

THE IMPACT OF GLOBALIZATION THROUGH INTERNATIONAL TRADE

Dana-Codruța DUDĂ-DĂIANU

„TIBISCUS” UNIVERSITY OF TIMIȘOARA, FACULTY OF ECONOMICS

Abstract:

During the time, the campaigns of protest against globalization proves a flurry of public opinion which, from several points of view, is not totally unfounded. It is political stakes which, unfortunately, put its imprint on the economic stakes. So, there is a gap between economic globalization and political, the latter being brought forward first. There are many aspects: food security, environment, labor standards, etc., but the most eloquent are those related to economic efficiency and resource allocation. From this perspective, theoretical considerations related to this article regard: globalization and its consequences on international trade; globalization and international economic relations. While globalization can be judged through the prism of not respected promises, we are optimistic and we declare the motto of the World Bank, which Stiglitz was First Vice-President: "Our dream is a world without poverty".

Key words: globalization, World Trade Organization, international economic relations, international trade

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1. Globalization and its consequences for international trade

The process of globalization has resulted radical transformation of economic life. This process is unprecedented: the generalization of market economy, the increasing of production, of needs and circulation of information, products, people and capital, implementation of technical systems becomes more efficient, increasing the quantity of waste, etc. The inequalities in society became deeper. The balance of planet is threatened.

At the beginning of the third millennium contemporary world presents and contrasts the essential changes that portend human lifting the economy to new steps of its evolution.

The process of globalization is not new; it does not constitute a rupture in the secular evolution of the economy. The development of interdependences between national economies of the planet is not new by its nature, but by its intensity. Thus, it is necessary, in terms of knowledge of globalization content, a presentation, in short, of the main phases of the operation thereof.

- 1870-1914 - the period of political revolution accompanied by an accelerated industrial development, leading to a booming generation marked by the liberal faith in the virtues of justice, of free market and of parliamentary life. Industrial development has the consequence of expansion of international trade. Phenomenon of development of industrial production, beyond the home country, it increases; the international division of labor begins to be institutionalized not only from the political, financial or commercial point of view, but also in terms of logic of production.

- 1915-1945 – the period during the two world wars which generates a stagnation in the development of internationalization;

- 1945-1989 – the period of a strong expansion of the internationalization, marked by several key points:

a) leadership of the United States of America and asserting North American firms in international markets through direct investment. The flows of U.S. investment are focused, first, to the American continent and to a limited extent to Europe. The period during 1945-1970 is known as the "thirty glorious years" for strong economic growth.

b) '70 years is characterized by a diffusion of economic development. Many countries manage to integrate into the internationalization process, the result being an quantitative increase of phenomenon, accompanied by a differentiation always expanded of arrangements for strategic development of this process: the percentage of direct investment abroad is 4-5% of world GDP, following that at the end of the decade to reach 7% (Dunning, 1992). Germany, Japan and the U.S. are leading providers of direct investment abroad.

- 1990 - present

Year 1989 is a historic moment for Europe, and not only, which really confused the international economic relations. The creating of Single European Market boosted the productive internationalization. An example is the expansion of international services sectors. The process of international deregulation has like result the abolition of technical barriers and policies that segment the global market of services, particularly in the banking, finance, insurance, telecommunications, transportation sectors. The main factors which led to this change are: a general liberalization of economies and new information technologies. The means of telecommunications and information are, at the same time, the driving force and the outcome of the current globalization process.

The new phase of the globalization process there is under the influence of two factors: market dominance and new technology of information and communication and is characterized by the following:

- through a stronger integration of production structures in different countries;
- through an amplification of funding economies;
- through an increase of the tertiary sector;
- by a general acceleration of the change rhythms.

There is a real process to create a network of all economic activities that materialized in the development of trade in goods and symbols (money, information), direct investment abroad, transnational companies, etc.

The paradox of time that we live is that the spectacular gap between the globalization of an economy very advanced and a globalization of politics and of the culture with a lower level of development. This gap puts in question the problem of the state-nation which, in current circumstances, sees its growth affected by the new power market actors (multinational companies). The globalization demands to rethink the concept of state-nation and its role in the world. This requires reconsideration of all institutions, not only globally, but also at national, local, family and even personal.

The reductionism of the signatory states of the WTO agreements has the following meaning: the states are no longer able to govern the country for the purposes of care to protect the interest of their peoples. They are obliged to encourage the development of a market free of any obstacle, a market which is subject to their national policy. This chooses must be understood as meaning that the planet specialization and division of labor determines the interdependence of states. Question is the implementation of agreed international law competition with domestic law.

The most cogent example is the fact that there is no antitrust law as the United States of America (Sherman Act). The refuse of most WTO member states to treat serious the social problem clause creates a planetary social dumping. Also, the refuse to treat the monetary clause distorts the competition in the game world and the same reasoning can be stored for the environment. These represent deregulation that affects the equality, fairness and loyalty necessary for economic relations to be acceptable in

the long term. Or the relationship between national and international law not prevent anything abuses of power and economic dependence.

2. International economic relations and globalization

The system of international economic relations at the beginning of the millennium is challenged by the governments because of their inability to prevent and manage the crises, on the one hand, and because of a large part of public opinion which challenges the representativeness and the legitimacy of institutional organizations (Siroen, 2002), on the other hand.

International economic relations whose study allows us to identify situations of convergence to isolate the sources of conflict and find answers to the most peaceful and most effective, are analyzed from the perspective of debates taking place on:

- a) Globalization;
- b) The current organization of international economic relations;
- c) Global governance.

a) Debates regarding the globalization

There is a strong bipolarity of these debates: the deeper devotees of globalization who met at New York or Davos, on one hand, and the opponents of liberal globalization who met, for example, in Porto Alegre in Brazil. The two extreme polarizations does not correspond to reality (Siroen, 2002). The "pro" can have profound differences on rules that must accompany the process of globalization. The "anti" inherit various ideologies (Christian Social, Marxist, nationalist, environmentalist), and they are unable to propose an alternative global governance. Debates on the organization puts into question the relevance of the theme "international economic relations", the "global" term is opposed to "international" term, in the sense that globalization brings us to the moment that the world would integrate national markets (Siroen, 2002).

International economic relations passed through the crisis. The world has not reached that level of trade integration and mobility to threaten the current system of territories and borders. At the beginning of the third millennium, population migration is reduced, and the formation of a global labor market is a distant objective to be achieved (Frankel, 2000). Investors continue to prefer domestic investment (Taylor, 1996). Consumers are much more interested in local products. Was launched a new concept which reflects this, "home bias", that means a national restraint.

b) Discussions on the current organization of international economic relations

Globalization is supported by a process of creating a system of international economic relations that implies an institutionalization closely related to the member state governments, which must comply with the regulations of respective organizations. For example, WTO rules provide certain measures to condemn the countries in case of non-compliance set. This does not mean that there is not a degree of autonomy.

The system of international economic relations is very fragile due to various causes (Siroen, 2002):

- The effectiveness of interventions is strong organizations often raised with regard to several events as Asian financial crisis. Often, international organizations have proven its inability to manage the crises.
- Governments, themselves, have many times expressed its dissatisfaction: on the one part, the developing countries critique the structural adjustment plans of the International Monetary Fund and the World Bank and deplores parsimony debt reductions, and on the other hand, industrial countries regrets the lack of transparency of international organizations, their bureaucracy, their inability to prevent crises. These critics are becoming more common, the most convincing

example is Joseph Stiglitz, which has put the question: "why globalization has become something so controversial?" (Stiglitz, 2004). Stiglitz had important responsibilities in various organizations (Stiglitz, 2002).

- Governments face increasingly more difficulties to find agreements that are, necessarily, compromises. The solving of the big problems still remained delayed: environment, certain epidemics (AIDS), increasing water scarcity, poverty, use of child labor, etc.

c) Debates on global governance

Is aware that humanity is in full crisis of international economic relations. The reform of international economic relations is on the order of the day. At declarative level, it's spoken by the "new international financial architecture", or "global governance". But, unfortunately, does not focus on the fundamental aspect of the problem, being specified only the functions and responsibilities of international organizations and the need to improve their coordination.

Many questions expect responses (Siroen, 2002):

- Why international organizations should specialize or, conversely, to cover all the questions about the main competence?
- Why the IMF should limit itself to financing the balance of payments or to provide the functions of lender of last resort?
- The need to power homogenized response of international organizations that depart from the rules of organization?
- There must be a regulator of the WTO dispute, and here the need for a Supreme World Court?
- Network of international organizations should be coordinated by a supreme institution? It needs a council of economic security?

3. Conclusions

Mondialization really confused the economic landscape, but its implications were not yet integrated in the reflections of actors in economic life, those who decide the behavior of firms in the market.

Globalization is a reality in which we live, but this reality generates Query essential interrogations which can not remain unanswered. How can be distributed equitably the results of this globalization? The opening of the economies, the multiplication of trade, accelerating technical progress has led economic growth. The inequality between countries grows and generates a polarization of wealth between regions and between individuals, reaching abnormal levels.

It's talking about the gap existing between globalization and economic policy. Globalization policy is still building. Everywhere where there is a risk of law enforcement, the most powerful private interests which are before the general, where obtaining profits in the short term affects social justice and distort the states must define the rules of the game. Thus, states must build an international architecture for the organization. United Nations institutions and others like WTO, IMF, World Bank, should be restructured and strengthened so as to achieve new solidarity between people and countries, which would create a new interdependence between people, a community of destinies.

Humanity needs a split in the harmonious and balanced resources. Developing countries should be better integrated into the global economy. Globalization is an opportunity to take advantage. She is a really promising that we can adapt for the benefit of humanity as a whole. Stiglitz has been able to identify a paradox of globalization, to be at the same time, hope and disillusionment. Analyzing the role that

have played the IMF and World Bank, he came to say "Globalization is neither good or bad" (Stiglitz 2004).

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