

## **Globalization and Cultural Diversity**

### **The Integrative Dimension of the Economic Globalization in European Space**

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**Abstract:** We believe that globalization and its socio-economic implications of the world and **world economic crisis** is one of the most debated issues from several years. The publication "The Economist" named globalization as the most used word of the century. The most relevant dimension of **globalization** is the economy with the more dynamic factors: technological development, the hegemony of liberal conceptions (closely linked to the triumph of the ideology of market economy) and explosive development of countries or regions. **Economic globalization** has manifested a series of visible effects such as: the emergence of new markets and foreign trade (interconnected at global level), the appearance of: transnational companies, multilateral agreements on trade, broadening the scope of WTO, transformation of multinational companies in transnational companies and the emergence of global economic markets. Regionally, we noticed that the trend of concentration of economic activity is more pronounced and advanced in the European continent. Expanding globalization in Europe was achieved because of the fall of communism, and the neoliberal reformation which took place in Western European countries. Events like the fall of the Berlin Wall, followed by the fall of communism eradicated many political, economic, religious or cultural barriers. There were born new relations between state and market, public and private. European Union is, in our view, **a regional office of globalization**, representing the best performing integrative system in the world (by creating free trade area, customs union, common market, the Economic and Monetary Union). In terms of the European Commission, European model is a third way towards globalization, a middle path between protectionism and uncontrolled economy. To understand why the EU is an advanced approximation of globalization, perhaps a regional model of globalization, we must first understand the link between globalization and regional integration. **Regional integration** can be considered a preparatory step toward a global system, showing the need to solve the problem of sovereignty disposals as a member attribute manager.

**Keywords:** globalization; Economic globalization; European Union; regional integration

#### **1. Introduction**

Globalization and its socio-economic implications on our world, is one of the most debated topics on Earth, in the last years. Much has been written about this subject by a large number of economists, politicians, sociologists, psychologists which have presented thousands of comments, interpretations, assumptions, forecasting, in countless editorials or magazines, and have been given many definitions and explanations. Any time there is a risk of producing a blockage of understanding of what is actually

the globalization and its implications for the entire planet. We are not yet fully able to understand all the implications of this phenomenon in the world economy or on the adoption of any definition or another.

We only know that it is an ongoing process that cannot be stopped and which is often defined as an increased interdependence in relations among people by the abolition of geographical barriers (due to new technologies and modern means of communication) or due to trade liberalization and abolition of economic barriers between countries in the context of market economy. After we went through thousands of pages about globalization, and we tried to understand the phenomenon in terms of each author, but we still maintain that dose of objectivism that make us able to understand this phenomenon through our reasoning, we tried to outline some ideas, based on one opinion or another, expressed in scientific literature, performing certain issues or expressing our own opinions, vis-à-vis to globalization and its implications.

***"Globalization is undoubtedly the most often used word and rarely defined and probably the most obscure, nebulous and politically spectacular in the past and future years"*** (Beck, 2003, p. 99).

Given the extreme variety of approaches and views about globalization, emerging from asserting its irreversible character and go up to its absolute denial (not to mention the numerous facets, views, contradictory approaches), we cannot start to study this phenomenon about which much has been contradictory written and , without clearing the meaning of this word.

According to English Dictionary Oxford (1989), the adjective "global" appeared in 1890, to designate the "the world". The term "globalization" has been launched, 50 years later, by Reiser and Davies (1944).

By the 1980s, discussions on global issues / planetary almost always used the term "international relations" to the "overall relationship" and concepts like "global governance", "global markets, global ecology etc. were almost unknown. At first the term "globalization" has been used in studies of multinational firms, indicating a limited phenomenon, the globalization of demand. For some, globalization is identified with the "Americanization". Others associate the term with the growing importance of global market, while the third category used to describe the concept of ideological realities - globalization as a victory for market economics.

One of the most used definitions of the concept of globalization presents globalization that the "process by which geographic distance becomes less and less a factor in establishing and developing economic, political and cultural relations. Networks of relationships and dependencies acquire a growing potential to become international." (Bari, 2005). "Geography" loses relevance because of new technologies, new strategies of economical actors and their policies, both national and international.

Moreover, globalization is becoming stronger because people began to feel increasingly clear new opportunities opened to the new technologies and they are implementing new strategies and policies. The proper conduct of any initiative on globalization is important to make a clear distinction between **globalization** and other synonymous terms such, not only to restore the meaning of the concepts but to bring to light the wrong trail of some analysis. In economic theory, the concept of "economic globalization", is one of the concepts able to explain much of the enormous transformations have occurred in recent decades in world's economy.

## **2. Globalization as Integrative International System**

What distinguishes the contemporary phenomenon of globalization is the scale of previous integrationist progress (formerly regional, global current), the rhythm of change and supporting a greater technological progress than with immediate impact on daily life conditions (Stiglitz, 2003)

Movements and interactions in the world space have acquired a nature of the law "standard" through the institutions with global character, so that local companies feel forced to involve in the international configuration.

As Friedman said in the *"Lexus and the olive tree"* (on which we will probably return during this article) globalization is not only an economic fantasy or a trend, but an international system, the dominant, which took place of the system established by Cold War after the fall of the Berlin Wall, and should understand it as such.

The international system established by the Cold War, characterized by its own rules, conflicting ideas between communist and capitalist world, the idea of division of the world, was no longer useful, being outdated in terms of international changes which have occurred after the fall of the Berlin Wall (which was the symbol of this system). It was necessary in these circumstances, to establish a strong contrast with the Cold War, the system of globalization, with the unifying feature – integration based on principles such as democracy and rule of law, political pluralism, social and cultural integration of society (which includes, mixing world, cohesion), communication, social dialogue, sustainable development, active international cooperation, transparency, self-regulation of the global system in line with partial systems, etc..

Expanding globalization took place because of the two processes of the past decade: the fall of communism, which allowed the geographic extent of the market economy system, including revolution of **the capitalist economies** such as neo-liberal reforms that took place in Western European countries in Latin America and South-east Asia. These shifts in public policy have been encouraged by international organization (such as WTO, OECD, WB, UN, EC, IMF, etc.) who have advocated for the opening of the domestic financial markets, massive privatization trade liberalization etc. As the dominant phenomenon in the global economy, globalization has manifested itself in jumps, influenced by the competition between the major international economic power poles, covering all sides of economic life.

In social terms has become increasingly evident that, gradually, gradually, people tend to constitute a single system in which each of us is involved in any way. The new global system is not an environment in which each state evolves and develops as a private company or as an individual system, but a system that tends to unify, harmonize and also to limit in a specific action subsequent systems by providing decisive fate of the people who are living in each of them (Stanescu, 2005).

New relations were born between state institutions and economic relations between state and market, between public and private. From bilateral and multilateral treaties was necessary a new shift to the regional and global treaties on a regional constitution (as the example of Europe), to legislation and legal institutions of the globalization. National and international law acquired new configurations as well as international institutions and sovereignty.

With time, it will probably get a new form of common governance, an international one that at some point will determine the internal rules however taking into **account that the world integrative system is composed of different subsystems**. Creating an international system of governance would have the advantage of better management of global problems of mankind but as the open system would involve a greater risk in "collection" all the external economic, political or otherwise shocks of the world states that are part of it. Such a system of international governance to be effective and to stop the expansionist and domineering tendencies of some countries should ensure maximum transparency of government and should equally participate in all parts of the system, all states of the world, regardless of the development times of globalization it has touched.

An important factor of globalization, as we have seen, is bound to develop integrative economic zones or regions on a background of trade liberalization favoring the creation of single markets and free trade zones, interests and economic problems that require joint Solutions, creating this association in the world and Member desire to create areas of security and economic cooperation.

It is true that for a globalization success requires ownership of a real science of globalization, taking into account that this process is composed of several partial integrative processes to be studied, analyzed and designed in a single vision, unified and inclusive that achieves the same standards everywhere and purpose.

### 3. European Integrative Model

*The European Union is in our view the best performing integrative system in the world, not only economically (by creating free trade area, customs union, common market, the EMU) but integrated all states, as national systems belonging to an organization (EU).*

To understand why the EU is an advanced approximation of globalization, perhaps a regional model of globalization, we must understand the link between globalization and integration. In a first sense, **European integration** can be considered a political response to the demands of globalization, the Western Europeans effort to manage the effects of globalization through a regional form of governance that promoted policies designed to extend and strengthen the role of states boundaries between them and the rest of the world.

In this context the creation of supranational institutions, is an inadequate response to reactions of states faced with external challenges posed by globalization. It is however hard to conceive that originate EU supranational institutions were born just to cope with globalization (Marin, et al, 2007).

In another sense, the integration process has created institutions to support the integration of the **European economy globalization** path, is a consistent position, preferably for globalization. This vision has both an internal dimension, the spread of liberal policies invoice in Europe and one external; the internal conditions under which trade liberalization cannot succeed without refer to the global liberalization process (Dent, 1997). And in this respect, European records are contradictory.

Single market and EMU, are obvious examples of liberalization, an approach that facilitates the pro globalization. The main element of globalization is the international trade. Globalization at this level is facilitated by the liberalization of trade and investment, and is a process in which all the parties involved, as history proves, wins. However, is the Europeans tend to see more risks than benefits of globalization?

Meaning of globalization is the positive progress, generated by an exchange of information and unrestricted worldwide economy without barriers, and without political influence, a free play of market power. Experience of the communist countries from Central and Eastern Europe, has shown that increasing liberalization of trade and services, including banking (particularly measures promoted by multinational companies), had allowed, where it had manifested their power, a rapid recovery of the former planned economy and a substantial increase in living standards.

In terms of the European Commission, European model is a third way towards globalization, middle way between protectionism and opening to the uncontrolled economy. European regional integration can be considered a previous step to a worldwide system.

European integration process (considered by some as a regional globalization), is an exercise in globalization if we can call it so, which is a supranational system of economic management powers, political, cultural, military, etc. Regional integration emphasizes the need to solve the problem of sovereignty as an attribute manager of the states.

Successful integration depended very much on the ability of the EU to "legalize" globalization, so the integration analysis; it is not the most relevant to its commercial form that is its institutional construction. As emphasized, Jeremy Rifkin in "**The European Dream**" (2006), the European Union is not a territorial entity even it coordinates and regulates all activities that occur within the territorial borders of the Member States (which have no territorial claims) but is In fact a Government extraterritorial. Because the EU is not limited by territorial constraints, it may continue to admit new members. Union membership is not geographically but is conditional based on the criteria of value.

Theoretically, any country may apply to become a member and, if it satisfies the required criteria may be admitted into the Union. Open and inclusive nature of the European Union, caused some uneasiness among members and tensions. Some argue that although the EU membership criteria is based on value, it should be restricted to only those countries which form the so-called 'historical Europe'

In this case the problem is that even the historians are no consensus on what constitutes the historical Europe, the geographers, on the other hand, say that there is actually a European continent and others argue that Europe begins at the Atlantic Ocean expanding to Russia and even Turkey, to the southeast.

It is natural considering these opinions to put to ourselves at some point questions like: Is Turkey part of Europe or the Middle East? (If we remember that the Ottoman Empire controlled parts of Europe in various historical moments) is Russia part of Europe or Asia? So at some point we can provide a natural question if Europe is or is not a part of the Middle East?

Integrative nature of the EU has a common cultural heritage, making this argument in its roots in Greco-Roman Christianity and the Enlightenment of the eighteenth century.

A special feature of the **European Union**, which helps to keep pace with globalization and to send its effects in the Member States, is its ability to metamorphose into new forms continually taking measure to adapt to new economic political and cultural realities. The novelty of the EU, historically speaking, is that the giant is the first institution of government in history who was born in European countries determined not ever enter into armed conflict between them. European nations have sought a political mechanism to gather together and lead them beyond the old rivalry (Rifkin, 2006).

The Preamble of the 1957 Treaty of Rome which founded the European Community, declaring that the aim is "to create a strong union between the peoples of Europe". The idea was to create, by establishing an economic community, the foundation for a broader and deeper community among

peoples of Europe, through which to establish institutions to orient in a common direction of their destiny.

Until recently, most Americans and probably a large number of Europeans have seen the European Economic Community and its successor, the European Union, no more than a common market of the Member States that could provide benefits from an internal area. Jean Monnet, founding father of the Union, said that, we do not form interstates coalitions, but a union between peoples. Monnet and others believed that the only long term solution that could ensure a peaceful and prosperous Europe was the transfer of part of national sovereignty to an expanded political union. Most EU national leaders sought the union as a way to promote national objectives, to enhance their own agendas and to ensure national sovereignty.

For skeptics integration must be gradual so that essential parts of surrender national sovereignty to common institutions of the Union, not sudden or destabilizing. In a world dominated by two superpowers at that time, U.S. and USSR, the six member states have decided that only by uniting their economic resources can hope to become competitive. What pushed them to higher levels of economic integration was the fear of being swallowed by the two superpowers.

Each step towards economic integration was made progressively Single European Act (SEA) in 1987 playing an important role near Union Member States, together with the discrete erosion of national sovereignty of countries. Among its many priorities was to increase the powers of the European Parliament. Community has also introduced the idea about the exclusive Community competence, which prohibits Member States to act unilaterally in certain important areas, including issues related to both economic and monetary union and social cohesion, research, technological development, environmental policies.

#### **4. Conclusion**

It's more than logical that regionalism can not oppose globalization, since the contemporary world economic powers are part of the economic areas and at the same time, are the supporters of the last. Regions launches a different kind of evolution, which assumes that no State, however powerful it is can no longer cope alone to the contemporary development issues. The European continent region was represented by what was called the European Community, the current EU. We can see that the EU is a supranational institution that promotes a regionalism who implies member integration with compromising their sovereignty.

Region represented by Europe can be defined as "a network of states involving a common sovereignty". Analyzing the expression of globalization in European level we realize that it takes place, in harmony with the integration process which aims the making of a new region economically strong and politically stable. We understand that European globalization, as in fact the whole process of globalization is not imperialism or Americanization, is not only globalization and internationalization and is not only considered the response to global issues. Globalization is the expression of a world system in the highest degree of integration is a process of functionalism of the international economy which is able to create structures to resolve the international problems. (Marin, 2004).

Globalization is a multidimensional process, a phenomenon of integration and interoperability of the world economies, which cannot be stopped. European integration process (considered by some as a

regional globalization), is an exercise in globalization, a supranational system of economic management powers, political, cultural, military, etc. Regional integration emphasizes the need to solve the problem of sovereignty as an attribute of the states. Successful of the integration depended very much on the EU's ability to "legalize" the globalization.

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