

# **INTERNATIONAL ECONOMIC ORGANIZATION - COMPONENTS AND DETERMINANTS OF GLOBALIZATION**

Valentin Popescu Ph. D Student  
University of Craiova  
Faculty of Economics and Business Administration  
Craiova, Romania

**Abstract:** Contacts more extensive, both economically, politically and socially, are important elements of globalization and lead to lowering the barriers that they meet state borders. To cope with all challenges, states have created economic and financial international monetary institutions such as United Nations, World Trade Organization, International Monetary Fund and the World Bank. All aspects of the role of international economic organizations in managing and administering global issues presented in this paper assume global governance, with specific goals and specific ways to achieve. So, a key issue will be to find a common language countries and benchmarks, which is the basis of generally accepted rules on which to build an equitable and mutually advantageous cooperation in the current context of globalization.

**JEL classification: F15, F53.**

**Key words: globalization, economic integration, global governance, multinational corporation, World Trade Organization, United Nations.**

## 1. INTRODUCTION

As we know, globalization is a complex process that develops over time and experience. Therefore, there is a need to promote globalization and its consequences avoiding unwanted clothes to wear appropriate economic policy. From this point of view, it should be noted that although the focus is often on global or regional policies, however the national not lost their final value. Asserting be amended by specifying that in the globalization era economic policies can not be identical with those of prior periods. They can be effective only if they take into account the new context.

Note that globalization has faced three major problems in the last quarter century: the poorest developing countries, former communist countries transition to a market economy and crises in recent years. International institutions, led by the IMF, proved unable to manage. The International Monetary Fund has defined globalization as the increasing international integration of markets for both goods and services and capital. The term "globalization" is used to explain and give meaning to specific content of contemporary capitalism, although not all processes are components of globalization are new. On a much smaller scale, a kind of globalization happened in 150 years ago when they appeared and developed networks of telegraph and railways. The result of that process was building nations, the U.S. and Europe. Difference to what happens today is that when the process was overseen by national governments, which made the effects would be beneficial. "Today, stated Joseph Stiglitz, there is a similar system to

oversee global globalization. We have a global governance without global government take. Instead, the 50 years we have a system of international institutions such as the World Bank (WB), International Monetary Fund (IMF), the World Trade Organization (WTO), which are responsible for different parts of the process: development, trade, financial stability. How these organizations are driven economy comes from how they have developed over the years, undemocratic, non-transparent, dependent on big interests at the expense of poor countries. Much attention is given in the context of globalization, the application of new technologies (mostly using the information revolution gains) in the production process, but also changes taking place simultaneously in organization, management and communication of the entities, the state and its institutions and the society in general. Contacts increasingly wider (economic, political, social and cultural) beyond national borders are characteristic elements of globalization and lead to lowering the barriers that these state borders meet them.

Political scientists consider two possible evolutionary trends of globalization process: an optimistic and a pessimistic trend. Under the optimistic scenario, supported by neoliberal theory, national sovereignty is becoming smaller as the globalization of markets and civilizations will exceed today's geopolitical borders and strongly erode national identity creating "global citizens" who will absorb the general interests of all humanity. The other scenario, based on realistic theory, predicts that states will exacerbate the competition is each other, because of globalization, trying to take control of new trends. This competition will reshape the global distribution of power, resulting in increased wealth and stability of some states and conversely, the impoverishment and increased and increased instability in already poor countries so that, due to globalization, the gap between rich and poor will increase.

In March 1997 in Salzburg, Austria, was held at the 50th International Seminar of Political Science, State institution devoted to the analysis of future changes brought about by globalization. The main question that was put to this debate was whether the state and particularly the national one is at the end "career" about its long 500 years due to globalization of the economy, ethnic and religious rivalries and global reconfiguration centers power. answer that I gave this question challenging representatives of 32 countries, both developed and less developed strong and powerful was quasi-unanimously negative. "We still need state showed they adopt The word these representatives, to give people identity to collect taxes, to make it work and social security protection system, to protect and conserve the environment and to ensure at least internal stability and security ". Changes currently taking place in the global system are due primarily to globalization. Real-time communications because of the revolution in computer technology, generating new relationships and a new type of economy less controlled by governments. Multinational corporations producing goods in factories located in many countries on different continents and diverse range of cross-border services (legal and financial assistance, advertisements, implementation of computer networks, etc.). Financial markets also been globalized. Where until recently central banks (and thus states) were those that established the exchange rates of currencies, now private speculators (eg George Soros), control flows and financial markets at an average of U.S. \$ 1.3 billion per day.

To cope with these challenges, states have created economic and financial international monetary institutions such as United Nations, World Trade Organization, International Monetary Fund and the World Bank. Each of these institutions has created its own

policy (but can be influenced by the Member States), and his body frames, which are dependent on any national government. In parallel with this process is an increase in the influence of non-governmental international organizations acting globally in a wide range of industries, from Green Peace (environmentalist organization), Amnesty International (human rights organization that monitors) or organizations that promote animal rights. All these international non-governmental organizations have received official recognition from the UN At the meeting of the Heads of State and Government held in 1992 in Rio de Janeiro, Brazil in UN and was devoted to environmental issues. At present, many international nongovernmental organizations have joined efforts to negotiate with the United Nations on a unified position to obtain the right to formal representation in the process of deliberation and decision making, their global organization.

The vast majority of non-governmental international organizations as the most multinational companies originate and are located in Europe and North America, working towards the establishment of international standards, funding research into advanced technologies which they then use in their own work without having to seek the necessary approvals from the governments of countries where they operate as intergovernmental organizations would do with similar activity.

Globalization creates a huge profit and leads to the accumulation of material wealth appreciable. However, countries in technologically unprepared to cope successfully with this process (most of the countries in Africa for example and to some extent, and some states in other regions) will soon have to face trial marginalization, isolation even accentuation of endemic poverty.

For these reasons, many political scientists and politicians, some international non-governmental organizations show that the new world order that was enthroned under the impetus of globalization would be too cruel and unethical, too exclusive power management process. Therefore, it is necessary as a prerequisite to advancing globalization, providing a "human face" its shift the humanize globalization has, putting the human being at its center with a whole arsenal of spiritual needs, fears and suspicions.

In parallel with the erosion of the outer face which the Member as a result of globalization, they must withstand internal erosion process. Many states have to find an adequate response to criticisms that are made by different regions of the central government and provinces, as shown dissatisfied with bureaucratic inertia and lack of initiative of the central government. Intrastate secession supporters give as successful models - states, so-called "Asian Tigers": Taiwan, Singapore and Hong Kong (even together with China). Even in the United States, four of component states of the Union have decided that it is more efficient to represent their interests directly to the World Trade Organization, where officials outside the federal government. Another is the centrifugal force some ethnic groups, racial and religious fighting for independence or at least autonomy and official recognition by default to participate in power management in different forms. Cold War marked the revival of a variety of nationalist tensions. In 1991, UNO had 166 members. In 1999 was 185, and the number of members increased with each year. How many new countries will be sustainable over time? What will be the attitude of powerful states, economically developed with the States arrived in a state of collapse as a result of inability to adapt to globalization? The future of the people of Somalia, Sierra Leone or Liberia? It is possible, using the model of the European Union into existence new regional structure in Asia, South America or Africa to ensure an adequate response to globalization.

## 2. GLOBALIZATION AND ITS EFFECTS

Debate and views about globalization and its effects is, in short, a "dialogue of the deaf". On the one hand economists locked in a true "ivory tower" benefits that globalization brings increasing international trade, facilitate cross-border investments, ignoring their social costs. Moreover, critics of liberalization of international trade and capital markets, do not prove adequate knowledge of the mechanisms and economic processes, but are becoming more active (eg. street the serious incidents that took place in Seattle, in the U.S., February 2000 at the summit of the World Trade Organization and Zurich in Switzerland during Session IMF) and many other occasions that took place at such levels.

Key issue in the discussion about globalization is that of ethics, morality and justice in the new international order and therefore not free trade benefits that both rich and poor countries recognize, while seeking to conquer as much a part international market. Evidence about high costs, especially socially imposed by globalization and its benefits are rather contradictory and interpreted as referring to different phenomena and their results are open to interpretation in themselves different, even contradictory, depending on the particular interests and relative objectivity of analysis. It seems, however, according to some analysts of globalization, national economies that actually still maintain a substantial degree of autonomy in relation to each other (contrary to generally accepted opinions about the trend increase their interconnection), and policy makers at national level enjoy states more autonomy than most analysts in the field. At the same time, it is noteworthy that in the last forty years due to the growing importance of international economic exchanges range to reach political decisions political leaders of states narrowed continuously except for those from the financial crisis IMF. Continuous degradation of the environment requires action at the international community, in accordance with the support of a general climate of global economic growth.

In this context, all countries have committed to increasing trade liberalization and environmental protection, supporting the idea that the problems of environmental protection should be resolved by negotiating multilateral environmental agreements with a wide participation and to not affect or modify multilateral trade rules of the WTO system.

World Trade Organization has identified the most appropriate ways and means to enhance complementarily between trade liberalization and environmental protection to achieve a multilateral trading system to support and meet the needs of sustainable economic development. Considering these aspects, Romania supported the idea that the agenda of the WTO negotiations on trade and environment should include the following aspects: clarifying the multilateral linkages and interdependencies between WTO rules and Multilateral Environmental Agreements in the context of mutual support and objective joint sustainable development in the multilateral setting of the rights of members to invoke precautionary principle in environmental issues, avoiding the use of discriminatory practices and develop new WTO multilateral disciplines governing eco-labeling problem.

There is undoubtedly a positive correlation between the decisions of the various states to liberalize economic exchanges and the spending on social programs, which allow these states. International economic integration raises an important dilemma: globalization increases the objective need of a broader social protection of the population while reducing the state's ability to respond effectively to this demand.

Consequently, as globalization deepens and widens, the national consensus necessary to ensure and maintain international economic trade liberalization erodes. Many aspects of globalization are still unclear, but what is certain is that globalization is a phenomenon in which all participants come out winners.

However, globalization reduces the ability to exercise political power over private companies operating areas. This gradual but continuous loss of control by state institutions means an abolition of the state monopoly on national sovereignty, which is guaranteed by the state control over the national territory.

Existence of multinational companies, their proliferation and their passage heritage part of the increasingly large national wealth of different countries accordingly decreases the ability of states to exercise sovereign powers equally with reducing national independence following political integration in supranational institutions? These changes deprive sovereignty of its functional value. According to some authors will even reach the situation that sovereignty no longer have value in terms of functional external relations that states engage with actors of the same type or NonState actors acting in the international arena.

International regimes emerged after the Second World War, which were effective in promoting global monetary policy measures in that trade liberalization can be as effective in solving satisfactorily the challenges of globalization. A key issue will be to find a common language countries and benchmarks, which is the basis of generally accepted rules on which to build an equitable and mutually advantageous cooperation. Liberal theorists who emphasize the possibility of all states to win in international cooperation are generally optimistic about the prospects that globalization offers humanity.

Part of current realist theorists are more pessimistic, arguing that many of the apparent relative earnings are reported to the fundamental values of society. This vision must be reported and another controversial aspect of globalization: global environmental impact. It must be made for the possibility of destroying the fragile planetary ecosystem will not materialize under the impact of the sharp rise in energy consumption and various raw materials and natural resources. Rapidly rising population exceeds able to adapt proper food production in many underdeveloped states, with dramatic consequences in social, creating true humanitarian crises [1]. Earth's population increased dramatically during the twentieth century is unprecedented in history. It took 2 million years for the world population reached 1 billion in 1804. The second billion was reached in 1927, the third in 1960, fourth in 1974, fifth in 1987, and the sixth at the beginning of 2000.

The impact of population growth on economic development, food security and environmental quality is a long time a subject of dispute and remains so. There are currently two groups of theorists addressing these issues diametrically opposed positions.

Inheriting name and doctrinal orientation from Thomas Malthus (author become classic "Essay on the Principle of Population" published in 1798), neo-Malthusians believe that the world's population self which generally leads to depletion of our planet's natural resources, reducing every day human capacity to meet the demands of their generation, and in particular those to come.

Neo-Malthusians, most of whom are what is called environmentalists, humanists, shows that there are a set of conditions fulfilled the condition of the natural environment showing a rapid deterioration of quality. Thus, it is estimated that the appearance Malthus's work to date the world population has increased six-fold, while

the amount of energy used each year was multiplied a hundred times. Area covered by forests decreased by one third, and composition of the atmosphere has been damaged as a result of human activity. Hundreds of millions of people suffer from malnutrition and many millions of people die of hunger every year in developing countries. Hundreds or even thousands of species of plants and animals have disappeared, and many others are endangered.

In contrast to the neo-Malthusian vision pessimistic vision that the other group of theorists, the "optimism increasing" focus on global trends completely different, in that global life expectancy has doubled during the twentieth century, currently reaching 64 years, while infant mortality decreased from 170 stillbirths per 1000 births in 1950 to only 60 in 2000. Rapid population growth is due primarily to reduce mortality and not increase in birth rate. Despite a tripling of world population during the twentieth century labor productivity increased at a much higher and population health has improved considerably. People today are eating better, produce more and consume more than before. Overcrowding, in our opinion, is a concept that was poorly defined and poorly understood, according to the advocates' optimism increasing "the term" overpopulation "has no scientific definition and clear content. The problems usually associated concept of "overpopulation" such as hunger, overcrowded urban areas are actually problems caused by poverty, not "overpopulation".

Although there are sufficient arguments to find the cause of various catastrophes and disasters that recently hit some of the poorest countries in the world, in fact it seems that for many of them to be found because the current policies and practices of various governments and political forces they represent. It is difficult to say which of the two groups, neo-Malthusians or "growth optimists" are right, because history has not yet a clear answer to these problems. Absolute difference between household income in developed and underdeveloped countries continue to grow, but the difference in living standards between the two groups of countries is the opposite trend of reduction. Economic situation of some poor countries has improved lately, because GDP grew faster than the population. However the number of people living in absolute poverty continues to increase. Population is not in itself cause problems facing the world today, it is but one factor that exacerbates other problems such as poor management, inadequate government policies, political instability excessive consumption of resources, the use of inappropriate technologies.

A very important problem, which is also a component of the changes brought about by globalization, is the security environment. However it should be borne in mind that many international organizations, both intergovernmental and non-governmental groups that are currently dealing with this issue monitoring stubbornly seeking solutions to preserve what we have.

Traditional concept of security has evolved throughout the Cold War, understanding security as a function of competition in which they were engaged member for exercising world. Environmental security approach is completely different from the concept of security. Environmental security has two components: prevention of environmental factors change as a result of armed conflict and the impact of global degradation of the natural environment on the general welfare of human society and the global economy and national. It should also be taken into account and assuming an outbreak of inter and intrastate armed conflicts degradation due to environmental conditions in a particular region. Concern due to deteriorating security natural environment is based on the reality of sensible reduction of natural resources such as drinking water, fertile soil, forests, fisheries and biological diversity due to the

disappearance of many species of flora and fauna specific. Also, there is a continuous deterioration of the living environment, such as ozone, climate, atmosphere, oceans worldwide as a result of acceleration of global economic activity. In the long run, these changes can have dramatic effects in the absence of measures taken in time and aimed at eliminating the causes and not only to the deterioration of the environment. Otherwise it is possible that some of the changes become irreversible.

Each of ecological threats to the global welfare is however characterized by a high degree of uncertainty. This uncertainty can be even compared with that associated with threats of a military nature. Military action planning is usually done by taking into account the most difficult situations that could be put military organization and its component structures, in order to ensure a greater chance of success counteracting uncertainty. Specific security environment is its cross-border nature. Threats to natural living environment are just as important for the future of humanity as the threat of nuclear catastrophe possibility. Starting from the fact that environmental degradation affects the welfare and performance of national economies and the global, the governments of various countries are concerned about the extent of this phenomenon.

### 3. GOVERNMENTS AND ORGANIZATIONS

Governments and intergovernmental and non-governmental organizations are becoming more willing to cooperate in finding feasible and acceptable solutions, which a few years ago did not happen, governments and international non-governmental organizations finding themselves usually diametrically positions opposed to addressing environmental security. UN organized in 1972 - Stockholm Conference on Environment and Development which seriously put tension easing environmental problem. In 1983 he started work World Commission on Environment and Development (WEED).

A key event addressing environmental security is the Summit in Rio de Janeiro in 1992, known as the UN Conference on Environment and Development (UNCED) brought together more than 150 countries, 1,400 NGOs and nearly eight thousand journalists. Action program on which it was agreed in Rio de Janeiro, "The 21" gives consistency of policy decisions on environmental security and economic development. Before the conference environment and development issues were dealt with separately and often seen as being in conflict with each other, under the motivation that development inevitably leads to environmental degradation. 10 years after the Rio Conference in 2002 held in Johannesburg UN Summit on Sustainable Development, which has main results: the Johannesburg Declaration on Sustainable Development and the Plan of Implementation of the World Summit for Development sustainable.

Other UN Summits on the environment were the Kyoto Balli (2009), Copenhagen (2009) and Cancun (2010). UN conference on global warming in Copenhagen was characterized by the fact that the objectives set for action against global warming because there are only promises have not translated into action due to the lack of agreement between the participants. UN Climate Change Conference in Cancun in Mexico (December 2010) attempted to make a significant step towards a comprehensive training and legally binding for combating global climate change. Concern for finding remedies to global environmental issues was affirmed and Summit "Rio Plus Five", a new international conference held in Rio de Janeiro, in 1997, on which occasion most environmental specialists have said that the next fifty years will be the period of time that will decide how healthy is our planet in centuries to come. need to be harmonized at this time our lifestyles with their technology and the

population throughout to diversity. After the launch of 'capacity to support "a multitude of environmental and development issues are addressed jointly. Recognizing the need for a comprehensive approach to welfare was marked and the International Conference on Population and Development held in Cairo in 1994 where specific problems demography occurred in an environment that supports development and were approached from a perspective Overall, the inter-specific interests of each of the participating countries.

All these issues OEI role in the management and administration of global environmental problems require global governance in my opinion green with specific goals and specific ways to achieve. In this broad sense, as we have seen, is assumed to global UN structures above which implies in particular the possibility to formulate strategies and to initiate the process of international regulation to combat pollution and stabilizing factors with significant impact the environment and even in good conditions on the continuation of life on the entire surface of the Earth, made for states to work together to solve them. New context demonstrates how international cooperation based on the need for development and environmental protection, which can not be achieved by partnering nations.

The dangers of environmental degradation and destruction elements included both national and global environmental protection and conservation priorities humanity. Establish international collaboration in environmental protection is a necessity, and international law is the main instrument of bilateral cooperation, regional and planetary states and international organizations to identify forms and ways that contribute to pollution prevention and environmental protection.

## REFERENCES

1. Bakker, P.F.A. Instituțiile financiare internaționale, Editura Antet, 1997
2. Bari, I. Globalizarea economiei mondiale, Editura Economică, București, 2003
3. Beșteliu, M.R. Organizații interguvernamentale, Editura AllBeck, București, 2000
4. Postelnicu, Gh., Globalizarea economiei, Editura Economică, București, 2000  
Postelnicu, C.
5. Roșu Hamzescu, I. Globalizarea și problemele noii economii mondiale, Editura Mondo-Ec, Craiova, 2000