

## GLOBALIZATION EFFECTS ON ECONOMIC AND SOCIAL DEVELOPMENT OF SIRET-PRUT-NISTRU EUROREGION

***Abstract.** At world level, the globalization process has undergone through different stages, existing visible contrasts between different geographical areas within the same country. Globalization is a complex, multifunctional phenomenon which consists of a wide range of social-human activities beginning with the internal market to the global one, with the economic and political dimension to the social one, with the internal right to the international rights and relationships, national-state sovereignty to globalization.*

*In the year 2002 there got formed the euro-region "Siret-Prut-Nistru" including 18 districts from the Republic of Moldova and the counties of Iași and Vaslui from Romania. The partners of both countries have taken responsibility in terms of common European values such as economic and social development, democracy, promotion of cultural values and security insurance in this area. The euro-region strategy comprises developing directions of this one – economic, community development, localities' infrastructure development and environment protection for the next 15 years, respectively. In this context, the globalization level can be appreciated in terms of territorial subsystems are open and they provide access to those involved in as a whole.*

***Key words:** development, euro-region, globalization.*

***JEL:** E7, M21, O1, O3*

### 1. The concept of globalization

Over the last decades, a series of radical changes occurred in the world economy have led to great debates especially on explosive growth of unemployment, uncontrolled rhythms of inflation, contradictory evolution of the process of economic integration, budget deficiencies, technological changes, competition intensification, environmental degradation, all together, being major problems which solution has not always been considered satisfactory. Economists have tried to find different solutions to these matters, but they have not succeeded in drawing relevant conclusions. [Constantinescu-Băeșu, 2005: 28].

Gradually the economic theory felt the need to use new concepts capable of explaining with a higher accuracy the great changes occurred recently in the world economy. One of these concepts which has brought significant contribution to the comprehension of the nature and all consequences of all these changes is exactly that of *economic globalization*.

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<sup>1</sup> Associate professor Ph. D., "Ștefan cel Mare" University of Suceava, Faculty of Economic Sciences and Public Administration, cameliabaesu@gmail.com

The literature frames different approaches of the globalization process. Next, five of these are going to be dealt with.

The first approach refers to globalization in terms of internationalization. From this perspective, “global” is merely another term to describe border relationships between states, and “globalization” means an increase of interdependencies and international trades.

The approach of globalization as internationalization is one of the most frequent ones. Thus, globalization refers to the increase of interactions and interdependencies between people from different countries. The significant growth of international trades over the last decades makes comprehensive why the term of *globalization* means internationalization. Globalization is related to the growth of interdependencies. This is exhibited mainly by the interdependence of markets which require the applying of globally coordinated and integrated strategy in order to face generalized competition [Bădulescu, 2000:22].

The second approach is the process of liberalization, which means a removal process of the restrictions imposed by authorities in terms of trades between countries in view of creating an “open”, “border-free” world economy. In this context, globalization describes the process of economic integration; the proof of globalization understood as such may be found in a wide spread in the last decades of some practices of reduction and even annulment of trade barriers, of currency restrictions, capital controls and travel visas.

This definition identifies globalization with liberalization, the global world being a barrier-free one, without restrictions against the transfer of resources from one state to another. The last decades have known a multitude of reductions of official restrictions regarding the border movement of goods, money and financial instruments, thus one can explain the reason for which people associate globalization with liberalization.

The third approach of globalization defines universalization as “a planetary synthesis of cultures in a global humanism”. In this context, “global” means “all over the world”, and “globalization” is a process of spreading different experiences, objects, discoveries for peoples from all corners of the world [Reiser; Davis, 1994:25].

The fourth definition identifies globalization with occidentalization or modernization, especially in its “Americanized” form. According to this idea, globalization is dynamic because the social structures of modernity (capitalism, rationalism, industrialism, etc) are spread out all over the world, destroying by means of this process even the existing cultures and local self-determination. Globalization is sometimes described as an imperialism of Mc Donald’s or Hollywood type, or merely colonialization.

The concept of modernization or “imperialism” is sufficient to express the idea of occidentalization, without requiring any other word [Bădulescu, 2000:24].

The fifth approach identifies globalization with the process deterioration (or as it is also named, a spread of over-territoriality). Globalization implies a

geographical reconfiguration so that the social space is no longer defined as territorial space, territorial distances or territorial borders. The significances of globalization are sometimes dealt with through the perspective of other coordinates such as distances: *Globalization is a process where geographical distances have ceased to be a determining factor in establishing the economic, political and social-cultural relationships*’ [Luubers; Koodevar; 1998:1]. This definition includes both objective and subjective aspects of globalization. Although geographical distances are less relevant, globalization has gained power, force due to the fact that people have become aware of great possibilities created by new technologies and strategies.

The analysis of the concept of globalization as an increase of over-territoriality may be made by a fast review of the types of border activities in contemporary social and economic life. Such an endeavor emphasizes the idea that globalization has become a significant characteristic of contemporary society, though it does not influence the whole population in the same way and in the same extent.

As regards communications, for example, there has been achieved a wide range of over-territoriality connections, through aerial corridors, electromagnetic or light waves. Global communications give people the possibility of getting in touch ones with another, irrespective of territorial distances or borders. In the field of telecommunications, the telegraph, the telephone, the fax, the telex, the video-conference and computer networks allow text, signs, images and sound moving instantaneously, regardless of the space position or distances between people [Anghel, 2013:46].

In the context of globalization the market holds a special place. There is a global market when a product is sold and distributed in a world space by an over-territorially coordinated business strategy. In this way, consumers from all over the world buy simultaneously the same good or service, more often of the same brand. The so called “global factories”, different stages of the globalization process are situated in different locations all over the Globe. Over-territoriality production involves the type of intra-firm trade within the global company as well as the trade between countries. By global sourcing, a producer gets the necessary production factors from everywhere on the globe. Over-territoriality production has mainly developed in the textile industry, auto vehicles, clothes, sport items, toys, electronic devices, optical equipment, building equipment and aeronautics [Bădulescu, 2000:34].

Globalization evolves in the financial area as well. Most transactions of currency exchange take place daily, every 24 hours, on world markets that connect the financial centers from big megacities. In the global bank world, economies in global currencies and/or global banks and/or local offices of global banks are being placed in [Anghel, 2013:53].

## 2. The role of globalization process in the development of Siret-Prut-Nistru Euroregion

Some authors define the process of globalization starting from an apparently easy question:

*“what has this process of economy globalization brought about in terms of novelty?”*. Trying to answer it, the authors put on the first position the increase in interdependence showing that the events occurring in a country have got strong connection with those happening in other states in the world. Consequently, the globalization process has been considered as a long-term receiving and approaching modality or system of great contemporary problems, determined by the interaction of multiple economic, social, technologic, cultural, ecologic processes and phenomena [Dobrotă, 1998:228].

Globalization is susceptible of a variety of explanations. Some views mention the technological progress and entrepreneurship dynamics as forces of globalization, and others emphasize the role of legislation in premise demand and then in globalization guiding.

Cross-border cooperation subscribes for important polyvalent instruments that imply mobilization of financial resources as well in the framework of joint projects. Long term objectives of such projects aim at generating more bilateral advantages, improvement of physical and economic infrastructure, development of human resources of the region, reinforcement of cultural and educational relations, training in view of admission to the EU, environment protection [Roșcovan, 2003: 32].

The Euro-region Siret – Prut – Nistru, formed in 2002 is the “youngest” euro-region and includes the biggest number of administrative-territorial units of the three East border ones in Romania. The townships within the Euro-region Siret – Prut – Nistru belong mostly to those of a population below 5,000 inhabitants. The smallest ones, from the demographic point of view, are Cucuteni, Mădârjac, Bălteni, Bogdănița, Alexandru Vlahuță and Blăgești, having a population ranging between 1300 and 1700 inhabitants.

After the proclamation of independence and acknowledgement by the international community, the Republic of Moldova has made considerable efforts in establishing international relations, getting admitted to international political and economic organizations, as well as in signing bilateral agreement with various countries. Being a small country, with limited natural resources, the Republic of Moldova cannot develop its economy unless it gets integrated in the European and world economic structures. In this sense, the efforts of getting integrated in the international community have been made both at central level and regional one by intensifying the cooperation between regional communities and similar structures from the neighboring countries, Romania and Ukraine [Roșcovan, 2003: 42].

The Republic of Moldova and Romania, as regards the level of collaboration between the border regions have evolved depending on the external politics of each state. Complex political and social-economic changes from the South- East Europe

have triggered this collaboration based on more factors, the most important ones being the following: [Roșcovan, 2003: 50]

- favorable geographical position. The Euro-regions formed between these states are situated at the cross-roads of cross-national corridors which connect Central Europe states with those from Caucasus and Middle Asia, facilitating the transit of goods and persons;
- population and communities from the border regions are homogeneous from the point of view of linguistic unity, mentality, culture and traditions;
- reorientation of external politics of the Republic of Moldova towards the European Union by adopting the Plan of actions of the Republic of Moldova – European Union, organizing a series of meetings EU partners both in the Republic of Moldova and EU countries;
- EU extension towards East and the possibility of accessing EU funds and implementation of some cross-border projects in various fields (social, economic, environment, public administration).

The compounding factors of globalization are strongly related to each other and they cannot be clearly delimited as it is obvious from the figure below.



Source: Bran, F., *Globalizarea și mediul*, Editura Universitară, București, 2009, p. 47

Figure 1– Globalization Branches

Various aspects together with the process of globalization lead to a multitude of various cross-roads. It is important to see what subscribes to the concept of globalization. Equally important is the fact of understanding that not everything belongs to the process of globalization and one should take into account this aspect as well, because globalization has its own limits [Bran, 2009: 47].

Cross-border cooperation proves to be “a type of classical mutual cooperation between two border neighboring regions”. This includes states, regions, and administrative units from different levels and/or social groups, covering all the fields of daily life and participating in the development of joint programmes, priorities and actions. Cross-border cooperation is favored by cultural inheritance, ethno-linguistic one, and historical one (see the case of national minorities). The common ethno-linguistic inheritance of the population of Romania and the Republic of Moldova is a favorable element in the process of cross-border cooperation. [<http://transeco.ecosv.ro>]

The cultural aspect of globalization promotes informing on the cultures that govern the Euroregion Siret – Prut – Nistru. Formed in the year 2002, the Euroregion Siret – Prut – Nistru consists of 18 districts of the Republic of Moldova and the counties of Iași and Vaslui from Romania.

The Republic of Moldova is a European country with a long history within the Romanian Moldova state (medieval and pre-modern), inhabited preponderantly by Moldavians (Romanian), but also by Ukrainian, Bulgarian, Russian, Jewish, German, Czech, etc.

The cultural patrimony of the Republic of Moldova is extremely rich and covers an ample area, of great value, including the national art, which continued to develop in the modern epoch providing the professional culture with the substance of its ethnic originality. In a great measure, the holidays in the Republic of Moldova and those in Romania are identical.

An important role in this process of cross-border cooperation is played by the local and regional administrative structures, by the developing associations and cross-border corporations interested in promoting a proper economic and political environment favorable to business development. To be successful, border areas should cooperate with cross-border partners from equal to equal and each part's interests involved in be respected.

As EU member country, Romania has to establish bilateral relationships with its neighbors but as well to apply the EU neighborhood policy versus the Republic of Moldova.

Globalization implies a very important aspect as well, that of politics. Political stability is one of the important factors that reinforce cross-border cooperation between two countries. The assistance for development provided by Romania to the Republic of Moldova has in view measures such as: [Bărbulescu, et al., 2016:70].

- Coordination with other instruments of external politics such as those related to political dialogue, commercial and economic relationships and so on;
- Increase in the impact and visibility of the Romanian assistance for development;
- Promotion and capitalization of the Romanian expertise of public institutions;

- Non-governmental organizations and those from the private environment;
- Foundation on carefully monitored and assessed results.

In the field of education besides the grant program of high school and university scholarships in Romania which has been developed for more than 25 years now, beginning with the year 2014, our country provides the Ministry of Education from the Republic of Moldova with methodologic assistance and expertise to reform the professional and technical education, to establish quality-assessment methodologies and standards for secondary professional education and higher education [Bărbulescu et al., 2016:83].

Over the last years, the economic trades between Romania and the Republic of Moldova have improved significantly. Romania holds the first rank among the partner countries of the Republic of Moldova, both regarding imports and exports. The Romanian investments are mainly focused on the following areas: financial activities; trade; processing industry; property transactions and legal advice services.

On the whole, the objectives specific to cross-border cooperation within the Siret-Prut-Nistru Euroregion aims at: [Bărbulescu, et al., 2016:87].

- Development of business and SMEs
- Support for education, research, technological development and innovation
- Promotion of local cultures and preservation of historical patrimony
- Promotion of social inclusion and fight against poverty
- Support for good local and regional governance
- Environment protection, diminution and adaptation to climate changes
- Improvement of regions' accessibility, development of some transport networks and systems and long lasting communications
- Joint challenges in the field of safety and security
- Promotion and cooperation regarding energetic security and long lasting energy
- Promotion of border management and border security, mobility and migration management.

Globalization has also led to the change in the managerial model, in this context the manager being forced to keep acquainted with the innovations occurring at world level, with trends of market evolution and even with the developing perspectives of global competitors. In this new approach of globalization, the companies are eager to get involved in the process of staff training giving special attention not only to the recruitment and employment stages but also to that of integration of the new employees, their professional training according to the company's requirements.

In the new context of globalization the companies are eager to get actively involved in the process of staff training giving at present special attention not only to the recruitment and hiring stages but also to that of integrating the new

employees, of professional training according to the company's requirements. In conclusion, we may state that globalization is implemented by means of the solutions found by the global managers who take responsibility in local decision making and who take into consideration the consequences of their own decisions upon the whole environment of the company [Constantinescu-Băeșu, 2005:36].

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