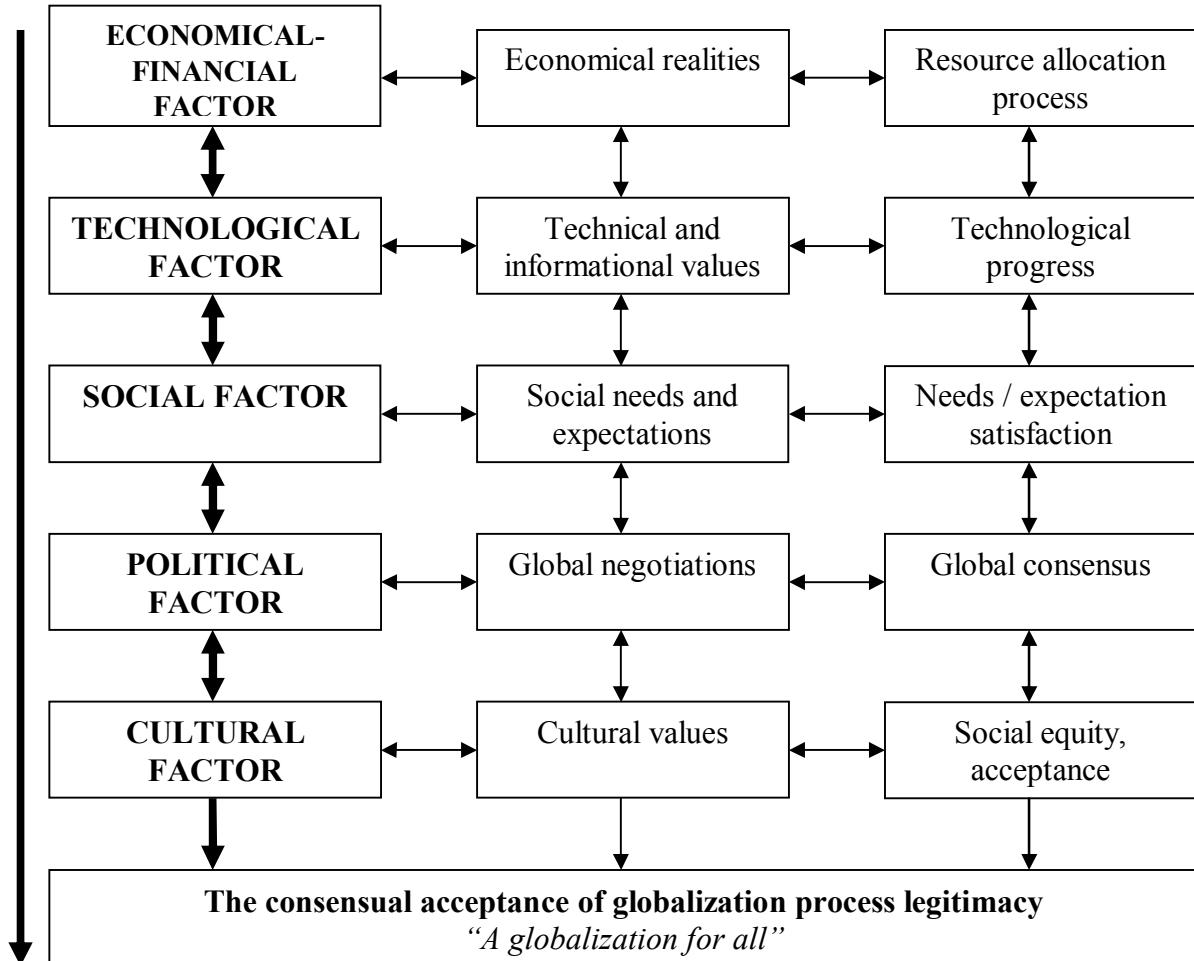


Figure 1: The figurative matrix as a globalization model^{*}

The governance of economical and financial entities and actions is the most reasonable response to the natural tendency of global economy and financial less reglementated markets. In fact the governance is a must to evolve in a same pace as real economy correlated to financial industry for being efficient and useful to guarantee the global equilibrium effort (see figure 2). In fact, the institution governance comes to harmonize the individual interests to

* This perspective represents the author's point of view, starting from the suggestions and opinions formulated by Lucian C. Ionescu Professor Ph.D., Rector of Financial Management Faculty, Romanian Banking Institute, Bucharest, Romania

global priorities, in terms of reasonable and efficient blend of the parts to the global puzzle.

As we can easily observe studying the above picture, at this moment, on the one hand the financial economy exceeded in speed and complexity the real adapting world economy possibilities and, on the other hand the international institutional architecture is not ready yet to govern or to arbitrate the economical, financial, social and political relations between nations. The global efficiency is based first of all on the correlation between financial market actions, economical behaviors and global harmonized goals. Without any doubt, against market self-adapting capacity theories, the international market's supervision and governance, are the main solutions in global equilibrium approach. In conclusion the economical – financial factor can be considered as being the *engine of globalization and integration process*.

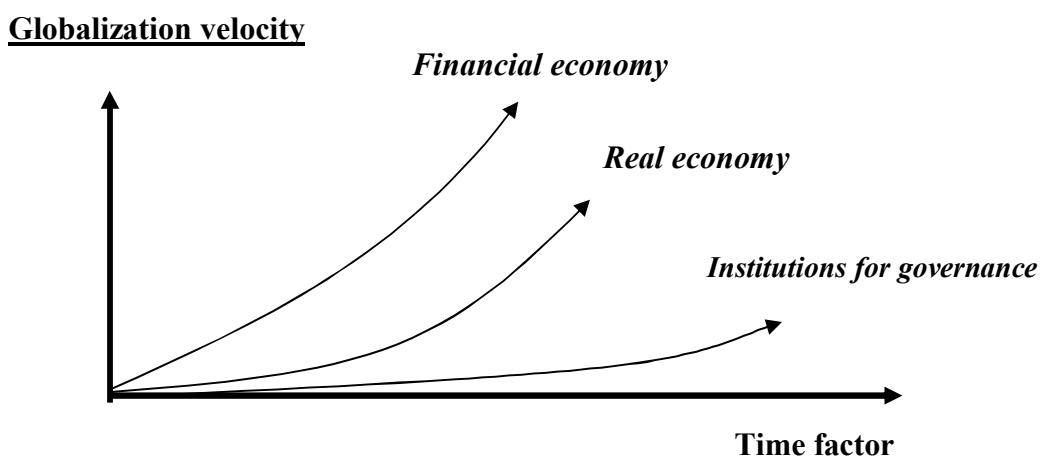


Figure 2: The evolution of economical-financial dimension related to institutional architecture

Technological factor is the next component of globalization process being strong related to economical efficiency and social performance from the individual comfort and satisfaction point of view. We have to underline as a new perspective, the crucial importance of technology, because this factor can be transformed,

more easily than others, into the main globalization engine, as a centrifugal progress entity in the of figured matrix centre. The social needs and expectation in better can be solved assuring a technical progress free and equitable circulation between nations.

The population is able to understand more easily the globalization benefits getting some direct advantages from the general progress implemented all over the world. The success of virtual spaces in communications and global networking connections implementation on a global level, are simple examples for the priority of a technological overview for the entire globalization process. Taking under consideration this perspective the technological factor can be consider the most reasonable method for *globalization values spreading*.

The social dimension is in the third position as global factor and contents all those attitudes, acts or facts in related to economical globalization and integration processes. This factor calls for a real harmonization in terms of balancing the national perspective to the regional and global priorities. The relation between global and national dimensions in terms of economical goals conduct in case of perspective harmonized accordance to the globalization acceptance as an inevitable process, not only bad but profitable as well, for all human communities. Social perception is tied to economical personal satisfaction and any discrepancy between expectation and realities can be easily attributed to globalization phenomena influences as an improper and incorrect process. So, the social satisfaction based on political negotiation and cultural positive interferences, must assure the fundamental base for the most wandered result: globalization acceptance as a benefic process, governed by the priority of “*globalization for all*” principles. On the intuitive level, the social dimension offers the rational work *hypothesis for globalization development* in accordance with national goals and human expectations in terms of *social satisfaction*.

The political factor comes to tie as a binder, all those components detailed above, under the international negotiation process, offering the official ways for developing and implementing regional and global strategies and policies. The evolution of the

political perspective depends on the institutional efficiency in terms of dialogue coherency between parts in modeling the common functional architecture for a global society, at least from the economical point of view. In case of crises only the political frame calls for *action legitimacy* on global level.

The cultural factor represents the most unknown variable from the globalization matrix functioning, being determined exclusively by the human characteristics, preferences and emotions. The cultural bases should be matrix closing circle toward a favorable current for *globalization acceptance*.

In the picture from figure 3, I have synthesized, as a personal opinion, the optimum theoretical keys for a globalization dynamics towards successful results.

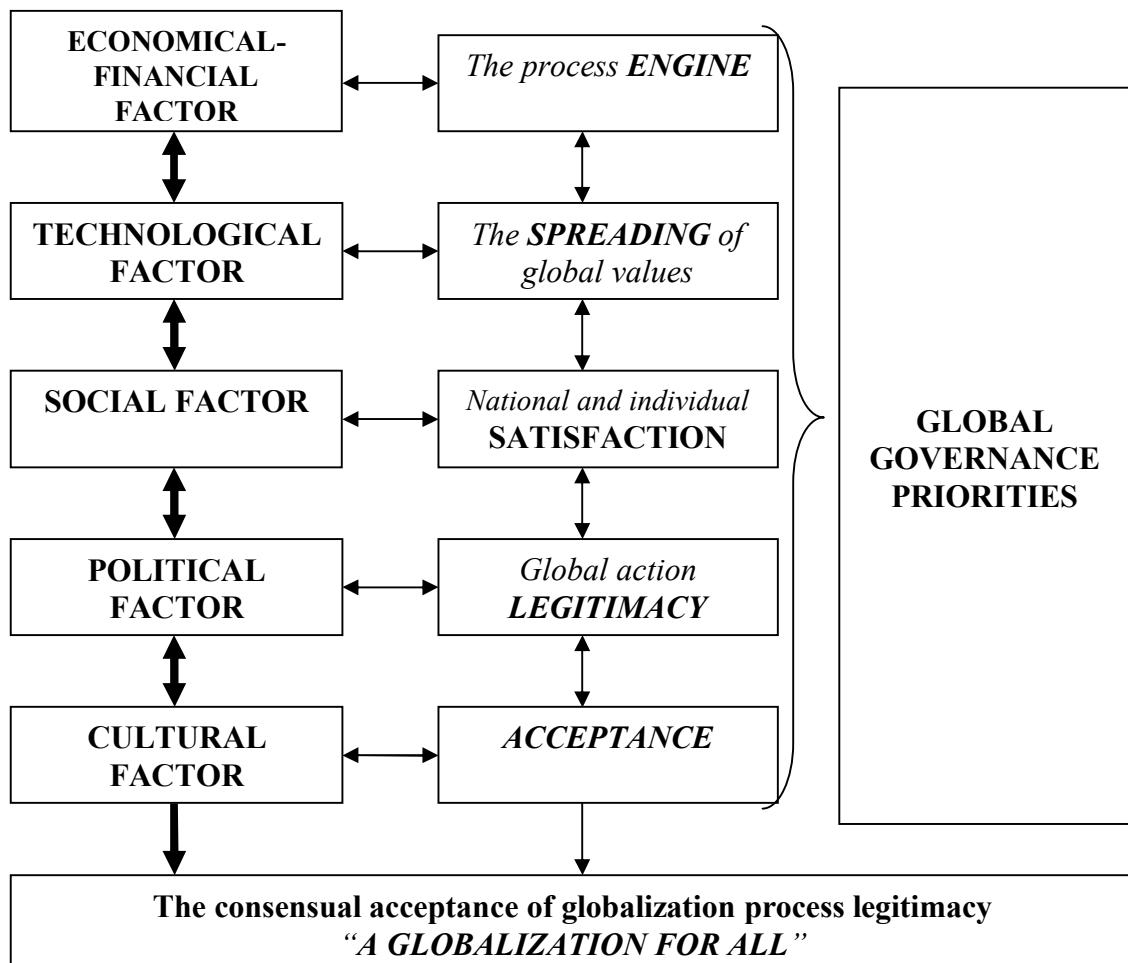


Figure 3: The global governance priorities

In conclusion the paperwork had shortly investigated the main resources assigned to the globalization process as we can consider taking under consideration the basic factors implied in the international arbitrage of economical dynamics. The equation of a successful global society is a must to be built in a totally harmonized formula, defined by the relation between <“*economy engine*” → “*value's equitable spreading*” → “*satisfaction*” → “*action legitimacy*” → “*acceptance*”>.

Taking under consideration all this aspects, the modern world should promote a strategy framework for each dimension separately, the final global agreement according to the individuals satisfaction, depending on the quality of these mixed policies. Finally, if the mixed strategy will contain more or less than proper quantity for each dimension then the turbulences will appear, making possible the crises burst, inducing as a consequence, incoherence of a global response for any discrepancy in proper world functionality.

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