

Modern Concepts of the World Economy Globalization

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ABSTRACT. In this research, it is indicated that world economic globalization is not simply an outcome of accelerated internationalization and digitalization process, but a process of global economics transformation into a new state. Existing models are neither capable to explain prevailing features of this new state nor adequate interpret new laws of its changes. Development of new theoretic models of contemporary globalization concept is of great importance. This article considers the key modern concepts of the world economy globalization, such as the concepts of the archaic globalization, of the “timeless” globalization, of protoglobalists, of instantaneous globalization and so forth. It is suggested that new concepts be built by aggregation of various current concepts in order to explain the global environmental development.

1. INTRODUCTION

In-depth theoretical analysis of the modern paradigms of world economic development, with internationalization, globalization, and digitalization being the main distinctive features of it, is characterized by ‘technical’ vs. ‘social and liberal arts’. Many analysts acknowledge that substantial acceleration of scientific and technological advances is closely connected to the discredit of traditional factors of social motivation and demand. Information and communication technologies, being a kind of a «conductor» of integration processes, substantially outpace the abilities of the public and individuals to adjust to the new unified environment.

At the same time, for the past several decades, there has been no significant social and economic theories and concepts similar in value to the achievements in technical sciences. The tools used by economic science now have not considerably changed in the past seventy years [1,2]. There is a need for contemporary economists to explain and forecast the phenomena and processes which considerably surpass all previously known precedents by their complexity and dynamism.

Under such conditions, an acute interest arises to theoretical analysis of the existing approaches to explain the development of today’s modern world economy.

2. THEORETICAL ANALYSIS

2.1. Development of the globalization concept

The above-mentioned distinction between the obsolete tools of socio-economic processes and its’ real content is mainly caused by the structural disproportions in the development of modern science. The evolution of scientific thought from the initial utopian paradigm of world development (F. Beckon, T. More, T. Campanella, Sh. Furye, R. Owen) [3,4,5,6,7] to L. Abalkin’s cyclic-genetic paradigm [8] no longer compensates for the speed of the transformation of modern economic laws and patterns. The Roman club was the first to note such development lag. There it was characterized conceptually as “the scope of growth”, which could separate modern reality from understanding based on old theories.

There is an important aspect which was indirectly noted above. Namely that the disproportions in the development of modern science cause marked conflict between the nature and the context of

contemporary economic and social phenomena which are determined by the technical progress and real socio-economic factors of motivation. Most existing concepts consider integration tendencies to be the main constituent of globalization which makes direct influence on the levelling of social motives of development and lead to the neglect of the existing national peculiarities which is stated by the neo-liberal concept. At the same time, social development is often predetermined by local and national motives. This conflict has just started to be comprehended by the economics and the humanities.

In this context, the main task of this research is to conduct the theoretical analysis of modern concepts of the world economy globalization and select the most perspective concept in respect to the elimination of the lag between the humanities and the technical sciences. Although, there might not be an existing concept that meets this requirement. In this case it will require further development or/and merger with another concept.

Furthermore, subsequent theoretical development of existing globalization concepts are determined by the following additional reasons:

- necessity for the probable alternatives of the functioning of the world economic system to be grounded theoretically. That is possible only after the idea of globalization as a fundamental tendency of the world economy development is improved;
- contradictive influence of globalization of the development of the world economy which may not be brought to a certain resultant force. This influence is better to be viewed as a result of the cooperation and coordination of great number of processes and phenomena which develop in opposite and even contrary directions;
- considerable speeding-up of the information dissemination processes concerning economic processes. It may cause total grading of the unique identity of each nation and cultural community, which were conceptual derivatives of the limited speed in the process of information transmission.

If, on the one hand modern economic science has incorrect or outdated insight into the most significant effects of global economic development and on the other hand serious problems with realization of economic and social development exist which are intensified with the failure to understand the concept of the modern development process, it is necessary to continue our theoretical study of the social-economic paradigms as it is the indispensable condition of securing the safety of the processes facing the global economy. The disproportion should be compensated in the knowledge system of the material world and the social-economical processes which lays behind the modern trends in the global economy. Besides the incorrect reference points of national economic systems' development at the expense of revision, our attitude to the significance of the global economic integration in favour of pluralism should be compensated.

2.2. Basic modern concepts of the world economy globalization process

Taking this into consideration, let us investigate the basic modern concepts of the world economic globalization process.

First, it is essential to point out that there are two alternative approaches to create these concepts. And the main principle separating these approaches is the historical one.

According to this principle the main goal of the first group of approaches is to find the historical roots of the modern globalization processes and the relevant attributes of systems' social-economic development that are derived from prehistory. The second group of the approaches follows the principle that the attributes of the modern world economic development are the unique and they cannot be reduced to their recent prototypes. These concepts are accepted to be unified under the collective term 'economic concept', while the first group is called 'historical'.

The aim of the comparative analysis of the individual concepts of the world economic globalization is to define the concept which is characterized with the smallest declines from the economic processes.

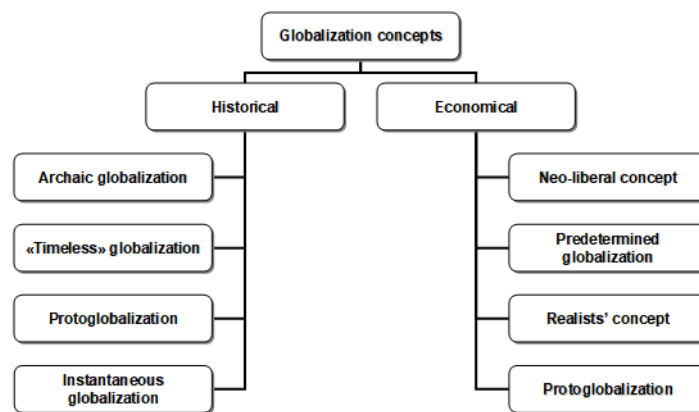


Figure 1 The Globalization concept classification principles.

Figure 1 depicts known globalization concepts. We start with the concepts' individual analysis from historical to economic. The concept of protoglobalization has both economic and historical components. Therefore, we will study it as a part of both groups.

1. The Concept of the archaic globalization

Under this Concept, globalization changes over time. According to this idea, globalization began its intensive development at the turn of the 15th through the 16th centuries. According to in we can identify at least 6 waves of the globalization:

- campaigns of conquest since the 2nd century BC
- expansion of world religions in the 3rd and 4th centuries BC based on trade
- the rise of monotheism
- imperially imposed globalization
- industrial globalization, (the industrial revolution)
- electronic-financial globalization (the information revolution).

The researchers who share this approach and even those who criticize it suggests that “globalization is only the historical phenomenon that always accompanies the history of human race and acquires different forms on various phases of the technics and society development [6, p. 63]”.

In the works of the followers of this theory there is a direct pointing out to the fact that “even the thought about any new control levers which the era of the globalization offers does not stand up to criticism. All traditional tools which were tested by centuries remained valid” [7, p. 60-61]”. Thus, this concept can't be used as a basis for reforming obsolete ideas about social economic processes, though it is quit suitable for more precise definition of the historical bounds and the different phases of globalization.

2. The Concept of the “timeless” globalization.

From the point of view of the authors of the “timeless” Concept, the main divergences of these historical concepts are in the defining time limits and in the interpretation of the notion of globalization. This concept considers the dialectical dualism of globalization which with these ideas, in the separate tendency of the development of the world economics and is also the product of some contradictory tendencies at the same time. Furthermore, the historical process is regarded within the limits of this concept as means for the reaching boundary integrity of the world economic system (look at the scheme on fig.2).

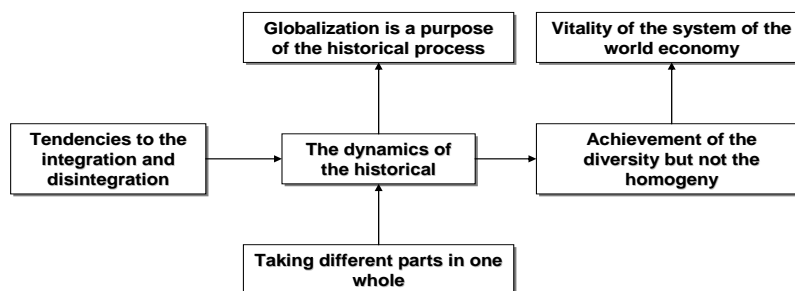


Figure 2 Verbal scheme of the concept of globalization

Thus, as the resulting historical process is based on the contradictory tendencies of the integration and disintegration, its separate phases are singled out on the basis of the prevailing tendency during a definitive period of time. We can combine the rest of historical concepts since they are based on the subdivision of the historical process as phases.

In accordance with this research this concept is considered as the most effective as it gives us possibility to study new economic phenomena and development in conformity with natural laws on the basis of dialectical ideas.

3. The concept of protoglobalists.

This concept is one of the most complex and developed of all historical concepts. According to this concept the historical indications of the globalization are:

- making the world homogenization and universalization;
- destroying national bounds;
- wavy and back-and-forward development of social economic phenomena.

Under this concept globalization is considered as a continuous historical process; its elements are in the background of every important past social and economic tendency. For example, the beginning of protoglobal stage is connected with the rise and development of the financial dependence between states since the 1870's up to 1913, when the level of economic mutual dependence between the leading industrial countries was not lower than at the turn of 19th and 21st centuries.

Both the given reference and the admission of wavy and back-and-forward development of social economic phenomena give us possibility to update this concept to the "timeless" one. This, in its turn, allows us to make a conclusion about the possibility of its usage for the further developing views on the modern economic tendencies and processes in order to remove the contradictions between the levels of the development of the engineering sciences and the Humanities.

4. The concept of instantaneous globalization.

According to this concept which is not widely studied, the globalization has different forms in different times of technical and society development [9]. Proceeding from this idea, all the following economic concepts, which are being worked out on the basis of the system of indications of globalization as a social economic phenomenon, may be considered as different systems of attributes of the modern phase of historical globalization.

This concept as well as the concept of protoglobalists may be classed as combined, historically-economic concepts.

A common distinctive feature of historical concepts is their orientation towards definite, previously determined logic of development, which is bounded to the processes in the global economy: it is either discreteness as in the concept of instant globalization or evolutionism as in the concepts of archaic and "timeless" globalization, as well as cyclic recurrence as in the concept of protoglobalists.

The current thinking taking place in the global economy and in the society can be characterized by the co-existence of old and new trends of development. Resuming to the dismissal of the problem in question on contradiction between the means of explanation and the essence of such phenomena in global economy, we may conclude the following summarized points regarding all the historical concepts we deal with.

Deriving some specific stages and prerequisites for globalization in the past and joining in the logic sequence, the totally heterogeneous events and trends, which quite often used to have rather little importance for their contemporaries can be considered an anti-historical approach since this approach prescribes to social and economic processes with such properties as intensity and universality which these processes didn't possess.

It is true that in homogenization and universalization of the world economy and elimination of the boundaries are on the one hand the consequences of globalization, and on the other hand its prerequisites (see fig.2). Such a conclusion resulted from the concept of timeless globalization, which from the point of view of our investigation, is the most creative one because it helps find explanations of modern peculiarities of global economic development based on careful study of superimposition of dialectical trends towards integration and disintegration. These two trends in historical aspect have different strengths and therefore they determine the differences in the features of separate periods.

Let us analyse the economic concepts of globalization.

1. Neoliberal concept is the most developed concept of globalization its' basic aspects of globalization [10]:

- internationalization of economic, political, social and cultural activity;
- accelerated economic integration;
- maximum use of achievements by Science and Technology Revolution;
- highest possible compliance with free market mechanisms;
- disregarding existing sociocultural formations, social, cultural, ecological categories.

The most important peculiarity of neoliberal concept is that it is the theoretical basis in attempting to speed-up the experience of economically underdeveloped countries. This concept is a peculiar ideology (ideologeme) to wipe out all the remnants of unique economic identities of some separate states and regions by force.

2. Deterministic or predetermined concept. This idea is a well-known truncation of classical neoliberal concept, and according to it, we can define the main peculiarities of globalization development in the world's economy:

- the free movement of human and intellectual resources forms;
- free capital movement is being intensified considerably;
- functional integration and coordination of the local economic systems in the framework of grouping into a single system of global economy.

Practice and interpretation of this concept are close to neoliberal.

3. The Realists' Concept. The Concept is based upon the universally recognized signs of globalization. According to the Concept, the signs of globalization which determine current global economy features are the following:

- the interdependence of different countries' economic systems;
- the rapprochement of the national consumer goods prices;
- the recognition of the same primary values by most of the countries in the world;
- the formation of the global investment resources markets;
- the global financial markets infrastructure formation.

So, we can conclude that this Concept considers rather heterogeneous components which refer to different world processes (historical, economic, socio-political).

4. The protoglobalists concept. According to this, the most, primitive economic concept, the main signs of globalized world economic system are:

- intensification of the world trade
- growth of capital export

Besides, historically, this concept's followers consider introduction of the gold standard to be the forerunner of modern globalization. This globalization concept shows contradictions between the complexity of modern economic effects and possibility of their scientific research.

3. CONCLUSION

The common feature of the abovementioned globalization concepts is the approach to reduce the complexity of modern globalization processes to the limited number of factors which can be experimentally confirmed. And that is the main drawback of the theories, the threat of misinterpretation of the complicated effects which underlie the phenomenon. It means that in our research we can use these concepts only to prove general scientific results. results of world economy. We can make the following conclusions:

1. The world economic globalization is not simply the outcome of accelerated internationalization process, but a process of global economics transformation into the new state.

2. Existing representations are neither capable to resolve prevailing features of this new state nor adequate interpret new laws of its changes. So, accelerated development of the theoretical background of contemporary globalization concept is of great importance.

3. Globalization concepts should be built (historical and economical ones) for managing the as aggregates which include attributes of dialectic dualism of this phenomenon and the most complete and non-concurrent set of globalization indications on several levels of world economics.

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