

## ROMANIA UNDER GLOBALIZATION AND EUROPEAN INTEGRATION

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**Rezumat.** Pornind de la identificarea unor procese obiective reale ce au loc în economia mondială și analizând raportul dintre interesele naționale și globalizare, se poate constata caracterul contradictoriu al dezvoltării în a doua jumătate a secolului XX, care a generat o serie de crize și de alte fenomene negative. Creșterea interdependențelor dintre economiile naționale a făcut ca economia mondială să devină un sistem cibernetic complex, în care apar noi probleme de orientare și coordonare a activității la nivel național și mondial, generate de criza de sistem a civilizației noastre. Sunt analizate opiniile susținătorilor globalizării în comparație cu cele ale oponenților acesteia, ca urmare a controversatului raport dintre interesele naționale și globalizare. Ca atare, sunt menționate măsurile pe care trebuie să le ia România în viitor, imbinând interesele naționale cu cele legate de integrarea sa în noul spațiu European și mondial.

**Abstract.** Starting from identifying some real objective processes taking place in the world economy and analyzing the ratio between national interests and globalization, it is noticed the contradictory character of development in the second half of the 20<sup>th</sup> century, which generated several crises and other negative phenomena. Growth of interdependencies between national economies determined world economy to become a complex cybernetic system, where it appears new problems of activity orientation and coordination at national and world level generated by system crisis of our civilisation. There are analyzed the opinions of globalization supporters in comparison with opponents, as a result of controversial ratio between national interests and globalisation. Thus, there are mentioned the measures Romania should take in the future, combining national interests with those related to its integration in the new European and world space.

**Key words:** economic globalisation, cybernetic system of world economy, national interests, technological revelation, economic revolution, global problems

### 1. Introduction

Generally, globalization and economic globalization especially is a complex process, which has an objective evolution and concerns more and more the whole world.

The approach of the globalization process started with some *real objective processes* taking place in the world economy, such as:

a) Outrunning production and consumption necessities of a state against the possibilities of national production to meet from technological viewpoint and

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efficiency by optimal economic criteria.

b) Growth rate of foreign/world trade outruns growth rate of world production.

c) Growth of dependence coefficient of national economies against world economy.

d) Important growth of external market, obliging states to adopt liberalization measures of foreign trade, reaching the elimination of customs duties.

e) Liberalization of international movement of goods, capital, services, persons, labour force and technologies leading to the vanishing of trade borders, not national borders (for now).

f) Adopting common regulations by states – agreements, treaties, conventions regarding elimination of double taxing, favourable regime of external investments, granting the clause of the most favored nation.

g) Creating some common international institutions and bodies with commitments at world, regional and sub regional level – public and private.

Investigating such complex problems was necessary, first of all, to clarify concept aspects and to know actual stage of investigations on globalization, especially economic globalization, as well as to clarify some basic concepts such as globalism, globality, globalization, capitalism, post capitalism, new economy, new world economy, world economy, globalization of market of goods, services, capital, financial market and labour market.

It was necessary to clarify the beginnings of globalization and its constitutive stages, globalization essence, elements contributing to accelerate the globalization, age of global civilization, causes and final elements of globalization.

Secondly, the research imposed to identify elements specific and often contradictory of development under globalization conditions, as well as clarify the real costs and benefits of economic globalization.

Thus, we analyzed the ratio between national interests and globalization. Unless we reach to sacrifice the national interests on globalization sanctuary, we noticed the contradictory character of development in the second half of the 20<sup>th</sup> century, generating crises, impact of demographic phenomena over globalization, polarity of richness and poverty during globalization process as a result of unequal distribution of income and society resources. We concluded that poverty is a shame of the century, because it generates suffering, disorder, despotism, slavery and famine (food, shelter, energy, job, knowledge, culture,

health, happiness, etc.) and even famine of human solidarity in front of unpredictable.

To understand more these realities we should take into account that national economies became more and more interdependent, new markets of goods and capital were created, communication means were considerably developed, integration process of nations was highlighted.

Today, the world economy constituted in a system and a change of one subsystem has implications, some of them unguessed and hard to be controlled, into other subsystems.

Or, by the gradual change of world economy into a system, the world became more complex and contradictory, emphasising the interdependences and appearing new problems of orientation and coordination of activity at national and world level.

You can say that national economies were constituted in open cybernetic systems, representing parts of world economy system and which, to function under general balance conditions, need orientation, coordination and regulation.

## 2. Arguments pro and against globalisation

The actual crisis is a crisis of our civilisation system and manifests under multiple aspects: economic crisis, monetary crisis, political crisis, civil wars, ethnic wars, pollution, terrorism and anarchy, moral crisis, economic and military hegemony from great powers and first of all of USA.

Today,  $\frac{3}{4}$  of world population are victim of poverty and great social unbalance.

“The century scandal and shame are represented by UNEMPLOYMENT, FAMINE, POVERTY”<sup>1</sup>.

Analyzing globalization controversial costs and benefits, starting with globalization administration by international economic institutions, followed by costs and benefits in social field and ending with economic globalization for Romania, we finally admitted that globalization is good and bad too.

We should mention that, regarding the globalization phenomenon, two opposite opinions were structured: one supporting this process, another opposite.

*Supporters of globalization*, among them myself, stress mostly advantages generated by globalization process:

- reduction of production costs because of scale economy;

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<sup>1</sup>M. Bulgaru, *Millennium III. Dismay and hope, a new paradigm of development*, Editura Revista Română de Statistică, Bucharest, 2003, p. 20.

- accelerating the transactions, changes almost on the spot at the moment of communication – fax, Internet etc.;
- higher speed of development for trade, financial and technological operations;
- strong extension of markets and creation of new independent markets by certain sources or traditional zones.

Consequently, a growth of efficiency takes place for the whole economic activity at world level, following free movement of capital, investment, technologies and labour force to more profitable fields and zones.

Naturally, these arguments and others stressing globalization advantages are to be taken into account, but should not be absolutized.

*Opponents of globalization* invoke several negative consequences, bringing numerous arguments, but we cannot agree with their absolutization:

- elimination of nation and national state;
- reducing jobs in developing countries or lower level of labour productivity;
- specialization of states in production activities generating pollution and needing a higher consumption of work, raw materials and energy;
- deepening economic gaps (at present, 258 billionaires hold a richness equal to that of 2.5 billion people – almost 1/3 of Earth population);
- there are also mentioned dangers regarding elimination of branches, bankruptcy, economic life destabilization, including some states.

A problem hard to be clarified was the controversial report between national interests and globalization, giving globalization a contradictory character.

Our opinion is that, although many problems with global character gathered, however, in the last decades, some conditions were created to solve them, which is the objective base of globalization process. At the same time, we notice that, although globalization aims, by its own objective base, at all the countries in the world, this process was oriented at least until now, according to the interests of the most developed and powerful countries of the world, ignoring to a great extent, the interests of developing countries, which in fact represent most of mankind.

We think that this orientation is not only selfish, but became already a break to normally continue the process of globalization, namely to achieve this complex

historical process according to national interests of all the countries in the world.

We believe that Romania should not sacrifice national interests on globalization sanctuary, because, up to now, globalization has prevalingly unfavorable effects for our country.

Thus, listening IMF and World Bank advice and indications, Romania suffered a severe and incredible process of disindustrialization, ceased to be anymore a serious competitor on external markets for some industrial products with high degree to turn into account economic resources and became only a selling market for some developed countries.

Therefore, we reached the conclusion that, although globalization is an objective and irreversible process, however we should not resign and support only its negative effects, we should justify to sacrifice some national interests and abdicate from dignity in our external relations.

Analyzing the process of economic globalization, we could not have in view that *evolution of world demographic phenomena*, such as birth rate, death rate, population natural increase, its distribution and density, urbanization phenomenon and migration etc.

Correlating these aspects, we reached the conclusion that, in the future, it is necessary a world demographic policy to set up the population evolution, doubled by an economic growth, to provide food safety in the world, new transport and communication infrastructures, a more equal distribution of income and richness, to diminish the phenomenon of polarity between richness and poverty, for a better employment, to diminish illiteracy, to improve public and health services etc., all of them determining a growth of living standard and life quality in the world.

We are aware that globalization is a reality probably irreversible and any country which prepares profoundly its future ought to interfere with it. The process of globalization involves some severe defects over sovereignty or democratic legitimacy of the states in the world, but especially over real economy and population of these states.

Globalization generates undoubtedly positive effects, but if speed of process development becomes uncontrollable, the appearance of *negative effects* is imminent.

At the same time, there are economists who consider that base of poverty process accentuation in certain regions in the world is globalization phenomenon itself, which seems to be benefic for more developed countries.

All these aspects determine *two central ideas*: on the one side, it is clear that globalization effects cannot be equally distributed among the countries of the world; on the other side, globalization is not a controllable process.

Thus, globalization is more than the effect of global interdependences growth, more than the product of the need to unify prices, more than transfrontalier liberty, more than response to mankind global problems, more than internationalization.

Therefore, we can state that *globalization is not mondialization*, is not a new socialization at world scale, is not the only strategy for identity crisis of post capitalism, is not world Americanization and is not a new imperialism.

We think that globalization will further develop under the influence of a strong force determining spectacular changes on our planet in the next two decades and which is “the new world economy, a wider and more interesting concept than the one of new economy focused on Internet”<sup>2</sup>.

This new world economy has two powerful engines propelling it, first is **technological revolution**, second is **economic revolution**.

*The economic revolution* is easily summarized: during the last twenty years, the number of those who live in market economies increased from one billion and a half people to almost six billions.

At present, practically there is no country to have adopted policies oriented to market forces. Almost all the countries reduced customs barriers, privatized enterprises from public sector, when it seemed reasonably, diminished state role as economic operator, enhancing its role as regulation and stimulation matter, opened competition of certain public utilities.

Generally, markets have a more and more important role, also limiting to public units involvements<sup>3</sup>.

The second engine of new world economy, *technological revolution*, may be more powerful and the relation between these two forces is not only an abstract theory.

In the centre of this technological revolution, there are telecommunications and information technologies with their products at low costs, two sectors which encouraged all kinds of related revolutions – in the field of top materials of nanotechnologies (microscopic objects), robots imitating or even exceeding

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<sup>2</sup>J.F. Rischard, *The twelfth hours, twenty global problems, twenty years to solve them*, Editura Millenium Press, Bucharest, 2004, p. 11.

<sup>3</sup>D. Yergin, J. Stanislaw, *La Grande Bataille; des marchés à l'assault du pouvoir*, Odile Jacob, Paris, 2000, p. 23.

human performances, biotechnologies and other fields.

Intelligent electronics covers at present all fancy aspects of human activity: the most billions and billions of microchips used in the most varied fields is inserted in the most diverse objects, not only in computers.

I reached the *conclusion* that due to their concerted effects, economic and technological revolution generates a new world economy, profoundly different from the previous one.

New world economy, propelled simultaneously by those two, goes much farther than simple use of new technologies: its action field involves new markets, new products, new methods of execution and fabrication, a new state of spirit.

According to our opinion, the *measures* which Romania should take in the next period must combine priorities related to internal specific problems, major social problems previously ignored or badly solved, with those related to its gradual integration in the new European and world space, marked by other rules to which we have to adapt.

Huge costs of transition affect and will negatively affect wide population segments which social policies must protect compulsorily, bringing them at least to a minimum subsistence level, by efficient focus and conditioned use of few resources they have at disposal.

Resources potential from EU and World Bank should be also turned into account at maximum.

Therefore, it is necessary to change government culture over poverty, based on a sick inefficient economy, with model of welfare based on work in Romania.

We are aware that at the beginning of the XXI century it will not be the problem if globalization is good or bad. It is a force which for some people was benefic. As because, sometimes it was badly administered, millions of people did not enjoy its benefits and the situation of other millions of people even improved.

The problem at present is related to globalization reform, what it should be done that should serve not only rich people and developed countries but also poor people and less developed countries.

We should not neglect that economic globalization evolves under the context of evolution of *global problems system* facing mankind, problems we can group in three big categories<sup>4</sup>:

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<sup>4</sup>J.F. Rischard, *The twelfth hour, twenty global problems, twenty years to solve them*, Editura Millenium Press, Bucharest, 2004, p. 71.

a) *problems related to planet common patrimony*, aiming at transfrontalier effects and physical limits of our virtual space, as well as how we use this collective treasury. These problems are: global heating, biodiversity diminish and ecosystems degradation, fish resources wear out, deforestations, shortage of drinking water, sea pollution and security.

b) *problems involving a global action of mankind*, aiming at these economic and social problems, with global implications, whose regulation needs an action provided only by international cooperation. These problems are: massive mobilization against poverty, keeping peace, preventing conflicts and fight against terrorism, education for all, fight against pest and attenuate natural catastrophes.

c) *problems involving the existence of a global legal frame*, aiming at legal norms and rules to be assured at global level to avoid effects of regulation arbitration, as well as how we apply existent norms mutually. They are: redefining fiscal norms for the 21<sup>st</sup> century, regulating biotechnologies, world financial architecture, fight against traffic of drugs, trade norms, investments and competition, protection of intellectual property, regulation of electronic trade, international norms regarding labour and labour force circulation.

Mankind had never such huge opportunities to improve its fate, but was never torn apart by some many uncertainties regarding its capacity to take advantage of existent opportunities.

When we analyze costs and benefits of economic globalization for Romania, we should take into account that we cross a painful transition from command economy to free market economy, with a political and managerial class under formation.

We are aware that Romania will play a more and more important role in European economy, as our interests will knit more and more with European Union ones, although we have not yet the necessary capital and management.

At the same time, we pay attention to the *risks supposed by economic globalization*.

Thus, for Romania there are not only economic and social risks, but also risks related to security or ethnic risks.

In most of the world countries, globalization gives birth to fear, coagulates oppositions and gives birth to antiglobalization attitudes.

All these aspects were analyzed, finally demonstrating that globalization is good and bad too.



## Conclusions

It is often told that “light was given for us to see better darkness”.

Paraphrasing these words, we can say that to resist temptations and all the dangers, to price things by healthy mind reasons, we should border, develop and consolidate our own culture in our own language.

Only culture can be the boat that leads us to the shore of our dreams.

That is why we should not neglect the problem of *cultural globalization*, as well as *virtual communication* in the globalization age, materializing the analysis and cultural interdependences between Europe and USA.

The conclusion we reached following this approach is that the top purposes of each people are happiness and culture and the value without culture, the culture without liberty and the liberty without existence and without national honour are impossible.

As a conclusion we can say that Romania *cannot avoid the globalization wave*, closing inside, trying to preserve anachronical structures.

In other words, as the motto of Rome Club, you have to think globally and act locally.

You should neither lose your identity, nor practice narrow and anachronical nationalism.

If we compare globalization with gravitation – we should accept the idea that economic globalization is as a physical phenomenon which you should not contest or try to avoid; you should necessarily understand it, from the causes and effects point of view, to the same extent.

And use it without letting it destroy you.

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