Abstract: In a new global economy, which is in a constant growth, more companies or nations are in a position to export their own business model, searching for new markets, more favorable production costs, or different strategies leading to performance. This paper does not claim an exhaustive analysis, the aim is to capture some aspects of the contemporary realities, because most of the aspects of the globalization can be passed through a cultural register. As a reference model, we used Locke’s consensual inductive system, which involves the collections of opinions of specialist in the field with objective positions.

Keywords: globalization; culture; crisis; international relations; risk

Motto: “The industrial revolution was not an episode with a beginning and an end... It continues to this day”
(E.J. Hobsabwan)

1. Globalization and Cultural Interdependence

Between culture, international relations and economy, there is a strong interdependence. The specificity of each culture manifests itself abundantly in a manner in which people cooperate and conduct their business. In the second decade of the XXI century, information about a complex business strategy runs through the Internet immeasurably faster than a sentence uttered at an official business meeting, and the technological performance manages to fall drastically the intercultural distances. The new order is placed on the principles of neoliberalism that guarantees a freedom of the market and of the individual in a global competition.

We are dealing with a phenomenon that transcends national culture. A national product is no longer the measure of a portion from the real history of a nation, no longer represents the originality and authenticity of an historical consciousness.

An IKEA product does not necessarily mean Sweden, but the materialization of a required object that can have the raw material from Congo Basin, which will be processed in Vietnam, assembled in Austria and sold in Qatar.

The economy has surpassed national borders, thus forming the global economy where arise more and more often obstacles in achieving a harmony in carrying out a business and the use of similar methods for different cultural clusters.¹

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Based on the contemporary crisis scenario, on the relief economy, the cultural barriers tend to aggravate constant (Iftode, 2010), in more countries, naturally at the level of national strategy and not from the standpoint of multinationals operating in their territory. The contries strategy seems, in time of distress, to seek refuge in their own identity, preferring different scenarios of action from case to case (Duret & Pirju et alii., 2011). Of this scenario is mainly encountered by those seeking a partnership through the internationals because different cultures have different ways of achieving the same ideals. Here comes the importance of cultural and international proximity that follows neither the uniformity nor the exact establishment of the hierarchy (Coman & Grigoriu, 2011), but fostering the economic exchange by arguing that different cultures have different ways to achieve the same kind of goals. The most intense international cooperation and economic exchange happened in the period hereinafter referred as globalization (Bobica, 2010), which means mostly the unprecedented interdependence intensification of business, political and cultural ties, from all over the globe. Globalization has brought new information in the international context, where both the consumer and the manufacturer dependent on cultural variables which are exhibited in the international market. The cultural factors are determinants for the international trade and cross-border relations. They can integrate or separate markets, influence multinationals and lead, if there is an understanding, to a technological convergence. We believe that new companies should not invalidate the national identity in any way, or put into a crucible the cultural specificities regarding their homogeneity.

The Linguistic Dictionary of the Romanian Academy defines globalization as being: “a phenomenon of transforming the world into a unity which is manifested world-wide by creating supranational institutions and political bodies through an economic policy and common security”.

The removal tendency of cultures towards a global idea, is not a reason for a cultural uniformity, in a global context “the cultures become an additional variable as well as a condition that international companies must take into account” (Cojocaru, 2011, p. 994).

Broadly, we can refer to globalization as the integration of different and various multinational companies in a single world market, supported by economic theories and neoliberalism but also by international entities such as the International Monetary Fund or the World Bank. The International Monetary Fund defines globalization as the growing economic interdependence between countries, due to increasing the variety and the traded volume for goods and services, movement of capital and increasingly broad dissemination of technology.

The globalization is seen as a phenomenon of financial integration inevitably influencing international trade, various foreign investment, the expansion and growth of international financial transactions.

“Globalization is the process by which the geographical distance becomes a less and less important factor in the establishment and development of cross-border economic, political and socio-cultural relations. The relations and dependencies networks acquire a growing potential to become international and global” (Bari, 2010, p. 40).

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1 A convincing example is Greece, which in the case of Community monetary strategy faces real trouble adjusting to the European common multiple.

2 The neoliberal theory, in the vision of Paul R. Krugman appears as a reformulation of international trade, in this new context the economic exchanges have very complex causes other than distinguishing countries by equipping or not with factors of production, and the advantage can be created and modified both through the actions of economy operators and through state intervention. Compared to classical liberal theory, neoliberalism differs on the structure of the world market (oligopoles, imperfect competition) as well as in explaining the performance of foreign trade (some may gain and others may lose) and the foreign policy of nation states (Sută & Sută-Selejan, 2003, pp. 342-343).
The economic and political globalization is centered on the decline of domestic markets and increasing the global ones, and due to the new fundamental changes occurred, the competition laws will have to be redefined while the firms and governments will have to learn how to adapt (Brakman, 2009).

Internationally, the economic organizations have the greatest importance in achieving global network. There are about 250 organizations and government bodies, while the number of NGOs is over 2,500. The central role is occupied by pan-global organizations, as for example the United Nations (Maftei, 2010, pp. 73-81), plus continental and regional organizations combining the economic interests with the political ones - Arab League, the Organisation of African Unity, etc. (Dobrescu, 2010, p. 38).

Transnational corporations have a key role in promoting global interdependence, which is constantly increasing. These companies increase exports of the host country, which favors the provision of capital which injects it.

The expansion of international production has, in Bari’s view (2010), three main factors:

- Liberalization of economic policies (open borders, liberalization of investment flows, etc.);
- Enhancing technological progress (reducing transport and communication costs, increased competitiveness, etc.);
- Increasing competition (exploitation of new markets both to reduce costs and to capitalize finished product).

Globalization of the last decades of the twentieth century and the first two decades of the next century, is a process of international integration of national economies, particularly influenced by low cost of transport, but especially communications.¹

Once the explosion of the information phenomenon, top economies (especially the Anglo-Saxon) may outsource unhindered the values worldwide: “macro-economic policies of yardstick countries of the global economy reverberates on all world economies, with deep exogenous implications on the economic performance of the world” (Coșea, 2007, p. 57).

Globalization is basically a re-balancing of competing forces, which theoretically want to share the same responsibilities, whether large or small, looking like: “relentlessly about something that has sent in present its substance that has significance only in the future tense, but assaults us as if it would be an irreversible present” (Dinu, et alii, 2009, p. 343).

This integration process is mainly due to the growth of international trade, direct foreign investment, capital flow, technology exchanges, but especially the unprecedented migration that produced significant cultural change. All this creates correlated planetary interdependence: what happens in one country affects the jurisdiction of other remote regions.

According to some opinions, to which we subscribe, from the instrumental view of capitalism, connectivity is designed to increase functional proximity. It does not happen in every place the same, but it creates global spaces and connecting corridors, each with a capital flow marking connectivity compression of time and space with a degree of cultural compression (Tomlinson, 1999).

The relations between nation states are conducted in a very important way through transnational organizations which are based on their own culture, with a say in interstate relations. The national

¹ The historical origin of globalization can be established starting with 1492 when Christopher Columbus arrived in the islands of the American continent, from this moment the global trade of the European colonial powers intensified every year. The first global treaty in history was the Treaty of Tordesillas between Spain and Portugal, sharing the colonization of new territories.
Globalization and Cultural Diversity

policies are seen thus limited to the international economic integration and national sovereignty must often yield to the supranational institutions to which it depends financially, politically or militarily (these global bodies have the ability to compel the state to reduce social spending, size of the public sector, in general affects the level in which the state applies the traditional policies). The financial proximity encouraged the states access to external loans, stimulating the financial control policies and supranational monetary integration processes, as in the case of the EU monetary union.¹

A phenomenon that until recently was the standard positive globalization is the EU, which served as a model for many regional groupings. Namely, economic and political integration in its intention to homogenize countries may offer advantages in competition, protection, and political legitimacy within the global integrator process. There are times when globalization does not opt for multilateralism, preferring regionalism, where tariff trade rights are granted only to countries belonging to the region, adopting a line different from the one offered for rest of the world. If it is taken into account the regional integration policy in Central and Eastern Europe after the Second World War, regionalism can not be considered in the international foreign affairs as a second-best (Greffe & Maurel, 2009, pp. 206 -207).

Along with the exchange of goods and capital, globalization involves the exchange of persons, especially migratory people who wish to enjoy a better life in a foreign country. Often this process causes cultural shocks difficult to explain, but feeds from ethnic intolerance, aggressive nationalism or religious fundamentalism. All this adds to the globalization, a basic economic phenomenon, social and cultural issues that must be resolved on a global scale. The trend is not to internationalize only the activities and economic interconnections. To this was added the closeness between societies and cultures, especially since the nineteenth century, when the planetary population has drastically increased in direct proportion with the amount of income per capita worldwide (Brakman, 2009, p. 39).

The globalization can be seen from two points of view: a positive view by new political, economic and cultural links, economic cultural emerged in recent decades, which have managed to maintain a global relatively calm after the World War II, and a point less optimistic view that emphasizes the disagreement of many countries reguarding the acceptance of new Western neoliberal policies. There are some views that deny the very existence of the phenomenon. Thus P. Hirst and G. Thompson cited (Ţăranu, 2009) claim that the world is actually in the process of internationalization since the nineteenth century. While globalization implies the existence of free transnational companies without ties to any state, we actually have multinational companies with various locations nationwide.

2. The Effects and Manifestations of this Global Economic Crisis

The financial crisis that began two years ago represents as used to say by the representative of a State in the Atlantic proximity of Europe, where it was manifested the first time, a history turning point quite significant for the global finance which will possibly mark the entry into a new economic era. In early 2007, both actors of the real estate market and credit institutions have realized that a growing number of customers are unable to pay the increased interests (Boghean & Boghean, 2011, p 1068).

¹ The desire to create a single currency belongs not only to EU. The Mercosur countries (Argentina, Brazil, Uruguay, and Paraguay) have expressed since the beginning of creating the Andean Pact, the desire to adopt a common currency for regional trade (gaucho) to escape the scope of North American currency. (Pîrju, 2011).
In the period since then has been noticed globally, like never in history, the risks in acquisitions, financial instability, and state intervention in cases of emergencies semi failure of states. The crises phenomenon is cyclical ones, having appeared in also in the last period (the deep crisis after 1990 that affected Argentina, Russia and some Asian countries, etc…). In this case, however, we speak of an economic phenomenon that rocked almost the entire world. In each case of recession so far, after a certain period occurred the opposite effect, financial systems have returned with a much greater force than the one encountered before. The current economic crisis has had, after the Great Recession of the thirties, the greatest impact on the system and banking security.

The current crisis is a consequence of the artificial policy of granting loans, supported by central banks that offered low interest loans without ensuring adequate safeguards, all of which led to an economic recession with negative effects with price explosion of raw materials (Dornean & Ișan, 2011, p. 230).

At a European level, in response to the recession situation occurred in 2007, it was decided to establish a European system of European supervisors (ESFS) consisting of: European supervisors authority (Banking Authority, the European security and economic market authority) all performing actions to strengthen the common currency, applying strict measures regarding capitalization, liquidity and risk management (Dornean & Ișan, 2011, p. 234).

For Romania, the crisis manifested itself as a result of the dependence that both public and private sectors have towards foreign capital, to which contributed the insolvency of national economy that was deficient from previous periods.

In Romania were taken under the auspices of the negative global crisis, a number of measures that were originally considered optimal strategy in order to restore the previous growth rate, such as: temporary reduction of wages by 25%, 15% reduction in social spending and increasing VAT by 5%, from 19% to 24%.

The only reference economy that, relatively, was not affected by the financial crisis was China, because of the strong state control over the flow of capital, both inside and outside its borders. In the past 20 years, China has significantly increased its capital surplus, with a strong ascendancy to superpower status (Joia, 2011).

If China’s exports in 2000 amounted to $ 250 billion, in 2011 they exceeded 455 billion (UN Comtrade). This is because in a short time due to low production costs, China has become the workshop of the world, which gave it a major geopolitical power.

Therefore, China has managed to hold a significant amount of fiscal reserves, estimated just before the crisis to more than $ 1066 billion (Wolf, 2007), of which a large part was deposited in the U.S. Treasury bonds. From here, we explicitly deduce the strong interdependence between China and the U.S., although different in terms of cultural values, they managed to identify appropriate joint strategy for cooperation.

Since the beginning of the course of events (Nesvetailova & Palan, 2008) it was found that, we are far from the positive flow of change as long as the dominant model of financial capitalism, the Anglo-Saxon one is still in the recovery phase.

Related to the subject treated in this paper we ask whether, in a new global economic equation the variant of cultural proximity will remain with the same value or not. The first question mark concerns the fact that famous companies, symbols of international investment security (Lehman Brothers, Merrill Lynch, Morgan Stanley or Goldman Sachs) currently appear irrevocably stigmatized.
Particularly serious is the reputation decline of the entire U.S. financial system, considered by many, so far, the infallible Patriarch in making decisions worldwide.¹

Personally, we doubt that the emergence of new American mega-companies will offer the same credibility and could raise as much capital from interbank markets even among the classic Anglo-Saxon investors, bound to US by history and cultural synergy. Apart from Britain, Canada, Australia, and the Netherlands, to this phenomenon it can align the Scandinavian countries and South Korea.

It seems unlikely to happen in U.S. relations with China, even if there is ideological incompatibility between the two countries, cultural values, etc.

First China tried over a significant period, that the value of the Renminbi² to be reported to that of the dollar. Although China's economy has grown constantly, Renminbi has been consistently underestimated, which compensates the exports from the manufacturing sector. The equality with dollar ensures the Chinese that their goods are not too expensive for foreign buyers, making this powerful advantage of China's economy, which is impossible for a revaluation of the yuan (French, et alli, 2009, p. 296).

For most regions of the world it will, however, issue the question if, following the classical policy further will not be implicated, as it happens in this moment, in the process of deleveraging, coupled with the decrease in assets or galloping inflation (Wade, 2008).

The finances it seems to not have geography and disregard the cultural compatibility, although the flow of capital in the new digital era has more than ever approached space to time.

To avoid the current situation in the future, it is necessary to locate the origins of the crisis, through a geographical prism: the financial centres, the everyday money geography, the global geopolitical and geo-economy of money and the financial mass media (French et. alli, 2009, p. 290).

A viable solution for crisis management with possible intercultural solutions seems utopian now, although renowned political and economic analysts offer their suggestions and therapies. In addition to increasing values in an era of uncertainty it is required the ability to transform comment into a working method (French et. alli, 2009, p. 391).

The European Union has to face the economic downturn in this period, especially due to the Greek collapse. Therefore, its priorities are forced to focus on economic development axes. The Lisbon Strategy initially aimed on a set of reforms having as their main objectives the preservation of economic stability, growth and promoting the transition to a knowledge-based economy. With all the surfacing issues, inherent to the current economic situation, the European Union has had a part in recent period, of the most complex and difficult expansion in its history. Doubling the number of members, to euro area enlargement for 17 countries and the failure to adapt the European Constitution in 2005 affected the desired performance. There were a series of counter-performance such as the increasing number of unemployed people, although some countries like Germany Austria, Denmark and the Netherlands have met their target. In other countries, such as Spain, Hungary, Romania, Malta and Italy, the percentage of employees is in many cases less than 60%, while the main competitors of the Europeans (U.S. and Japan) had an employment rate of 70 %.

¹ This is much more significant than the memory of said companies because the American model was considered the architect of secured finance emerged after 1980. The mentioned institutions were regarded by many as the successors of the investment banks in hedge funds.

² Renminbi is the official currency of the Republic of China, its first unity being yuan, which is divided in 10 fen. http://en.wikipedia.org/wiki/Renminbi.
In terms of investment in research, some countries such as Sweden and Finland have reached the target of 3% set in Lisbon, while Hungary, Baltic States, Poland, Romania, Greece, Cyprus, Malta and Bulgaria have allocated for this area less than 1% of GDP. (Ignat & Ifrim, 2011, p. 272)

Poland is the only EU country that has not experienced the negative effects of the crisis because it has maintained economic growth based on the consolidation of the internal market, limited international dependence and stimulating local businesses to sell their products in both domestic and the external area. Regarding trade policy, Poland supported the balance between liberalization and protectionist measures, reducing international economic dependence, showing that an economy can capitalize not only through openness to outside as well as protecting the internal market.

In Romania’s case, the situation is quite delicate; the economy (according to IMF projections) will get an increase only in 2014, only considering that the international market will have an upward trend, which cannot be confirmed with certainty (Ignat & Ifrim, 2011, p. 225).

The process of international market has to be understood and analysed as a coherent system of actions and reactions through which those involved seek to satisfy their own interests, the economy being therefore a complex network of information whose decoding depends on the business success or failure (Ifrim & Ignat, 2011, p 248).

The skills of an intercultural team can provide solutions in international performance because economic crises arising in a company are related in many occasions to identity crises of the personnel, and looking for a common system of values can provide stability and curb differences towards a permanent foundation of the society.

3. Risk Assumption in the Global Period

The risk system that leaders assumes, can be defined as a loss of economic value, lack of confidence and an increase in uncertainty with negative consequences on the real economy. Through risk, the European Central Bank understands taking measures through which the financial system is able to face the challenges and neutralize potential threats, while the Romanian National Bank defines it as being a failure payment system to fulfil contractual obligations that can cause problems and negative effects for the financial stability (Avadanei, 2011, p 178).

In the current period, to an international company, to the financial risk can be assigned, unfortunately, inherent elements such as natural disasters or terrorist actions (both political and economic).

The risk system reflects both exogenous and endogenous weaknesses because within a company we encounter several types of problems that may arise, which are related to credit, liquidity, market and technological progress. The exogenous problems are related mainly to corruption, political and economic changes, energy costs, all of which have a strong impact on the financial activity (Avadanei, 2011, p. 180).

We conclude that economic activities are really affected by the risk system, which in addition to the erroneous creation of autarkic policies, can lead to restrictive credit ones and rising inflation affecting the production process.
4. The Impact on International Business Negotiation

The main embodiment of international relations is represented by import – export operations that are legally guaranteed by the International sale of goods contract, which can be defined as: “relations among firms in different countries based on interdependences in the sphere of marketing goods: foreign supply = import, sales abroad = export” (Popa, 2006, p. 12). While for profit, it is known that managers negotiate and behave differently from culture to culture. By negotiation is understood “the deliberate interaction of two or more complex social units which attempts to define the terms of their interdependence. The negotiation situation involves a conflict of needs or desires and choosing to negotiate as well as confidence that a better result can be achieved by negotiation than by its absence” (Cristoffersen & G. Jakobsen 2010). The art to negotiate well is the key to fulfil successfully any activity at international level to achieve the objectives must also be known some peculiarities of negotiations, particularly useful in the management strategy. A negotiation is successful when it is not accelerated the natural process of conducting discussions, keeping calm even in situations of the partners’ irritability (to be direct in questions and cautious in answers). Alternatively, creating a flexible space in negotiation, so one does not have a sense of failure, before taking account of several options for the same situation, using creative thinking in analysing compromise situations.

The negotiation has a fundamental importance in establishing and improving trade relations, its purpose being to officialise formal compromises, establishing rules to be followed for resolving the differences between partners. Communication is crucial to a successful negotiation, its role being in relief when we manage to reach an agreement precisely because we know our partner by differentiating the values that we share. The successful negotiation, at an establishment level of international economic relations involves ignoring small traps in favour of mutually satisfactory partnership, seeking the best possible outcome for both parties.

In international affairs, negotiations are often indirect than direct, they are achieved through lawyers, mediators etc... The disadvantage is that the indirect negotiation process loses its dynamic and can delay reaching an agreement because the intermediaries’ interest appears in the equation game.

It is preferable that the negotiation process to unfold horizontally, interested parties to be represented at the same hierarchical level, avoiding cases of subordination, or the location of negotiators on different levels of the structure. Knowing the cultural specificity of the business partner is a criterion that often facilitates discussions by avoiding the occurrence of polemics caused by ignorance.

Current technologies offer new channels of negotiation, speeding up the communication between parties as well as cooperation and competitiveness generated by the fast informational exchange.

Although intercultural management strategy involves valuing differences specificity of the other, Socrates's maxim, “Know thyself” implies the awareness of its own shortcomings in the field of negotiation. In addition to inherent material success, in the negotiation process is particularly important proving their values, a need to meet the desired goal. Self-knowledge means exceeding the classical human condition in this case, it denies from a single model of negotiation, adaptability appearing as a necessity for the success of this process. The exogenous factors also contribute in achieving partnerships important to take into account being: the competitive structure of the concerned sector, knowledge of the targeted government policies, financial issues, etc.

For large companies, in present global times, a complex negotiation is completed through a contract as a guarantor of fair dealing, however, if long-term partnership contract will never be able to capture all the specific nuances or the novelty of a situation, thus the knowledge of each other's and establishing a
cultural synergy is desirable to maintain collaborative relationships. Therefore, the proximity establishment between parties could be the vector of developing close ties.

5. Conclusion

We consider useful to maintain and develop traditional political business links, an open acceptance of the new ones, without rushing into selling our services before considering the recent partners as honest ones. A visionary management is required, which will establish an upward trend, able to convince international partners that our product is the best option for them. In this field is useful to develop continuous learning ability by inviting specialists in international relations and cross cultural management from private and public areas. The visits to strategic partners should be made with frequency, and the presentation development of its own services is indicated to be achieved briefly. A fair report, when you want to convince, consists in using a shirt time for your exposure and listen a lot based on the questions referred. A competent manager is required to solve problems sometimes inherent in a conciliatory manner to avoid any conflict damaging its own society. To earn its trust is indicated to leave the impression that the interests of potential beneficiaries are more important than personal interests. In conclusion, the best global integration of national economies is not quite an utopian goal, it aims for international cooperation to reduce the negative effects of the crisis, increasing the supply of public goods, troubleshooting information, facilitating performance and selecting the most competitive markets. The economic integration can also have some positive effects upon the economic growth because it favours the research and innovation, the example being offered by the European Union, although the hypothesis of potential long-term economic growth is ambiguous. Therefore, the globalization of goods, especially the rapid bringing to a common denominator of all intellectual knowledge, increases the need to develop intercultural teams, both long and short term. From the desire to adapt as accurately to globalization, some countries have opened the borders for the irreversible global process without being able to successfully cope with its challenges.

6. References


