

**International Economics**

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**ETYMOLOGY, THEORY,
CONCEPTUALIZATION
AND THE DIMENSION
OF GLOBALIZATION****Abstract**

Etymology of globalization is established; its definitive apparatus is characterized and differs from westernization. The technography of origin and formation of the globalization theory are analyzed; main areas of its research are systematized. Disagreement on the conceptualization of the phenomenon of globalization in understanding the causes, structure, logic and consequences of its development is characterized. Dimension of globalization is estimated; its basic criticisms are the premise justifying its alternative are formed.

Key words:

Westernization, hyperglobalization, globalism, implosion, integration, internationalization, consumerism, localization, modernization, reglobalization.

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Introduction

World economic development is characterized by dynamic interpenetration and deep integration of its participants and structural elements. The increasing role of external factors in developing countries and the creation of transnational capital as a process of international integration define a new global stage of internationalization of economic life. The main source of influence structural elements of society that elevates them to the level of the state and enters a dialogue is their access to the international arena and attraction of global forces. Globalization is reflected in the increasing cross-border economic activity, but its impact on income distribution in the world is not unique. It is believed that globalization limits the role of states not only «from above», but «from below» through strengthening and direct access to international arena the specific elements of society. As a result, the global economy is increasingly polarized, and economic activity and related revenues are concentrated in three dozen key countries. Accordingly, we consider actual the research aimed to establish the etymology of globalization, defining its boundaries, definitions and evaluation of its global dimension.

Researched definitions of globalization and its reflection process of westernization drafted F. Darling, B. Davies, R. Keohane, S. Latush, J. McClean, J. Nye, R. Robertson, K. O'Rourke, R. Findlay. Theoretical aspects of globalization researched D. Bell, E. Giddens, L. Kyryanova, G. Lebon, M. McLuhan, J. Ortega y Gasset, O. Toffler, F. Fukuyama, K. Jaspers. Directions and conceptualization of globalization viewed B. Barber, I. Wallerstein, V. Haletskiy, P. Diken, V. Inozemtsev, S. Latosha, M. Mnakatsanyan, A. Mokiy, A. Panarina, J. Rosenau, Y. Savelyev, G. Thompson, D. Friedman, S. Huntington, D. Held, P. Hirst.

Actuality of the problem, its practical weight and availability of basic criticisms caused the main goal of research – evaluation of the dimension of globalization and the conceptualization it's the phenomenon in the sense of reason, the structure, consequences and logic of development. As part of this goal can classify the objectives of our research, in particular, to establish the etymology of globalization and describe its definitive apparatus; to analyze technography of origin of its theory; to characterize the disparity in the conceptualization it's the phenomenon; evaluate its global dimension to establish basic criticisms and to create preconditions for its alternatives.

Main material

Globalization change the role of the state as an institution of society. The independence of globalization is reduced or absent when entering its economic, legal, cultural, political, military, social space of the state to a specialized global space. Structural changes in the economy happening in the interests of «country-systems». Under fierce international policies leading-countries force other countries to pursue a policy opposite to that in which most have achieved economic development. This undermines the competitiveness of developing economies, conserves their backwardness and redistributes wealth in favor of developed countries.

Etymology of globalization. In economics, there is an understanding of globalization as a «new level of international competition – competition between nations for a place in the world community». However, from the above we can conclude that globalization deny (not eliminates, and includes, reintegrates and subordinates) the national economy and other spheres of relations. Therefore, to understand the current stage of globalization, using the old category that reflects national and state processes basically impossible. The national economy explicitly or implicitly may be subject of manipulation by TNCs. In addition, in terms of creating a single world economy, competition as an economic phenomenon within national economies and between them tends to extinction.

Modern historians are increasingly seeking to refute the idea that globalization was the acquisition of recent decades and they are reasonable grounds. The argument, based on the evaluation of active growth of international trade, the rapid reduction of duties and price differentials in the second half of the XIX and early XX century suggests that in the history of globalization were at least two «waves». Some researchers believe that the initial surge of globalization can be placed even earlier period to the XVI–XVII centuries that is why they consider «three waves of globalization» (Robertson, 2003, p. 7–11). The most appropriate approach is Robert R. Findlay and K. O'Rourke, who considered the economic history since the 1970s of the twentieth century not as a specific stage of globalization, as well as restoring its lost positions first half-century, calling this process as «reglobalization» (Findlay, 2007, pp. 408–412; 473–526).

There are areas in which the benefits of globalization over the previous phases of development is undeniable. First of all, this information and technology area where the established global information space, and technological changes occurring almost simultaneously throughout the world due to intense competition. At the same time one can not ignore two important circumstances.

The term «globalization» began using in the early postwar years and «formed» from the verb «to globalize», whose presence as an independent con-

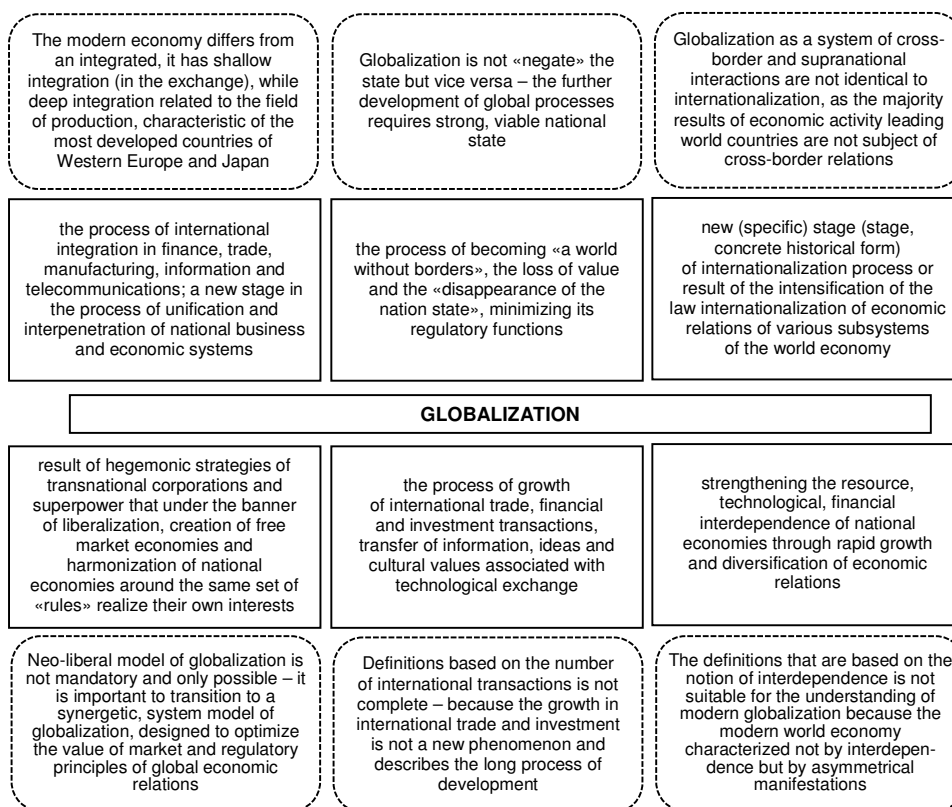
cept recorded in 1950 (Webster, 1981, p. 965). Thus, in 1944 O. Reiser and B. Davies in their study «Planetary Democracy» repeatedly used the concept of «globalize» and «globalism» (Reiser, 1944, pp. 212; 219). In the early 1970's european managers used to describe the growing interdependence of national economies French word «mondialisation», reverse translation of the word appeared in English the term «globalization» in the sense in which it is now used. This term was used sporadically and was first placed at the center of a conceptual study in 1981 by the American sociologist G. McLean, who called «to understand the historical process of globalization, the rise of globalization social relations and give it an explanation» (Scholte, 1996, p. 44–45). In 1983 R. Robertson first term globality issued in the name of one of his articles in 1985 he gave a detailed interpretation of the term «globalization», and in 1992 expounded the foundations of his conception in a special study (Robertson, 1983, p.276). By the mid 1990s, the concept of globalization in which this process was interpreted as one of the most important in the modern world, was circulated so widely that M. Waters wrote: «Just as the basic concept of the 80's was postmodernism, the key idea of the 90's can be globalization, by which we mean the transition of humanity in the third millennium» (Waters, 1995, p. 185).

For two decades, the term «globalization» was used to describe the growing interdependence of the world – economic, social, cultural and political (Chanda, 2007, pp. 245–254). It is significant that it considered so obvious that most authors do not give it a definition even in studies that are directly concerned with the theory of globalization (Held, 2007, p. 288). Attempts to understand the interpretation of the term start only when it is opposed to another one root words – such as «globalism» and «globality». The classic definition of these concepts can be considered the wording W. Beck, who understands «globalism» as «the belief that the world market overcomes or suppresses political barriers ... or dominance ideology of market forces (neoliberalism)» and under the «globality» – the fact that «we live long time in a worldwide society and «closed» of some space for us is an illusion» (Beck, 2000, p. 9–10). At the same time, this approach is only one of many; for example, C. Talbott argues that the term «globalism» only reflects the «fact that mankind for millennia establishes links between its separate parts, including those that extend across the seas and oceans» (Talbott, 2008, p. 257). Detailed discussion of the difference between globalization and globalism described in the book¹ R. Keohane and John Nye Jr. (Keohane, 2012, p. 230), where the authors concluded that this difference has no serious scientific value, and the controversy surrounding it can be considered a purely scholastic (see Fig. 1).

¹ R. Keohane, J. Nye Jr. «Power and Interdependence» – proposed a concept of complex interdependence, according to which in the world exists plurality of communication channels through which built the policy, including informal relationships between foreign elites.

Figure 1

Critical analysis of modern definitions of economic globalization



Source: [compiled by the author].

It is a mistake to say that the term «globalization» has replaced the term «internationalization» because they represent qualitatively different phenomena. «Globalization» pushed the sales of other concepts, such as «Europeanization» and «Westernization», previously seen as characteristic elements of Art Nouveau. Westernization historically seen as the spread to the world of economic practices and social orders, formed primarily in Europe. This concept is in the last third of the twentieth century was defined by F. Darling, T. Von Laue and S. Latosha (Darling, 1979, p. 320). Under Europeanization understood expand the scope of European law and the term is used to describe the effects of the migration of Europeans to the countries where they then become ethnic majority

(Featherstone, 2001, p. 304). Meanwhile, these concepts to more accurately reflect the changes taking place in the world in the twentieth century and indicated their source – the West (Europe). Speculation about globalization that has spread in recent years indicates that it is synonymous with the unmanageable global scale: the revival of empires and their special role in the formation of the «new» world order (Ferguson, 2004, p. 448).

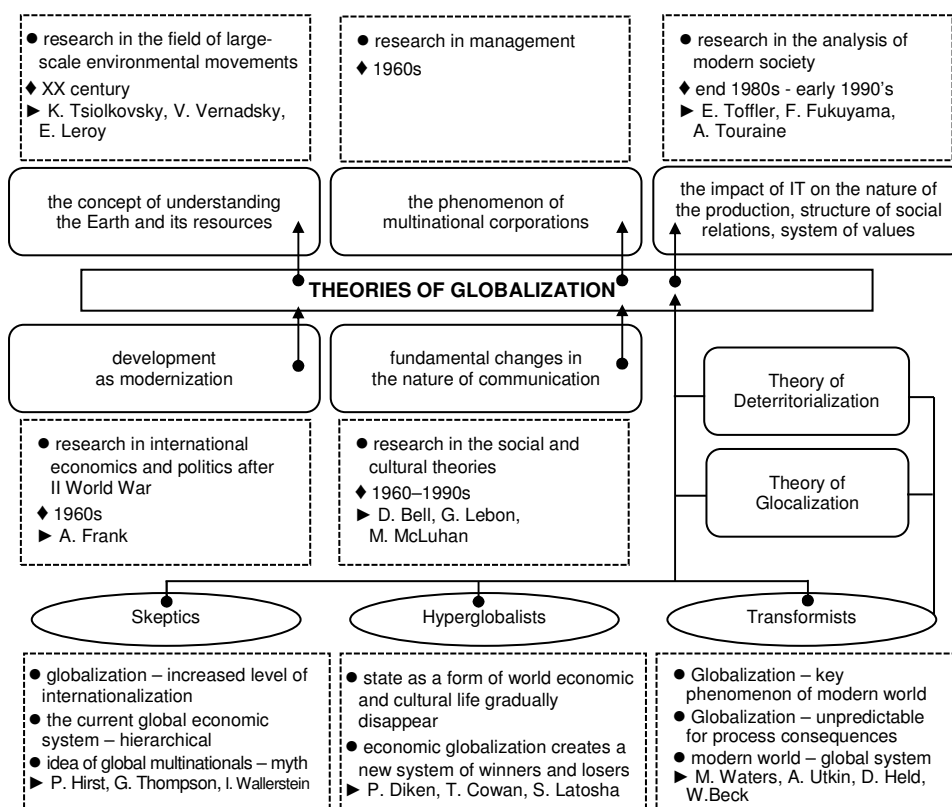
Globalization is different from westernization fact that it is no management center. The world today depends on the US but not like the global administrative headquarters but as the «funnel» that formed and make the world spin. Globalization does not require violence on which sometimes relied westernization; it is based on the attractiveness of images that cleverly creates and on the stochastic action billion people who determine the trend, known by its «architects». That is why the process can not be described by dry theory. It is no accident because the era of globalization has long been called the «period of uncertainty» (Elliott, 1998, p. 256) and «risk society» (Beck, 2015, p. 391) that more accurately and deeply reflect the essence of our time.

Technography of globalization theory formation. Theories of globalization emerged on the basis of a number of scientific tradition and research, the foundation of which is laid, according to L. Kyryanova, five different areas of research developing since the mid XX century (see. Fig. 2). The first such area is research in management that develops from the 1960s. In the center of these studies is the phenomenon of multinational corporations. They originated as management efficiency competitiveness of large US multinational companies. However, in the 1970s, when US corporations began to expand the geography of its operation, trying to increase markets and move production to regions with lower labor costs, these studies formed a separate important direction in research on management problems. Theorists of modern management in their research argue that contemporary firms to enhance their efficiency must become global in geography of its operations and management functions of distribution and production.

The second area relates a series of research in the social and cultural theories that have been developed in the 1960's. These researches focus on the study of fundamental changes in the nature of communication. Research problems of mass communication are some of the most relevant to contemporary theories of globalization. The basis of this area is laid by representatives of the Frankfurt School. The central position of the Frankfurt School is the view that the system of mass production of goods, services and ideas adequate to the current system of capitalism as a whole, with its commitment to technological rationalism, costing and consumption. These ideas were developed in a series of significant researches that focus on the study of the impact of mass media on the transformation of society and social relations, in particular the emergence of the phenomenon of mass. There are researches of H. Ortega-y-Gasset, D. Bell, G. Le Bon, G. Tarde, A. Toffler, D. Risman.

Figure 2

Technography of globalization theory formation



Source: [compiled by the author].

In the second half of the 1980s – early 1990s, researchers from various fields of social science have paid closer attention to the growing role of electronic mass media and their impact on fundamental social transformation. M. McLuhan laid the basis of this direction, for him the determinant element of culture was the means of message transmission but not the content of this message. M. McLuhan anticipated the idea of E. Giddens and D. Harvey and showed how space is reorganized through time (McLuhan, 2011, p. 460). As electronic communication transmits information immediately, it connects events and locality together and makes them totally interdependent. Accelerating the effect of electronic communications and modern transportation systems have led to a struc-

tural effect which M. McLuhan called «implosion». This means that people can participate, «feel» event and actions that take place geographically far from it. According to M. McLuhan, electronic communications leveled time and space and brought out the dialogue in a global dimension. They destroyed the economic, political, geographical limitations, territoriality and isolationism.

The third area are concepts that have appeared on a variety of large-scale environmental movements that promoted the concept of understanding the Earth and its resources as essence which has own limits. The first photo of Earth from space, and photos of the planet taken from orbit of the moon, where Earth look small, given strong impetus to ideas that all human community exists together in close proximity to each other. Particularly influential on the development and promotion of these ideas was the activity of Club of Rome, which caused a number of researches that are called «global modeling». The same area can be complemented by earlier researches of K. Tsiolkovsky, V. Vernadsky, K. Jaspers, E. Leroy and others. His researches and considerations about the «world population», «noosphere», «world government», «cosmopolitanism», «planetary phenomenon», «general world history», etc. prepared scientific minds to understand that humanity is the only, closely connected with nature and the cosmos and has a common destiny.

The fourth area includes a series researches on the development of the international economy and politics after the Second World War. During the 1960s and further a number of theories represented the paradigm of «development as modernization». Within this paradigm came division on developed and developing countries and postulate about necessity of development the Third World countries through the widespread introduction and spread in these countries of institutions of modernization. Most significant theories developed by A. Frank. These theories developed the modern theory of globalization and considered globalization as the global spread of modern Western institutions and equated globalization to Westernization.

The fifth area is the researches of the analysis of modern society in terms of the impact of information technology and the changing nature of production on the structure of social relations and system of values. There are concepts of post-industrial society, the society of the third wave, the era of large gap, the break of epochs, postmodernism and others. The most notable authors of this area – D. Bell, E. Toffler, F. Fukuyama, A. Touraine, J. Baudrillard, J. Lyotard and others (Zvarych, 2015, pp. 422'437).

Destinations in conceptualization of globalization. Definitive approach considers globalization as a process of expansion, intensification and deepening global interdependence and interconnectedness in all aspects of modern life. Despite this general understanding of globalization, there is a significant disparity in the conceptualization of this phenomenon in understanding the causes, struc-

ture, logic and consequences of its development. According to the classification of globalization D. Held divided the conceptualization of globalization into 3 main directions (schools) – skeptics, hyperglobalists and transformists.

The main skeptic of discourse of globalization I. Wallerstein believes that «this discourse is actually erroneous interpretation of contemporary reality – deception, imposed by governmental groups, and deception that we imposed on ourselves, often out of desperation» (Wallerstein, 2000, pp. 249–265). This line of research is mainly due to research in economics and international relations. Skeptics, based on various quantitative and qualitative researches of volumes traffic flows of goods, investment, workers in the XIX century, argue that the current level of interdependence of the world economy is not unprecedented in history. Globalization, according to representatives of this direction is no more than a high level of internationalization. The modern world is clearly divided into several political, economic and «cultural» blocks, and this division continues to grow. Given the fact that the blocks are clearly localized geographically, to speak about globalization in general there is no reason. Consistently, these ideas develop such scholars as P. Hirst, G. Thompson, I. Wallerstein and L. Weiss. It should be noted that a large part of the representatives of this direction recognizes the existence of the phenomenon of globalization, but only as a strengthening of global interdependence and prolonged separation of contemporary world into regional and civilization blocks, and the growing state of conflict between them.

Another important thesis of skeptical is statement that the current global economic and political system is very hierarchical. With the growing economy of the North is the exclusion of all other countries of the world. In modern politics and economics are evident dominant players. In post-Soviet science, the most notable scientists in this field are Russian A. Panarin and V. Inozemtsev, the authors very hard and consistently argue that the current world economic, political, information, social and cultural relations are asymmetrical and irregular, and this situation is very dangerous for the world and poses a threat to Russia. «Danger» as a key characteristic of the current international situation, present in Ukrainian scientific studies (A. Mokiy, B. Shevchyk) and other Russian scientists (A. Ershov, V. Tselyschyeva, N. Moysyeyeva).

Also, skeptics in his theory note that the idea of global multinational corporations is a myth, because the main flow of investment and trade is concentrated in the most developed countries, and most corporations increasingly represent the interests of countries from which they originate. Despite the fact that this direction is mostly represented by researches in economics, great attention is given to cultural aspects of the modern world system. Along with the negation idea of the global economy, scientists of this direction call into serious question the existence of global culture and global civilization. The most significant and well-known in this regard is the research of S. Huntington, especially his book «The Clash of Civilizations» (Huntington, 2002, p. 370). S. Huntington argues

that the modern world is divided into pronounced civilizational blocks, cultural and ethnic enclaves. The nature of the interaction of these civilizational blocks S. Huntington defines as conflicts because fundamental differences between civilizations are not conducive to compromise. In the modern world, integration does not take place, but rather significantly enhanced nationalism, cultural and ideological fundamentalism.

Speaking about the illusory nature of global government, global economy and global culture, almost all representatives of this direction agree that this project is project of Western countries (mainly the US) that seek a way to spread its influence throughout the world. Such a dominant position in the world of Western capitalist economy and culture based on consumerism further stimulates the development of fundamentalism and nationalism as a defensive reaction. One of the most notable works that develop this idea is book of B. Barber – «Jihad² vs. Mac-World» (Barber, 1996, p. 389). B. Barber argues that the modern world is represented by two main forces: 1) the collection of nations into a single unified commercialized global network, «single Mac-World»; 2) »retribalization³« of humanity, «lebanonization⁴« of national states, «Jihad» against all kinds of interdependence.

In the analysis of globalizational processes exactly skeptics tend to identify the globalization with modernization. Globalization is seen as the spread of Western institutions of modernization that are based on capitalism and democracy. Thus, we can say that the skeptics in some extent negate the existence of globalization and «global». Modern world relations (economic, political, ideological, information, socio-cultural, etc.) they are considered through the prism of the dichotomy⁵ of «national/international» («international/regional»), not «local/global». The value of national borders in today's world, in their view, is not only very important but also continues to grow. The modern world – it's not the world of an open locality but growing trend of nationalism and regionalism.

In contrast to skeptics, for hyperglobalists the globalization presented new era in human history in which «traditional nation state is unnatural and impossible commercial formation in the global economy» (Held, 2002, p. 515). In this approach, as in the approach of skeptics in the forefront of analysis is economics. Hyperglobalists ascertain the becoming a single global market, arguing that

² Jihad – (fight, battle; jihad, holy war) the act of striving, applying oneself, struggling, persevering, the way of truth and justice, including all the teachings it gives on the justifications and the conditions for the conduct of war and peace, the act of striving to serve the purposes of God on this earth.

³ Retribalization – is a return to cultural patterns similar to those before detribalization caused by hot mechanical media, fighting between ethnic groups, nations, cultures, religions, ideologies, social groups, criminal groups.

⁴ Lebanonization – (in terms of B. Barber) focus on Lebanese politics.

⁵ Dichotomy – division into two parts, kinds, etc.; subdivision into halves or pairs.

globalization is «denationalization» of the world economy through the establishment and development of transnational industrial, commercial and financial networks (P. Diken, V. Grayder, A. Jones, K. Omaye). In the era of the world without national boundaries, national states are a simple transmission mechanism in the organization of global flows of capital and goods. The national government is clamped between strong local and global governance mechanisms. According to hyperglobalists, national state as a form of global political, economic and cultural life progressively disappears at all (G. Belov, V. Galetskiy, A. Movsesyan, Y. Pavlov, S. Ognivtsev).

Inside the hyperglobalists line is possible to clearly divide two groups. One group followed the logic of neoliberalism and approves the triumph of individuality and market mechanisms over the state power and hegemony (T. Cowen). The other group is more negative in the perception of the world market and follows the traditions of Marxism and argues that it is more depressing spread of global capitalism (S. Latosha). However, despite these ideological contradictions hyperglobalists agree that globalization – is an economic phenomenon and the modern world economy is highly integrated.

Hyperglobalists claim that economic globalization creates a new system of winners and losers so the old system center-periphery, North-South, East-West is no longer valid. In place of the nation-state is coming global market. National culture progressively replaced by internationally prevalent ideology of consumerism⁶ that creates a new identity, universal values and lifestyles. The global spread of the values and institutions of liberal democracy also strengthens the formation of a single global civilization. This «global civilization», «global community» becomes a form of global governance presented by various kinds of transnational institutions like the World Bank, World Monetary Fund, and the United Nations Security Council and so on.

Permanent transnational human interaction through a global communications infrastructure will increase the level of awareness of common interests and problems, which in turn leads to the formation of a global civil society and global consciousness (H. Bull, J. Rosenau, J. Hervey-Leger, M. Cheshkov, V. Mantatov and I. Levin).

Analysis of hyperglobalists views indicates that they regard the modern world as a single global market, global civilization and global civil society. As part of this global community has no place to local borders, and the most vivid manifestation of the local – national state and national culture – in general progressively disappear. The local economies and cultures are dissolved within the global civilization and the global market.

⁶ Consumerism as a social and economic order and ideology that encourages the acquisition of goods and services in ever-increasing amounts.

Transformists as the hyperglobalists recognize globalization as key phenomenon of the modern world that underlies leading radical transformations in all spheres of modern society development – the economy, politics, culture, management and others. However, unlike the skeptics and the hyperglobalists that the basis for the logic of globalization processes put the economy, transformists give great importance to culture. Some of the key theorists of such direction select the culture as leading aspect of globalization (M. Waters, P. Berger, R. Robertson and D. Tomlinson). Unlike hyperglobalists, transformists not form some single logic of development the globalization process that lead to establishment of a single global market and a global civilization. They argue that globalization – a controversial and ambiguous process that is long term and on development of which affects a large number of conflicting factors (R. Robertson, G. Terbon A. Chumakov A. Utkin, D. Ivanov, V. Ivanov, M. Mnakatsanyan).

Another key idea of transformists is statement the increasing role of the national state (D. Friedman, M. Feazerstoun T. Hatch, M. Mnakatsanyan, I. Vasilenko). In contrast to hyperglobalists, transformists argue that under influence of globalization process «work» some mechanisms of self-defense that cause the intensification and revival of national identity. States have to develop strategies of behavior in the context of globalization, to respond to the challenges of globalization that further strengthens their role (P. Berger, W. Shurkens). Research of behaviour of different states as carriers of national cultures in the context of globalization are popular within this area.

Transformists demonstrate that under conditions of globalization is very noticeable transformation of essence of classical nation-state (T. Hatch, D. Held, E. Giddens, M. Mnakatsanyan, I. Vasilenko). The essence of the transformation is to change the nature of the relationship between sovereignty, territoriality and state power (Findlay, 2007, pp. 408–412; 473–526). Undoubtedly, the state has a dominant control over the processes that take place on its territory, but a significant impact in terms of global interdependence make various transnational processes and processes initiated outside the state not controlled.

Estimating the dimension of globalization. The question of how much globalization is «global» is fundamental for evaluation its achievements and magnitude of caused its problems. Some scientists (V. Inozemtsev) noted that in the form of globalization hidden process of replacing direct control over the world on indirect control that does not provide liability. The leader of a new global order – the US, radically different from the leader of Westernization late nineteenth century – Great Britain. In 1896, the share of exports in the UK GDP was 28%, and imports – only 11%; export of capital from England before World War reached 4,5–10% of GDP annually (Findlay, 2007, pp. 408–412; 473–526).

Europe was a net exporter of people; giving the first three decades of the twentieth century more than 30 million people (note that the British government

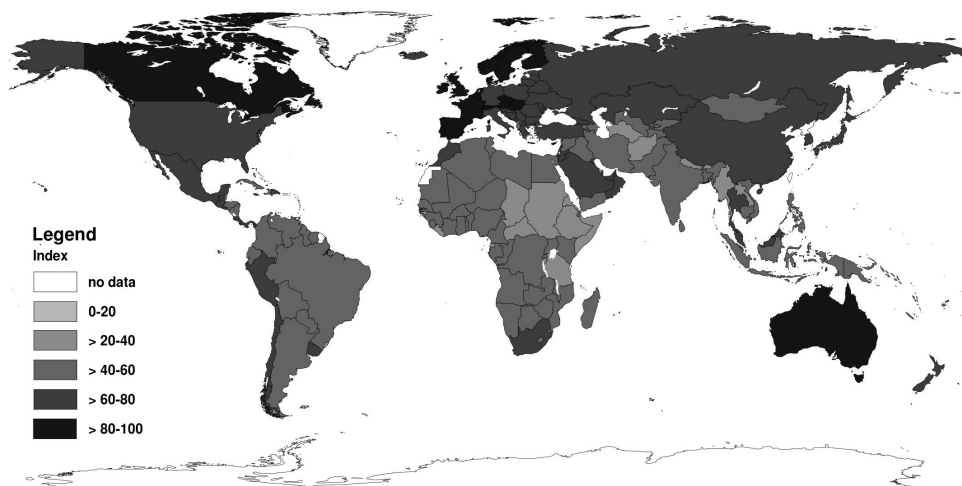
considered moving to the colony as a «redistribution of population within the nation» (Morris, 1998, p. 69). However, only in India in 1850–1913 British increased irrigated area 8 times and railways built more than was in the whole of England. Today in the world is so different situation. In 2014, the share of exports in US GDP barely reaches 9.5%, while imports reached 13.5% (Economic Report of the President). The current account deficit of US is \$ 360.7 billion, while foreign debt totals as much as \$ 15.68 trillion, of which about 80% are denominated in US dollars. Instead of capital exporting the US have balance of payments deficit, and 10% of the «global metropolis» – the first-generation immigrants that suppresses even the most «globalized» Americans (Huntington, 2004, pp. 212–213; 218; 256).

Although the turnovers of international trade grow faster pace relative to global GDP (ahead of the average twice), we must pay attention to the direction of trade flows. Since 1950 the total GDP of all countries in the world grew, and in the last decade, this number increased to 3–3.5% – this happened solely due to rising prices for energy resources and commodities. As for the transnational investment flows, with 1970 foreign investment in the US grew 18 times – but companies of seven countries (most developed) – Great Britain, Japan, Canada, France, Germany, Switzerland and the Netherlands – cumulatively provided 85% of all investments in the US and were recipients for 60% of US investment abroad (World investment Report, 2016, p. 232). In 1970 to Europe was sent less than a third of all American investments, today – almost 53% (Hopkins, 1996, p. 51). The only notable globalization process for developing countries is migration – but today it does not reach the scale that was in the late XIX century (Kuryliak, 2012, p. 57–69). This means that globalization at the beginning of XXI century limited by group of developed countries, joined by several major Asian countries, especially China, while much of the world is, in fact, not covered (see. Fig. 3).

It should be noted that the share of goods and services sold outside the industrialized «enlarged regions» (US, EU, Japan) is relatively small. Thus, the most «globalized» sectors – automotive industry – sold for export only 17% of cars produced in the EU and 7.9% in the US. A total export of goods and services from all countries is less than 19% of global GDP, excluding the \$ 2.23 trillion that is transactions within the EU – less than 15%. More significant is the globalization of financial services, but these services use a small portion of the world population. That is, the world economy at the beginning of the XXI century is largely localized.

Figure 3

Map of globalization index KOF⁷, 2016



Source: (Raw Index Data, 2016).

Conclusions

The analysis of the etymology, theories and concepts indicates a significant difference in understanding structure and logic of modern globalization process – from objections of globalization to its absolutization. However, this same divergence as well as a large range of interdisciplinary studies allows us to make assumptions about the ambiguity and contradictions of the phenomenon of globalization. The phenomenon of globalization is a prime example of interpenetration and coexistence of different social systems – it indicates the post-classical paradigm. Some integration efforts lead to unifying outcome, others – to undermined outcome, as a result – powerful modern states despite any degree of globalization keep their own power and economic potential. Globalization does not reduce, but increases global inequality, creates additional opportunities for major production companies at the expense of smaller and less attracted companies to modern production technologies.

Thus, economic globalization is rather controversial phenomenon. Its essential features increase the efficiency of the world economy, economic and social progress

⁷ KOF Index of Globalization – index level of globalization of the world, calculating by Swiss Economic Institute (KOF Swiss Economic Institute).

of mankind. Manifestations of these features often humiliate interests of the general population worldwide and countries that are outside the «club» of countries «golden billion». Outlined problems actualize the issue of a new model of the world economy, which should be alternative and global. Alterglobal model should be the implementation of new principles of global system that will be based on the principles of social partnership, social protection for real democratic values and institutions of the welfare state. This model of the world economy must absorb all the positive qualities inherent in globalization and at the same time offer solutions of current problems and gaps.

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