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The concepts of globalization, transformation and social integration

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Abstract

The article attempts to present concepts and essences of globalization, transformation and social integration. These concepts are still current and evolves, along with dynamic changes in the market.

Keywords: Globalization, social integration, transformation.

Introduction

Globalization, social integration and transformation are terms often used at the turn of the 20th and 21st centuries. The volatile market economy is characterized by the intensification of corporate and organizational integration processes of enterprises. The result of these processes is the emergence of complex economic organisms, including individuals who increasingly retain their own legal subjectivity (Bauman, 2000).

Globalization

Globalization is a process that should be considered not only in the economic sphere, but also in the social and cultural sphere. Many well-known researchers believe that this is the most fundamental change process currently taking place in the world. It is a long-term process of integrating an increasing number of national economies over their borders by expanding and intensifying mutual connections, resulting in a worldwide economic system with high interdependence and significant repercussions of actions, even in distant countries. From the company's point of view, globalization consists in integrating dispersed international functions or activities and units that implement them (Kuczmarska, 2010).

Globalization can be divided, due to its scope, into:

- globalization of markets, where markets are generally characterized by similar customer needs,
- globalization of sectors, meaning the activities of members of this sector aimed at achieving a global advantage.

Globalization of markets means the merging of different and initially independent markets in different countries into one transnational. The technological, commercial and investment ties are strengthening. The market is considered global when the competitive position on one domestic market depends on the position on the second domestic market, which leads to the enlargement of this market and directly to the intensification of competition.

Globalization of sectors (industries) takes place when the competitive position of companies in one country depends on the competitive position in other countries. Competition is therefore visible in a special way. It relates in particular to the development of transnational corporations that, competing among themselves in one country, transfer their struggle to the markets of other countries, where they fight against local entities alongside known rivals. On the one hand, there is an increase in competition through the influx of new companies, on the other hand, it is limited by their very strong competitive position. Due to their capital, cost and technology advantages, they are able to control the market to a large extent, causing its monopolization. This phenomenon will continue to persist even due to the growing liberalization and integration processes (Kuczmarska, 2010).

According to Bożyk and and Misala (2004), economic globalization is the process of creating a single market for goods, services and production factors, covering all countries and geographic regions. The national and international markets merge into one. Globalization in this case means unrestricted access to these markets for all economic entities regardless of the country and geographical region from which they originate. It also means an increase in economic ties between these markets.

The globalization process brings both benefits from international trade and international flows of production factors, as well as threats that affect the rationality of decisions made by transnational corporations, the increase in interdependence, protection of the natural environment and the impact of globalization on the economy of the poorest countries. That is why globalization must be considered at national and international level. The role of the World Trade Organization would be to establish a field of play where developing countries would have a better chance of competing with developed economies.

Globalization, based on the basic principle of a free market - competition, favors the increase of economic freedom of entrepreneurs. It also favors the development of national economies, provided that these are not constrained by constraints resulting from regulations established by the state. It certainly does not favor the state and its essence, limiting its role apparently. Moreover, because globalization is a broad concept, referring not only to economic but also cultural, social and psychological aspects, and even to the present philosophy of international terror, it is impossible to predict its consequences, whose dimensions are already observed with concern by its opponents today.

The intensity of globalization has increased along with the development of the liberalization of international trade and, above all, with the development of technologies, especially in the area of obtaining, collecting and transmitting information. Without such technical possibilities for globalization, it would be possible to discuss only purely theoretical aspects. The governments of progressive countries played an important role, unaware of the fact that conditions for the further development of the market opening the process of economic globalization of the world were played, which is considered by many to be the quintessence of the free market and its developmental absolutes. Thus, a situation arose in which the process of globalization began to oppose its creators and threatened them. Today's international corporations (KTN) have budgets often larger than the budgets of small or medium-sized countries, have real power and are perceived as equal to entities such as the UN, WTO or other. It is therefore hardly surprising that countries treat globalization as a phenomenon that destroys the existing order and threatening them. Thus, progressive globalization contains many aspects that are unclear and non-defined, and one can only try to present its good sides and those who are afraid of its opponents. The former may be an incentive for governments to actively participate in the globalization process, while the latter will deter them (Kuczmarska, 2010).

The positive effect of the globalization process is probably its position at the end of free market development. This is a kind of proof for the economic liberalism in the world, effective elimination of barriers to the operation of the market economy and the existence of economic freedom. It is also a system that unifies the rules of the market game for all geographical latitudes and is far above national law, the right to recognize ownership. The process of globalization also favors a better use of the achievements of science and intellectual potential, as well as increases competition, which leads to an increase in the quality and maturity of the economy (Hayek, 1988).

In addition, advocates of globalization say that it reduces poverty by helping less developed countries by creating new opportunities for progress. It results mainly from foreign investments made by KTN, increases expenditures on research and implementation, or raises the qualifications of the workforce.

Of course, globalization also brings threats. It fundamentally changes the balance of power in the world, primarily limiting the role of the state in its own territory. This applies to such areas as: harmonizing the rules of economic policy, weakening the role of state authorities in adjusting the market mechanism, to reducing income spreads, or protecting healthy competition. Liberalization of capital flows, one of the basic features of the global economy, increases the risk of financial crises, increases in the trade deficit, unjustified and excessive growth of the value of the national currency. Equally frequently mentioned negatives of globalization are the exploitative nature of foreign direct investment (FDI), the launch of import-absorbing production by KTN, non-payment of taxes and the acquisition of domestic enterprises. Globalization is also attributed to a bad quality, which favors the growth of disproportions in the development of affluent and poor countries (Kuczmarska, 2010).

In summary, the definitions of globalization have a noticeable, one common denominator: they contain many meanings, most of which are replicated: internationalization - understood as increasing the number of relations between countries; liberalization - means tendencies to abolish restrictions on international production flow, as well as universalization, understood as the spread of both material goods and views, ideas, achievements and experiences.

Integration

The phenomenon of strengthening globalization is undoubtedly the process of European integration. International integration is a process consciously shaped and supervised by the states forming the given grouping, as well as through joint institutions. Integration assumes voluntary limitation of state sovereignty by relinquishing part of their own competence for commoninstitutionsthatcanmoreeffectivelyth anindividualcountriescontrol the activity of transnational corporations (Domininiak, 2005).

The perspective of system transformation

The grouping of enterprises (including in the form of unions and then industry associations) was a characteristic feature of national economy management in Poland after 1956. Their importance grew in the second half of the 1960s, when the role and powers of business unions were strengthened and mergers were established. In addition, the Great Economic Organizations (WOGs) and associations were established. The change of the political and economic system in 1989 put an end to the functioning of this type of groupings of enterprises (administrative and organizational groupings, not capital ones). It opened the possibility of creating new economic groups based on defined ownership and capital ownership as the basis for creating complex organizational and economic relationships. The main process that created new capital group structures was the privatization of state-owned enterprises. A significant example was the fact that just two months after the adoption of the Act on privatization of state-owned enterprises, the Minister of Privatization trans formed Przedsiębiors two Exportu Technicznych Usługowych EXBU D in Kielce into a joint-stock company limited by shares in the State Treasury. At the end of 1991, 12 single-share holder companies of the Treasury were privatized, most of which later became capital groups, including KGHM and Huta Katowice. (Nogalski, 2004).

Conclusion

Globalization refers to the increasing integration of national economies by international trade and foreign direct investment as capital becomes become more and more mobile, and technologies facilitate communication, borders individual countries are becoming more and more permeable to business implemented on an international scale. The globalization process can be considered extremely important in present times for the development of humanity. Therefore, all of us feel the effects of globalization, both positive and negative.

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