A Definition of Globalization

Globalization is a term used to express the tendency for the world economy to integrate, not only with respect to markets, finance, technology, and cross-countries’ trade and investments, but also with regard to the harmonization of laws and regulations of everyday activity (political, economic, social, cultural, and ideological). The core of the concept of globalization is that the world displays a strong tendency to become one entity. To be more specific, the term globalization describes the increase in international trade and financial flows that has taken place since 1960, but even more so in the post-1980 period.

Although the term globalization is used extensively in the international bibliography, its meaning is regarded as highly debatable. The growing interest in the concept of globalization increases the probability that the term will be used in contradictory ways. To a certain extent, these views eventually tend to divert globalization from its true meaning and intent; the result is that doubts about globalization become more profound.

Globalization in its economic form envisages an interdependent world economic system dominated by global corporations that are not identified with any individual country; it is based on liberalization of international trade, the flow of goods and services, and the free market. Globalization should not be understood entirely as an economic concept, or simply as a
development of the world system, or even as a development of large-scale
global institutions, but also as the increasing impact on our lives of actions
that begin from a distance. Hence, globalization encompasses other aspects
of life.

The huge and quick circulation and distribution of information, mainly
through the Internet, and the facilitation of communication among peo-
ple from different corners of the earth through the satellites carrying mass
media, and through e-mail, fax, and telephone are some other examples of
the globalization concept.

This international communication network allows the transmission of
political and cultural ideology, fashion trends, and ideas worldwide. Apart
from the easier interaction of the intangible components of life, and the
reduction of distances through the reduction of time needed to get from one
place to another due to the revolution in the means of transportation, glo-
balization facilitates the movements of tangible elements like people or com-
modities. For example, more and more people are studying abroad, either by
their physical presence or by distance learning through the use of Internet
facilities.

Moreover, the growth of the service sectors, especially the ones dealing
with knowledge and information, and the rapid growth of a new generation
of technology, are some of the indicators of the transformation of the global
perspective of business operations. Development in technology has lead to
a boom in foreign investment and to a degree of openness. Thus, enter-
prise activity is no longer constrained by national boundaries. Both capital
and labor migrate to whatever points on the globe yield the highest returns.
There is labor mobility from markets where there is a lack of employment
opportunities to markets with shortages of labor, especially throughout the
European Union (EU). The mobility of capital is almost unrestricted, since
in the 1980s and 1990s many countries significantly reduced or even aban-
donied international capital controls. The international facilitation of eco-
nomic and financial transactions (the stock market, for example) through
electronic means and computerized information networks reduced transac-
tion costs and the time needed to make transactions to a minimum.

Compared to the international mobility of capital, labor mobility has
remained rather steady. This is a reflection of many factors, such as immi-
gration laws, which are still restrictive in many countries, as well as other
factors that in the future will possibly be eliminated because the process
of such globalization is rapidly accelerating. Migration not only affects the
economic environment of the country, but also the cultural environment,
since the culture of the immigrants continues to develop, affected by the
new culture, and in turn it will affect the culture of the new country.