

# Contemporary Globalization and its Perception in the World

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## Abstract

*The article investigates the origins and the prospects of development of the theory of globalization. Accents are made on the advantages and downside of globalization. This theory emerged at the beginning of the new century, as Western science has developed issues of a combination of economic, social and political processes. The article discusses the differences between globalization and internationalization and integration, stressing the fact that the essence of globalization is the formation of a system that allows a person or a company to interact with other people, corporations and social structures. The main problem of globalization outline in the article is the fact that political globalization lags behind the economic, informative and social globalization. Activities of Ivan Savvidi, as a colorful example of globalization, are presented.*

**Keywords:** globalization, economics, research, internationalization, integration, social structures, development.

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## 1. The concept of globalization

Globalization is a process of worldwide economic, political, cultural and religious integration and unification.

Globalization is a process of changing the structure of the world economy, understood as a set of national economies, connected with each other by a system of international division of labor, economic and political relations, inclusion in the world market and close interweaving of the economy, based on transnationalization and regionalization. On this basis, the following processes are taking place: the formation of a single global network market economy - geo-economics and its infrastructure, the destruction of the national sovereignty of states, which have been the main actors of international relations for many centuries. The process of globalization is a consequence of the evolution of a state-formed market systems.

The main consequence of this is the world division of labor, migration (and, as a rule, concentration) of capital, labor, productive resources, standardization of legislation, economic and technological processes, across the planet and the convergence and fusion of cultures from different countries. This is an objective process that is systemic in its nature, and covers all spheres of society's life. As a result of globalization, the world becomes more connected and more dependent on all

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its subjects. There is an increase in the number of problems, common to a group of states, as well as an increase in the number and types of integrating entities.

Historians view this process as one of the stages in the development of capitalism. Economists are counting on the transnationalization of financial markets. Political scientists focus on the spread of democratic organizations. Culturologists associate the manifestation of globalization with Westernization of culture, which includes American economic expansion.

At the same time, the origin of the word "globalization" itself indicates that the leading role in this process is played by the rapid growth of international trade, which takes place at certain historical stages. For the first time the word "globalization" (meaning "intensive international trade") was used by Karl Marx, who, in one of his letters to Engels at the end of the 1850s, wrote: "Now the world market exists in reality. With California and Japan entering the world market, globalization has been accomplished "[1]. The leading role of international trade in the processes of globalization is illustrated by the fact that the previous wave of globalization, that began in Marx`s era, ended in the 1930s, after all developed countries moved to a policy of strict protectionism, which caused an abrupt curtailment of international trade.

### **1.1. Advantages and downsides of globalization**

The advantage of globalization is that it generates international competition. Competition, in its turn, is a stimulant of production: the harder it is, the higher the level of output.

Globalization has contributed to the development of economies of scale, which has helped to avoid leaps in the economy and lower prices.

International trade is beneficial to all the participants of market relations. The creation of trade alliances only accelerates the process of globalization.

The introduction of modern technology contributes to increased productivity.

Developing countries can catch up with the advanced states, globalization gives them a chance to improve their economic situation and firmly integrate into the world.

The downside of globalization is that its benefits can`t be spread evenly around the world. Some industries receive huge benefits from international trade: the influx of skilled labor and financing from abroad. Others, on the contrary, lose their competitive power, become redundant. Forgotten industries need time and money to be reconstructed, to adapt to new conditions of life. Many of them fail, as a result, the owners lose money and people lose their jobs. Such changes strongly affect the national economy of each individual country, cause changes in economic structures, and increase unemployment.

Deindustrialization of the economy occurs: manufacturing industries lose their positions, while the flourishing services take over the arena. People have to re-train to find a place in this global changing system.

Competition creates a large gap between skilled and unskilled employees. Salaries of the former significantly increase, while the latter receive pennies or even lose their

sources of income. This again creates unemployment, which undermines globalization. But it is also a good incentive for people to learn, develop and acquire new qualifications.

Globalization has a significant impact on the world's ecosystem. Conflicts over the use of natural resources can't be avoided. The world is already on the verge of a great disaster caused by deforestation, pollution of the oceans and seas, irrational use of the assets of the Earth. All this can cause irreparable harm to mankind and the planet as a whole.

Global problems are a set of acute vital issues on which the progress and survival of mankind depends: the problems associated with the limited ability of the environment to endure anthropogenic loads, the growing exhaustion of non-renewable natural resources; a sharp drop in the birth rate in developed countries; intersocial problems: (the problems of preventing war and ensuring peace, as well as the establishment of a fair international economic order.) To solve these global problems, we need to prevent a world nuclear war and provide peaceful conditions for the development of all peoples, stop the catastrophic pollution of the environment, including the atmosphere and the world's oceans, etc; overcome the growing economic gap and the per capita income difference between developed and developing countries by encouraging the progress of the latter; completely eliminate hunger, poverty and illiteracy; ensure further economic development of mankind with the necessary natural resources, both renewable and non-renewable, (including food, industrial raw materials and energy sources); control the rapid population growth ("demographic explosions" in developing countries) and eliminate the danger of "depopulation" in developed countries and prevent the negative consequences of the scientific and technological revolutions. The twenty-first century, having just begun, has already demonstrated the impact of some global issues such as international terrorism, the continued spread of drug addiction and AIDS.

## **2. Types of global problems**

### **2.1. Ecological problems**

The second half of the twentieth century, was the time of unprecedented pace of economic development. However, it was increasingly carried out without proper consideration of the capacity of the natural environment, the permissible economic burden on it, the potential capacity of the biosphere.

On the verge of the third millennium, scientists started talking about the emergence of a global crisis of modern civilization. It is expressed in the accelerated growth of negative trends in the relationship between society and nature and in the growth of social tension in the society. The conflict with nature, accompanied by an increase in the number of environmental problems and their globalization raises the question of maintaining the stability of a complex system of the biosphere and, consequently, the survival of mankind as a species. [2]

Conventionally, the degradation of the world economic system is divided into two components: degradation of the natural environment in the aftermath of inefficient nature management and contamination with waste from human activities.

The abux of land in rural areas has led to the erosion of soils. In addition, the problem of deforestation is quite serious for specialists, which often leads to floods, soil erosion, water logging, landslides, siltation of reservoirs, and a decrease in hydropower potential.

It is no secret that the reduction of forests is due to the large scale of using wood as an important fuel in rural areas. The least common cause of deforestation is the need to develop additional areas for agricultural exploitation.

This has caused the creation of a circle of dependence: the pressing tasks in solving the food and energy problems in the conditions of extensive management methods are pushed to cut down forests, and this, in turn, leads to soil degradation, which results in loss of crop areas and inability to solve initial tasks.

It should be kept in mind that the loss of significant amounts of forest areas can lead to tipping the ecological balance on regional or even global scale. Suffice it to mention such severe climatic consequences as changes in the hydrological cycle and a decrease in the flow of oxygen into the atmosphere.

Road transport, thermal power plants ferrous and non-ferrous metallurgy enterprises, oil and gas processing plants, chemical and forestry industries significantly pollute the atmosphere. A large number of harmful substances enter the atmosphere with the exhaust gases of cars, and their share in air pollution is constantly growing.

The governments of different countries spend a lot of money annually for processing waste products of various industries, and such costs are fully justified, given that garbage is dangerous in epidemiological and toxicological aspects, because it is the breeding ground for parasites and the source of poisonous substances. Such poisons not only pollute the water, but are also sucked in the ground.

There is not statistical data even approximate on the amount of waste from any single country. In our time, the states have not yet paid adequate attention to the disposal of garbage. According to the data in Table 1 the first stage in the production of a variety of garbage, was shared by construction and mining industries, and the cleanest industry was agriculture.

**Table 1 - The dirty industries: a share in the structure of waste**

Industry	Share, %
Construction and dismantling	36%
Mining and quarrying	28%
Trade	13%
Municipal economy	11%
Industrial production	10%
The agrarian sector	1%
Sewage	1%

\*The world's largest population of the world / CIA -2010 // <http://www.cia.gov>

## 2.2. The demographic problem

In general, this problem consists in the development of population dynamics and shifts in its age structure which are unfavorable for the economic. According to A.S. Bulatova: "Demographic problems are different in developed, developing and post-socialist countries" [3]

In a number of developing countries, the essence of demographic problems is the rapid growth of the population, which hinders economic development, depriving the country of the opportunity for a buildup of capital in significant amounts in production.

On the other hand, in different countries demographic problems vary. In developed countries researchers note simple reproduction of the population, while in many post-socialist countries we see depopulation, which is the result of mortality continuously exceeding birth rates.

The dynamics of the population growth Earth is in constant change: at the beginning of our era there were already 230 million people on the Earth; by the end of the 1st millennium AD. - 275 million; in 1993 - 5.65 billion; on October 12, 1999, the world population amounted to 6 billion people; in 2006 - 6.5 billion; in 2010 - 6.82 billion, in 2016-... the forecast for 2050 is 9.2. Up until the 1970s, the world's population was growing according to the hyperbolic law, but now the birth rate is falling all over the world. This applies to all countries, including countries with high birth rates, such as China.

Only at first glance it seems that population growth leads to economic problems. However, it also helps solve some of them, because the needs are increasing, together with the economic activity of people, which ultimately leads to economic growth. Such processes can now be observed in countries with high population density - in Germany, Japan and especially in China.

Many industrialized countries have already reached a new level in their demographic development. They exercise complete control over the birth rate. And because couples lack the motivation to have more than one or two children, the birth rate is falling below the level of generation reimbursement.

Many countries in the world, especially those whose development is more dependent on solving the demographic problem, are developing and implementing active demographic policies that yield rather effective results. A variety of family planning programs have been implemented. Therefore, we can hope that the international community has realized the seriousness and scale of demographic problems, as well as their close connection with the economic and social situation in all countries and regions.

Globalization is understood as the process of uniting all areas of human activity on the scale of the whole mankind. This process encompasses economics, technology, trade, culture, and political institutions. Globalization processes are objective; they are caused by the very character of the present stage of social development. At the same time, they carry a lot of contradictions. On the one hand, globalization has led to the expansion of ties between states and peoples in all aspects of life (a vivid example of

this is the international space crews); globalization has also encouraged the formation of a number of international organizations whose activities are aimed at finding joint solution for the tasks and problems of modern mankind. Among them is the UN (comprising about 200 countries), whose goal is to maintain and strengthen peace, security and development of cooperation between states. Another organization is the EEC: its main task is the economic development and strengthening of cooperation between European countries. On the other hand, globalization processes are currently being directed by world banks and financial corporations. This has led to the polarization of society: a growing gap between wealth and poverty, and domination of individual countries in the world community (according to researchers 15% of the world's current population dictate their will to the remaining 85%). One of the results of this situation is the phenomenon of international terrorism; another result is antiglobalist movement. The contradictions of globalization have caused a number of global problems affecting not individual countries and regions, but humanity as a whole, and their solutions requires the unification of efforts of all the world's community.

### **3. Globalization in action: Case of Ivan Savvidi**

Now let's consider the effects of globalization on the example of one a particular company. AGROCOM GROUP, owned and headed by Ivan Savvidi - a former State Duma deputy. Agrocom group produces tobacco, meat and agricultural products in the southern regions of Russia. Greek by nationality, Ivan Savvidi is also head of the Association of Greek NGO in Russia.

AGROCOM GROUP makes its contribution to the preservation of nature – it protects and improves the Revolution park, well-loved by all Rostovites. Recently, a couple of black-necked swans living in the bird sanctuary in the park has had their first nestling, and in June a newborn is expected among the black swans. It is in this park that employees of the company and their family members hold the Annual Autumn Sports Festival. And the most important project, which the residents of Rostov are proud of is the launch of the Rostov Ferris wheel. The group's total investment has amounted to more than 100 million rubles. This is a social contribution, a gift to the city from AGROCOM GROUP.

Being the CEO of Don Tobacco, Ivan Savvidi constantly monitors maintaining healthy and safe working conditions at the company's production facilities. Over the past 5 years, the number of micro-injuries in the workplace has decreased remarkably. The company's management pays attention to raising the level of competence in the issues of labor protection among line managers and heads of departments, trying to achieve high awareness and understanding of the priority of safety, life and health issues over other processes, including economically motivated ones.

The company TAVR has proved itself in the food market of the Rostov Region. Despite the fact that it was difficult for the company to survive during the economic crisis, the necessary resources were found for further development of production; along with the quality of the products, the competition was also increasing, so it was

necessary to present TAVR`s products in a more attractive way. The sausages had to differ not only in taste, but also in appearance in the shop-window. A new shell for TAVR was developed by Atlantis-Pak. Gradually, TAVR has conquered not only the region, but also the whole Southern Federal District. More than 250 promoters help the people in the South of Russia to get acquainted with the new products. The result did not take long to appear: in a year TAVR has had a huge increase in sales.

Atlantis-Pak presented new products that had appeared in their production over the last 3 years at IFFA 2016 in Germany. First of all, these were 5 types of AMISTYL film for different products and technologies. The issue of waste disposal is handled by the Environmental Protection Department. The company has developed and approved a program for handling hazardous wastes. According to it, the work is carried out in two directions: direct utilization and sale of waste.

Since 2014 AGROCOM GROUP has been the general partner of the Rostov handball club, and Ivan Savvidi has been the Head of its Board of Trustees. Beside, handball, AGROCOM GROUP also supports the "Rostov" football club. Thanks to the corporate sports contest "League of Seasons", which AGROCOM GROUP conducts for its employees, the male employees of the company can not only root for their favorite teams, but together with colleagues kick the ball across the football field and stand in the goals.

The global economy is in search of a new development paradigm. And the factors that will determine the global world order of the 21st century depend not only on the resources of this or that local economy, but also on strategic partnership between countries. In St. Petersburg, at the international Economic Forum, Greece was officially named Russia's strategic partner. Ivan Savvidi says that he is deeply convinced that the basis of the strategic alliance should be the common mentality, history, age-old ties between our peoples. Last summer, a product from Mount Athos, Greece appeared on the supermarket shelves. The unique olive oil is almost completely hand-made by monks from olives grown in a special natural and spiritual microclimate. The finished product is delivered in small batches from the monastery to the courier car, which carry the oil to the airport. After a few hours in flight, it turns up in Rostov. Due to the lack of intermediaries, the price of the oil in Rostov is similar to the cost of this product in Greece.

The goal of AGROCOM GROUP is to become a modern profitable company, to increase its presence in new freeing markets, and to build up its influence within our country.

A few years ago, Ivan Savvidi bought the tobacco factory SEKAP in Greece. The production began to grow, sales abroad have increased, the company has entered new markets and is preparing to begin operating in the markets in Africa and Central Asia. The company management also believes that their main weapon is a new patented bio filter that can open the Japanese market to it.

AGROCOM GROUP employees can not only work successfully and fruitfully, but also rest nicely. The company holds the corporate competition and the best employees have been awarded trips to Greece.

The competition helps to unite the staff of the enterprises, increase the creative initiative of each employee, create high motivation and increase responsibility for the results of their work. One of the key tasks is to identify the best employees at the enterprises and spread their professional experience within the company.

Ivan Savvidi also heads a charitable foundation. I. Savvidi Charitable Foundation and the University of Athens, named after I. Kapodistrii, have agreed out the long-term cooperation. The Foundation helped the university's Department of Slavic languages, which was threatened to be closed due to financial problems.

The Foundation implements a number of charitable projects, which promote progress in education, science, sports and culture. [4]

### **Conclusion**

Globalization of the modern world invariably covers such areas as politics and economy. Its influence on the politics is expressed in the weakening of national states, development and growth of world organizations (such as the UN, WTO, NATO), etc. Today, with the help of such world organizations, further globalization is carried out. Thus, globalization is a multilateral and large-scale process, affecting virtually all countries of the world. Globalization is aimed at uniting culture, politics and economy of all states into a single whole, thereby giving people equal and beneficial rights in the society.

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