

Globalization in theory and practice – The practice of globalization

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Abstract: Globalization which constitutes a dynamic process involves a lot of contradictory tendencies, undetermined directions, and impacts in a social macro and micro scale. Speaking of globalization, I mean processes (in particular economic, social, political and cultural) and their effects. Knowing the essence of globalization is the basis for the development of the strategy of activities in the context of globalization, or even influences on economic, political, social and cultural changes taking place as part of it. The modern world is increasingly being defined by the term 'globalisation'. Important changes in the global economy have become the main determinants of this phenomenon. Of course, we must not forget that globalisation should not be analysed without looking at social, political and cultural factors, given that all these are bound together. The aim of this article is to determine whether the interdependence between the processes of globalisation exist in the global economy or not. Second the paper tries to find the process of globalisation and how can this process be defined?

Keywords: Globalisation, globalism, globality.

I. INTRODUCTION

Globalisation is a multidimensional process which is present in many spheres and which is defined in many ways: it has developed with different degrees of intensity since the end of the 19th century and took on a particular importance in the closing decades of the 20th century[1]. Globalisation creates both opportunities and threats for its participants. One of the tendencies that has been getting stronger in the world for at least a quarter of a century is a progressive socio-economic differentiation and the splitting of the world into two separate blocks: the world of poverty and the world of riches. The social structure is undergoing changes. The distances between the individual segments of the market and those who are left outside the market are growing. The benefits from economic growth are not being spread equally.

A. The birth of the word 'globalisation', as well as globalism and globality

The word 'globalisation' was initially used in an economic context. Malcolm Waters states that its first use in a text came about in 1959 in *The Economist*. It was about the 'growth of the globalised quantities of imported cars'. Two years later, in 1961, the word was included in *Webster's Dictionary*. On the other hand, when talking about the beginnings of the use of this term, Marshall McLuhan, the writer who formulated the

concept of the 'global village' as opposed to the 'tribal village'[2] comes to mind. However, the spread of the use of the term 'globalisation' first occurred within the sphere of the social sciences and sociology[3].

While carrying out a conceptual analysis of globalisation, it is worth looking at terms that are very similar in meaning, that is to say, globalism and globality [4]. It is accepted that globalism is a state of international relations and that globality is a characteristic of bonds and interactions in international relations. One can also come across the view that globalism is the policy of building a 'McWorld', achieved in effect through the creation of a flow towards globalisation by the richest, who, in doing so, have intended to reinforce their positions and 'use the coupons' related to the benefits that their advantageous position has given them.

II. DEFINITIONS OF GLOBALISATION

Bearing the significant number of definitions of globalisation (around 300 - The above-mentioned figure of 300 definitions of globalisation has been presented in the writer of this article's doctoral thesis entitled 'Contemporary Globalisation in Socio-Economic Theory and Reality') that appear in academic literature in mind, in this article, I would like to focus exclusively on some of them: those which are, in my view, the most interesting ones. However, before I do this, I would like to mention the following point: if it were possible to find a synonym of the term 'globalisation' in Polish, the best equivalent would seem to be 'uświatowienie' (making something worldwide or global) of the economy. This leads us to the following conclusion: elements of a single worldwide economic body are being born as a result of the globalisation process. These elements are connected up by many links, not all of which are immediately apparent. This means that both detailed economic analysis and looking at the phenomenon from a different perspective (an anthropological, a sociological or even a philosophical perspective) is becoming essential. At the same time, economic analysis currently still seems to be the most important of them.

While on the subject of liberalisation, it is worth adding, and at the same time highlighting, the opinion of Professor Joseph Stiglitz, a Nobel Prize laureate, former advisor to the President of the United States and former Chief Economist at the World Bank. In 2002, he wrote that the liberal theory of the unseen hand and self-regulation was a myth {according to Gałek (2004, p.55-56)}. Moreover, the latest achievements in

the theory of economics had shown that the more imperfect information was and the more incomplete the market was, the more the working of the unseen hand was imperfect to the highest degree {see Stiglitz (2004, pp.78-79)}.

Moving on to the definition of globalisation from an economic point of view, Bhagwati (2004, p. 3) states that it consists of the integration of national economies in the direction of an international trade-based economy, direct foreign investment, short-term capital flows, the international flow of workers and people in general, as well as the flow of technology. Kołodko, who interprets globalisation as a historical process of liberalisation and integration of goods, capital and labour markets (which have up until now functioned independently of each other to a certain extent) into one global market., writes in the same vein (2003, p. 28). Flejterski understands the term globalisation as referring to international relationships between economies. According to Gniewek (2003, p. 95) these relationships are based on ever-broadening trade links, as well as the flow of capital, technology and information). For Gregor & Stawiszyński (2002, p.29 three prerequisites lie at the base of globalisation, which manifests itself as a tightening of international economic interdependencies and the expansion of transnational corporations. The first is scientific and technical progress (in particular, new information and communication technologies). The second is the liberalisation of conditions for the development of international trade. The third is investment made by foreign financial markets.

Globalization being a dynamic process includes many contradictory tendencies, undetermined directions and impacts on a social macro – and micro-scale. Talking about globalization, I mean both processes (especially economic, social, political and cultural) and their effects. Exploring the essence of this process is the basis for the preparation of strategy of action under the conditions of globalization or simply affecting occurring under it economic, political, social and cultural changes. From the deliberations presented in the paper we can conclude that globalization is a process, rather than a stable condition. In addition, the phenomenon of globalization includes sequences of events belonging to many diverse social life dimensions. The process of globalization takes place with comparable intensity in the economy (and analyzing it economics), social life (and sociology), culture, politics and in many other spheres.

Globalization changes the image of the world. It transforms trade, finance, employment, technologies, means of communication, ways of life, culture, as well as ways of governing. It forces companies to compete across the whole world. Many cause and effect relationships typical of it are feedbacks. The result of these processes is reduction in production and transport costs and increase in efficiency and income. However, sometimes the price for progressing dependence on abroad is growing uncertainty, fluctuations in the level of employment and deepening social inequalities. The process of globalization involves participation of various entities, among which the most important are : states, transnational corporations and international institutions and organizations.

The contemporary globalization is influenced substantially by nation states whose history shows significant development unevennesses. In the period of external hazards, the role of the state was growing, undergoing periodical fluctuations in importance in the periods of relative peace. The 19th century featured a relatively short period of liberal capitalism, when the role of the state in the economy decreased significantly, however, two 20th-century totalisms: Nazi, with the great role of the state at the cartel economy, and real socialism with liquidation of private property and omnipresent dominance of the state not only in the economy, strengthened nation states in substantial areas of Europe, Asia and other continents.

Currently, since the 1980s, the role of nation states has been decreasing. The state gradually ceases to fulfill operational functions (interference or direct participation in business activities) and more and more often fulfills system functions which, in the present conditions, include execution of long-term, globally and strategically oriented economic and social tasks. Apart from traditional activity (legislative, stabilization, ensuring safety, etc.), the state is getting involved also in the implementation of strategies or programs aiming at increasing the national economy's international competitiveness, in its course and funding adapted to global competitiveness, introduction of new institutional solutions, promotion of the development of the information and knowledge-based economy .

The analysis of the course of globalization proves clearly that this process would not have the today's shape and would not reach the contemporary intensity without technological revolutions that, first, resulted in radically increased production scale and then enabled transferring goods and consumers at growing distances, and, finally, contributed to the assimilation of behaviors and tastes of buyers. Subsequent industrial revolutions are a condition of economic success of particular economies and causative factor of changes in the world economy. Technical progress determines development and fall of particular spheres of economic operations, nature of employment and social development directions.

The conducted in the paper analysis of the process of globalization and its definitions included in the world literature on the subject have confirmed fully the thesis presented by me that the definitions do not take into account all the most important features of the present globalization processes and, because of that, are adequate to a limited degree to the description of a set of phenomena determined as globalization. The research has proved that technical progress is one of the most important, though often insufficiently exhibited, components of the contemporary globalization.

Contemporary globalization, though unique for many reasons, is not a single experience of humanity. We can consider as the first globalization phase phenomena accompanying great geographic discoveries in the 16th century. The most developed states of the then world created a network of economic contacts, especially trade contacts. The second phase of globalization was initiated in the second half of the 19th century as a result of the industrial revolution. At that time, a long lasting process began of creation of colonial powers, with the leading British Empire, which, in the early

20th century, covered 20% of the surface of Earth. The third phase started after the end of War World II. First, the world took a bipolar shape with the dominance of the USA and the USSR and globalization processes focused mainly around the most economically developed states and their economic partners. Subsequent acceleration and extension of the process of globalization took place after the fall of the communist system. This is the time of liberalization of financial markets, Internet revolution and important political and system transformations (beyond system transformation of communist states, the unification of Germany, the breakup of Yugoslavia, etc.).

Ability to manage the current phase of globalization is getting out of control. Globalization involves a closer integration of countries in the world and this causes a greater interdependence. Socio-economic success in particular regions of the world depends on how it is possible to manage globalization in most efficient way

Globalization has therefore become a phenomenon with which one can demonstrate clear differences between industrialism and age of networking.

We live, therefore, in a new economy, which consists of three pivotal features: 1) it is informational, that is, capable of generating processing and information management determines the productivity and competitiveness of all economic units, 2) new economy is global - financial markets, science and technology, international trade in goods and services, 3) the new economy is networked.

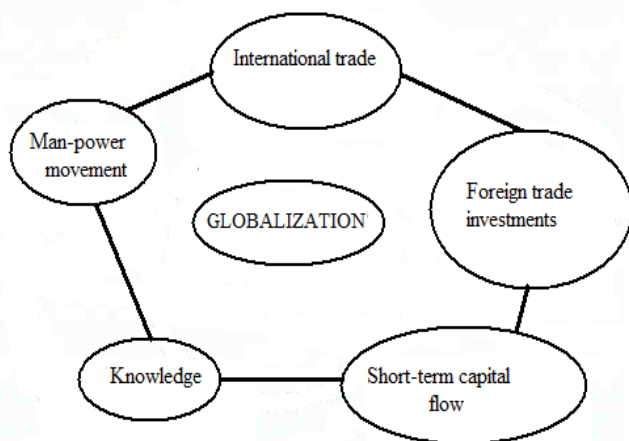


Figure 1. Elements of globalization

Source: J.E. Stiglitz, *Globalization and growth in emerging markets*, "Journal of Policy Modeling" 2004, No. 26, p.430.

Today, the term technocapitalism begins to dominate, which was defined by S. Best, and D. Kellner, which is understood as a decline in the role of the state and increase in the role of the market, connected with the strengthening of transnational corporations. In other words, Best and Kellner specified the approach to globalization as a synthesis of economic and technological development.

R. Kuźniar writes: „The processes of globalization are the source of the polarization of the international community. The

dividing line created by globalization differs from those that have until recently determined the structure of international reality (ideology, imperial spheres of influence). It is the dividing line between the rich and and growing number of poor people. This line runs across countries and regions, and also inside societies in different countries. (...) Strobe Talbott wrote about new bipolarism, which is no longer the Iron Curtain between East and West. This is a line between stability and instability, integration and disintegration, welfare and poverty”.

There is also a division between what is 'local' and 'global'. The differences between this "localism" and "globality", and even more particularly between local man and global man, are enormous. According to Z. Bauman: „In a globalized world, locality is perceived as a sign of social discrimination and degradation. The disadvantages of existence in local conditions result from the fact that public space, in which the meaning is created and negotiated, is beyond the reach of local existence, and therefore, locality more and more relies on sense creating and interpretive activities over which there is no control.

Also, the technology has contributed to the polarization of the global society, "progress measured by the number of mobile phones, fax machines, computers, internet connections per 1000 population is very large" but the author immediately adds that "the distance that divides the group of developed countries from developing ones and the third world countries is visible"[19]. Furthermore, "eliminating the time and spatial distances owing to technology not only unified human condition but polarized it. It liberates some individuals from the territorial bonds, and gives some of the factors that constitute the community an extraterritorial meaning, at the same time, however, the territory deprived of meaning, in the borders of which the others still live, becomes deprived of the potential to determine human identity”.

Along with the formation of new economy the information society is created. In recent years, in publications describing the issue of globalization, more and more often the concept of the information society appears, which function in an international scale. Development and progressive standardization of processing, collecting and transmitting data have become the main reasons for the describing the modern civilization as a "global village" in which the information is transmitted quickly between continents via telecommunications connections.

As I have already mentioned, globalization is not a phenomena occurring only in recent years. It is a direct consequence of the European dominance in the world, colonization, technical innovations or development of the market economy whose sources can be sought in the past centuries. A symptom of the contemporary globalization phase is, among others, increasing international economic dependence and integration, which involves the worldwide processes of democratization and cultural homogenization.

It is not ease to define and describe the process of globalization because of complexity and multi - sidedness of composing phenomena, and, as a consequence, complicated and heterogeneous matter. It is shown strongly by definitions presented in the paper. The definitions are diverse not only depending on the approach of researchers and the moment

when they were formulated, but also because of differences of the degree of generality/particularization. The conducted analysis confirms that globalization process involves many contradictory tendencies, directions of consequences and impacts on a macro- and micro-scale. Changes occur vigorously and often it is difficult to indicate a factor that is determining for its presence and intensity. However, it is necessary to explore the essence of globalization and describe it precisely, as it may be an introduction to preparing a strategy of rational shaping its further course and affecting its component parts.

III. SUMMARY

Determinations made in this paper entitle to present the author's definition of globalization:

Globalization is a process relating to the description of basic trends in the world economics, politics, demographics, social life and culture, consisting in the propagation of phenomena and processes (regardless of the geographical context and the degree of economic and political progress of a given region of the globe), leading to the unification of the world made up of interrelated elements, thanks to technical progress.

A feature of this definition is its universality and dynamic character. The present definitions of globalization do not always enable their application in the process of explaining specified regularities, occurring in the contemporary global economy. The dynamics of development of globalization processes affects modification of the content of the notion of globalization.

According to what has been stated above, the conclusions obtained from research conducted in the paper have enabled confirming all the hypotheses presented in this paper.

To sum up the previous analysis of globalization, political theories and sovereignty, it can be stated that globalization has changed the image of the world, has transformed also the image of a nation state. It has weakened democracy, and thereby the role of sovereignty of nation states has decreased significantly. However, globalization has not threatened sovereignty of a state to a significant degree; it has forced states to change the notion of sovereignty itself. Country, its economy, system have been subordinated to globalization processes. It has both advantages and disadvantages. For this reason, it is difficult to specify precisely whether globalization is evil for democracy or only a trend, which is necessary so that states could integrate more.

- 1) A wide discussion of problems related to defining and understanding globalisation processes may be found in, among others, M. Pietraś, *Istota i zakres procesów globalizacji (The Nature and Range of Globalisation Processes)*. Sprawy Międzynarodowe, 2002 nr 2, pp.5-34; and also in P. Dicken, *Global Shift. Transforming the World Economy*, The Guilford Press, New York, London 1998, pp.3-6. Moreover, both scholars and publicists are happy to use the term globalisation while attempting to explain the phenomena and

processes to be witnessed around the world at the end of the 20th century and the beginning of the 21st century. At the same time, it is emphasised that globalisation is the final stage of a historical transformation and electronically-transmitted popular culture connected to the the propagation of liberal ideology by developed democratic countries. K. Gilarek's *Państwo narodowe a globalizacja – dynamika powstawania nowego ładu (Nation States and Globalisation - Dynamics of the Appearance of a New Order)*, Toruń 2003, pp. 39-46, offers a review of the definitions of the concept of globalisation and an attempt to systematise them. Discussed in N. Stammers, *Social Movements and the Challenge to Power, in Politics in a Globalized World*, M. Shaw (ed.), London 1999, p.73 and the following pages; J.A. Scholte, *The Globalization of World Politics*, in J. Baylis, S. Smith (ed.), *The Globalization of World Politics. An Introduction to International Relations*, New York 2001, p.23; also *Globalization: Prospects for a Paradigm Shift*, in *Politics in a Globalized World*, p. 9 and the following pages.; I. Clark, *Globalization and International Relations Theory*, Oxford 1999, p.35.

- 2) Whereas the flow of information during the era of the 'tribal village' happened in a limited space and through the use of the spoken word, in the era of the 'global village', this flow happens in an infinite space. The instruments enabling this communication are television, radio and other electronic media. Therefore, here globalism has meant an increase in possibilities as regards sending and receiving information using electronic media. The way in which information is circulated via these media has changed in nature, both with regard to time, which has become faster than before, and space (information can now reach places which were not accessible earlier).
- 3) Whereas the flow of information during the era of the 'tribal village' happened in a limited space and through the use of the spoken word, in the era of the 'global village', this flow happens in an infinite space. The instruments enabling this communication are television, radio and other electronic media. Therefore, here globalism has meant an increase in possibilities as regards sending and receiving information using electronic media. The way in which information is circulated via these media has changed in nature, both with regard to time, which has become faster than before, and space (information can now reach places which were not accessible earlier).¹ For instance, M.F. Guillen indicates that the first articles on this subject had already started to appear at the beginning of the 1970s. One of them was a publication by Immanuel Wallerstein on the world-system theory. Even though Wallerstein does not use the term 'globalisation' in it, this text is seen as being within the sphere of literature dealing with globalisation (M.F. Guillen, 2001:240). However, thinking about the world in these terms established itself for good in the 1980s. Roland

Robertson is seen as having brought this situation about (for example, M. Waters, 1995). He was the first person to begin discussing the world in terms of globalisation.

- 4) Whereas the flow of information during the era of the 'tribal village' happened in a limited space and through the use of the spoken word, in the era of the 'global village', this flow happens in an infinite space. The instruments enabling this communication are television, radio and other electronic media. Therefore, here globalism has meant an increase in possibilities as regards sending and receiving information using electronic media. The way in which information is circulated via these media has changed in nature, both with regard to time, which has become faster than before, and space (information can now reach places which were not accessible earlier).¹ The question of the demarcation of these phenomena is raised by Ulrich Beck (2000; K. Gilarek, 1999/2000). According to him, globalism refers to a situation where the global market eliminates or displaces political action. At the same time, it is a reduction of globalisation to one sole (economic) dimension (U. Beck, 2000: 9). However, globality refers to the feeling that we are living in a global society. We cannot describe it as being limited to a certain space. Conceiving of it in this way can only be an illusion. Contacts within the sphere of this type of society are not integrated or determined by nation states' policies (U. Beck, 2000:10). Globality means that whatever happens is not limited to the area in which it happens. It affects the whole world.

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