

THE PARADOX OF GLOBALIZATION WITH FOCUS ON GERMANY AND EUROPE

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Abstract. *Globalization has become a frequently used notion in the applied social sciences and a catchword for the media and politics. It has been applied to refer to the development of supranational and multinational institutions, to explain major shifts in the nation-state organization, to elucidate transformations in the global market, and to describe the rebirth of diverse national and minority cultures. Nevertheless, the various connotations of globalization as observable fact are certainly not exhausted by the given examples and there seems to be no consensus among elite researchers about how globalization can be precisely defined. This synthesis focuses on certain challenges of global competitiveness by showing sequences of the case of Germany. It is a federation that powerfully shapes the EU as well as the paradigm of globalization with a human face and vice versa.*

Keywords: *Germany, Bretton Woods, world order, globalization, EU, neoliberal thinking, imperialism, colonial powers, cosmopolitanism, neocolonialism and democratic state.*

Globalization is currently an omnipresent subject in mediatised public discussions in Germany, which shows the ever-increasing meaning of this occurrence with strong economic, social and cultural connotations as notion. Despite the fact that specialists are approaching the process and concept of globalization from several scientific sides, it can be observed that even before the financial crisis of 2008 people have had several doubts and fears concerning the issue. One of the main results of globalization is that it has generated a worldwide increase in living standards, but this expectation was accomplished only

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partially until today. Usually a variety of unfavourable and favourable versatile transformations are attributed to the special effects of this phenomenon, without trying to track the politico-historical outset and the context in which this observable fact has developed.

The Allensbach Institute¹ made an inquiry by 2006 that underlines the increasing scepticism of Germans toward globalization. According to the study, the number of people who were expecting more dangers as chances in globalization has almost doubled from 1998 to 2006. This is a high growth in comparison to the results of the end of the 90s as people estimated the advantages and disadvantages of globalization to approximately half-and-half. Thus, it is to observe that globalization can represent frustration for several people and that in a Western industrialized state as Germany.

Survives concerning the mood of Germans² related to further internationalization are reflecting high disagreement on this intricate topic. Moreover, particular debates about globalization are shaped by the fear of potential risks³ and invited experts are full with arguments to counteract or attack any adverse effects. Therefore, the concept of globalization is frequently associated with negative circumstances as massive job losses, outsourcing of professionals, offshore of companies, rising work hours and increasing international competition. Furthermore, certain experts are continuously emphasizing on the wide-ranging benefits of globalization for the German economy. Nonetheless, the more positive views are often shifting into the background in the public perception or these are nowadays already taken for granted by the majority of the local population.

It seems that globalization is now ever-present in current quotidian life because it is everywhere in the media and is impossible to simply quit the process; however it is still possible to shape certain effects of it. Indeed, not only Germans, but all nations and entities are affected by the many-sided changes generated by globalization. Nevertheless, Germany is seen as the prototype of a highly harmonized and regulated market economy.

¹ Source: <http://www.ifd-allensbach.de/>

² Source: <http://www.jjahnke.net/rundbr112.html#3299>

³ Source: <http://www.zdf.de/wiso/ttip-risiko-fuer-mensch-und-umwelt-38077134.html>

The fact is that West Germany experienced particularly strong economic and industrial performance after World War II. This high-productivity, high-wage, high-value-added and high-skill sample lasted to the middle of the 1970s, but the collapse of the Bretton Woods system, the oil crises of the '70s has led to decline in the West German economy. There was certain improvement in trade and industry in the 1980s, but economic difficulties became visible again by the integration of the socialist East German system after the '90s.⁴

Economic growth has been low and unemployment very high, but since 1995 the political structure has been secure and quite balanced. Germany has a federal system but employment relations policy is standardized across states, which is in contrast with the Canadian or the American structures. Furthermore, the country has a comprehensive welfare system focused on occupational status and the insurance principle. Employee interests are organized in a dual structure in the German employment relations system: co-determination at the workplace and company levels as well as collective bargaining at the industry level. On the one hand, a minority of employees are enjoying this representation; and this dual system is gradually eroding, on the other hand. The number of industrial controversies is rather low due to the strong centralisation of the system, the high degree of collaboration and confidence, and the alternative dispute resolution mechanisms.⁵

Subsequently, there is a slow shift towards the Anglo-American liberal market economy model. This could be confirmed by the decentralisation of collective bargaining between conflicted parts, more flexible work practices, and the increasing focus on investors' interests. Nonetheless, a complete convergence seems to be unlikely. There is a major social dissatisfaction among the German population because many people think that due to growing worldwide competition there will be greater job losses as ever before. Workers are quite negative about promises and estimations that new jobs will emerge through globalization. Moreover, there is a high uncertainty among the population because of growing wage and

⁴ Abelshauser, 2011, 14-169.

⁵ Abelshauser, 2011, 169- 201 and Bamber, Lansbury, Wailes, 2010, 218- 302.

income inequalities. Several people are afraid about a possible breakdown of the German social system.⁶

Therefore, following questions are arising: How could one grasp the concept and the history of globalization? What are the particular risks and opportunities brought by globalization for the German economy? Are there emerging sufficient new jobs in order to compensate the losses on the domestic labour market? What is to be done in order that all Europeans can benefit from globalization? Do we need to introduce additional social compensations and minimum wages to make globalization more equitable? One could dissect globalization by several additional interrogative approaches but these questions are relevant in the context of the exodus of German companies in low-wage regions. One of the accompanying effects is the massive loss of regional workplaces. The answers will show the diverse ways of looking at a global problem in the following sections.

The importance of the phenomenon that is globalization is below to be stressed as its impact will be experienced for many years to come. Financial difficulties of one state can spill over speedily on the global market, because of the increasing interconnectedness of national economies. (Please see Figure number 1.) Globalization can indicate the health of a country. It could be that process by which the nations of the world will be unified into a single society. The integration of national markets into the international market mainly happens by trade, migration, foreign direct investment, capital flows and spread of technology. (Please see Figure number 2.) Criteria for measuring globalization could be political engagement (foreign aid, treaties, organizations and peacekeeping); personal contact (including telephone calls, travel, and remittances); technological connectivity (number of internet users, hosts, and secure servers); and economic integration in worldwide systems (foreign direct investment and international trade).

Recent impacts of globalization in Germany

The main pillars of German economy are especially the industry and the service sector. GDP shows that Germany is the leading economy in Europe and the fourth biggest in the world.

⁶ Bamber, Lansbury, Wailes, 2010, 17- 218.

„The eurozone's languishing economy is getting help from an unlikely supporter: the German consumer. A detailed breakdown of Germany's gross domestic product in the fourth quarter of last year shows a strong spurt in consumer spending on the back of low oil prices, a strong job market and low interest rates. German companies are also ramping up investment.”⁷

In addition, the country is permanently mentioned among the major exporting nations and has a well-trained workforce. These developments are indicating that the country is definitely a winner of globalization and it continues to put on the market top quality products and it exports brands of its own economy all over the world.⁸ Although the key business partners are industrial countries due to the global openness and networking, there are additional partnerships with developing countries and even other states. Nevertheless, as indicated above, this phenomenon is not a recent development of our times because humans practiced expansion and trade for thousands of years. Goods have been commercialized across boundaries throughout ancient civilizations, going back beyond the “Silk Road”, which back then linked the Eastern with Western world from China (Xian) to Italy (Rome). The North-South enlargement of the “Silk Road” coupled India to this pivotal trade route. The North-South trade caravans of Africa were as significant as well in this ancient business system. It follows the examination of certain causes of globalization.

Such an intricate emergence as globalization cannot be overviewed minimally. One direction is to consider several causes and implications. However, it is quite complicated to depict the main cause-effect relationships as the notion itself often changes its meaning in between, thus it is highly context-sensitive. This is maybe the only circumstance on which everyone would agree on globalization, because further details and backgrounds are still highly disputed even among scientists. Therefore, causes and driving forces are changing in relation to what kind of meaning of globalization is taken as starting point. Accordingly, there is no complete list of causes and reasons. Even so, here are some of the

⁷ Source: <https://www.gfmag.com/global-data/country-data/germany-gdp-country-report>

⁸ Source: <http://www.handelsblatt.com/politik/konjunktur/nachrichten/ifo-institut-deutschland-mit-hoherem-exportueberschuss-als-china/9329150.html>

most addressed roots: internet technology, low costs, growing speed of transportation, the end of the Cold War, liberalization of markets, global matters as migration and environment.⁹ Max Roser states that „data shows that international trade has a history with four distinct parts. In the long period of pre-modern worldwide poverty international trade was very limited and grew only very slowly. Technological advances, especially in the communication and transport sector, and political liberalization revolutionized the international economy and made the first wave of globalization possible – until 1913 world wide trade grew by more than 3% annually. The decline of liberalism and the rise of nationalism around the beginning of the First World War brought political powers to the front that chose protectionism instead of internationalism and world trade slowed down. The fourth part of the history of world trade started when protectionism gave way to the second – and still ongoing – wave of globalization after the end of the Second World War. Since then world trade has been growing rapidly and more and more countries turned away from isolation and opened to liberalism and internationalism.”¹⁰ (Please see Figure number 3.)

Besides, the grounds of globalization can also be searched in the improvement of contemporary information and communication technologies. Undoubtedly, technical innovations have played and still play an essential role in our modern life. Internet provides a variety of information and communication facilities. It is made up by various interconnected digital networks, thus, news and other information are quickly accessible on transnational tracks. Accordingly, educational knowledge is now over economic policies, production methods, export markets, management techniques and it is practicable at a very low cost. World Wide Web and Web 2.0 represent a valuable resource for the developing world and learning communities with very limited means. Internet is in many respects one of the key emblems of globalization.

⁹ Source: https://www.tcd.ie/Economics/TEP/2002_papers/TEPNo1KO22.pdf

¹⁰ Source: <http://ourworldindata.org/data/global-interconnections/international-trade/>

Furthermore, the acceleration of globalization should be associated with the massive growth of worldwide commerce,¹¹ since the costs of transportation and travel decreased promptly and goods can be delivered more rapidly and all over the earth. In addition, one has to consider the high flexibility of international economic and capital flows, which can be transferred to any location of the planet within seconds. Items of trade are globally transferable and are subject to standardised world market prices. Globalization of financial markets, the transfer of unthinkable amounts of money within a few seconds around the world or the organization of integrated production at transnational level would be impossible without the developments presented in the above. This is especially true if considering the service sector, for instance, software products or information databases can be transmitted rapidly from one end of the world to the other. The end of the Cold War has been repeatedly mentioned as one of the causes of globalization as well. (Please see Figure number 4.) The world was divided between the east and the west into two sides, which two conflicted parts maintained very few relationships with each other, but finally the Iron Curtain disappeared in 1989/90. (Please see Figure number 5.)

Global struggle also played a particularly important role - especially at the level of consciousness. The proofs for this direction are several publications, such as "One World". However, the successful management of global troubles involves the internationalization of certain national guiding principles by fostering the further improvement of a global consciousness. Organizations as Greenpeace and Amnesty International are dedicated to vital global issues such as environment or human rights. Thus, transnational organizations are some of the global players. This development clearly shows the beginnings of a new global society.

The production factor of labour will be examined as a further point for this subsection, because globalization process seriously affects the working conditions in Germany. Despite harsh protests organised by trade unions, corporate companies gradually reduced the rights of employees during the last years

¹¹ Total world trade volume in products and services increased from \$7.6 trillion in 2000 to nearly \$14 trillion in 2007. Source: https://www.wto.org/english/tratop_e/tratop_e.htm

and people are working harder and in between for much lower wages as before. The rights of workers are decreasing and obligations are growing ever more. Recent research shows that current tendency concerns a significant increase in the profits of businesses, which occurs by raising financial pressure on employees. The head of German Trade Unions, Dierk Hirschel confirms this information.¹²

It follows a short overview of employers and their associations. German Unions were mainly founded after WWII according to the international guidelines of unitary unionism and industrial unionism. The organisational structure of unions was stable until the mid-1990s when shrinking membership was suddenly decreasing because of financial resources and structural changes. This has led to a flurry of merger activity and lobby in Bonn, Berlin and Brussels. Today there are eight¹³ powerful German associations all united in the DGB. Industrial associations engage in collective negotiations for workers rights whilst the peak federation, the DGB is responsible for complex political dealings.¹⁴

There are three types of interest organisations in Germany: chambers of industry and trade; autonomous employer unions that are interfering in employment relations, collective bargaining and social policy: an umbrella organization in this respect is the over strong alliance of the BDA; - business or commercial federations represent more universal business, product market interests and lobbying: the chief association in this respect is the BDI. Certain characteristics of these top federations are that membership density is estimated to be quite high but as real representation of participants was getting weaker also membership has declined in the last two decades. Associations have been losing members since the 1990s and density was at all-time quite low of nearly 25 % by 2006. It does not mean that these organizations could not mobilize more people if it is needed. However, huge membership

¹² Source: http://www.axel-troost.de/article/2650.macht_preis_und_profit.html

¹³ The names of eight German unions are as follow: IG Bauen-Agrar-Umwelt; IG Bergbau, Chemie, Energie; EVG- Eisenbahn – und Verkehrsgewerkschaft; Gewerkschaft Erziehung und Wissenschaft; IG Metall; Gewerkschaft Nahrung-Genuss-Gaststätten; Gewerkschaft der Polizei; and ver.di – Vereinte Dienstleistungsgewerkschaft. Source: <http://www.dgb.de/uber-uns/dgb-heute/gewerkschaften-im-dgb>

¹⁴ Source: <http://www.dgb.de/uber-uns/dgb-heute/gewerkschaften-im-dgb>

losses also contributed to a decline in union bargaining capability and the reinforcement of a key non-union segment. The union membership is concentrated amongst full-time, skilled, male workers in the manufacturing and public sectors. There is an attempt to counteract huge membership losses; - thus, certain associations permit companies to join in without being liable via collective agreements. Associations have to organise groups who are under-represented in membership, thus, women, young people, and highly skilled, foreign and white-collar workers in order to strengthen their position on local, federal and global levels.

Employers' unions that are in charge for collective bargaining represent various enterprises according to special industries as well as communal, local and federative levels. Generally all member businesses have to stand for the collective agreements that their employer association represents upwards and outside within the association. This type of scheme has generated much discontent amongst small and medium sized enterprises (SMEs). Multinational corporations still have an extraordinary unofficial status by largeness and open networks, which is growing in official businesses by dealing within the framework of legal monopolies and new brands. The counteracting of unions to these shaping influences with socio-economic and legal balances can work, but it is an ongoing experiment according to changing global requirements, economic competition and business trends at local company levels in practice.

Hans-Werner Sinn, president of the Institute for Research in Munich thinks that competition of Eastern Europe and globalisation are reinforcing current inconveniences, which is reflected in labour productivity and quality of goods.¹⁵ The large German corporations are continuing to adjust to the harsh rules of global competition. Employees from the metalworking industry are expected to work even 50 hours per week in the near future that in fact means six days from seven. Moreover, Martin Kannesiger (Chairman of the companies in metal industry) even suggests workers to give up some free days from the free period

¹⁵ Source: <http://www.wiwo.de/politik/deutschland/arbeitsmarkt-unternehmer-setzen-auf-osteuropaeer-seite-3/5262206-3.html> and http://www.focus.de/politik/deutschland/mindestlohn-einfach-zu-billig_aid_210131.html

assured by law in Germany.¹⁶ One related study published by the Bank of America concludes that in the world of globalization, employee representatives must understand that wages and working conditions will no longer be negotiated at macroeconomic levels. German employers regularly extend collective agreements to every employee in which they are trying to avoid providing reasons to workers to enter into influential associations.

The apparatus of state is Germany's principal employer. However, public sector employment has been declining since 1995 and the financial crisis of 2008. The government could have managed economic downturn as Keynes proposed to the U.S.A. in 1944 by pushing the Europeanization of economic institutions further. They should have created a strong European treasury that can recycle surpluses around Europe. However, this was the "American way" of the U.S.A. Fed and Treasury across the entire country. Examples are: the support of military bases in the South that were spared from the direct effects of the economic crisis, the subvention of national benefits, pensions and the creation of huge public works projects. Nevertheless the U.S.A. chose voluntarily to also help the reorganization of Europe after 1945. Moreover, Keynes's international economic regulatory institutions were reconditioned by 1944 by Washington. America has recycled its financial surpluses by giving credits to countries in need to offer them the possibility to buy products and induce productive economic power of their own interests as well.¹⁷ In comparison Germany counteracted the financial crisis of 2008 on European levels with strict cost-saving measures. It burdened bankrupt governmental budgets and economies with more obligations coercing them to contract their output by prioritizing debt reimbursements over investments, which encourage workplace creation and consumption demand. Now turn back to the domestic levels.

¹⁶ Source: <http://www.dw.de/globalizarea-afectez%C4%83-grav-condi%C5%A3iile-de-munc%C4%83-din-germania/a-2631672>

¹⁷ Financial assistance of the U.S.A. has manifested in the following: Marshall Plan (1948-1952) – aid to Europe by lowering of trade barriers; giving grants, loans, technical aid; overall it helped America's economy, but also Europe (For instance see in France: les trentes glorieuses; Germany: Wirtschaftswunder).

Employment relations in the public sector are characterised by the distinction between civil servants and public employees with quite different conditions and stipulations (status). Furthermore, privatisation of national utilities and of East-German state-owned enterprises has had a number of impacts on employment practices. There are contradictory developments in this respect: collective bargaining used to be highly centralised for all employers is currently counteracted by decentralisation at the regional level and it is very probable that this tendency will be continued by Berlin. Governments have repeatedly amended the legislation of then to create more flexibility in order to declare industry wage agreements as binding for all employers.

Germany, as other European states as well was/is inclined to decentralise collective bargaining patterns. Conversely, the course of action has been qualitatively different to other countries. Experimental legal amendments have become the main tool of restructuring since the 1980s. This made possible for enterprises to disagree or vary from some requirements, which were compulsory provisions within the industry-wide collective agreement. Dissimilarities have to be discussed among employers and works councils at corporation levels. Furthermore, results must be integrated in labour contracts. Subsequently, works agreements are of growing importance. Ultimate judgements about essential matters have slowly but surely shifted to managers and works councils. This trend was going with the proportionate decline in the influence of employer associations and unions. Although, the official frames of industry wide collective negotiations remained integral but its functions and effects were considerably changed. Employers and their networks have demanded more flexibility since the early 1980s. Let's see below what this flexibility issue in German terms means.¹⁸

Flexibility can denote functional flexibility, temporal flexibility or flexibility in wages and salaries and flexibility in the forms of employment. However, functional flexibility is not a central objective in collective bargaining for the reason that the dual system of vocational training offers young people a wide choice of acquisitions. The dual system of vocational training involves apprenticeships and training at German vocational

¹⁸ For the section of above please see: Eßer, 2013, 1-17.

schools and enterprises. This synchronized educational scheme has mainly contributed to Germany's high-skill and high-wage pattern in order to gain competitive advantage over other countries. Temporal flexibility has been a key collective bargaining concern, with unions by winning reduced working hours by 1984. Moreover, employers were resisting to further reductionist measures. Ever afterwards, working hours have been designed more flexible at regional level. Besides, individual working-time accounts have been introduced for the majority of labourers. However, effective working times are nowadays much longer as before, whilst part-time work has increased to more than one third of the labour force (it is possible to have more part time jobs simultaneously).¹⁹

Additionally, the growth of irregular employment was boosting the tendency of segmentation on the labour market. It is segmented now into a core part, unionised and legally protected subdivision and a peripheral random and highly exposed subunit. This circumstance has led to a polarisation about working time frames and the functions of private job service. Businesses of temporary work agencies (TWAs) with official job centres and MNCs have generated heated debates in the German media. Labour's share of the national income is currently at all-time low. Moreover, income inequality between low- and high-paid employees has massively increased. Flexibility in forms of employment has risen, as presented in the above by the growth of uncharacteristic employment forms such as: petty employment, part-time, temporary work and fixed term contracts. The inevitable repercussions of these transformations in the practice of employment affairs are still in progress at regional levels.²⁰

On the one side, it is fact that the role of the German Federal Government is decisive in such labour policy developments, but the social partners are engaging in collective negotiations without active state interference, on the other. This is the principle of "free collective bargaining". Industrial actions and lobbying are strictly prohibited during the term of an official negotiation. However, social partners have a high degree of freedom to establish their own structures and connections. For example: mediation agreements are created in from of voluntary

¹⁹ Ibidem, 23-35.

²⁰ EBer, 2013, 14-20, 31-41.

negotiations between social partners without the intervention of the state. Nevertheless, the state has played an active role during corporatist arrangements, which culminated in late 1960s and 1970s. Currently, the German employment relations are characterised by a high degree of juridification. Examples in this respect are: - the Basic Law of Germany that guarantees the right to freedom of association; - the Works Constitution Act that regulates how an employer and a works council has to interact at the plant level; - the Act on Collective Agreements, which regulates collective bargaining; - and various Co-Determination Acts that are regulating how an employer and employee representative has to interact at the company-level and in decision-making board reunions. Co-determination is the key feature of employment relations in Germany, based on the idea of industrial democracy and cooperation, which also can have repercussions by taxation strategy.²¹

Accordingly, co-determination at the workplace level involves a specialised structural system. Rights are ranging from information, through consultation to binding co-determination and strong veto privileges, but these civil liberties are varying from case to case. Labours councils have a set of rights divided in three main parts including special issues as: - staff matters; - economic and financial affairs; - and social topics. The Works Constitution Act does not apply to very small enterprises or public sector employees and only moderately covers nonfarm payroll employments (NFPs) and Non Government Organizations (NGOs) type structures. Furthermore, there is a fully autonomous and expert organization of labour courts that effectively operates at local (communal), regional and national levels. Nevertheless, works councils are autonomous and separate from the association and are supposed to be standing apart from wages and income distribution affairs. However, there is a huge interference in practice between the actions and the partisanship of unions and/or works commissions. The establishment of works councils is quiet complicated, as their election must be requested by employees in several companies. For instance, one half of all private sector employees are not enclosed in particular work councils.

²¹ EBer, 2013, 14-20, 21-36.

Consequently, there is a growing gap in socio-economic representation.²²

Works agreements which are negotiated between employers and works councils on the basis of these special rights cannot disagree with industry-wide collective agreements. There are three kinds of collective agreements: - umbrella agreements that regulate all other conditions of employment, such as working time, overtime and paid or unpaid holidays; - usual wage agreements that adjust the level of wages and their periodic increases; - and framework agreements, which denote wage payment systems. Collective bargaining takes place at regional and industry levels, for instance, between the union being associated with its specific industry and the regional branches of an employer association. This construction has led to a pattern bargaining chain. Thus, pilot agreements in the metal and electrical industry are relocated to other regions within the same industry or other sectors also in quite different industries.²³

However, industrial negotiations are usually industry-wide within a certain region and are centrally controlled by employer associations and unions. The number of industrial disputes in Germany is quite low in comparison to other states. This is because of the former high centralisation of the collective bargaining system, the high degree of cooperation and trust that is generated through co-determination as well as the existence of alternative dispute resolution mechanisms such as conciliation and labour courts for disputes about legal provisions. Lockouts as well as strikes are legally allowed. Unions take ballots before a strike, and the votes are prescribed by union rules, not legislation as in some other countries. Nevertheless, only conflicts about the requirements and terms of recent collective contracts can be subject to legally approved industrial actions.²⁴

Alternatively, certain enterprises are secretly avoiding current collective agreements: in the way that they do not comply with certain provisions of the contract despite being legally obliged to implement decisions. The coverage rate of industry-level agreements has declined to a critical juncture as less than 58% of employees in western Germany. Around 35% are in fact

²² EBer, 2013, 14-20, 16-50.

²³ EBer, 2013, 14-20, 11-28.

²⁴ EBer, 2013, 14-20, 19-48.

integrated by industry agreements in the eastern part of the country. Several companies bargain enterprise agreements with associations outside the industry-wide contractual form. It is to observe that there is a moderate level of centralisation with well-coordinated collective negotiation strategies. There are narrow wage differentials, although in recent times it has been a widening. Bargaining coverage has decreased in recent years and unions in some industries are struggling to secure adequate wages. This has led to the appearance of the working poor labourer image and related highly mediatised debates about the introduction of a compulsory minimum wage. Germany has commenced with experimental legal implementations to initiate a federally-mandated minimum wage by July 2014. The main act was coming into effect on 1 January 2015. Thus, Germany becomes the 22nd European country with federal minimum wage by having a € 8.50 per hour standard. However, there are a lot of special amendments and exceptions. Therefore, it can be stated that social partners (role of the SPD) conditionally succeeded to expand the minimum wage conditions at industry level. There is now a statutory national minimum wage in Germany, but before this measure, the historically extensive collective bargaining coverage provided the protective netting for workers.²⁵

Consequently, the long-established remarkably integrated, well ordered, dual educational system is slowly eroding today in Germany. The restructuration of the main institutions and bureaucratic rules of the German system in the early 1990s have generated better deviations in employment relations and practices. Moreover, there is a growing similarity to the Anglo-American pattern, but currently it still remains a rough approximation. Devolution of authority influences is the key balance of power tool between unions and employer associations. Finally, it can be stated that employers and works councils have considerably changed in the last three decades, because the scope of bargaining at the company level is now much larger as before.²⁶

²⁵ Eßer, 2013, 15, 20-72.

²⁶ Eßer, 2013, 60-72. and for the entire unit please see primary documents:
Source: <http://www.verfassungen.de/>

The creation of the Bretton Woods system²⁷ and its breakdown

Certain aspects of economic globalization are optimal to show the agent-centred sides of global developments. Fundamentally, it represents a conscious and determined change of systems in search of a new global economic structure, which could not have been put into practice unless there would have not existed a strong-minded international consensus in its favour. The World Economic Forum was one of the main platforms where the process of globalization was initiated and propagated. Furthermore, there were powerful political structures behind the idea of globalization such as Thatcher's cabinet in the UK or the Reagan administration in the USA. This is why globalization is often named as Thatcherism or even as Reaganism in public debates. Moreover, the more stabile German political line practiced by chancellors of the Bonn era have early recognised that is crucial to interpolate their country in emerging worldwide structures. Positive directions in this respect were the German reunification of 1990 with its international implications, the propagation of the concept of the Western Balkans (respectively intensive politico-military engagement for the independence of Kosovo) and the new image of the country as global export champion. The bases of these developments were made around 1947 as the results of several international negotiation rounds were successfully institutionalized. This is the birth moment of the World Bank Group, International Monetary Fund and International Chamber of Commerce (ICC) that is the successor of the General Agreement on Tariffs and Trade (GATT). The evolution of cooperative global trade agreements shows the following bigger picture: the International Trade Organization (ITO) agreed upon Bretton Woods (1944) but the decision was never ratified by the U.S.A. GATT agreed upon in Geneva and was adopted by 23 countries in 1947. The purpose was to provide

²⁷ Allies are meeting to set up postwar economy at the conference in New Hampshire. Results were: currencies are pegged to the price of gold; the U.S.A. held back then two-thirds of the world's gold supply; essentially, Washington was fixing the world economy to the dollar; and U.S.A. was the only creditor nation after WWII. It is important to mention the role of the IMF to compensate for trade imbalances of payments.

an international forum to encourage free trade among member states. The devices were the following: regulation and reduction of tariffs on commercialized products; provision of a universal instrument for dealing with different trade disputes. Its name was changed to World Trade Organization (WTO) on January 1, 1995 and it was based in old GATT offices in Geneva.

However, GATT was the precursor of the WTO up to 1995. Its objective was the promotion of worldwide commerce by reducing tariffs and removing additional foreign trade restrictions. It had the status of a specialized agency of the United Nations (UN) being replaced by the WTO. It continues to supervise and liberalize trade among 161 member nations since 26 April 2015.²⁸ It principally deals with the regulations of trade between different nations, negotiates and implements new commercial rules. Furthermore, is in charge of policing member countries' compliance to the entire WTO contracts. Its key functions are to manage WTO trade agreements; to organize a forum for trade negotiations; to deal with trade disputes as it has the power to put into effect decisions; to monitor national trade guidelines and if there is a country found in offending WTO conventions it is expected to modify course of action or otherwise it has to face sanctions. The first GATT agreement came into force on 01 January 1948.

GATT was organizing eight main international negotiation rounds till its substitution. The very last one was the Uruguay Round in 1986-93. The Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement was completed as part of the GATT Uruguay Round. It was a modernization of the basic treaty by guaranteeing that patent protection does not obstruct developing countries' right to use reasonably priced medicines. This was at the top of the list of items to be agreed upon. The objective of consultations was the further improvement of elimination of trade barriers by a range of contractual compromises. WTO's ninth round was called the "Doha Development Agenda" or the Doha Round was launched in Doha in Qatar in November 2001. It smoothed the progress of the way for China and Taiwan to get full partnership in the WTO. The interim arrangement of December 2005 to end farm export subsidies by 2013 seemed to prevent the collapse of the round of

²⁸ Source: https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm

talks, but it didn't happen as such. Finally, the Doha Round discussions are considered to have failed as of August in 2008.

Subsequently, to only name one striking example the average custom duties applied to industrial products decreased from 40% to around 4%. There is an additional crucial institution which has to be named: Organization for Economic Cooperation and Development (OECD). The above mentioned organizations all together represented the Bretton Woods system that is commonly understood to refer to as the international monetary regime that predominated from the end of World War II until the early 1970s.

The name of the system comes from the site of the 1944 conference (Bretton Woods, New Hampshire). It was the peak of some two and a half years of hard planning and negotiating of postwar monetary redevelopments. Key figures behind the scenes were the Treasuries of the U.S.A. and the U.K. They created the International Monetary Fund and the World Bank. It is the first historical example of a fully negotiated monetary order that was designed to coordinate currency relations among sovereign countries. Theoretically the new regime was founded to reprocess and unify the existent legal obligations within the international multilateral decision-making frame. This was managed by the parent organization, the IMF, vested with legally restricted supranational official duties. In actual fact, the original design, as well as its subsequent implementations and ultimate demise, were determined by the preferences and various strategies of its most forceful participant, the United States of America. Although all forty four allied nations were present, and also the neutral government of Argentina, the bargaining phase of the conference was considerably shaped by two competing schemes. These were designed by John Maynard Keynes of Britain and by Harry Dexter White of the U.S.A Treasury. The agreement that finally emerged was much closer to White's proposal than to that of Keynes, reflecting the vast authority of the U.S.A by taking into account that World War II was drawing to an end.²⁹

Thus, pointedly the talks of Bretton Woods can be also viewed as the confrontation of two economic ideas that of John Maynard Keynes and Harry Dexter White. The main question

²⁹ Source: <http://www.welt.de/finanzen/geldanlage/article128861625/Der-geheimnisvolle-Deal-der-Amerikas-Macht-festigte.html>

was: Should recycling of US surpluses be institutionalized at the global level or rather left to the decision of America? On the one hand, Keynes wanted to create world institutions for guaranteeing wealth transfers, thus, recycling. This was similarly with how the U.S.A. proceeded internally with its federal states and very dissimilar to that what Europe does today because it refuses to create such kind of institutions. On the other hand, White searched to preserve the discretion of America to recycle its surpluses abroad. However, the official agenda was full with issues to prevent postwar recession in the U.S.A. by trying to find the best solution to recycle abroad its excess supply of products. Washington offered bankrupt states with no financial credit the means to pay for American commodities and services. Despite its refusal to participate in intercontinental economic institutions with autonomous economic power, Washington prefers to enthusiastically recycle its surpluses. The main results of Bretton Woods were the following: it fixed the dollar to gold, then world currencies to the dollar; several states were now at the mercy of resolutions made in New York and Washington concerning worldwide capital movements; multi-billion of dollars flow in European countries and somewhere else in the form of aid, loans and investments assuring financial resources to credit users in order to purchase American merchandise. Simultaneously the conference also established the IMF in order to assist in the development of a multilateral method of payments concerning current banking operations among member states and to remove foreign exchange restrictions. Further tasks were the promotion of international economic cooperation and systematic trade measures. Finally, it was the supervisor of the expansion and balanced intensification of international commerce.³⁰

The significance of the international political economy of the Bretton Woods system mainly lies in the incentive that it gave to the later improvement of official regime theory. The system as such was principally a well intended establishment. It was properly negotiated and it was institutionally “personified” in a joint organization: the IMF. Intercontinental regimes, which operate as a kind of power machinery among independent states, are usually defined by a set of implicit or comprehensible principles, norms, set of laws and core executive actions around

³⁰ Eichengreen, 2011, 12-47.

which actors' prospects have to meet in a given framework. The setting of the system's origin and functional phases opened researcher's valuable material for measuring the comparative significance of dissimilar variables in fostering or impeding trade as well as industrial collaborations among dissimilar administrations.³¹

Apparently, Bretton Woods is a proof of the key role of some kind of politico-economical authority in determining the planning and improvement of transnational systems, giving rise to the so-named hegemonic stability assumption. The supremacy of the USA in the talks at the wartime forum seemed to validate the crucial weight of hegemonic assistance in the early configuration of emerging global regimes. Thus, Washington's presumption of steadiness for stabilization after the warfare seemed to confirm the successive and long-term desire for another type of authority in order to defend trade interests, industry and economic strength – if necessary. Similarly, the destructive consequence of less well-organized implementation of authority could be seen in the destabilizing energy of Washington's benevolent ignorance of its steadiness of expenditures just before the end of the Bretton Woods period. As Richard Milhous Nixon comes to power in 1969 there were high running deficits rather than surpluses. Moreover, he has had to counteract a continuously growing inflation. Because of such negative cyclical trough, President Richard Nixon ended the dollar's convertibility to gold in 1971. However, it took another two years until the Bretton Woods system completely ceases to exist. The dollar becomes fiat money as the Federal Reserve Bank and Treasury decided how much to print. Although the dollar was no longer backed by gold, several countries were still pegged to it. The Bretton Woods system became completely operative as currencies became convertible in 1958. Countries established international balances in dollars, and American dollars were convertible to gold at a fixed exchange rate of \$35 an ounce.³²

Between 1971 and 1999/2000, the U.S.A. was trying to make different maneuvers within world market frameworks by trying to push back running high debts. Many governments, the trade sector and millions of consumers have accumulated high

³¹ Eichengreen, 2011, 45-57.

³² Eichengreen, 2011, 50-197.

debts. The financialization of the economy happened in the following way: debts became tied to assets in doubtful financial packages. These instruments have created new kinds of money and the capitals of banks were based on massive but well-hidden deficits. How did that happened? The double-cross now was to reprocess other countries' payment surpluses through the Wall Street rather than recycling the American surpluses overseas. The huge profits made in other producer units as the result of American consumption have found again their way to the Wall Street. Here, they got integrated in various financial devices that in actual fact were hiding accumulated debts. Furthermore, many Americans citizens went into debt to buy those goods coming from abroad. As a matter of fact, debts and deficits themselves become a minus amount money among banks, which were trading with them in well camouflaged financial junk packages.³³ Examples of strong currency fluctuations are the Mexican meltdown of 1995 or the Asian financial crisis between 1997 and 1999. The Asian financial crisis was caused by China because it devaluated its yuan. In comparison to the American dollar, the Thai baht has lost almost the half of its buying power. The spending capacity of the Malaysian ringgit and the Korean won dropped around 40%. The financial crises of Argentina (2001) and Brazil (2002) were also radical losses as Argentina suffered financially and lost about 40% of the purchasing power of its currency. This also affected Brazil's financial situation. The mortgage and credit meltdown of 2007/2008 has had severe global consequences until today. The destructive effects of these interim currency flows are in our time far more influential for exchange rates than an investment of German or Korean auto producer.

Less apparently the Bretton Woods system also brought confirmation of the long-lasting self-helpfulness of the regimes even after historical changes in the division of inter-state authority in relation to their roots or premature functions. Despite the fact that the decision-making position of Washington was finally destabilized in the postwar phase by the appearance of emerging economic and political competitors, financial affairs did not split

³³ Source:

http://research.stlouisfed.org/publications/review/91/05/Bretton_May_Jun1991.pdf

up in disorder, because they experienced comparable situations during the 1930s. Two centers, Washington and New York have had the responsibility to keep the price of gold fixed and have had to regulate the supply of dollars in order to preserve confidence in the future of the gold convertibility system. The Bretton Woods scheme was in function until constant US balance-of-payments deficits led to huge foreign-held dollar accumulations that were exceeding the gold stocks of Fort Knox.

Consequently, America could not fulfill anymore its obligation to reconvert dollars for gold at the established official rate. However, finally all that was involving the impressive crash of the whole system as the par value regime and the gold exchange standard were abandoned at the beginning of 1970s.³⁴ Furthermore, a considerable level of cooperation was conserved by the support of the IMF, which constantly executed its regulatory role by giving financial and consultative impulses to serious market participants. The regime's original values and norms persistently signalized control signals via different uncertain actions of national authorities. The IMF gives loans and fund's, thus, means for the interim to members under sufficient accountability, to help them to readjust their balance of payment difficulties and to lessen the level of disequilibrium in the global balance of payments. The main balance of payments categories are including: current account;³⁵ financial account (IMF) and capital account (economics);³⁶ official reserves;³⁷ and net errors and omissions.³⁸

The resources of the IMF are in SDRs whose value is subject to the weighted average of the American dollar, the yen, the euro, and the British pound. Foreign exchange and exchange rates are a quite complex issue. The well-known categories are: fixed exchange rates and floating exchange rates. The latter one is

³⁴ Eichengreen, 2011, 197-217.

³⁵ This category includes the balance of trade as well as net factor income (fees, interest, dividends) and also net unilateral operations from foreign countries.

³⁶ That means the increase in foreign ownership of domestic assets. More exactly the increase in domestic ownership of foreign assets (FDI) as well as portfolio investment and also additional investments.

³⁷ That encloses stock of reserve assets at a state's financial authority. More exactly: official gold reserves plus foreign exchange reserves as well as (IMF) SDRs and also any foreign means held by such issue banks.

³⁸ That means any necessary operational correction in the above three accounts.

generally free of governmental interventions, but some of them are managed by limited administrative interference. Corporations and firms are using hedging in order to avoid the risks of currency fluctuations. Thus, there are target exchange rates as well. The spot versus forward exchange rates line is an issue for itself. Since prices in the spot and the forward markets roughly constantly move in the same course by the same amount and there are boomers on both parts of expected future price fluctuations, the use of hedging is made feasible. The process of hedging involves engaging in two equivalent but converse transactions in the spot and forward markets at the same time.³⁹ However, there are many factors that have an effect upon foreign exchange rates. This can be random factors as unanticipated actions, collective panic of financial losses, terrorism, war, and catastrophes, to name but a few. Strong political factors are election campaign periods or sudden headship changes at governmental levels and severe exchange rate control by the state. The category of macroeconomic factors includes: balance of payments, foreign exchange reserves, economic growth, government spending, money supply growth, relative inflation and interest rate policy. Most production oriented countries are trying to keep a lower rate for their currency in order to encourage merchandise intended for export. This was/is the case of the German Federal Republic as one of the world export champions.⁴⁰ According to the CIA World Fact Book (data of 2007), the largest exporters and importers of the earth in the category of world exports were the following countries: \$14+ trillion Germany \$1.334 trillion; China \$ 1.217 trillion; United States \$1.149 trillion; Japan \$677 billion; and France \$548 billion. In the category of world imports (14+ trillion overall) as follows: United States \$1.97trillion; Germany \$ 1.09 trillion; China \$ 901million; United Kingdom \$ 617billion; and France \$ 600billion.⁴¹

³⁹ Example: transactions on the spot market: 4/02/09 bought 10mm £ - £10/\$, next move 6/22/09 sold 10mm £ - £11/\$ The result of the operation is: 1 £/\$ loss but concurrently in the other direction, thus on the forward market: 4/02/09 sold 10mm 5/31/09 £ - £9/\$ and 6/22/09 bought 10mm £ - £10/\$; the result: on this side is 1 £/\$ profit; however, the overall result of the transactions is a net result= +/- 0, therefore it is an optimal hedge.

⁴⁰ Source: <http://www.imf.org/external/index.htm>

⁴¹ Source: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2078rank.html> and

What was the worldwide effect of the breakdown of the system of Bretton Woods? Small countries experienced devaluation and severe debts. The IMF lends to weak countries in urgent situations, but with the condition that they cut public spending. But this stipulation shrinks their national economies. IMF helps to privatize public assets but these are often covered by scarce natural resources, then pays back credits with interest but now without the public assets or tax revenues of productive forces. Thus the main effects are: downward deflationary spiral and indebtedness. This involves the escalation of hostility among different groups, right and left wing power fluctuations can end in regional disasters. The clear answers to the regional financial crises are coming from the consumer that ends in low or marginal propensity to consume. Thus, institutional measures to the recession are quite different: to pull-out, to boost local procurements, to strengthen marketing in the region, to look outside the region for development opportunities, to maintain more sever inventory, to reconsider the product mix, and to focus on the value of a product.⁴² To avoid speculations against currency pegs, different foreign capital flows were strictly constrained. But the increase in foreign direct investment has also been supported by the struggles of a lot of national administrations towards multinationals. Businesses from various countries have expanded into new markets around the world in so doing they accumulated the stock of foreign direct investment (FDI) in latest thirty years. FDI is an investment in service facilities and production in a foreign country. Portfolio investment or indirect investment concerns investments in foreign countries that are promptly retrievable, for example as foreign bonds and stocks.

Above and beyond, the unwillingness of circles of Washington and New York to adjust American economic policy to maintain the gold peg and as well as President Nixon` decision to abandon the linkage to gold in 1971 have led to the disintegration of the fixed exchange-rate system. On the other hand, the Bretton Woods system was followed by a period (more as twenty years) of fast economic developments and a

<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2087rank.html>

⁴² Eichengreen, 2011, 200-230.

comparatively small number of financial crises, but in the end it proved to be too rigid to deal with such expanding economic powers as Germany or Japan.

Up to the present, both the IMF and World Bank⁴³ have survived all of the crises. Furthermore, today each of them individually has fierce critics and opponents, not least for their apparent control of the more prosperous countries. The IMF has been attacked for the provisions it ties to loans, which have been seen as too concerned with austerity measures and the obligations of creditors and too little worried about the interests of the disadvantaged part of the world. The World Bank, which has first of all concentrated on credits to developing countries, has been censured for failing to spot the societal system and ecological consequences of the plans it finances. It is not complicated to predict that either financial institute will exist around in another fifty years' time except if they really want to change to respond to the increasing influence of up-and-coming economic powers in particular China⁴⁴ or other unpredicted challenges.

A more positive effect is showed by the following short elucidation. The manifestation of the opportunity of stability in public regimes at global level, apparently in clash with the hypotheses of the hegemonic stability approach, could be a climax of all the Bretton Woods' originative effects for the formation and development of global political economy theory (GPE or IPE). International political economy is an academic discipline within political science that examines international relations and economics together. It is an interdisciplinary field and it draws on several individual academic schools, most notably political science, political

⁴³ The powerful institutions of the World Bank are: IBRD (1945) International Bank for Reconstruction and Development; IFC (1956) International Finance Corporation; IDA (1960) International Development Association; MIGA (1988) Multilateral Investment Guarantee Agency; and ICSID (1966) International Centre for Settlement of Investment Disputes.

⁴⁴ Let's see a comparative advantage example on China versus U.S.A case. Both have 1,000lh (labor hour) resources China has 5lh bred, 2lh torchlight; U.S.A has 1lh bred, 5lh torchlight. Without trade: China has 100 bred plus 250 torchlight; U.S.A. has 500 bred plus 100 torchlight. The overall sum is of 600 bred plus 350 torchlight. However by trade: China has 500 torchlight and U.S.A. has 1,000 bred. The total amount is of 1,000 bred plus 500 microwave torchlight.

economy, economics, but also history, cultural studies and sociology. In this context one has to concern the Washington Consensus as well.

The Washington Consensus was a development strategy based on the logic of politico-economic deregulation, liberalization privatization and openness towards the world economy. The term Washington Consensus was coined by the English economist John Williamson.⁴⁵ This consensus represents the core idea of globalization and it is the main item, which shows its normative aspect: the necessity of a main concept concerning development strategy based on the quick and ongoing integration of single units into the global economy. Such stipulations and measures were adopted by several countries mainly from the 80s, which played a decisive role by the further development of economic globalization. Based on the German economic miracle (Wirtschaftswunder) the export-led economy of the country has found worldwide position. Germans will never forget the goodwill gesture of Americans to help them in the reconstruction of their country after WWII without not even the economic miracle would have been possible. Today's global tendency is to deconstruct borders and limitations, even though the boundaries of certain countries are not as unimportant as they seem to be by having different degrees of permeability or opening not only because of ICTs, but also because of the constant removal of several protectionist barriers and customs restrictions. Thus, as a result of long-lasting negotiations the majority of governments are motivating commerce, foreign investment, standardization of banking and global competition by implementing politico-economic, fiscal and juridical measures. In this respect, globalization can be described as the creation process of an open and integrated economy based on the elimination of trade barriers, the facilitation of foreign capital and the harmonization of international standards.⁴⁶

⁴⁵ The study was named: „What Washington Means by Policy Reform”, in Latin American Adjustment How Much Has Happened? ed. John Williamson (Washington D.C.: Institute for International Economics, 1990).

⁴⁶ For this entire section was used as source:
<https://fraser.stlouisfed.org/history/>

Fast changing technologies and slowly shifting identities in a Global Village

If the world were a village of 100 people, there would be: 61 from Asia; 13 from Africa; 12 from Europe; 8 from South America, Central America (including Mexico) and the Caribbean; 5 from North America; and less than 1 from Oceania. Marshall McLuhan predicts the global village: "Today, after more than a century of electric technology, we have extended our central nervous system itself in a global embrace, abolishing both space and time as far as our planet is concerned."⁴⁷ Global Village is a term closely associated with McLuhan, promoted in his books *The Gutenberg Galaxy: The Making of Typographic Man* (1962) and *Understanding Media* (1964). Author described how the earth was shrinking into a village by electric technology. Furthermore, the instantaneous flux of information from every quarter to every point at about the same time. In gathering all social and political features together in a sudden implosion, electric speed increased the awareness of responsibility of the people to a high degree. Today, although a toponym "Global Village" can be applied to depict the internet and World Wide Web.⁴⁸ The contracting world in short techno-historical terms by showing the increase of speed: between 1500 and 1840 the best average speed of a sailing ships or a horse-drawn coach was of 10 mph.; however, 1850-1930 represents the time when steamships average is of 36 mph. and steam locomotives median 65 mph.; then the in the 1950s propeller aircraft powers 300-400 mph.; and in the 19660s jet passenger aircraft reaches 500-700 mph. From another side: 8% of the world's countries had a free-market system around 1975 and in 1997 had on of the countries a FDI of 28% \$644 billion.

Opening happened in the case of the globalization of communication and information system as well, which together with the economic adjustment are the basis of international transformations in other fields such as the social or cultural segments. That means more exactly the emergence of global consciousness, the intensification of identity-shifts, the reconsiderations of cosmopolitan attitudes and the understanding

⁴⁷ Source: http://www.livinginternet.com/i/ii_mcluhan.htm

⁴⁸ An example for this is also the website of the provider of this internet link.
Source: <https://www.global-village.de/>

of cultural hybridization. Indeed, the fast improvement of new technologies and the media generated deep changes in everyday life. Information technology and the changing nature of global competition involve a complex issue respectively any piece of electronically uploaded intellectual property can be simply copied, multiplied, dispossessed and changed. International and national regulators have not kept pace with the quick proliferation of global e-commerce or additional internet-related informational developments. Laws and other official guidelines are unclear regarding e-commerce operations. The United Nations Commission on International Trade Law (UNCITRAL) has created a working group on electronic commerce to reconsider recent conventions.⁴⁹

The widespread diffusion and the tendency of information technological products to be procured at very low prices were pivotal in many directions. It is to see that the technological factor has had a particularly important role by pushing not only technocommunicational globalization forwards, but even internet-related jurisdiction. Albeit it made more difficult, but not impossible the control of information flow and communication by officialdoms and secret services, it can be observed that this aspect is not the only determinant in the emergence of this type of globalization. Without the free flow of information it would be not possible to comprehensively explain today's massive free circulation of various media products whereof the majority can be accessed mostly costless in the global free market. However, behind this case are a set of strong political decisions within the deregulation process of the national telecommunications markets. Decision makers of developed countries were preparing the implementation of the liberalization of telecommunications during the last four decades. The German Telecom (Deutsche Telekom AG) was created in 1996 when the former state-owned monopoly, the Deutsche Bundespost was privatized. It is not a secret that it cooperates with the Federal Intelligence Service (Bundesnachrichtendienst – BND) as this is the case in other countries as well.⁵⁰

⁴⁹ Source: <http://www.dis-arb.de/de/51/materialien/uebersicht-id0>

⁵⁰ Source: <http://www.geheimdienste.org/bnd.html> and <http://www.teltarif.de/telekom-bnd-zusammenarbeit-gesetzpflicht/news/58408.html>

The shareholder structure of the German Telecom shows that currently the Federal Republic owns 14.3%, the KfW Banking Group 17.4%, retail investors 14.6% and institutional investors 53.7% of the capital stock. (Please compare and see Figure number 7 (“Shareholder structure split by investor group.”); 8 (“Free float split by region.”); and 9 “(Free float and number of shares March 31, 2015.”)

It is to observe that the majority of far-reaching deregulations were undoubtedly inspired by neoliberal thoughts, thus it can be stipulated that many of implemented contemporary globalization designs were inherently influenced by (neo) liberal economic thinkers. There are several liberal values as basic components in deregulatory proceedings, such as free market, private enterprise or the minimal involvement of the state in private economy and banking paradigm. As it was shown in the above, the success of foreign trade and the redistribution of production activities operated by multinational enterprises in the global space are principally based on the logic of advantage or the comparative cost among nations. This assumption and line of argumentation was categorized for the first time by the liberal economist David Ricardo who reconsidered them in terms of globalization. This development was also based on the Heckscher-Ohlin-Samuelson model (also known as the factor endowment or the variable proportion model) by emphasizing especially the technological progress, economies of scale, the dynamic nature of the comparative advantage, the global mobility of the production factors, and so forth. The growth of multinational corporations (MNCs) and intra-firm trade is a key feature of international markets. Foreign production operations and international trade are supervised and decided on a global basis. The EU⁵¹ is just one of the agents who have to cope with global issues. Another relevant European organization is the EFTA (European Free Trade Association) with members as Iceland, Norway, Switzerland and Liechtenstein. Additional significant agreements are of Asia:

⁵¹ The governing bodies of the EU are the following: the Council of European Union, which is the main decision-making body. There is one minister from each member country in it; the European Parliament that is the legislative body; the European Commission, which means a lot of red tape; the Court of Justice, which ensures that Community laws are well interpreted and also applied; the Court of Auditors that reviews EU's bills and expenditures and coordinates the budget. Source: http://europa.eu/geninfo/sitemap_en.htm

ASEAN (Association of South East Asian Nations) and SAARC (South Asian Association for Regional Cooperation). There are very different agreements of Africa: a current example is ECOWAS (Economic Community of West African States). Several institutions are of Latin America as MERCOSUR (Southern Common Market), LAIA (Latin American Integration Association), CENCOM (Central American Common Market), ANCOM (Andean Common Market) and CARICOM (Caribbean Community and Common Market). Last but not least the NAFTA of North America.

Accordingly, it is a necessity to see why global cooperation is an imperative within this framework. It involves several tracks as the internet and e-commerce revolution; the domestic market maturation, especially in developed economies; the intensification between global and domestic struggles; the realization of expanding market prospects; the higher margins abroad; the option to reduce risk by sharing it; and mass of potent customers moving out of the country. All these aspects are showing how important it is to communicate with the fellow partner. This is impossible without communicational means and devices and not to forget about the gesture of good will to do so. Thus, there is need for global collaboration and indeed international competition can generate large-scale assistance. The globalization of national economies implies both convergences and divergences. Just a few examples in this respect: discretionary portion of income is growing dramatically, which means rising convergent pressures on consumer buying actions in higher per-capita-income countries; however, in lower per-capita-incomes countries the most part of the revenue is exhausted by buying supplies and other musts, thus, there is a very little room for flexible expenditure.

Let's put it this way: somehow or other per capita income decisively determines buying behavior but not necessarily the access to information. On the one side, divergence of consumer needs is parallel, but globalization can release national cultures from ethnocentricity or other local deficits. Therefore, consumers become more open to innovative know-how and have the possibility to select goods and services from a much wider and more divergent brand choice and suppliers. Citizens with higher earnings tend to benefit from similar educational levels, demand

for material quality and leisure time options. Global reach means wide-ranging transnational infiltration of various businesses and life style. International business means worldwide trade and the coordination of foreign production. However, global commerce is continuously coined by exports and imports. Approaches of international trade and the multinational enterprise induce the following matters: Factor Endowment Theory; International Product Life Cycle Theory; commodity terms of trade; economies of scale; supply industry position; absolute advantage; and comparative advantage. Absolute advantage can be defined as follows: assume that a country (1) is performing better than country (2) at producing computers and country (2) is doing better than country (1) at making meat products, then both would benefit if (1) specialized in computers, (2) specialized in meat products and they deal with their surplus production. However, what if a country (1) is better than (2) at producing no matter what? They would still profit from commerce for the reason that the paradigm of comparative advantage sustains that if (1) is much more advanced in producing computers and only to some extent better at making meat products, then (1) should still invest means in what it does most remarkable, thus, making computers and sell abroad the product to (2). And (2) should still support what it does best, thus by making meat products and by exporting that goods to (1) even if it is not as skillful as (1). However, both would still gain advantage from commerce.

Conclusively, a country does not have to be outstanding at anything to benefit from trade operations. The resource endowment of comparative advantage relays on artificial resources as science, technology, and engineering, infrastructure, capital or on other similar human developments. Additionally, it also rests on natural resources as climate, size, location, topography, minerals, flora and fauna, and all that. Moreover, it is also based on human resources as number, age distribution, health, size, and so forth, which is another important category in this respect. Besides, managerial know-how, education and training have to be considered as well. Finally, traditions constitute a base of source to it. (Please see Figure number 10. and 11. and compare)

Why it is so important to name this complex package of mainly Anglo-Saxon scientific standards? For the reason that

Germany has long been recognized the significance of this guidelines, moreover by putting them in practice it has created original imperatives within this frameworks. Germany is a county, which strongly invests in research and technological development (RTD). There are several diverse applications for the internet in worldwide research such as online surveys and buyer panels (CATI -Computer-Assisted Telephone Interviewing a CAPI – Computer-Assisted Personal Interviewing). Furthermore, the issue comprises online focus group monitoring, web visitor tracking, publicity measurement, consumer recognition systems, and electronic message marketing lists. There are several drivers of globalization as technological change, globalization of markets and production as a result of lowering of trade barriers, which was enabled by hi-tech developments, thus telecommunications and microprocessors, the internet and the world-wide web and transportation technology.

Therefore, research investments have a huge impact on Europe as Germany emerges in alliance with France,⁵² China, Japan⁵³ and Russia⁵⁴ to a technological superpower. For to see clever but well hidden research-energy collaboration pacts please surf on the homepage of the German Federal Foreign Office.⁵⁵ Collaboration with foreigners rests on a sophisticated system of bilateral agreements, which works very efficiently and is typical for German diplomacy science the term of office of Hans-Dietrich Genscher. The collaborative role of the Goethe Institute and higher education with the German Federal Foreign Office is excellent by supporting it in cultural diplomacy. “At times of new global challenges the work of the Goethe Institute aims to reinforce understanding among cultures and to strengthen the prestige of the Federal Republic of Germany in the world. The Goethe-Institute also runs next to 76 reading rooms, dialogue meeting points and information centers 122 foreign-German

⁵² Source: http://www.auswaertiges-amt.de/DE/AAmt/Koordinatoren/D-FRA-Koordinator/D-F-Beauftragter_node.html

⁵³ Source: http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/Japan/Bilateral_node.html

⁵⁴ Source: http://www.auswaertiges-amt.de/DE/Aussenpolitik/RegionaleSchwerpunkte/Russland/Russland-Wirtschaft-Energie_node.html

⁵⁵ Source: http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/China/Bilateral_node.html

cultural societies, 54 language learning centers and 150 teaching-aid store centers.”⁵⁶

Let’s briefly review the importance of culture in business terms as this framework copes with both simplified and sophisticated approaches. International commerce involves dealing with clients, strategic associates, merchants, and rivals having diverse cultural way of thinking. Culture coins the course of action of consumers in many ways: disposal (resale, reprocess, restore, collective conscientiousness and ecological orientation); consumption settings (urban versus rural, products versus service, cultural orientation, traditional versus modern and social influences); buying activities (loyalty, attitudes about marketing and consumption, brand and country insights); and access (economic and physical features). Therefore, culture mainly influences the behavior of buyers and the needs of customers. There are quite a few definitions of culture, but in a business setting is described as being a skilled, shared, convincing, interconnected collection of symbolical codes, whose connotation offer a set of guidelines and prospects for participants in a society. It often encloses subcultures that are not interlinked, but have a lot in common with the conventional culture. They are often shaped by official boundaries, particularly when countries are cut off the outside because of natural limitations. The key components of culture are aesthetics,⁵⁷ value system,⁵⁸ education,⁵⁹ and religion.⁶⁰ However, a main transmitter of culture is language, which can be written, spoken or body language. It can be very direct or sophisticated implying contextual meanings. It can reflect hierarchies and variety on the same time. The main element by introducing yourself to somebody is to find the best way of how to address a person as first impression is crucial. Hofstede’s cultural classification model shows how cross-cultural comparison works. For instance, power distance is the degree of

⁵⁶ Source: http://www.auswaertiges-amt.de/DE/Aussenpolitik/KulturDialog/Initiativen/DSDI/PartnerGI_node.html

⁵⁷ This item can be defined as ideas and perceptions, which a culture comprises with reference to beautifulness sand tastefulness.

⁵⁸ Values are coining the norms and principles of an individual person or a group.

⁵⁹ It is one of the significant devices to connect different generations.

⁶⁰ It can be described as a set of beliefs of people that reflect to a kind of world that cannot be proven empirically.

inequity among people within a specific culture. Individualism represents the preference for being alone condition versus participation in a group. The uncertainty avoidance is a cultural partiality for structured circumstances with obvious conventions over shapeless ones. Masculinity involves the weight of male versus female way of thinking. Finally, long-term versus short-term point of reference means future against past, present or both orientations. The adaptation process to culture involves the self-reference criterion (SRC), which represents the unaware inclination of persons to revert to their own cultural understanding and symbol structure to deduce a given business condition. Ethnocentrism can be interpreted as the sensation or conviction in one's own cultural pre-eminence. Top multinationals have gained experience how to cope best with persons of dissimilar cultures in order to integrate them in international environment.

According to Oxfam these a global citizen should have following features: it is aware of the wider world and has a sense of their own role as world citizen; respects and values diversity; understands how the world works economically, politically, socially, culturally, technologically and environmentally; challenges injustice; participates in and contributes to the community from the local to the global; is willing to act to make the world a more equitable and sustainable place; and takes responsibility for their actions.⁶¹ There are various issues that are affecting the worldwide integration of national economies. Two main categories are distinguishable: restrictive influences (national control, management myopia and organizational culture) and motivating forces (technology, quality, product development costs, world economic trends, regional economic agreements, leverage, market needs and wants, transportation and communication improvements). Now, let's see how liberal values work.

⁶¹Source:
http://www.oxfam.org.uk/~media/Files/Education/Global%20Citizenship/education_for_global_citizenship_a_guide_for_schools.ashx (Oxfam, Curriculum for Global Citizenship (1997))

Liberal values and globalization

Milton Friedman the former chancellor of Ronald Reagan and Friedrich Hayek the former advisor of Margaret Thatcher were both adepts of economic liberalism. This circumstance shows the main ideological track by the implementation of globalization. Interestingly, it is still a dominant global economic doctrine in spite of a revival of neo-Keynesianism, especially after several economic crises⁶² in the framework of neoliberal globalization. It was promoted through concise economic recommendations by various international organizations. In line with this, globalization was intended to provide a certain convergence of public policies and reforms coined by neoliberal values. As this process has started, the USA and its Western allies were attempting to support capitalist systems in reply to communist internationalism. After the collapse of communist regimes in 1989/90 this system not only persisted but expanded at a global level. The transition to the market economy system was an intermediary phase that included a wide geographical area, comprising almost all former communist countries inclusively the territory of China. Therefore, the term globalization also includes the track of the introduction of an original type of global capitalist structure showing the global dimensions of the development of free market capitalism after 1989/90 all over the world. For that reason the collapse of communism also means the partial disintegration of the international order, which was established after WWII and during the Cold War era.

Accordingly, Thomas Friedman thinks that globalization is just the new international regime that replaced the Cold War system. Following Friedman's view, this system has the unifying characteristic to integrate nation states, markets and technologies. Furthermore, it is the main drive of the free market capitalism paradigm as the prevailing economic mainstream of American culture. Some related defining technologies were: the internet, digitalization, fiber optics, satellite communications, computerization, and miniaturization. Globalization can be

⁶² I mean here the crises of Mexico in 1994, of south-southeast Asia between 1997 and 1998, in the USSR by 1998, in Brazil 1999, in Argentina and Turkey between 2000 and 2001 and as well the global financial-economic crisis of 2008.

perceived therefore as the “new world order” as presented by George Bush senior after the end of the Gulf War. Basically it means the extension of the previously existing liberal order of Western democracies after 1989/90. Thus, the collapse of the Berlin Wall is the symbol of the new order. Indeed, it is a world, which is more borderless at the present time.

Certainly, the structure of global capitalist system is not just an economic mechanism, but also a construction of international order. This world order is of liberal origin having a central idea: peace through global trade, which was sustained in “*De l'esprit des lois*” by Montesquieu and revisited by such contemporary neoliberal thinkers as Thomas Friedman. Furthermore, Samuel Huntington's theory shows three main waves of democratization since 1928. The third wave includes the shift to democracy of former communist regimes after the revolutions of 1989/90. Although the first two waves were also accompanied by several counter-waves, which may be an alarm signal to support the irreversibility of the third one, it is also undisputable that the number of democratic systems is nowadays much higher than ever in the past.⁶³

Nevertheless, political democracy does not seem to have the same importance as economic integration in the new sample because countries as China that made relevant steps in this direction or Singapore, which is increasingly globalized, do not have democratic governments but severe authoritarian rule. However, this new global system has not only a *Pax Mercatoria* face but it also has a *Democratic Pax* key-aspect because it ties to the basic idea of peaceful, non warrior and mutual setup of democracies in the long run. The chief architect of this emerging system was/is the USA that after the collapse of the USSR has remained the only real superpower in the world by gaining economic, technological, military, cultural and political supremacy in the world. Therefore, it is not a coincidence that this new order is often called *Pax Americana* too.

Incidentally, the features of the new international order are largely reproducing the items of American political system. Although there are more and more resolute Asian and European attempts against the only promotion of Anglo-Saxon and American type of global capitalism, the worldwide liberal

⁶³ Huntington, 1991, 12-69.

economic turnaround seems to be a revolution that was initiated by the USA. A major historical event that illustrates this shift is the controversial NATO military interference in Yugoslavia in 1999. The action was justified with the abuse of human rights in the case of Albanians of Kosovo by the regime of Slobodan Milosevic. From this standpoint, globalization immediately shows the shift towards the world order. If one accepts the distinction mentioned in specialized literature between the international order and world order then this move means the change from an order, which is exclusive interstate focused on the principle of absolute sovereignty, to another one, which does not exclude interstate order but involves protection of universal human rights. Thus, the sovereignty of states was limited to a basic requirement in order to implement certain legal reasons.

According to Matthias Küntzel, the German concept for Kosovo was including the following issues:

- „to make a stand against the Yugoslav government
- unlimited support for the Kosovo Albanian nationalists who demand independence and a lasting unification with Albania
- to demand for air-strikes against Yugoslavia in order to achieve a NATO protectorate for Kosovo which is supposed to be only an interim step towards the independence of Kosovo. Strategic differences between German and the US policies diminished considerably in 1999 when the Clinton administration decided to go to war in favour of the ultra-secessionist KLA. They seem to gain, however, new weight in the post-war debate about the final status of Kosovo. US Secretary of State Madelaine Albright recently rejected the idea of creating a greater Albania, whereas German policy seems to be pushing in the opposite direction.

Karl Lamers, the influential CDU foreign affairs spokesman for the opposition in the Bundestag said about the transformation of Kosovo into a NATO protectorate that this is “only the first step towards the separation of Kosovo from Yugoslavia” and that an independent Kosovo will be “only an interim step to merging (“Anschluss”) with Albania.” (See the

minutes of the Bundestag parliamentary session of April 15, 1999.)

Recently, Lamers mentioned with great satisfaction “that everything we are actually doing in Kosovo, e. g. the creation of a new currency zone, is aimed at creating an independent Kosovo...”. (See the minutes of the Bundestag parliamentary session of April 5, 2000.) Even Germany’s red/green coalition government does not want to recognize Kosovo as being a province of Yugoslavia. That is the reason why in his last major statement Joschka Fischer – Germany’s vice-chancellor and secretary of state – let the question of “the future status of the Kosovo” open claiming that it would be impossible to resolve this now. In an interview with a French newspaper, however, he made clear that he had no doubts about the Kosovo’s future status: “The international community is present in Kosovo and the Balkans in order to show that – according to the example of resolving the, German question’ in 1990 – the, Albanian question’ could be resolved only with the agreement of the neighbouring states.”

US government circles are quite aware of the ambitions of their rival, Germany. Zbigniew Brzezinski called the Berlin republic a “geostrategic main actor” and a “subversive big power inspired by an ambitious vision”. Strobe Talbott, the deputy secretary of state, characterized Germany as the seismic focal point of the current geopolitical earthquakes which are disrupting the Atlantic Alliance as well as the Balkans. He emphasized that Germany is “the epicentre of those processes – enlargement and expansion, extension and deepening.” (See Frankfurter Allgemeine, February 5, 1999.)

Within the context of the war against Yugoslavia the other great powers, however, not only reacted to aggressive German moves but pursued their own special interests as well. The United States wanted to retain its influence in Europe, to strengthen a worldwide role for NATO and to weaken Russia’s influence within the new world order. Great Britain und France were eager to demonstrate their military superiority over Germany and wanted to give a starting signal for the establishing of an independent European intervention force (together with Germany) vis-à-vis the USA. Each of these nations is a rival to the others and is trying to retain or achieve as much influence and power as possible. The war against Yugoslavia has been the first, however,

to be spurred on by Germany as an attempt to redesign current world order after the fall of the Berlin Wall. This war has put the irrational elements and the destructive roots of capitalistic societies into a new light.”⁶⁴

According to Thomas Friedman, the new international system (globalization) that replaced the Cold War regime has the unifying feature of integration of technologies, markets, cultures and nation states. Moreover, its main driving is free capitalism, an inspiration that has to be treated separated from the market scheme. However, there is a leading American culture and strong technological development as well, such as the internet, fibre optics, satellite communication, computerization, miniaturization, X-ray and digitalization. Furthermore, there is a defining fear of politico-economic instability caused by uncertainty about the near future, there is a distinct demographic model based on flexibility (rapid travel from A to B) and massive changes in urban lifestyle. Finally, there is a formative power structure of three balances of influence among nation states, between individuals and nation states, and among national states and global markets.

To sum up, one could observe that although it was facilitated and boosted in certain respect by the recent technological revolution, globalization is primarily the result of the implementation of specific economic political and social thoughts at national and international level. If one looks behind the scenes, the central structure of globalization is based on complicated international political and economic agreements, decisions and political actions for the adoption of influential liberalization measures and legislative amendments. These politico-economic adjustments were based on the paradigm of a neo-liberal political and economic chain of concepts. Accordingly, hypothetically said, globalization represents in essence the process of establishing a neo-liberal world order. Major consequences are the increased integration, interconnection and interdependence of the present world. This happens under various aspects: economic, cultural, social, technological and political even though changes in this last field are to a lesser extent very impressive. Depicted as a liberal world economic

⁶⁴ Source: <http://www.matthiaskuentzel.de/contents/germany-and-the-kosovo>
(See emphasis by the author in *Le Monde* 25 March, 2000.) also see Küntzel, 2000, 6-70.

order, globalization is not a new phenomenon. Such an order had already existed during the 19th century. It was based on the supremacy of Great Britain and named Pax Britannica. It started at the beginning of the 19th century and ended tragically with the beginning of World War I and the subsequent ascensions of fascism and communism.

If examining Pax Britannica in economic terms it is to state that it has major similarities with current Pax Americana: interrelationship, increased foreign direct investment, diversification of production and free trade, as well. Moreover, some of these tracks were even more pronounced, for example, in terms of labour mobility or education in the Commonwealth of Nations. Besides, globalization of information and communication is not an entirely new trend. Communication networks were always systematically organized on the global scale, even though there was no television, internet or mobile phone, but only the telegraph and other devices of information transmission via electromagnetic waves. However, international news agencies of then have remarkably managed to effectively communicating with each other.

Finally, the current global political order shows certain striking similarities with the feudal world (except states), characterized by the large number of associated actors in the public eye, the fragmentation and dispersion of power with overlapping regional, state and international authorities. Territorial borders were almost unimportant. Thus, it was more significant to have cross-border relations between organizations or groups other than states. Examples are affiliations between the Catholic and Protestant groups or between such alliances and foreign powers or with supranational organizations of the time as the papacy or the imperial court. Further characteristics of the feudal system were the complete absence of the concept of ownership and absolute sovereignty or the significance of shared values: first of all religious. However, it is to point out that there was no globalism in the medieval era, but authors as Alain Minc⁶⁵ are drawing parallels in the context of globalisation by using comparisons as new medievalism. The change of the promoting hegemonic power becomes obvious, thus the UK is followed by the USA. However, another striking difference is the large

⁶⁵ Minc, 1993, 6-47, 82-235.

proportion of it, because much more countries are involved today than before. The intensity and quickness of contemporary globalization is also amazing, but there was neither technological nor financial integration in the medieval past and the speed of technological progress is exceptionally high today. Germany is a good example in this respect as further facts will show this below.

Germany as one of the champions of globalisation

Germany is one of the most developed industrial nations. This country is the fourth largest economy in the world after the USA, Japan and China. The national economy concentrates on technologically produced goods and services. Principally the products of German mechanical engineering, motor vehicles and chemical goods are internationally requested. Approximately each of fourth Euros is earned by exports and every fifth job is directly or indirectly dependent on foreign trade in Germany. The country was six times the export world champion between 2003 and 2008. Moreover, Germany was the second largest global exporter of goods after China (1202 billion US dollars) in 2009. Thus, has had an export capacity of 1121 billion dollars, which is appreciatively one-third of the gross national income. The German participation in total world trade by percentage is currently around 9% and due to its strong export orientation is so strongly interlinked with the global economy as maybe no other country. Consequently, Berlin is highly interested in open market capacities.⁶⁶

The key trading partners of Berlin are France, the Netherlands, the USA and the UK. Statistics of 2009 are showing that products in worth of € 82 billion were exported to France, € 54 billion to the United States and the Netherlands and finally, € 53 billion to Great Britain. Apart from the commerce with older member states, there is a significant evolution in German commerce with Eastern European partnerships since the extensions of the EU of 2004, 2007 and 2013. Roughly 10% of the

⁶⁶Source:

www.destatis.de/DE/ZahlenFakten/Indikatoren/Globalisierungindikatoren/Globalisierungindikatoren.html

German exports is directed into the new EU member states. The overall proportion of German exports into the EU is of 63%.⁶⁷

The German industry has increased the global value sourcing, but only in absolute terms. The study of the Institute of German Economic Research (IW) has reported to the Federation of the German Industry (BDI) that due to its close international involvement, the German industry has performed well in globalization. Since 1995, the German performance on the gross added value declined from 9.2% to 6.3%. Therefore, China shows a growth of 24, 4% and is placed before Germany and the USA. In the meantime, the German industry increased its advantage in absolute figures by 45% (561.3 billion Euros). Japan declined by 7%, France has only an increase of about 3%, and the UK has produced 9%. Thus, president of the BDI, Ulrich Grillo states that despite new economic centres of power, Germany remains a beneficiary of globalization.⁶⁸

The quality of commerce and good economic relations with emerging markets of Asia are on the best way. In the interim, Asia has become the second most important market for German goods. Therefore, about 14% of exports of Germany are going to Asian countries. The most important trading partner of Berlin is Peking now. From 1999 Germany became the main European investor in China. Nearly 3000 German companies have businesses or production plants all over China. Despite this development, only one-fifth of Germans are considering that they are the real champions of globalization. Consequently, the population is recently very critical about the process of globalization. According to a study of the Deutsche Bank Research, the German economy will continue to be successful and due to international economic networks, the Federal Republic will benefit from the rapid rise of China and India in the next years. Emerging market areas are well supplied by Germany, because of its technological products that are sold and put in practice overall in the world. However, domestic brands will be threatened by

⁶⁷Source:

https://www.destatis.de/DE/ZahlenFakten/Indikatoren/Globalisierungsindikator/en/GI_Kategorien.html?cms_gtp=669656_slot%253D2&https=1

⁶⁸Source:

https://www.destatis.de/DE/ZahlenFakten/Indikatoren/Globalisierungsindikator/en/GI_Kategorien.html?cms_gtp=669656_slot%253D3&https=1

globalization because they have to respond to the price competition with low-cost equipment brought by the emerging China. Losers of globalization will be persons who possess lower qualifications, because they are in strict competition with workforces from neighbouring countries. More than 3/4 of adults have a vocational education; nearby 15% of them have a university or technical college degree in Germany.⁶⁹

Globalization means the growing international interconnectedness of the world, thus people from different regions are getting in touch by using social networks or other technical facilities. Nonetheless, the opportunities of globalization are strongly coining the economy as well. The German economy has enormously changed after World War II. The winners of globalization in Germany are mainly business people from independent entrepreneurs and large corporations. Possibilities brought by globalization have assured a vast market for various categories of entrepreneurs. Small businesses were winning new contracts by the use of different internet portals. Moreover, large corporations can outsource their work in places where work is much cheaper as in original setting.

A question arises: Who suffers from globalization most in Germany? Globalization affects several wage earner groups negatively. This is the case by factory workers, because they require high wages in comparison to labour force from low wage countries and therefore minimize the profits of corporations. However, the same principle applies to the IT industry as well. For example, IT specialists of India are ready to work for much lower salaries as their German colleagues as for these people it is the only way to ascend from a low caste upwards in the society. However, many workplaces of German skilled labour disappeared because of strong outsourcing through large corporations. As a result, the unemployment rate is slightly higher in comparison to the period without globalization. Simultaneously, the alternatives for company founders were particularly interesting because various web-based ideas are lucrative even today. Whether as main occupation or second job, for many self-employed people, globalization was the catalyst to their business successes. Without

⁶⁹ Source: <https://www.dbresearch.de/>

such developments self-starters would not have managed to enter the market.⁷⁰

On the other hand, Germany has a social market economy. What does it mean? The state guarantees free economic actions, but seeks to maintain social equilibrium. The former economic minister, Ludwig Erhard, promulgated this concept in the post-war era. This is one explanation for the high social stability in Germany, which is even in economically difficult times a country with high social peace. This is reflected in very rare industrial disputes as well. The social partnership of trade unions and employers associations is written in the institutionalized settlement of conflicts within the framework of collective labour law. Additionally, the Basic Law guarantees the freedom of collective bargaining, thus, employers and trade unions are entitled to regulate work conditions on their own responsibility by legalised collective agreements.⁷¹

Germany occupies number six among countries tested for competitiveness, thus is one of the best performing European countries in the world after Sweden and Switzerland. However, the majority of Euro-countries are still in an economic decline phase, for instance the global and European competitiveness of France, Spain, Italy and Eastern European countries was seriously damaged by the multifaceted effects of the financial crisis of 2008. However, international financiers are ranking Germany as one of the most attractive locations for foreign investments. The estimated sum of FDI after 2008 was by 500 billion Euros including major investment projects by corporations such as AMD and General Electric. Germany is preferred for FDI because of its central geographical location, legal security, political stability and advanced logistics (banking, ITC and transport). Furthermore, investors appreciate the country because of high

⁷⁰ Source:

<https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/Arbeitsmarkt/Arbeitsmarkt.html>

⁷¹ Source:

<https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/Arbeitsmarkt/Arbeitsmarkt.html>

quality standards of life, top education and its research institutions.⁷²

Germany was in the middle of a dynamic economic growth phase as the global financial crisis reached the European market by 2008. The German Federal Government reacted similarly as France or Great Britain to the systemic crisis on the financial segment in order to calm down the situation on the monetary markets by allocating two multibillion-dollar rescue packages for banks and for the economy. Additionally, two other major fiscal stimulus packages were created for the German industry. Governmental programs for the rehabilitation of roads, schools and other public buildings were successful restructuring measures, despite of strong underutilisation of capacities as short-time work and the car scrapping premium for old vehicles until September 2009. The Growth Acceleration Bill was adopted at the end of 2009 and it offered more tax cuts and incentives for domestic demand.⁷³

Considering the global financial market crisis, Germany was committed on many levels for example, the EU, the G20 and the IMF in the restructuring process of the international financial basics. For this purpose, the scope of financial market regulation has to be extended to cover all agents, products and markets. Moreover, it is pivotal that all participants to implement the regulatory measures consistently and extensively. In addition, some of the leading German economic experts are for internationally accepted accounting rules, stronger financial supervision, and stricter capital/liquidity requirements in the banking sector. At the same time, they think that remuneration systems of banks and insurance companies should be better synchronised. Governments are changing their economic policy in the hope to overcome the unexpected decline in growth as soon as possible. German policy makers have enhanced the conditions for businesses already before the crisis. They lowered wage labour costs and have made the labour market more flexible and red tape

⁷²Source:

<https://www.destatis.de/DE/ZahlenFakten/Indikatoren/Konjunkturindikatoren/Konjunkturindikatoren.html>

⁷³Source:

www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/VGR/VolkswirtschaftlicheGesamtrechnungen.html

was reduced too. Moreover, the corporate tax reform was applied already in 2008, thus, several companies have been considerably released of hard taxation patterns.⁷⁴

The main German economic centres are in the Ruhr area (it is a region in transition from industrial to service and high-tech core), including the greater areas of Munich and Stuttgart (high-tech, automotive and creative economy), Rhine-Neckar (chemical corporations), Frankfurt am Main (finance, assurances), Cologne, Hamburg (harbour, shipping, Airbus aircraft construction and media). One of the main driving forces behind the economic recovery of the country is probably the strong innovativeness of the German trade and industry sector. Germany invests above 2.5% of its gross domestic product in research and development (R & D), which is significantly above the EU average of 1.9 % of the crisis period of 2008. Moreover, Berlin wants to increase this ratio up to 3% of its GDP until 2015 together with the federal states and business.⁷⁵

Germany holds a leading position on corporate-funded R & D expenditures (nearly 50 billion US dollars). Even with the adverse consequences of the economic crisis of 2008, the inventiveness of entrepreneurs remains unbroken in federal states: investors and businesses that were recorded in Germany have registered above 10% of the world patents. The country holds number three in this respect on the world-ranking list of 2009 and Germany belongs to one of the leading nations in several promising future technologies as nanotechnology, information technology, and biotechnology or other high technology sectors such as aerospace, biometrics, logistics or electronics. The German environmental technology is present on international markets in which alone the wind turbine manufacturers have a world market share of nearly 30%. However, the German photovoltaic and biomass environmental developments were the most required goods after wind energy products on global level, just as the equipment of the constantly growing industries as

⁷⁴ Source:

<https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/UnternehmenHandwerk/UnternehmenHandwerk.html>

⁷⁵Source:

<https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Regionales/Regionaldaten.html>

mechanical engineering, electronic, and information/communication.⁷⁶

It is to observe that the information and communication sector is growing much faster than the national economy. Moreover, Germany maintains its European leading position in biotechnology and genetic engineering. Nevertheless, the country has high potential in nanotechnology, as well. And not only big companies (DAX) are assuring the international competitiveness of Germany, but tens of thousands of small and medium-sized businesses, that have up to 500 employees in the manufacturing sector, predominantly in engineering, the supply industry, but also biotechnology and nanotechnology, which are often organized in clusters. Alternatively, the industry is an essential pillar of the German economy as compared to other mechanized countries such as the USA or the UK it has high employment proportion, because industrial companies are providing work for more as five million people. It covers nearly 40% of the German economic performance and there is no other traditional economic system where standard industrial production plays a similar key role. The country is specialized in the development and manufacture of advanced industrial products, predominantly on innovative production technologies and investment goods.⁷⁷

The core industrial sectors are mechanical engineering, automotive, chemical and electrical engineering industry. Just about 3 million workers are employed in these four branches and they are producing revenues exceeding the sum of 800 billion Euros. The automobile construction is simultaneously driving force for further innovations. Approximately 30% of total internal company research and development expenditures of the German economy are coming from this industrial sector. Large manufacturers as Porsche (VW), Daimler, Audi, BMW, VW and Opel (General Motors) have strong proportions in the market segments of the upper middle class and the upper class auto construction on global levels. Therefore, Germany is listed among

⁷⁶Source:

<https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/BildungForschungKultur/BildungForschungKultur.html>

⁷⁷Source:

<https://www.destatis.de/DE/ZahlenFakten/Wirtschaftsbereiche/IndustrieVerarbeitendesGewerbe/IndustrieVerarbeitendesGewerbe.html>

top automobile constructors as China, the United States or Japan. This is why the worldwide sales crisis produced huge losses by German car producers, who were answering by several innovations as environmentally friendlier vehicle propulsion, for instance a new generation of diesel engines, hybrid engines and further electrification of the power train.⁷⁸

Mechanical engineering companies (after vehicle construction concerns) are covering over 12% of the total sales, thus this branch is on the second place in Germany. Mechanical engineering occupies a strategic position in the overall economy, because it is the largest industrial employer (nearly one million employees) and the leading export industry. More than 20% of the investments made by the German industry in R & D are going to the electrical industry. Besides, electronic engineering belongs to one of the strongest and most innovative growth sectors. The chemical industry is partly owned by foreign enterprises, because of mergers and acquisitions. These chemical MNCs are mainly producing intermediate consumption goods by trading all over the world.⁷⁹

Each MNC sources particular products and services from a set of locations it selects around the world. They are developing a global web of suppliers as a source of competitive advantage, thus by deciding where to fabricate is depending on a country's factors of production as labour, land, capital, energy and expertise. Host governments have a stake in the successful establishment of an MNC's actions.

About 30 million people are working in the service sector: approximately twelve million are in private and public service enterprises; ten million in trade, tourist industry and transportation; seven million in financing, rental and business services. In addition, the banking and insurance sector has a key role in services and several financial ways are linked together in Frankfurt am Main. Here are the headquarters of the German Stock Exchange, the Bundesbank and the European Central Bank.

⁷⁸Source:

<https://www.destatis.de/DE/ZahlenFakten/Wirtschaftsbereiche/IndustrieVerarbeitendesGewerbe/IndustrieVerarbeitendesGewerbe.html>

⁷⁹Source:

<https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/VGR/VolkswirtschaftlicheGesamtrechnungen.html>

However, the German cultural and creative economy is becoming increasingly essential. The sector comprises sub-sectors such as art, film, theatre, music and literature, as well as mass media, advertising, design and software and employs around nearly one million people. The creative economy sector is a sample for modern business systems by offering exceptional employment prospects. Besides, it plays a key role in the adjustment phase by helping to move to a knowledge-based economy. This small but sustainable and viable industrial segment has now become pivotal for modernisations in eastern Germany in various high-tech centres also known as lighthouse regions. These are concentrated nearby Berlin-Brandenburg, Dresden, Leipzig, Jena and Leuna.⁸⁰ Finally, these fast growing centres are a basic source of original concepts for the adaptation of Germany to global trends. Let's see further conceptual definitions on the globalization model.

Different views and ways of globalization

There is no commonly recognized definition for the concept of globalization in science or public opinion. The phenomenon is approached by several disciplines as international relations, history, anthropology, economical- and political sciences. The idea of globalization has various interpretations and it is a greatly polarized issue as it involves such word combinations as: integration of economies, equality/inequality, communication, and recognition, trade versus aid, outsourcing, brands, exploitation, economic growth, poverty, capitalism, free international trade, monopoly power, culture, technology/internet, terrorism, accountability and shrinking world. However, this list can be easily supplemented with other topics. The word system is an interdependent structure of countries linked by economic and political competition. Globalization means the increasing interdependence and interconnectedness of places globally. The main components of globalization are the continual expansion of global connections, relations and networks, which are becoming faster and more intense. The increasing awareness about the world is driven by advancing technologies.

⁸⁰Source:

<https://www.destatis.de/DE/ZahlenFakten/Wirtschaftsbereiche/Dienstleistungen/Dienstleistungen.html>

Let's try to describe globalization as the movement towards the development of economic and social ties by connecting states through the spread of corporate institutions and the implementation of capitalist and (neo) liberal philosophy that leads to the "shrinking" of the world in economic terms. Integration of economies was made possible by the collapse of communist regimes, technological progress, modern communication networks, access to information (internet), movement to free trade, growth of economic cooperation, thus, trading blocs as EU, NAFTA, and so on. Economic integration is quite visible by the following matters: the growth of global markets in finance; the opportunities for capital and labour to move anywhere in the world; the options to be able to buy and sell in any foreign country; and the increasing dependence of economies towards each other. It is to draw attention to the circumstance that stock markets are now available from every internet connected corner of the earth.

The next stage is the brief examination of trade as generally it has led to massive increases in wealth for many countries. On the one hand, there are inventive employment possibilities through international commerce and relocations of plants. Different corporate units who are participating in the commercial race have greater potential for economic growth, but they were to also taking big losses into account. Above and beyond, international economies of scale are vastly developing. On the other hand, the main disadvantages of commerce are the dominance of global trade by the industrialized, northern hemisphere states thus the poor and developing countries have no real access to markets as they are not able to compete with gigantic export performers. Therefore, the gap between the rich and the poor regions is continuously increasing. Furthermore, the workforce of skilled and unskilled employee is maximally exploited.⁸¹

No matter where one travels in the globalized world, certain businesses will always have a presence. The control of stocks and raw materials may be one reason for the global expansion of multi-national (MNCs) or trans-national

⁸¹ Source:

<https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Internationales/Internationales.html>

corporations (TNCs). These are mammoth enterprises having complex politico-economical backgrounds with headquarters in one state but with business operations in a number of others. Some characteristics of the expansionist development are: increasing revenue, sourcing of resources, management of key supplies, rise of global economies of scale, lowering costs and control of processing. The intensification of corporate domination (Douglas, Takko, Aldi, Shell or Nike) involves several adverse effects as the wastage of non-renewable resources, irreversible damage to the environment, economic degradation of abandoned locations, mistreatment of employees, dependability to growing monopoly influence (lobby as networking), absorption of local cultures and identities. Although, there are constant attempts to remove still existent trade barriers the ethical responsibility of business is still open to discussion. Consequently, the accountability issue of global businesses is extremely sophisticated. Another example is the rising gap between rich and poor, which fuels potential terrorist reaction.⁸²

Despite the above, cognate subjects as democracy, legitimatization of political or economic affairs are very carefully addressed in official and public debates about globalization in the German media. If one only focuses on the economic side of globalization then it is possible to track the growing interdependence and fusion of different economies across Europe, but this can not entirely be carried out without political decisions, which are not always as responsible as reflected by the media. Therefore, certain participants of roundtable talks have more often than not the possibility to play with catchwords related to globalization in public debates, as it remains often deliberately undefined or inexplicit in vulnerable contexts as election campaigns. By following the economic pathway, it has to be mentioned that the core of globalization is the expansion of the international division of labour that enables each country to participate by using its own strengths and weaknesses in order to

⁸²Source:

[https://www.dbresearch.de/servlet/reweb2.ReWEB;jsessionid=0AD52FAB187E6DFB95DDE157A87ABB26.srv-net-dbr-de?rwnode=DBR_INTERNET_DE-PROD\\$EM&rwsite=DBR_INTERNET_DE-PROD](https://www.dbresearch.de/servlet/reweb2.ReWEB;jsessionid=0AD52FAB187E6DFB95DDE157A87ABB26.srv-net-dbr-de?rwnode=DBR_INTERNET_DE-PROD$EM&rwsite=DBR_INTERNET_DE-PROD)

achieve welfare gains. Welfare means here the degree of coverage of a society with products and services.⁸³

Globalization was also described around 1985 as a multifaceted development in which international relations will be deepened at various levels among global competitors and subsequently a strong global interdependence will emerge in political affairs, finances, culture and the environment. Concepts as mondialisation (mostly used in France) and denationalization are also known and used to express the meaning of globalisation. In the latter case, the loss of power and status of individual nation-states is overemphasized. Denationalization has fundamentally negative connotations from the very beginning. Thus, dangers and disadvantages of global worldviews are frequently brought to the fore, without informing about factual benefits of internationalisation of national institutes and national governments.

Interestingly, hi-tech developments related to globalization and the phenomenon itself is frequently defined in a strict technological reasoning, which can get quite abstract if somebody has no technical qualification. This view depicts globalization as exclusively the outcome of the contemporary revolution of information and communication technology (ICTs). There is no doubt that this (r)evolution was a catalyst of contemporary globalization developments, but this paradigm skips something crucial by explanations as it does not even mention the key role of human decision in ICTs. However, each component of these intricate phenomena, thus the emergence of the global society of information and communication, the materialization of a form of global governance through the international proliferation of political decisions concerning global affairs or even the genesis of a global civil society, whose central part is made up by the increasing number of NGOs and transnational lobbyists cannot be understood without the decision-making level of institutions. Moreover, the growing interdependence between local social dealings and distant actions implemented from abroad, the fast compression of time and space, the unprecedented interweaving of contemporary cultures, the sudden increase of international

⁸³Source:

<http://www.handelsblatt.com/politik/oekonomie/nachrichten/globalisierung-wie-objektiv-ist-die-deutsche-presse/3961604.html>

commerce and transnational corporations, the global financial integration through the establishment of a single market for capital, which operates as real-time unit on global level, could not have been occurred without the fundamental involvement of political decision makers. It is apparent from the fact that as the informational revolution has started to take full effect in all directions, the political infrastructure, which is the solid basis of globalization, has already existed at least in the developed countries. Further conceptualizations can be useful in order to see scientific views about the issue.

In Elmar Altvater's view, globalisation means the elimination of boundaries that appeared during the preliminary stages of history. It becomes synonymous with the erosion, but not with the total loss of sovereignty of nation states. Furthermore, it occurs as a division of the market economy towards institutionalized ties and moral principles of corporations. Altvater also considers the key aspect of the disappearance of borders with its consequences for the nation-state. However, Weizsäcker or Desai are defining globalization only in economic terms and in the more narrow sense. According to Meghnad Desai, globalization generates new interdependences and integration of dissimilar economies in the world of today. It follows the opinion of Karl Friedrich von Weizsäcker. „Today, our lives are depending on the world economy: Where was grown what you ate and drank early this morning, whence comes the oil that powered your plane or car? So I have to talk about the world economy, when I want to treat economic challenges of the future.”

Johannes Varwick addresses the function of the conception in public debates by pointing out that there is no reason to discuss about the occurrence if one does not involves simultaneously the rhetoric of globalization. According to Varwick, it became a popular term used for some time very intensively in mediatised political and scientific debates. On the one hand, globalization was presented as a danger, on the other hand, as a chance.

In Klaus Müller's opinion, the dynamics of globalization are guided by strong economic powers, but consequences are mainly reflected in the political sphere. To sum up, definitions of globalisation are often focusing on interdependence, mutual

dependence, connection, integration and interchange. These directions are often mentioning the juncture of growing connections and they remain on the level of more general formulations.

According to Anthony Giddens, globalization helps to improve social relationships from everywhere. Remote places will be still more interconnected with each other so that activities in one location will be affected by processes that happened far away in another region and vice versa. This is a broader view on the phenomenon that includes each social linkage. Dirk Messner and Franz Nuscheler are thinking that this is the greatest economic and social change since the Industrial Revolution. Ulrich Menzel stresses the quantitative and qualitative intensification of transactions, which are easily exceeding the limits imposed by political boundaries. This track is associated with the transgression of the spatial and temporal systems of the earth.

According to Malcolm Waters, the issue can be seen as a social development by which increasing geographical mobility makes that socio-cultural undertakings are getting freer in space and time. Thus, many imposed official or nonofficial constraints are just disappearing or it becomes possible to avoid them. Globalization does not necessarily mean homogenization as it simply implies better connectedness and de-territorialisation. On the one hand, Schumann and Martin are thinking that internationalisation is mainly the reinforcement of the world market design, and the deterioration of the economic power of the nation state, on the other hand. Schumann, Martin and Altvater are severe critics of globalization. Accordingly, they think that one assists to economic empowerment, which can no longer be controlled or ignored by politicians nowadays.

There is a connexion, which can be followed by the integration process of the EU. This is a parent organization, which coordinates meticulous institutional standardisations and the reorganization of official establishments at certain junctures as politics, law, finances, healthcare or education. As a result of this strategic EU approach and the management of “*acquis communautaire*” the member states are gaining more competitiveness on global level by facing strong competitors as China, U.S.A., India, Indonesia or the Russian Federation.

Actors and agents of nation states, which are scattered in East-Central Europe that regained their complete sovereignty in recent times (after the turnaround of 1989/90) generally mistrust the concentration of power experiment of Brussels by stressing the significance of local, regional and national devices. Nationalist “barons” are disturbed as they do not want to lose their strong domestic influence because of standardizations. Some populists are afraid that this could happen if they give up central functions towards Brussels and transnational organisations. To put it the other way round, Germany is a parliamentary federal republic and has developed for a long time state and affiliated institutions in both directions: federal and local levels; to make no mention of strong international and communal inter-institutional experiences.

The German government can deal with institutional structures in construction. The best example is the completion of German unification in 1990. Redesigned and competitive institutional structures are making this country with its 82 million inhabitants the most powerful apparatus of Europe. All the same, German top executives are involved in several mega-projects as the restructuring of the Eastern parts of the country. However, continuous modernisation programmes are running overall in Germany by applying innovative energy strategies, international commerce, EU standards, intraregional and also interstate migration. Besides, there are massive financial investments in the high-tech sector. The German political agenda is full with significant domestic issues. Therefore, the indecision of nationalist leaders to delay European institutionalization development enjoys no priority on the German list of items.

Conclusively, there are solid inconveniences in the coordination of mutual national and European interests at European and global level. It is not to forget that the creation of European identity is still in the making phase, thus single states are mainly acting in their own benefits by searching for potential allies in order to influence decision making procedures in Brussels. The European monetary union section is in early developing stage for several “new” member states. It is to observe that such coalitions are unbalanced if there is no strong political support. Indeed, sovereign nations do not constantly follow common rules of a single alliance. Example: the UK is part of the

EU but leads the Commonwealth. It is evidence that countries, which are included in politico-economical coalitions being interconnected by mutual interests are permanently keeping together.

EU member states are often claiming that the framework of the EU is rather inaccessible and a megaproject, which is shifted by realizations into the more distant future. Indeed, the institutional construction of the EU is designed to be accomplished progressively. All the same, representatives of smaller nation states are continuously struggling for more legitimacy by using all resources to hold the reins of power and assure own political survival. Accordingly, the tool of populism is usually applied against the big foreign competitor as a common enemy in Eastern Europe. This link also includes well-known forms of governmental implications as the recentralisation of administrative, legal and executive units. However, several autochthonous national and ethnic groups are expressing their intentions to be allowed to be active members in real decision-making processes and the shaping of minority rights. Milton Bennett's ethnocentric stages are showing the following levels: rejection, resistance, as evidenced by defamation or feelings of supremacy and minimization from either corporal or transcendent universalism. Minorities are imposing their home countries to accept more otherness. Since the turnaround of 1989/90 growing freedom of movement has coined the spread of spiritual, linguistic and cultural diversity in Europe. Analysts described this circumstance as multidimensional diversity. Certainly, originally more homogenous western civilisations are getting now more and more multi-ethnic. Moreover, the spread of different types of transnational citizenships is a reality today.

It is to remark that the cultural and linguistic diversity of societies within the EU, together with the worldwide diffusion of international principles of human rights is continuously damaging the Westphalian model of a uniform nation-state. The question is how the mentioned tasks will be resolved by participants. Inside the EU it could be a historic turning point what kind of clever solutions can be negotiated for both ancient and newly recognised minority groups. Maybe the implemented methods for the first group can be later an example for the second one. Germany and other EU states have similar responsibilities towards minorities.

Thus, let's suppose that all involved sides are interested to find the most feasible solutions in order to gain more social cohesion among minority and majority groups and not only within the EU. This would be a preventive measure in a world that faces critical ethnic, religious and political conflicts.

The nation state in a global setting

Contemporary processes of globalization are impacting on states but there are competing explanations of ways how this happens. However, it could be appropriate to critically look at the relationship between the development of the nation-state and capitalism. Now let's explore certain approaches to be aware about the relationship between the market and the state. On the one hand, there is the liberal understanding of state and market of Phil Cerny and Susan Strange which understands these as distinct entity. On the other hand, there is the emblematic Marxist description of state together with the market, which defines the state as an authoritarian agent and the materialization of wider social relations of production.

The liberal outlook is relatively uncomplicated. State and market are separated from each other and presented as potentially oppositional entities. Alternatively, if the competition for supremacy between the two is not a zero result than definitely a balance of power between the two rival units. According to Strange and Cerny, the extension of the global market, predominantly that of the transnational market undermines the independence or effectiveness of national public policy. However, Cerny's position is more complicated as of Strange. Cerny thinks that what is in decline is not so much state capacity as state autonomy, therefore increased openness implies the shift from welfare to a struggling state. This is a shift from welfare to enterprise, self-support to be able to move to market circumstances and from the macroeconomic to the microeconomic level.

There was a vigorous debate about the nature and definitions of globalization among those who are sceptical about it as Grahame Thompson and Paul Hirst. Globalisation is rather a myth for both. The debate about the existence of globalisation occurred between those participants who thought that it represents

the end of the nation-state and the collapse of political affairs and those who were refusing all positive statements about globalization as so much misinformation. The (over) globalist approach stays in contradiction with the sceptical viewpoint, which even denies the existence of it. Thompson and Hirst have contributed significantly to reveal the factual weak points of the (over) globalist considerations. Thus, they actively improved the quality of dispute about globalization. However, they have also tended to make excesses. More specifically they have criticised the publicity and have failed to notice what has been really transformed by internationalization. Besides, their conclusions are confusing in several key directions. Here are some counterarguments of it.

According to Thompson and Hirst, the current economic world order is by no means a well integrated system in historical terms. They accentuate that the current financial net flows between leading economies are notably less than one hundred years ago. Furthermore, they think that the main challenge of globalization is whether world economic tendencies validate the presence of a united and compact global economy. Nevertheless, certain statements have to be elucidated below. To begin with, while certain net economic capital flows, thus foreign direct investment in particular, were higher for certain states during the late 19th century, the period of the conventional gold standard, the modern global economic situation is a lot more problematical. More and more states are trapped in international economic flows than previously, and they are involved more deeply in internationalization. Therefore, it is to observe that the world has never been more open to worldwide commerce than it is in recent times. Additionally, trade has constantly expanded as a part of the GDP. Export- and import-GDP ratios were about 10-14% for the developed industrial states during the gold standard stage, but ascended to 15-24% or higher for certain highly industrialised countries, at the end of the 1970s. In the one hand, the expansion of trade, capital, finance and transnational economic business was seriously disrupted in the 20th century by the First and Second World Wars, the world depression of 1929 and the Cold War era. On the other hand, there was a high level of economic

interconnectedness during the post-Cold War era that continues even today.⁸⁴

This applies not only for international commerce, but for MNC dealings and gross cash flows as well. The global financial setting currently encloses nearly each nation-state and market, while the level of gross financial flows is unique because of the turnover on global capital markets. Besides, transnational economic activities are gradually more integrated in local, national and global frameworks. By reading the approach of Anthony McGrew (emphasised in *Global Transformations*)⁸⁵ one could think that Thompson and Hirst are wrong in their own economic terms and defended perspective. Indeed, the challenge of globalization is not just economic; it is furthermore, among others, cultural, environmental, technical and political. Hence, one has to distinguish a confluence of factors, which together are shifting the situational background of informal affiliations and states. For instance, Saskia Sassen's view contains much that is valuable about the ways in which the logic of neo-liberalism has penetrated the institutional structures of national states. Moreover, she examines how property rights of distant owners and long-distance contracts have been supported by state power. These are imperative results both for those who want to maintain the existing structures and for those who want to challenge the system.

Sassen's main idea is that traditional national institutions were restructured for new global purposes. Due to certain institutional features it is possible to jump across pathways in order to rapidly support new normative principles. At the same time as the institutions are promoting the new kind of logic, tracks of the previous reasoning roughly remain and new idea collections arise inside the structures designed with the earlier logic. Sassen proves her hypothesis by concentrating on the patterned transformations and continuities that are typical for political economy, territorial state authority, and citizenship and law in European societies since the 11th century. She is searching for the emergence of a historical scheme of national societies out of a many-sided and multijurisdictional medieval grouping of empires, manors, city-states and churches. The doctrine of divine

⁸⁴ Source: <https://fraser.stlouisfed.org/history/>

⁸⁵ Source: <https://www.polity.co.uk/global/globalization-oxford.asp>

right of kings, where legitimization comes from above (God) became reconfigured as secular national power relaying on social contracts with the people is coming to the fore. The legitimating from below approach is modified into the representation of the nation and the citizen. Similarly, the institutions of the national state of America of the late nineteenth century and primarily those which were created at Bretton Woods, began to be modernized in order to support the goals of the neoliberal globalization plans. The coordination of this change was managed by an executive subdivision of government, which was using its growing influence to privatize state issue while simultaneously destroying the right to property of the citizens.

Sassen's narrative about the appearance of the national institutional setting is comparable in many cases with the account written by Michael Mann, although she is not as strict as Mann in stressing that the political and economic official organizations were functioning separately. Nevertheless, as with Mann, the concept of systemic world historical development is not present. Immanuel Wallerstein's statement that capitalism, once had become prevalent, issued periods and directions in the long-lasting 16th century but remained fundamentally the unchanged scheme for centuries, is also applied by Sassen as a scarecrow in contrast to her successive changes of global scale dialectic. Sassen basically skips Giovanni Arrighi's sample of development of systemic cycles of accumulation. Moreover, there is no argument about the hegemonic rise and fall as an evolution that both repeats and evolves, while the story about hegemony (British, Dutch, and American) is encountered as so many dissimilar tracks of national evolution along with the Germans and the French. As with several other global capitalism scholars, the topic of who has the weapons in modern times is more or less fully avoided by her. Has the increasing salience of economic institutions entirely pushed off the topic of military force on the sidelines of history? The captivating argumentation about transformations in the creation and history of citizenship and the beginning of global law manages to fully ignore to refer to an evolving global state by taking the metaphor of a mysterious, multijurisdictional structure similar to the (pre)national medieval arrangements.

Sassen includes topics as the elites in her depiction of an emerging global system. Besides, discriminated low-wage workers, migrants and political campaigners stick together with specialists as early members of international groups, despite the fact that most of the people were closely knotted to national organizations. There is a remarkable argument that cities are becoming more significant places of political activities in the world of today. Sassen presents both the pros and cons of the internet in relation to democracy.

There are no suggestions about how humankind should face forthcoming ecologic catastrophes or the global bottleneck, thus the circumstance that many people of the Third World were persuaded that they need a First World standard of living. Nevertheless, the realization of this idea is utter impossibility by present scientific, environmental and demographic backgrounds. The democratic disorder of certain organizations of global governance is not concerned at all as subject. Growing inequalities in a globalized world that has principally adopted the “Universal Declaration of Human Rights” as an imperative is implying real provocations to the contemporary international distribution of influence and affluence. A deeper examination of institutional transformation of Sassen could have been helped in order to determine historical mistakes and to find viable solutions for current crises.

Conclusively, Sassen has written an insightful analysis of recent global social change that extensively promotes the thoughts of global capitalism. She successfully answers to a number of deliberations to the suggestion that universal history has started a completely new chapter since the 1980s. Author does not neglect historical facts, as an alternative, she uses them by the search for information phase as she tracks the manifestations of national systems. Her optimistic conclusion is that institutions of the national world are still persisting simultaneously with the construction of the globalized system.⁸⁶

The most explicit statement concerning the relation of globalization and the nation state is provided by Susan Strange. „The impersonal forces of world markets, integrated over the post war period more by private enterprise in finance, industry and trade than by the cooperative decisions of governments, are now

⁸⁶Sassen, 2006, 19-478.

more powerful than the states to whom political authority is supposed to belong.”

What comprises the so called “Open Marxism” approach? The modern state is a result and reflection of capitalist relations of production. Furthermore, the modern state is a product of absolute property and the separation of the economic and political spheres. The state as institution is thus the manifestation of a wider set of social relations and it is a regulatory organization whose purpose is to ensure the preservation of capitalism or the completion of economic circuit. There is no rationale to assume the autonomy of the state. There is a difference between rather trivializing approach to globalization of Ngaire Woods and other scholars who critically analyze the impact of changes in the framework of global markets on how state implements its regulatory tasks. For example, Peter Burnham's thesis of “depoliticisation” shows a dominant accumulation strategy and regime. ”Open Marxism” has its theory of the state with radical underpinnings. The theory subsumes the state in the capital relation. There are uncertainties around Burnham's interpretation of New Labour in power as it is committed to depoliticisation. According to Burnham, the achievements of depoliticisation are dependent on the transparency and reliability of the regulations that officialdom is claiming to follow. Governments have searched deeply to track such conventions after Britain's departure from the ERM by 1992. Without having a feasible international set of rules they decided for second-best by implementing domestic reforms, concentrating above all on operational and administrative autonomy of their central bank. It is well-known the traditionally close connection between the Bank, Treasury and government in Britain, but it is uncertain to what extent operational independence works as realistic imperative. On the contrary, the developed European countries are integrated in the European Monetary Union. Thus, they are now bound together by a series of coherent, reliable financial regulations, which dampen expansionist struggle and are very expensive to amend. UK's membership in this structure would be the rational next move in order to intensify the guidelines of depoliticisation. Conclusively, Burnham's observations about the tensions between the new public management and the contradictions of the politics of depoliticisation are factual circumstances.

Gerard Strange⁸⁷ is contra-Burnham by making a distinction between regime of accumulation and mode of regulation, presenting New Labour's political economy in terms of the latter as a type of depoliticised Keynesianism backed by “discretionary constraint”. Strange refers to the sustained effectiveness of Keynesian and social democratic political agency in the framework of a dialectic of depoliticisation and repoliticisation concentrated on the function and authority of the state. This dialectic is about the disputed control of capitalism around the justification of the significance of money and its wider administration and relocation.

Although different scientific approaches have little in common and seriously influence understanding of contemporary occurrences there is least superficial similarity between the conclusions of certain Marxist thinkers and Cerny. Nevertheless, process and history are imperative. Furthermore, contemporary processes of state restructuring are involving approaches as Strange/Harvey on failures of the system as wrong financial regulation. There are problems with seeking experimental answers to questions of state transformation through a simple analyse of policy, because the same concrete phenomena can look mainly different depending on the critical position one approaches. It is also a matter of creating material and ideational cause. Finally, there is a problem of richness of detail as an accurate evaluation of global state reorganization requires unmanageably broad knowledge of political economy.

However, one could also track the current development of a new dominant state form and that the composition of it can be seen as reflecting transformations in the frame of global markets. Now let's consider certain policy areas to discover the new type of dominant state in the composition of international markets. The reorganisation of public services by the state means the conversion into a sphere of accumulation. The coordination of industrial policy generates a change from securing contestability of specific national companies to middle-level competitiveness of the global space. The intensive regulation of the labour market pushes wage-labour relation into further variations and the

⁸⁷ Source:

<http://www.tandfonline.com/doi/abs/10.1080/13563467.2013.779648?journalCode=cnpe20>

individualisation of it. The state gains design and action flexibility within the market. Welfare states are processing devices and means to suitably face challenges of global competitiveness. State will put into practice different regulatory reforms by the use of autonomous central agencies. The purpose of reform packages is to settle market failures and encourage economic competition. But, market based regulations issued by the state have to orientate on globally recognized regulatory standards. Moreover, particular financial regulations need to be strictly market-based and issued in formal legal frameworks. The states shape monetary policy by establishing autonomous central banks (European System of Central Banks) and rules-based system, which removes policy from power political contestation. Finally, there is the apparatus of corporate governance that means the shift to a system that is based upon market and shareholder control. For instance, there is the German Corporate Sector Supervisory and Transparency Act of 1998 and the German Corporate Governance Codex. The American Sarbanes–Oxley Act was issued by 2002.

According to the information of above it is recognisable that there are major difficulties with attempting to attribute changes to either ideological reflection of globalisation or domestic politics. However, there is no reason to necessarily prefer neither the spatial nor overstate earlier autonomy. To sum up, there are too complex issues to attain definite conclusions. Fact is that the way of how we understand the basic relationship between state and market or capital is critical to how we comprehend the development of globalisation. Answers to key questions about the state, almost over determine the response to subsequent problematization concerning welfare and so forth. However, the magnitude of globalization is considerably greater today as in the past century, exactly as the consequences are. At this instant, globalization offers both pros and cons.

The pros and cons of globalization

The bipolar order of the Cold War has collapsed by 1989/90. However, the long supremacy of the western world is based on the fundamental achievements of modernity: industrial capitalism, efficient administrative structures, constitutional legality, scientific and technological progress. Europe has become

a melting pot of different cultures and mentalities. Today's Germany is the best example for it. One of the paradoxes of globalization is that several people have lost confidence in progress, political order and market economy. Therefore, exactly the cornerstones of modernism are undergoing an existential crisis nowadays. Statistics are showing the proportion of the foreign population in the overall population of Germany in the years from 1991 to 2014. The proportion of foreigners in Germany was 8.95% in 2014.⁸⁸

However, no other numbers should be as hardly credible as of about foreigners who are residing in Germany. According to the German Foreign Office (2006) around 7.3 million foreigners live in Germany (8.8% of the total population) and 1.7 million are Turks. Is it true that only 1,739,000 Turks have lived in Germany in 2006? According to "DATA4U" (2012), the number of Turks in Germany is over 3 millions.⁸⁹

A majority of foreigners are statistically invisible because they were naturalized and have more citizenships and residences within Europe commuting between Germany, their state or even a third country. Millions of foreigners who have German passports are considered as Germans in the statistics. This category is completely ignored by population census or rather public evaluation of figures. Nowadays the media and politicians are positively influencing the immigrants to become naturalized in Germany. Indeed, politicians of Berlin have recently recognized Germany's key-role as immigration target country. In any case, it is undeniable that a large part of foreigners who immigrated into Germany in recent decades is no longer recognizable as such, because of administrative measures. On the homepage of the Federal Statistical Office of Germany (Central Register of Foreigners) one can read the following declaration: „Among the legislative concept of foreigner are included all those persons living in Germany, who exclusively possess a foreign passport. Immigrants having exclusively a German passport as well as dual nationality and their descendants are not considered as foreigners. They are therefore not registered in the Central Register of

⁸⁸Source:

<http://de.statista.com/statistik/daten/studie/14271/umfrage/deutschland-anteil-auslaender-an-bevoelkerung/>

⁸⁹ Source: <http://data4u-online.de/die-zielgruppe/fakten/>

Foreigners and are not recorded in the statistics as foreigners.”⁹⁰ Alternatively, is also presented that according to the micro census of 2013, the population with migrant backgrounds was of 20.5% in Germany.⁹¹

Multilateral factors are now contributing to the rise of the wider world or to the contracting of it. Global conflicts are a side effect of several catch-up activities, but these are multiplying. The pillars of modernism, thus progress, market economy and rule of law are undergoing themselves a wide-ranging existential crisis. Herein lays the central contradiction of our time: people are experiencing the globalization of modernity - and simultaneously its disintegration. Business economists have observed that productivity growth in industrialized countries has slowed down.⁹² Some of them argue that inventions such as smart phone or GPS have not changed so dramatically the productivity like the combustion engine or electrical energy in the past century. Robert Gordon softens the role of computer technology in the economic growth of the latter 20th century in accounting for business cycle and trends. Besides, the economist also attacks the actual productivity of such high-tech improvements. We are exposing ourselves to return from an intensive progress based to an extensive supply dependent resource growth. Wherever advancement happens, the employment implications are quite unclear. One can observe the growing polarization of the labour market, which is associated with lower employment and falling wages for several people in rich countries.⁹³

Certain global developments still have an open end. All that happens on a planet with a population of nearly 8 billion

⁹⁰Source:

https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/Bevoelkerung/MigrationIntegration/AuslaendischeBevolkerung/AuslaendischeBevoelkerung_Info.html

⁹¹Source:

https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/Bevoelkerung/MigrationIntegration/AuslaendischeBevolkerung/AuslaendischeBevoelkerung_Info.html on the same page (AT A GLANCE section)

⁹² Source:

<https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Internationales/Internationales.html>

⁹³Source:

<https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/Arbeitsmarkt/Arbeitsmarkt.html>

inhabits a fragile ecosystem, restricted means and scarce resources. Beyond, people are expecting a continuous improvement of prosperity as certain leading economists are convinced about the benefits of exponential growth. Such current expectations of the masses were very different of manual workers of the pre-industrial era as back then exploitation of people and resources just begun to take larger dimensions. Alone the belief in progress encourages investments, as this is the main base to start businesses and innovations in private property, social systems, institutions, technology and research. If progress no longer generates wide-ranging economic reimbursements then political and social stability are threatened.

However, it is to observe that nowadays people are losing confidence in the markets. The triumphant advance of the market economy goes in conjunction with the faith in progress, because it is a second motive force behind the globalization of the modernity. The rapid rise of countries in Asia, Latin America and Africa was essentially the outcome of profound economic reforms and complex socio-political experiments. China's economy continues to grow for decades with over 10%, helping millions of people to gain a better status even though tens of millions are still suffering. The price of progress is high (for example ecologically) and it is manifested very differently in all regions. India experienced a similar strong economic growth and lowered its overall poverty rate from 50% to 20%. Furthermore, some of the fastest growing economies are still in Africa.⁹⁴

Statistics may appear eloquent but several results are a question of interpretation and it needs a balanced and transparent context to show as much as possible the significant meanings or the other side of the coin to the public, which action activity rarely occurs. The overall inequality in China is 50% higher than at the beginning of his mixed market reforms, greater than in liberal market systems such as the USA and Great Britain and twice as high as in the stable social market economies of northern Europe. A rhetorical question arises: Is there a global social equality? Economists commonly refer to the relationship defined by the Nobel laureate Simon Kuznets. It describes the circumstance that market reforms may exacerbate insecurity and inequality in the short term but reduce in the long term. However,

⁹⁴ Source: <https://www.cia.gov/library/publications/the-world-factbook/>

this correlation is contradicted by the fact that inequality has increased rapidly in advanced countries too. If there are winners, then there are losers, as well. Consequently, such processes are generating pros and cons. Critics are complaining that globalization pushed down wages in the developed countries and several businesses are struggling to survive on the market. Thus, ever more entrepreneurs are constrained to take offers from low-wage countries and correspondingly are adjusted the revenues within the industrialized countries. However, not only individual contracts are given to cheap labour countries but also the entire relocation of production of large concerns goes there currently. The high level of unemployment and what they leave behind in residing countries is commonly explained as an effect of increasing globalization. Significant losers are the small enterprises in poorer countries as they have hardly any chances of survival by a severe global competition. Various opponents are associating globalization with the term of wage dumping. Thus, businesses from countries with low wage levels are penetrating the domestic market that in due course also pushes down its own prices. Especially enterprises from industrialized states must often make savings on personnel costs in order to optimise and lower the costs of production. Several businesses are saving by variable costs thus, salaries and wages, which involves lower incomes for the individual employee. Through the reduction of revenue, employees have less income, which has a negative impact on the domestic demand and consumption choices of customers. Subsequently, due to low domestic demand, certain firms will have considerably lower demand. When orders and profits of companies are decreasing on the domestic market, which in turn leads to new cuts and financial reductions, then it is time to be aware of a vicious circle effect. In this case, wealthy countries can pretend sever conditions to poor countries. According to critics, big corporations are continuously taking advantage by international trade. Entrepreneurs with strong capital are going to newly industrialized and developing countries, where they also change especially the local structures. Small and family-run businesses were simply pushed out of the market, which phenomenon is named as destructive competition by certain economists. Larger corporations have a dominant position only by

their dimensions and world market status; therefore, they can set terms to lower trading collaborates.

Besides, the environmental implications are enormous because tons of goods have to be moved back and forth around the globe, beyond, third countries often do not have strict environmental regulations, as it is the case by more developed western states. It is to point out that the sharp competitive struggle on the market is not always an advantage for the community because some resulting damages have to be paid and every so often, it is the social system, tax monies or the society alone who has to compensate the locally resulting gaps and intricate losses. However, businesses that want to compete on the world market today are frequently exposed to low-cost providers from abroad. Additionally, more conservative researchers are often complaining about the loss of local identities and refer to this change as a major inconvenience of globalization. Corporations are struggling for a uniform appearance by supporting corporate identity or other additional tools in order to give staff members certain guidelines of desirable lifestyle. The standard of living of several people is coined by brand awareness, consumption drive, workplace replacements and endless fight to maintain status or to achieve a better one. This kind of behaviour can eventually generate the loss of initial and regional identity.⁹⁵

Furthermore, durable wage cuts, problems of distribution and low growth will lead to official debates about the political embedding of markets. If income from investments in research, education, healthcare and industry are constantly declining, the need of political interference progressively grows. According to the economist, Moises Naim, it is not capitalism, but corruption the root cause of increasing inequalities and discrepancies in countries such as China, Russia and its federations, Ukraine, Serbia, Greenland, South Africa, Thailand, Egypt, Indonesia, Nepal, Vietnam, Togo, Guatemala, Brazil, Venezuela, Afghanistan, Irak, North Korea, Somalia and Phillipine.⁹⁶

Even certain liberal economists of the USA and Europe are arguing about the negative sides of corruption in the context

⁹⁵ Source: <https://www.cia.gov/library/publications/the-world-factbook/>

⁹⁶Source:

http://www.finanzen.net/top_ranking/top_ranking_detail.asp?inRanking=640&inPos=1

of globalization. Joseph Stiglitz, Simon Johnson and Robert Reich are providing impressive proof that the growing power of lobbyists creates a favourable background for the spread of exploitation, insecurity, discrimination and favouritism. In view of that, the confidence in traditional governance structures decreases but the influence of charismatic leaders with strong personal networks grows rapidly. European history shows that Humanism, Reformation, anti-Reformation, the Enlightenment, industrial revolution, nationalism, socialism and democratic systems have been completed by strong networks that challenged traditional structures. Railways, steamships cars and airplanes carried not only products but also the powerful ideas of liberalism, conservatism, social democracy and socialism. The same time, new hierarchies were founded in the form of powerful states, corporations, consortiums and holding companies. All these diverse organisational structures were participating in a gigantic experiment in which the fast economic growth of the past centuries was carried out. Deep-rooted establishments are experiencing challenging constellations and are getting more and more under pressure.

Does really reflects this creative restructuration process the making of a new-networked system? Or is that another evidence for the usual loss of centralised command because the new order has still to be found? The minister for German Foreign Affairs, Frank-Walter Steinmeier used the notion of loss of order to describe the trend behind the crises of these days. However, the emerging new regulatory still remains hidden in the machinery of officialdom. Autocratic regimes create false patterns of democracy without real freedom of expression and the separation of powers. Iraq, Afghanistan, Syria, North and Central Africa are experiencing the complete deterioration of official and societal order. The western world looks up at the actions and liberal democracies seem ever more preoccupied with themselves, surprised inflexible and divided. The sociologist Ulrich Beck concludes that not the disaster but the fear is that what guides our actions.⁹⁷ Alongside these lines, fear evolves to political tool. People understand that the world is getting smaller by globalization but this is still perceived in certain regions and

⁹⁷Source: <http://www.kulturradio.de/rezensionen/buch/2015/Ulrich-Beck-Risikogesellschaft.html>

groups as a threat. Global integration is increasingly viewed as a risk; therefore, the demand for the false sense of welfare, security and safety constantly grows.

Moreover, the isolation towards inferior systems is a welcomed measure. Exactly such developments facilitated the rise of totalitarian systems in the past centuries. Charismatic leaders were promising impartiality, security and the rearrangement of the old order into a new but stronger. However, such promises mostly remained empty slogans and their activities ended in destructions. Stored fears are facilitating once again the rise of populist, extremist, and nationalist groups, which can use and misuse their position in higher power structures towards voters. It is fact that exclusionist measures are no feasible solutions for the EU as history shows that rather rapprochement and tolerance have brought to Europe such values as reconsolidation and prosperity. Ulrich Beck sustained that “the national idea is unable to unite Europe. A big European super state makes people afraid. If there is one idea that could unite the Europeans today, then it is that of a cosmopolitan Europe, because this takes Europeans the fear of loss of identity, which raises constitutional tolerance to its target in many European nations by dealing with each other and simultaneously opens up new political spaces of action in a globalized world. The more secure and recognized in their national dignity Europeans will feel, the less they will need the nation-state, and so more resolute they will open to European value to represent it in the world.”⁹⁸

However, history remains only history and people have the possibility by it to learn of previous mistakes. There is no hope that problems will be fixed just because that happened sometimes in the same way in the past. Actors and agencies are guiding the happenings.

The globalization of modernity will only bring reconciliation and success if everyone is ready to do something for it. The first step begins by the reconsideration of old meanings and concepts such as economic growth, legality, legitimacy, alternative development of culture, distribution of revenues, old and new forms of dissidence, networks of resistance (national-, regional and international level), relations between government,

⁹⁸ Source: https://www.schader-stiftung.de/uploads/tx_schaderstiftung/Beck-Kernthesen_01.pdf

enterprises NGOs and society. Resistance takes several new forms currently in the context of globalisation for instance, opposition by web 2.0 in social networks in which the role of the internet is decisive. Furthermore, it is to determine which the current structural forms of resistance were. More exactly, it is to discover the exact demands, goals of activists. An alternative topic could be the study of mythologizing resistance activities and its members in order to understand retrospectives of the opposition clusters. Various forms of disapproval may be present in music, film, stage, literature and economy. It would be thought provoking to comprehend different identities in the context of local resistance, respectively how identity shaping and demarcation between minorities and majority in certain social setting is functioning. As a final point, it would be attention grabbing to observe the development of official policies issued by the state in order to overcome resistance of specific movements, respectively to grasp how manipulation of information and propaganda on both sides is working.

However, there are several issues in favor of globalization. It is frequently associated with the term of equal opportunities. There are several open possibilities, especially in the third world countries, because the global economy continues to grow, thus numerous states and entities can also benefit from the advantages. First of all, international trade can provide increasing prosperity by a targeted division of work. Entrepreneurs have the chance to present and commercialize their own goods on a large scale at the international market. Such positive economic developments cannot be denied even by the opponents of globalization. The entire society can benefit through the increased economic activities of companies and multinational corporations. Globalization can generate more prosperity for those nations and entities, which play an active role in it. Dialogue and many-faceted possibilities of communication are essential for relationships and business contacts all over the world.

The range of goods has grown steadily by international trade including coffee, tea, condiments Mediterranean food and exotic fruits are currently simply procurable products. The exchange of scientific, economic, cultural, educational, technological and political advantages is now given. Strengths and skills or even weaknesses can be utilized among the

participating parts; but a profitable transfer is theoretically possible for all participants. Globalization has opened further opportunities as improved economic performance for business communities. On the basis of the steady growth of the world economy, many countries can take advantage of globalization and benefit from it. The process of globalization has generated a heated debate about the Third World. Some critics argue that where globalization is taking place there is exploitation too and only richer countries benefit from the poorer countries. Therefore, a large gap is created between them. While others claim that, more international commerce enables developing countries to open out through the further increase in the national income in order to finance their own modernization and infrastructure. Thus, all nations and entities can benefit from globalization, whether rich or poor – with the condition that the land and region is only prepared to be open to international trade. However, it is not sufficient simply to open up to the global market, because this needs to be done in a strategic way that corresponds with the characteristics of a region and its people, so it is possible to properly take advantage of commercial activities. There is no perfect solution or a recipe for globalization as it is an experiment in a flexible but highly complex setting. Moreover, rigid rules as well as too much protectionism can lead to the destruction of the economic performance of a region. States may grow both economically and succeed socially through the choice of the optimal tools to participate in international trade.

Many people who are against globalization have various reasons to think in this way, for instance they believe that it is incorrect that workers of abroad are receiving only a small fraction of the entire price for the product, which is sold in more developed regions. Every second item of clothing comes from Asia into German stores as the country imported apparel worth of about 14 billion Euros from Asia. That is more than half of the total of imported clothing, which is worth about 24 billion Euros. China has the largest portion with an import volume of 8 billion Euros followed by Turkey and Bangladesh with three respectively two billion Euros. Nine out of ten garments that are purchased by German customers are imported from these low-wage countries. Since the 90s only a small percentage of the sold apparel is produced in Germany and the indigenous clothing industry is

undergoing a crisis and is in a sever restructuration phase. Only certain larger enterprises as Seidensticker, Trigema and partially Boss have operating sewing and tailoring. Since 2010, the number of employees decreased by approximately 15 000 to only 45 000 in the German textile industry. On the other hand, meanwhile more than half of all imported Jeans is coming from Bangladesh and China to Germany. The last entire data gathering is from the year 2008, when approximately 77 million jeans were thrown on the German market.⁹⁹

The profit margins are huge, because the costs of production have nothing to do with selling prices of stores. According to a study of the "Clean Clothes Campaign" of 2008 a pair of jeans from China was sold by 6.93 Euros and if it was manufactured in Bangladesh then it was bought by only 4.72 Euros from customers in Germany. According to a study of 2013 written by Camilla von Loeper, approximately 2.2 million mainly young women are employed in the textile production in Bangladesh. They are working in 13- to 16-hour shifts and overtime hours. Moreover, wage dumping and sexual assault were a daily occurrence there. Due to insufficient schooling and high unemployment, women generally have no other alternative but to work in these factories and endure poor circumstances. Moreover, families have frequently no other possibility for their survival than to send their children to work in these developing countries. Usually there are no particular opportunities of school attendance or medical supplies as in the richer countries and even though some forms of education and healthcare exist, these services are only reserved for wealthier families who also can pay for these facilities. Due to globalization, households have the option for higher incomes whereby a family will be eventually able to send their children to school and to give them any kind of healthcare.¹⁰⁰

Jagdih Bhagwati notes that “child labor will surely decrease over the time by increasing economic growth, partly also

⁹⁹Source: http://www.focus.de/finanzen/news/tid-28299/kleidung-aus-billiglohn-laendern-in-fast-jedem-kleiderschrank-stecken-billig-klamotten_aid_868874.html

¹⁰⁰ Source: http://www.security-explorer.de/fileadmin/media/pdf/Bangladesh_Billigprodukte.pdf

because of globalization."¹⁰¹ The implementation of the Harkin Child Deterrence Act was an American draft law with the purpose to finish with child labor. But it led to the circumstance that child laborers were dismissed and after that they tried to find work elsewhere. It was much worse that several girls were actually forced into prostitution. The chance of globalization consists in this case by the increase of the levels of prosperity in order to enable families to offer their children a balanced school education without the danger that this will threaten the very existence of the family.¹⁰²

The case of above is a clear demonstration of cheap labor and wage dumping from the perspective of globalization critics. Indeed, 60 cents or even much less payment per hour would be an extremely unfair wage in industrialized countries. However, the price of 6.93 Euros or 4.72 Euros for a jeans trouser refers to mass production quantities and it is to notice that not all articles will be sold. Furthermore, costs are arising for development, materials, storage, transportation and additional unforeseen expenditures. In certain cases laborers, who are working for a foreign company in their own country, earn more money compared to workers who are employed by domestic enterprises. The economist Paul Glewwe found out that employees in foreign firms are earning twice as much as the average laborer in a local enterprise. Glewwe's information was connected to Vietnam.¹⁰³ Therefore, the impacts of globalization in this field can be seen more accurately if one does not compares the wages of laborers between individual states because in this way results get a quite subjective character, but rather salary differences should be reviewed within a country. Consequently, the proper evaluation criteria for payment of workers is a complex topic as this can vary even within a country by different regions, legal background, specific governmental projects and other circumstances. Subsequently, the potential to produce goods by leveraging the comparative advantages of a single state may generate optimal

¹⁰¹Source: <http://www.hec.unil.ch/ocadot/SECODEVdocs/Articles/Cigno-Rosati.pdf> and http://www.focus.de/finanzen/news/tid-28299/kleidung-aus-billiglohn-laendern-in-fast-jedem-kleiderschrank-stecken-billig-klamotten_aid_868874.html

¹⁰²Source: http://www.security-explorer.de/fileadmin/media/pdf/Bangladesh_Billigprodukte.pdf

¹⁰³ Source: <http://ageconsearch.umn.edu/bitstream/13209/1/mae701.pdf>

benefits in commerce and since each country has a comparative advantage this means that theoretically every participating national unit or entity can also join in to benefit from global trading. Several studies have been written about the national income all over the world during the 1990s. Results clearly show that the income of developed and more globalized countries was increasing on average by 2% per year. Research also proves that countries are experiencing a higher increase by income per year as poor, less globalized states. After a closer look at these studies it is to state that outcomes are also indicating that the poor and more globalized states have had an overall income increase of 5% per annum. On the other hand, the poor, less globalized countries have had a yearly decrease of 1%. The median income of the wealthiest 20 countries was 15 times higher as that of the poorest 20 states in the 1960s. The rate of then is at 30 times higher nowadays.¹⁰⁴

Globalization and wage trends¹⁰⁵ and now let's see certain benefits of enterprises, labor market and commerce. The labor market is benefiting from increased trade, which enhances the overall economic performances. Moreover, people have the possibility to accept employment abroad. Businesses can extend their location and create new workplaces. Enterprises and households have the opportunity to invest their money wisely where it is most profitably. Thus, restrictions to one's own country are not anymore applicable. The term of globalization implies many advantages in the personal sphere of people as well. Private and business travels abroad, the importation and exportation of products is much easier now as border controls do not exist anymore within the EU. Furthermore, the imposition of customs duties has been simplified, which circumstances are increasing the significance of individual advantages of persons related to globalization. This is applicable in the fields of research, science and technology because experts of different disciplines may team up at global level and therefore obtain more effective results. This can influence the development of technological achievements and health care positively. At the same time, such professional cooperation prevents competition in the affected areas, which

¹⁰⁴ Source: <http://faculty.apec.umn.edu/pglewwe/research.html>

¹⁰⁵ Source: <http://www.freit.org/WorkingPapers/Papers/FirmLevelGeneral/FREIT590.pdf>

restrains the resentment from other countries and thus possible conflict potential is smothered from the very beginning. Occasionally the latter point is reflected in politics as well, because leading minds of various nations are tending to find joint decisions rather than to struggle against each other, which has as result that political conflicts and warfare are minimized.

However, political environment is made up by individual government structures of various administrations whose members can be driven by different ideologies as socialism, communism, capitalism or liberalism. Political parties are important magnets of interest or otherwise oriented participants. Governments can be built of single-party-dominant countries, dual-party systems and multi-party systems. Governmental policies and regulations are designed to promote a country's benefit in the international field regarding national security, developing ground-breaking industries, defending industries in bad conditions and creating employment. Political risk indicators are quite different as societal comprising matters as urbanization, bribery, favoritism, social unrest that can be manifested in ethnicity, language, religious fundamentalism, xenophobia or extreme nationalism.

Furthermore, there are political indicators, which involve topics as politically provoked aggression, degree of authoritarianism (use of force to preserve control) military or political control, wars or participation in foreign conflicts, relations with neighbors and authority of government devices for transfer of powers. Economic risk indicators can be subjects as commodity dependence, GDP, price rises, flight from the currency, foreign financial obligations and food output. Governmental risk reduction strategies have the following components: political risk insurance; local partners; decisive technologies; vertical integration; invaluable status; minimizing fixed investments; dangerous parts from home country; local borrowing; and frequent scientific transfers. There could be quite a few risk assessment methods as quantitative samples, commercial services, Delphi method, old hand and grand tour that include the United States Chamber of Commerce (AmCham Germany).

Furthermore, even opportunities of health development can be maximized through globalization. It can be stated that internationalization has generated considerably higher incomes

during the past decades in the People's Republic of China. This country has mastered the implementation of globalization in its own way far off from western standards. Estimates of Dani Rodrik are showing that through the opening of China to the global economy the median income has raised annually by nearly 8% per person. Through participation in the globalization process the People's Republic was able to finance the modernization of its economy and their country by selling its goods on the world market. A further striking fact that can be seen as a consequence of the opening to free trade is that life expectancy by 1960 was only 36 years in China in 1960; however, it increased right up to 70 years until 1999. These figures are clearly showing that if a country develops well adjusted strategies concerning globalization then it can be successfully implemented.¹⁰⁶

Globalization may offer benefits in daily life as well because moving consumer goods can be produced where the production costs are lower. That means decreasing prices and hence financial savings for the purchaser. Foods that can not be grown or only at great expense in its own country that would affect the final price are now available at low cost through globalization on the international open market. This is also true for livestock breeding. Therefore, the subsistence of the consumer will be cheaper. However, improvements and advantages resulting from globalization are arising gradually, which is an ongoing process. It enables that more work processes, technologies and methods can be shared throughout the world, which finally can also lead to increased prosperity.¹⁰⁷

A country that cuts oneself off from the outside world can not learn to improve itself - instead, it will continue to do things the way it has did until now. In line with this, there will be no such vast opportunities to ameliorate and follow new ways as in the countries, which were actively participating in globalization even if challenges of global competitiveness are rather diverse. Furthermore there are several arguments about globalism versus

¹⁰⁶ Source: <http://rodrik.typepad.com/>

¹⁰⁷ I have reviewed data from the World Development Indicators. It shows the amount of exports and imports of products and services measured as a share of gross domestic product. The data resources of the World Bank are national accounts information, and OECD National Accounts data files. Please see trade in % of GDP by the WTO. Source: <http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>

localism over the years. In order to succeed globally, even the biggest multinationals have to think locally. The “think global, act local” idea comprises fine-tuned changes that entrepreneurs can carry out.

A few examples in this direction: Ford was one of the first automotive corporations to go International with the formation of Ford Motor Co. of Canada in 1904. Even Henry Ford the second was the meaning that in order to increase the growth of its international activities, any purchasing operation should be done after thinking on the selection of sources of supply not only in its own business but also resources located elsewhere in foreign lands. When Ford had set up its first plant outside the USA, thus in Canada, it profited significantly from its socio cultural and geographic vicinity.

Starbucks is experimenting with locally designed franchises in stores. These are non-Starbucks branded in order to bring back the sense of a local coffee shop, which would otherwise be endangered by the simple presence of Starbucks as immediate neighbour. Starbucks’ first business was opened in the autumn of 2012 in India and it has no pork or beef as it is treated taboo by the people. The Indian bill of fare has local preferences as Chai Tea Latte and the coffee is purchased and roasted regionally. Certain food products, vegetarian dishes, contain baked goods like Konkani Twist or Chatpata Paratha Wrap to adapt its offerings to local meat-free tastes. There are even different stoves and counters for non-vegetarian and vegetarian offers.

When Tesco expanded globally in countries such as Hungary, Czech Republic and Thailand it kept its standard name and chain of custody. Nevertheless, as it entered the market in the USA, it renamed its shops "Fresh & Easy Neighbourhood Market".

McDonald’s strategy is to listen to local consumers and then intensively customise products. The company searches to implement this globally. Some of its local favourite items around the world include the Ebi Filit-O in Japan, the McItaly burger in Italy, the McLobster in Canada and the Maharaja Mac in India. McDonald’s has novelty offers on its menu in Japan like the Teriyaki McBurger with Seaweed Shaker fries, Ebi Filet-O, Croquette Burger and Bacon Potato Pie. McDonald’s branded

model Yuri Ebihara (known as Ebi-chan in Japan) to market Ebi Filet-O. Ebi means shrimp in the Japanese language. To see the second wave of globalization of 1945 until now and world maps of trade openness (trade as share of GDP) between 1960 and 201 please visit the website of Max Roser.¹⁰⁸

Historical backgrounds of globalization with current retrospections in a nutshell

The word globalization has been used by economists since 1981. The notion was rather unknown for the public until the later half of the 1990s. The first conceptions and forecasts of globalization were made by an American entrepreneur-turned-minister Charles Taz Russell who initially coined the concept of corporate giants by 1897. Different social scientists have tried to show continuity between contemporary trends of globalization and previous ages. The first age of globalization, in the fullest sense, during the “long” 19th century was the fast intensification of intercontinental trade between the European imperial powers, the European colonies, and the United States of America. Globalization was fully restarted after World War II being driven by core progress in technology, which led to lower commercial expenses.

It remains disputed when exactly globalization has started. There are different views on this and it is often claimed that globalization emerged only after World War II. However, several savants are convinced that the worldwide expansion of European countries during the 19th century can be considered as the beginning of globalization. Besides, other researchers are quite certain that globalizing trends are as ancient as humankind itself is.

International relations could be one of the possible tracks to approach the origins of globalisation, because probably it has already functioned in the ancient world. Certain examples could be the Nile Valley, Mesopotamia, Greeks, and Romans. The early days of globalization can be traced in the existence of the Silk Road. Historical evidence dates back to 1600 BC and it lasted through the Mongol Empire until 1400. However, there are

¹⁰⁸ Source: <http://ourworldindata.org/data/global-interconnections/international-trade/>

additional traditional cases, such as China the native civilizations of the Inca, Maya and Aztecs. Furthermore, one could name India or the Hittites, the Assyrians, the Persians, the Mongols and the Ottomans (etc.) as all of them were engaged in some form of globalization also known as commerce. Some emperors early recognized the key aspects of international trade and developed on it in order to facilitate networking and consolidate their regimes. Certain patterns of ancient trade relations are disclosing the intense interaction of different cultures and civilizations.

The colonization phase could be an additional stage of globalization, which has begun with European colonialism and slave trade (1400s-1800s). Consecutively, one could focus on the discovery of the New World by Christopher Columbus and the history of large flotillas of Portugal, Spain and England, which explored foreign, distant cultures by constructing strong empires. Their main tools were money, gold, silver, weapons, the church, coffee, tea, food, labour, spices and slavery. The way how to gain more political hegemony was in many situations also the main economic driving force. Sometimes domination over a region or the world involves not just military or political control, but the most pervasive is economic and cultural control as in the cases of imperialism or colonialism.

Certain geographic implications down to the present day were: imperialism and colonialism, ethnocentrism, racism and environmental determinism. Imperialism could be also perceived as formal colonialism as colonies were under direct governance and control of the emperors. Indirect and representative political rule was frequently implemented through carefully selected local leaders. Besides, the key control tracks were labor, resources and land. (Please see Figure number 12.)

The early 1800s is the time of the Industrial Revolution and wage labor. Britain is the hearth of it by dealing with slaves, cotton, textiles and having steam power, iron and canals. However, until the middle of the 1800s, technological development is diffused to Germany, France, Belgium and the Netherlands. Steel was massively used for railroads, steamships, telegraph and weaponry. Such issues were showing the means of modern globalization, which was rapidly spreading through Europe to other continents, the USA and Japan. Additional power devices were electricity, oil, engines, roads and the invention of

the radio. However, such issues as ethnocentrism and racism were also widely distributed because Europeans have considered that their individual way of living is the very best one. Thus, they attempted to civilize the natives and the non-whites. (Please see Figure number 13. and 14. and 15.)

How could one define environmental determinism? It is the conviction that certain physical environments or climates are more inclined to produce advanced civilizations than others. According to this theory the world has following environmental and regional categories: torrid or tropics, temperate or mid-latitudes, Mediterranean or the middle of the earth and frigid that encloses the Polar Regions. It was theorized that the temperate or mid-latitudes regions were most probable to produce higher civilizations. Although, this approach can be also justified with accurate statistics it has quite eccentric characteristics. Such interpretations should not provide nations or entities the right to refine other people. There are definitely some other factors that can help to explain such assumptions. Indeed, around 1900 commences the rise of strong multinational and transnational corporations (MNCs and TNCs) because investment activities are transcending boundaries as never before. Furthermore, peripheral and semi-peripheral countries were supplying the core with cheap labor and plenty of resources. Business and governments were getting increasingly intertwined in the meanwhile. Therefore, it is to observe that the Industrial Revolution helped to create the rise of MNCs and TNCs. The gold as imperative was in full effect and the rules were made by core countries in the interests. Maybe the Dutch East India Company (1602) is one of the oldest of transnational trade corporations. It commenced to trade in Indonesia and South-East Asia. Subsequently, the Dutch West India Company has started first businesses in the Caribbean and Americas by 1621.

There are additional issues as the conflict of European imperialism or the power struggle predominantly between the German Empire and England, France and Russia for the division and re-division of the world, which resulted in the outbreak of World War I. after that it followed World War II, the Cold War period and decolonization till the mid-1900s. European powers were interested in raw materials such as oil, coal and minerals: as a result, they conquered other countries and exploited the

colonies. Thus, there are such issues as neocolonialism and the rise of strong corporations within the developments of the late 1900s.

The United Nations was founded by 1945 having 51 member countries and the EU was created by 1952. The North Atlantic Treaty was signed in 1949 and the Warsaw Pact was formed as an answer to NATO created during the Cold War in 1955. The World Bank was inaugurated in 1944 and has expanded from a single organization to a finance group of five institutions, which are linked. Its objectives evolved from the International Bank for Reconstruction and Development (IBRD) as architect of post-war reconstruction and development. Additional members are the International Development Association, International Finance Corporation (IFC), the Multilateral Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID).

Countries can be listed of the world by economics. Accordingly, they are belonging to major income divisions as the core (states with high-income economies: \$ 9,386 or more), semi-periphery (middle-income economies: \$765 to \$ 9,385) and periphery (low-income economies: \$765 or less). These measurements were made by the IBRD (1997). It is to stress that there is an external area with several other countries as well, but statistical data from there is totally missing. The measurement of income is usually showed in the Gross Domestic Product (GDP). It means the total value of all materials, goods, and services produced in one year, but inflows or outflows of money, for instance the transfer of funds or other issues are not included. GDP is impacted by factors as the relative buying power or purchasing power parity (PPP) and the exchange rate versus buying power (Dollar vs. Yuan vs. Euro). PPP is based on the hours of labor required to purchase a good. But there is another frequently applied economic term: per capita. It is used for leveling comparisons between diverse populations, more exactly to divide GDP by population (Example: GDP per capita vs. GDP).

The core encloses the dominant and most developed countries (MDCs). Thus, in the terms of dependency theory these are the former colonial powers. With other words, this is the so named first world or industrial word category. Here are the

centers of productivity, technology and trade. It is characterized by a very high GDP per capita. Such countries have a main developmental advantage that allows them to design the global economic system to serve their own interests by exploiting the periphery and semi-periphery. There are over 200 countries in total out of which about 30 countries are classified as developed countries – also called OECD (Organization for Economic Cooperation and Development) countries. This group of states includes the U.S.A., Canada, most part of Europe, Japan, Australia, New Zealand, Singapore, and Turkey etc. Another 30 or so are Middle Income Countries: Korea, Taiwan, Malaysia, Mexico, South Africa, Brazil, Israel, Chile, several Eastern/Southern European countries, Russia, etc. Another 15 or so are major oil exporters or 11 OPEC members like Saudi Arabia, Kuwait, Iran, Iraq, Indonesia, Nigeria, Venezuela, etc. together with non-members of this oil export agreement as Mexico, Russia, U.K., and Norway.

The semi-periphery is a classification, which can be described as somewhere in-between the core and periphery. These are the so-called industrializing ex-colonial countries (NICs). Most Asian and African countries are belonging to the developing countries group. A majority of the world's countries belong here. Additionally, the rapidly developing very large countries are: China, India, Brazil and Russia (BRICs). It follows the poor countries type that are countries inert at very low levels of development, such as Burma, Bangladesh, Afghanistan, Haiti, Nepal, mostly sub-Saharan African states. Finally, there is the Triad Region enclosing North America, Western Europe, and Japan. They together produced over 78% of world's GDP in 2004.¹⁰⁹

These countries or regions have very mixed processes as they are both exploited and exploiters but exporters and importers of products as well. However, the example of China clearly shows that there are special economic zones. Historically the land was considered a periphery, but it was never colonized. Moreover, China has quickly emerged into the semi-periphery with trade opening strategies over past 20 years. Its huge population and the continuously growing yearly economic output have already coined the entire globalization processes. Most recent impacts on

¹⁰⁹ Source: <https://www.cia.gov/library/publications/the-world-factbook/>

international markets could be observed by the massive presence of products “made in China” and the over-demand on oil, metals and other materials going to the People's Republic. A main potential conflict issue could be whether China will be fully accepted or not by competing power partners as full-right key-player in the core category in the not-too-distant future.

Countries as Kenya, Bolivia or Pakistan (etc.) are belonging to the periphery. These are Big Emerging Markets (BEMs) in the next 10-20 years. BEMs such as the Chinese Economic Area (CEA: China + HK+ Taiwan), India, South Korea, Mexico, Brazil, Argentina, South Africa, Poland, Turkey, Russia, and the Association of Southeast Asian Nations (ASEAN: including Indonesia, Brunei, Malaysia, Thailand, the Philippines, and Vietnam) will provide major/dominant opportunities in global business. To put it the other way round, it is the so-named third world or developing countries (LDC's). These are the poor and exploited ex-colonial nations. Exploitation means here the act of employing to the greatest possible advantage, for instance exploitation of bauxite or copper deposits. Alternatively it is the instrumentalization of another individual or group of people for self-centered purposes, for example to make full use of unsuspecting customers. It is claimed that these countries are instrumentalized by the core and the semi-periphery. States belonging to this category are tending to sell to other countries their own resources and provide cheap workforce for them by having very low GDP per capita.

The internet has started within ARPANET in 1969 and the first intercontinental and trans-Pacific trade agreements were made at this time in the frame of the WTO. The Bologna Agreement of 1998 was signed by several European countries and it standardised the higher education degrees (bachelor and master). A new level of global changes has begun after the collapse of the Soviet Union, which can be associated with the abandonment of the planned economy and the return to the global market in the former Eastern bloc countries as well. It is relevant to mention the major growth of emerging markets of China, India and Vietnam with various effects on the world economy, such as the increase of raw material prices and the outsourcing of large European companies to Asia. Critics of globalization such as ATTAC network are accentuating the circumstance that

internationalization is not an inevitable development, but rather a result of deregulation policies of the U.S.A. has initiated at the end of the Second World War. Without the liberalization of world trade within GATT and the WTO, such an economic growth would have been impossible.

Further world divisions schemes of the late 20th century are: the first world (Global North) comprising the industrialized capitalist countries of Western Europe and North America; the second world including former-socialist countries with centrally-planned economies being in transition to market economy or hybrid structures; the third world (Global South) embracing ex-colonies as India, Malaysia, Brazil or Algeria; the fourth world (Global South) embodying the poorest nations together with indigenous communities. This approach also symbolizes the splitting of the earth into two opponent and competing divisions: north and south. Thus, it is the Global North versus the Global South. According to estimations of the World Bank, more than 1 billion people, thus much above 15% of the inhabitants of the world, are living in extreme poverty by having less than \$1.25 (USD) per day for living. Unfortunately, appreciatively 70% of the impoverished are women and children. Thus, two statements are arising: due to globalization, the rich have become richer; however the poor have also become richer; or the gap between rich and poor has considerably widened because of globalization. It is fact today that the economic discrepancy among rich and poor is increasingly larger.

The digital divide means fast versus slow worlds. Those who are belonging to the fast division, thus around 20% of the world, have access to improved services in telecommunications, commerce (quality consumer goods) or arts and entertainment (media, cultural products). Those who are in the slow division, thus approximately 80%, have limited access to the same offers. Therefore, there is a full-scale objection of the majority towards the 20% backed by technology. To put it another way: 80% of all homepages are in North America and 20% of the population possesses 74% of all phone connections of the world.

It is very probable that contemporary globalization started off simultaneously with the transformations induced by World War II. There are sudden shifts in economic hegemony, political power, technological innovations, communications networks, and

in the development of transportation. The U.S.A. will be more and more dominant in the late 1940s and Washington has the monopole of the atomic bomb until 1949. Industries of Europe, Russia and Japan the U.S.A. are financing the reconstruction of open societies. Simultaneously, the colonial flags were coming down (decolonization) in Asia (1940s-1950s) and in Africa (1960s-1970s). According to Marxist thinking, although periphery countries were getting free, but ex-colonial powers are still dominating their economies, resources and cultures. However, the concept of neocolonialism has numerous theoretical influences. With the granting of sovereignty to former colonies, a theory of modernization gained acceptance. It indicated that self-governing former colonies would begin to develop promptly politically and economically, and would be similar to industrialized Western countries. It soon became obvious that this was not the case. Postcolonial scholars now sought answers for the persistent stunted development condition of African countries and established a second influence in dependency theory. It first gained importance as a tool to elucidate the underdevelopment of Latin American economies in the 1960s. Walter Rodney and Samir Amin (economic theorists of postcolonial Africa) combined the Marxist-Leninist notion of colonialism as a juncture of capitalism with the conception of underdevelopment in order to create the concept of neocolonialism. The notion can also be depicted as informal colonialism because spheres of influence the core dominated states are not anymore military controlled but rather through the management of resources and international commerce.

Certain theoreticians continue to sustain that neocolonialism still exists today, but it survived in unusual structures. Moreover, if one compares colonialism and neocolonialism then one can contrast and see the impact on social stratification. Neocolonialism is a notion that is frequently applied in a variety of scholarly writings related to the history of the capitalist and industrial systems, their development and current global interactions. These contain, but are almost certainly not limited to, political economy, global development studies, anthropology and considerations on the affairs of globalization and its unique effects on mostly non-Western societal models, norms and other correlations in the modern world. The term

appeared in a contrast made by I. V. Lenin in a political lampoon entitled "Imperialism," which was at first available by 1939. At this juncture Lenin's comparison encloses direct political domination through force of arms in contrast with "domination by extra political means." However, contemporary researchers of today are often applying a contrast between early and late colonialism, or between colonialism and neocolonialism to construct equivalent distinctions. This feature is mostly used to draw attention to the circumstance that the development of the capitalist system has from the earliest days of European exploration and colonization to the present days constantly implied the control and assimilation of non-Western social categories to Western lifestyles. Put differently, despite the fact that the exact methods used to achieve these goals may have changed in the meantime but the implications for non-Western peoples remained pretty much the same. They are to become "restructured", "modernized", "reorganized" or "Westernized" whether they are supportive or not, and whether it is in their best interests or not. Certain confuse argumentations are even attacking the institution of the EU in this context, which line really not applies at all neither in historical nor in politico-ideological analogies to current issues as Western Europe versus Eastern Europe contrast or rather vice versa?

Transnational corporations, such as oil and mining companies, and multinational organizations such as the IMF, WTO and World Bank are mostly accountable for the "neocolonial influences" in Africa in the early 21st century. The operations of these organizations and corporations go beyond the borders and rules of the conventional nation-state. Therefore, it is not worth to look at interregional interactions except in terms of a given model: on the one side, the weak and poor South by including Latin America, Asia, and Africa and a cohesive and strong North by incorporating Europe, USA and Canada. Whereas the spectrum of subjects of international and intercontinental interactions is all the time more adjusted within IR, the notion of neocolonialism will continue to be revisited. In line with this, it is no wonder that neocolonialism is present in the terminology of several students of Third World relations. Furthermore, the concept is well-established in the history of ideas as well.

If one has to define neocolonialism it is to see that it concerns the constant power of former colonies by enjoying additional political, politico-economical or trade related devices in specific frameworks (agreements, alliances etc.). Alternatively, though it is a continuation of the same procedure of exploitation and assimilation, it functions not anymore by the use of military force or legislative authority, but through commercial and economic pressure. However, early colonialism is somewhat different to neocolonialism and describes the period from the first phases of the age of European exploration and expansion to the gaining or granting of self-determination up to official sovereignty to former colonies. On the one side, it basically concerned the obligation of centralized political rule upon non-Western peoples by applying diverse tools and frameworks of direct political compulsion as power political calculus. Neocolonialism is a notion used to explain certain economic affairs at the global level that have assumed certain parallels to the traditional colonialism of the 16th to the 19th centuries, on the other. The assumption (claim) is that political administration intended to have power over other regions by means of indirect devices: that instead of direct military-political devices, neocolonialist units (states) make use of trade and industry, economic, and fiscal policies to control and influence less powerful nations. Critics of neo-colonialism explain the alternative to grant or to reject offered credits (principally those factoring and funding otherwise unpayable Third World deficits), above all by international economic institutions such as the International Monetary Fund, and the World Bank, as a basic track of financial influence. Critics state that in order to meet the criteria for such “funding” loans (as well as other financial programs of economic assistance), poorer countries are imposed to implement measures (structural regulations) that are encouraging to the economic interests of the IMF and/or WB, but disadvantageous to their own markets and often socio-economic situation, intensifying rather than lowering their poorness.

It is to observe that globalization also means the power in the hands of stock, bond and currency traders, who are moving funds around the globe. Moreover, it is a conventional tendency that multinational corporations are looking for most resourceful low-cost manufacturers simultaneously beginning to substitute

administrations as principal source of financial means for both corporations and countries. Supranational organizations (WTO, IMF, WB, and UN) are issuing the “rules” of international economic activity. Thus, by concerning the globalization of markets matter it is to observe that distinct or separate markets are merging into a mammoth global marketplace. These single merging units are mostly not consumer product markets but usually mass-produced industrial goods. In this context it remains to see if tastes and preferences of consumers are converging or not. Fact is that MNCs are usually more vulnerable to competition in their home markets as abroad. It is uncertain if MNCs are creating global marketplace or rater just subject to it or/and maybe both. It is also visible that alternative measures to globalization as to contract governmental administration, to balance budget, to maintain low inflation and price stability or to maintain the private sector as key component of economic growth were not necessarily succeeding until now. International law, thus the law of nations has three main sources: thus customs, international treaties and court decisions. Nevertheless, legal systems are quite different by including common law, commercial law, civil law, code (written) law, and Islamic law, to name but a few.

Germany experiments with the openness of legal information. Such an institution is the Centre for German Legal Information (CGerLI). General Information about CGerLI: “The Centre for German Legal Information (CGerLI) provides free online access to German legal materials in English. CGerLI thereby aims to promote the exchange of ideas and arguments among different legal systems, to facilitate access to German law for foreign practitioners, judges, researchers and students, and to advance the harmonization of law on both a European and a global level. This section contains some general background information about CGerLI, who we are and what we do. You will also find a user guide and answers to frequently asked questions, both of which are also accessible from any other page through the links in the header and footer section. Finally, please take note of the legal disclaimer as well as our terms of use and privacy statement.”¹¹⁰

¹¹⁰ Source and ©: <http://www.cgerli.org/index.php?id=28>, “Centre for German Legal Information” 2015.

Certain examples for laws of the U.S.A. are: The Sherman Antitrust Act of 1890; The Clayton Act of 1914; Foreign Corrupt Practices Act (FCPA) of 1977, which forbids the payment of any money or anything of value to a foreign representative, faction, party or any candidate for political functions for purposes of acquiring, preserving, or directing economic activity. FCPA does not abolish so named facilitating or grease transactions. It also does not forbid corruption operations to nongovernmental staff. Local laws are mainly concerning issues of prevalent business practices as market competition, fraud, consumer protection, employees' rights, and other regular and irregular business affairs.

Nevertheless, nationalization is acceptable according to international law if it is in the interest of public purpose and also contains compensation. Thus, expropriation as a form of rapid, efficient, fair compensation; confiscation of property and resources where is by no means compensation; another significant category is local content, local buying, local hiring laws; discriminatory dues; and biased price of resources. Therefore as one can remark in the above and below consequences of political dealings as indigenization or domestication are quite diverse. Furthermore, they can concern other legal categories as the risk of equity dilution, joint-venture demands, price controls, profit adjustment limitations, discriminatory boycotts, and terrorism, import and export restrictions.

However, there is no doubt that globalization was gaining more and more speed after World War II as military alliances, monetary unions, economic pacts and educational cooperation were becoming the main devices for quick transformations. There were significant coalitions and block formations after World War II, which ultimately ended in bipolarity known as the Cold War period. The new situation generated deeper international cooperation and some synchronization among nations from the same coalition behind the Iron Curtain. John Willinsky's statement helps by examining the inheritance of imperial worldviews: „We need to learn again how five centuries of studying, classifying and ordering humanity within an imperial context gave rise to peculiar and powerful ideas of race, culture, and nation that were, in effect, conceptual instruments that the West used both to divide up and educate the world.”¹¹¹ In order to

¹¹¹ Willinsky, 1998, 2-3.

see more about Willinsky's book please check the review of Aaron Whelchel of Washington State University on the homepage of world history connected.¹¹²

It is obvious that various intellectuals both in the West and developing countries are associating globalization with strong neo-imperialist and/or neo-colonialist struggles. They are identifying in nearly every phenomenon or a controversial current event an American attempt to destabilize and control others. Alternatively, these assumptions are speculating on a controversial issue as they suppose in American interests the hidden objective for the re-colonization of the earth. These scientists are also quite sceptical about the economic involvements of the WB or the IMF as it is insinuated that they are backed by USA. Therefore, business provisions as the conditioning of loans or different credits are interpreted as direct threats to state sovereignty. Furthermore, the effort to impose emerging countries a minimum of various modern standards (legislation concerning children, slavery and environmental protection) are also viewed as a camouflaged form of protectionism aimed to decrease the global economic competitiveness of nations or regions. The expansion of multinational corporations is pigeonholed as corporate colonialism as they want to completely exploit the countries of the third world and destroy the basics of emerging democratic systems and their wellbeing as well. Similar claims and speculations as presented in the above have undoubtedly Marxist and neo-Marxist origins, as they understood the spread of global structures as the direct expansion of capitalism. The identification of globalization as imperialism is a particular characteristic of Marxist economic theories represented by such classic wives as of Rosa Luxemburg or Lenin. Anti-Americanism was strong on the communist left and populist right movements as key-actors meant that American financial support is equal with economic colonization. However, not even the modern world system approach of Immanuel Wallerstein is free of Marxist thoughts and influences. According to Wallerstein's approach, the global capitalist system is a new form of hidden imperialism by mostly

¹¹² Source:

http://worldhistoryconnected.press.illinois.edu/5.2/br_wchelchel.html

supposing that the exploitation of LDCs by MDCs and (NICs) is a given circumstance.

Furthermore, a kind of secret imperialism was identified in the global electronic invasion of the American mass media products. Informational imperialism also includes issues as culinary imperialism known as McDonalds-colonization and Coca-colonization, the imperialism of values by promoting modern consumerism, the imperialism of the entertainment sector driven by Disneyland and Hollywood, and the linguistic imperialism, because English is the current lingua franca. All these “imperialisms” are causing the destruction of local cultural traditions with the concealed intention of mental colonization of humankind in order to ensure the global supremacy of the U.S.A. This is a straight Anti-American line, which turns into ridiculous argumentations. Although it is also true that the U.S.A. has even stimulated some reasons for concern in this respect, but statements about and around American (neo) imperialism and corporate (economic) colonialism must be approached strictly critically. It is also remarkable that quite a few of the phenomena presented by the “critics” of American imperialism are fully enjoying the cooperation of the accusatory countries. Financial interventions (references have informal character) of the IMF and the World Bank do not happen automatically, but only at the firm request of countries that need that kind of professional assistance. The corporate colonization of LDCs is no colonization as such, but a well-known business process and outsourcing (BPO) or a relocation of a business, which happens because several host countries are striving to attract large companies to go there. The host countries are even in strong competition with each other in order to give locations to big corporations and to benefit together from the growth opportunities what MNCs are generating at regional and global levels. The overall presence of American cultural products is due to the fact that there is a global request for such offered goods and services. There is no reason to search for incontestable causal connections between the prosperity of developed countries and the poverty of others, because one can not generally prove a systematic and intended exploitation by MNCs. Despite of the fact that there are also legitimate historical reproaches towards “misuses” older MNCs, the specific ostracizing of multinational companies is quite unreasonable and

such a trend can even be harmful for the development of national economies and regional units.

The U.S.A. was the leading supplier of international demand for technology and industrial products during 1950s, the 60s and the early 70s. This winner status also resulted in technological and cultural delight. Moreover, self-satisfaction has led to perceptions, which portray the U.S.A. as a “good” manufacturing nation. Thus, trading was for inferior “bad” nations like Japan. Accordingly, Washington was/is often unprepared for real economic competition coming from Europe, then Japan, then Korea, Taiwan or Singapore. Today the same situation applies towards China and India. America was losing a huge amount of shares on its own markets for electronics, small appliances, textiles, garments, shoes, toys, steel, autos, and much more during the 1970s, 80s, 90s and this continued even after 2007. Currently there are serious worries concerning the outsourcing processes of American corporations.¹¹³

The U.S.A. accounts for 5% and 18% of the world population and economy, correspondingly the majority of international business is made overseas. Business conducted globally involves far more inconsistencies and resolutions than trade carried out in the domestic market. Most American companies are becoming insolvent at a very early stage (generally the first years are extremely critical). The average corporate active commercial activity expectancy in Europe and Japan is roughly over a decade. The average active economic activity expectancy of a global 500 MNC varies from 40 to 50 years.¹¹⁴

Although nobody contests the powerfulness of Washington, the new type of world order in the making is still less than an American sphere of influence. Despite certain indistinct parallels with the imperial schemes of the past, the current American world system fostered by the Foreign Office and other institutions is mainly based on a dense system of alliances and coalitions, which covers almost the entire world. This complex diplomatic network principally avoids the use of military force but it can not totally exclude such measures as last resort or worst case scenario, because it belongs to superpower politics. However, the American way of life is not exported by the

¹¹³ Source: <https://www.cia.gov/library/publications/the-world-factbook/>

¹¹⁴ Source: <https://www.cia.gov/library/publications/the-world-factbook/>

White House, but by corporations in the field of information and communication, which are sending the issue worldwide by publicity.

As to the theoretical model of homogenization or Americanization of global culture it is to see that the presented facts are excessively weak and the whole argumentation frame of Anti-Americanisms is rather pathetic. English is a world and business language and it is a device of globalisation by its given power position and not because some constipation made possible this status. Despite of the worldwide spread of a distinguishable global civilization imposed by the same products, skills, and patterns of behaviour or communication these are also constantly changing components and elements of a bigger and more multicoloured picture. It is rather true that intercultural connections and affairs are amplified by the means of ongoing informational revolution as there are various cultures and global players on the world stage that can foster such tendencies. Thus, the contemporary world remains culturally highly diversified with a multicultural society at the grassroots levels. Even human experience becomes an increasingly globalized phenomenon in which people are influencing each other and they are simultaneously biased by worldwide and cross-cultural interactions. It becomes ever more crucial for institutions, NGOs and other organizations as well as governments the understanding of different cultural backgrounds and multiple perspectives. This implies the knowledge of how beliefs and values affect actions of various individuals. Thus, several complex skills need to be developed such as cross-cultural competence, knowledge of global economic and political systems, and thereby it is crucial that the free movement of people with their ideas should be allowed as to be a small country does not means less globalized.

Conclusions

Imperial Germany faced the challenges of its exclusive continental responsibility so far as it was conducted by Otto von Bismarck, but even he made a wrong step in the year of 1871 as Alsace-Lorraine was taken over by the troops. Conclusively, the German government was incapable to perform the intricate mediator function to which the country was destined by its

geographic location. Germany played an important role in world politics and not only since the 1940s. The gap between the USSR and the West gave the FRG the possibility to influence the reactions of the West. Superpowers trusted Germany and gave it the key-role in the reorganization of a new European security (NATO) and economic (EU) order. Simultaneously, the reunited Germany strengthened its central position within the EU and on the globe. It represents the balance of power between north and south and east and west throughout Europe. This unique and strategic function inside the European and global system assures this country to conduct a stable foreign trade-policy at overall levels that no other state can ignore.

This current position was achieved without weapons, without belligerence, without borrowing exorbitant sums of money for its European neighbors in need after 2008. The clever management of crisis situations shows the know-how of the people of this federation being able to see the bigger picture. All the same, many citizens find Germany's current geopolitical status frustrating. There are difficult tasks that come with the German position of power, thus to cope with the politico-economic issues of the EU or to conduct negotiations with Russia, to name but a few. Taken as a whole, the German political elite was remarkably competent from the establishment of the Bonn Republic right up to the fall of the Berlin Wall. Subsequently, the achievements are very mixed: Helmut Kohl's ruinous negligence of the financial costs by the German unification and the adoption of the Euro have left his political successors with a complex legacy. Furthermore, Gerhard Schroeder, in spite of his significant domestic economic restructuring, has suddenly lost its popularity as soon as the news came out that his new job will be by Gazprom.

Angela Merkel holds currently one of the most complicated portfolios of the world, because she tries to hold the transatlantic alliance, the EU and has attempts to realize the idea of a larger Europe by including Russia as partner with special rights by its bigness and energy supplies. If she manages to resolve substantial progress on the diverse matters on her agenda, she could be considered another successful German chancellor. Moreover, Germany's situation in the middle of the global system will become even more stable as today is. Although, the situation

is under control, the chances are not exactly the most optimal for reconciliations and therefore further precision work is needed. Germany's global alternatives are both far-reaching and tricky at the same time.

Globalization is not a new occurrence. On the one hand, the globalization process follows a linear trend in Germany. The reason for it could be the decrease in transportation and communication costs. On the other hand, the process of globalization is cyclical. The reason could be the cyclical course of its hegemonic stability but a new phase of rivalry is to be expected. The question is: How can be a second period of rivalries prevented? Globalization can be seen as a matter of perspective and as an explanatory model for different developmental phases. According to the explanatory model the decline of transportation and communication costs influences positively the commercial globalization, which is linked to conflicts, free trade, ideological hegemony and investment globalization. However, there is hegemonic stability, which is also well-connected to the above listed units except decline of transportation and communication costs.

Globalization of the future could mean continued low wages in the peripheries and the further high-tech growth of economies in Europe, Asia and maybe also in Africa. Perhaps there will be a rising demand for cheap raw oil (sudden variations in crude oil supply costs on the global markets). New global high technologies as internet and telecommunications will be even more sophisticated, which will continuously improve worldwide e-commerce and e-marketing.

The internationalization of national institutes and the intensification of global trade will surely continue but future of humankind is coupled to the world environment. Given social, political, and ecological circumstances can generate unconventional opportunities – as always happened in historical times. However, fortunately there are still many tracks in which the general public can contribute or even redesign global affairs rapidly.

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List of illustrations and figures

Time Period	World Trade Growth
1500–1820	0.96%
1820–70	4.18%
1870–1913	3.40%
1913–50	0.90%
1950–73	7.88%
1950-1973	7.88%
1973-1985	3.65%
1985-1996	6.55%
1996-2000	6.98%
2000-2011	5.00%

Figure 1 – „Growth in Volume of World Trade (annual average compound growth rates) – 1500–2011 – Max Roser”

Note by Roser, Max: “My sources – by time period – are: 1500-1973 – Maddison (2007) – *Contours of the World Economy 1-2030 AD: Essays in Macro-economic History* Essays in Macro-economic History. Oxford University Press. 1973-2000 – Table 13.1 from Szirmai (2005) – *The Dynamics of Socio-Economic Development: An Introduction*. Cambridge University Press. Online at www.dynamicsofdevelopment.com. His data is from the IMF and the UNCTAD Handbook of Statistics. 2000-2011 – WTO International Trade Statistics (merchandise trade) The early data is reconstructed and therefore less reliable.”

Source: © Max Roser (2015) – ‘International Trade’. Published online at OurWorldInData.org. Retrieved from: <http://ourworldindata.org/data/global-interconnections/international-trade/>

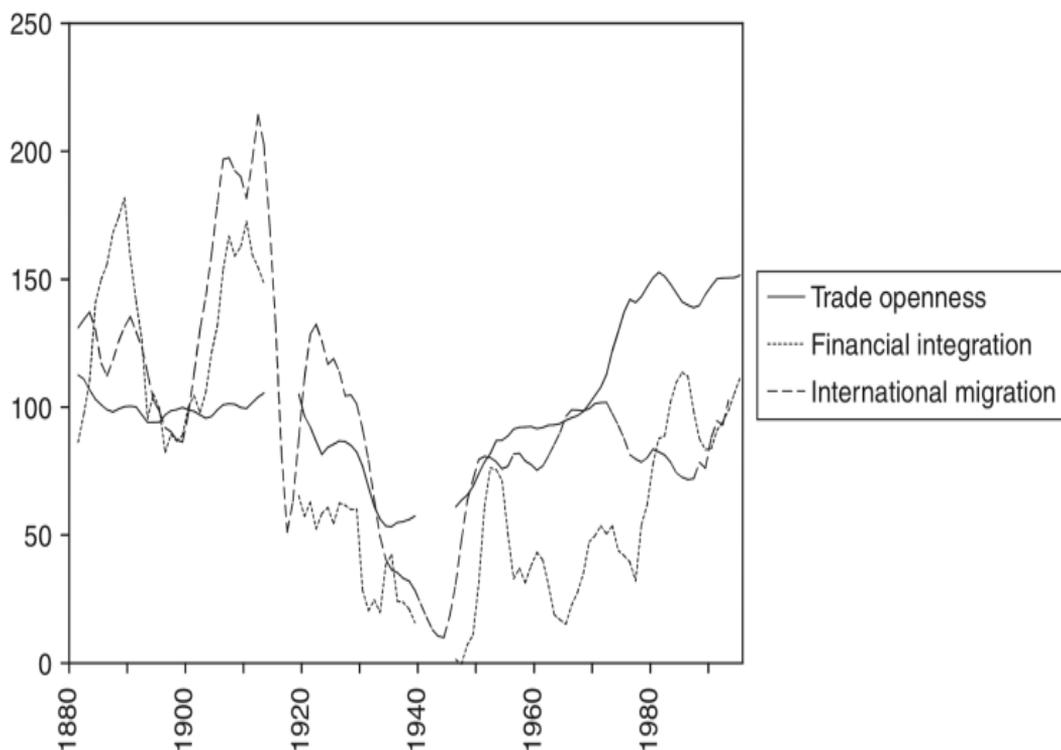


Figure 2 – „Migration, Financial integration, and Trade openness from 1880–1996 (indexed to 1900 = 100) – Cambridge Economic History Vol. 2 Broadberry and O’Rourke (2010) – The Cambridge Economic History of Modern Europe: Volume 2, 1870 to the Present. Cambridge University Press.”
Note by Roser, Max: “The graph depicts the ‘evolution of three indicators measuring integration in commodity, labor, and capital markets over the long run. Commodity market integration is measured by computing the ratio of exports to GDP. Labor market integration is measured by dividing the migratory turnover by population. Financial integration is measured using Feldstein–Horioka estimators of current account disconnectedness.’ This data is taken from: Bayoumi 1990; Flandreau and Rivièrè 1999; Bordo and Flandreau 2003; Obstfeld and Taylor 2003.”

Source: © Max Roser (2015) – ‘International Trade’. Published online at OurWorldInData.org.

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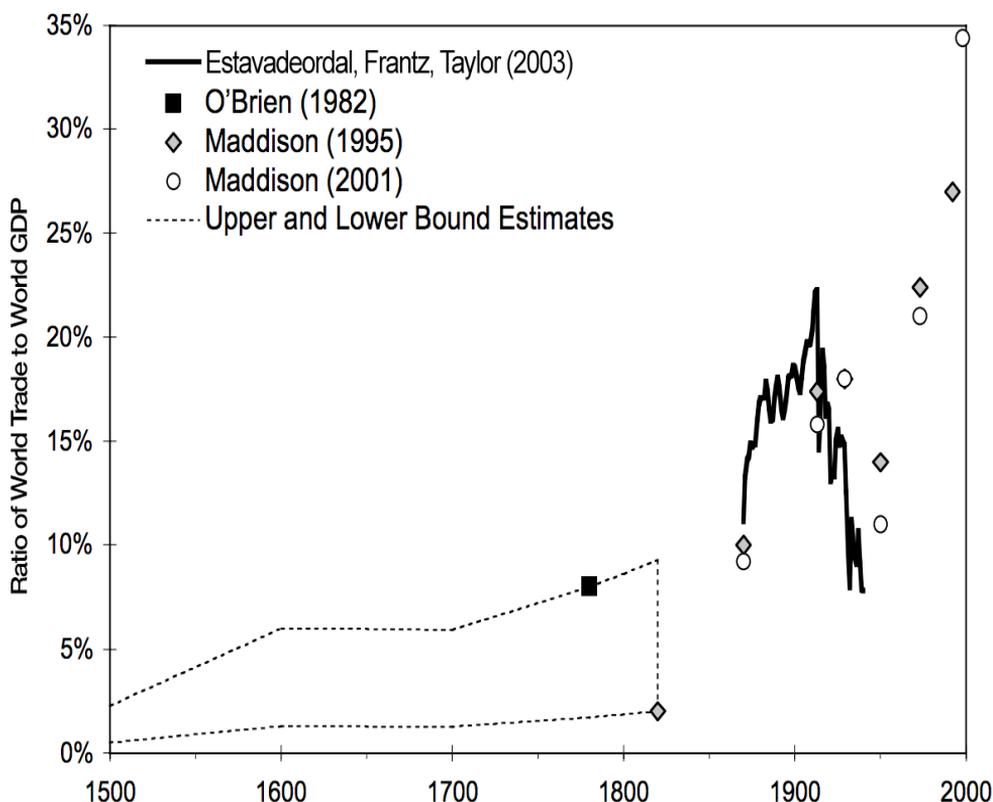


Figure 3 – „Five Hundred Years of World Trade-to-GDP Ratios – Estavadeordal, Frantz, Taylor 2003”

Note by Roser, Max: „This chart is taken from Antoni Estevadeordal, Brian Frantz and Alan M. Taylor (2003) – The Rise and Fall of World Trade, 1870–1939. The Quarterly Journal of Economics (2003) 118 (2): 359-407. doi: 10.1162/0033553033321675419. Online <http://qje.oxfordjournals.org/content/118/2/359.short>.

I have added the y-axis label and replaced the label for the black solid line with ‘Estavadeordal, Frantz, Taylor (2003)’ (the label was ‘This study’ before). The authors list the following notes and sources: Trade volume from Mitchell [1992 1993; 1995], converted to 1913 U.S. dollars using U.S. exchange rate and GDP deflator; see text. Data for a constant sample of 56 countries (excluding war 1914–19, when sample is at least 51 countries). Missing data imputed from trend interpolation. GDP data from Maddison (2001) adjusted and interpolated for missing data. See Appendix. 1500–1800: Trade growth rates from O’Rourke and Williamson [2002, Table 1; volume estimates only]. Level index derived, and scaled by world GDP levels from Maddison [2001, Table B-18]. The “upper bound” series is then scaled to the benchmark 8 percent European trade-GDP ratio for 1780 due to O’Brien [1982], probably an overstatement of the world trade-GDP ratio. The “lower bound” series is scaled to the benchmark 2 percent world trade-GDP ratio for 1820 due to Maddison [1995, Table 2-4], possibly biased downwards relative to the long-run trend because of the blockades during the Napoleonic Wars.”

Source: © Max Roser (2015) – ‘International Trade’. Published online at OurWorldInData.org. Retrieved from: <http://ourworldindata.org/data/global-interconnections/international-trade/>



Figure 4 – „The Slump over the World Wars (1914-1945)” Carreras and Tafunell (2008) – Western European Long Term

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Note by Roser, Max: „The above graph shows how political control stopped the trend towards international integration and how the First Wave of Globalisation came to an end. The trend was eventually reversed over the course of the years leading up to the Second World War. The slump of international integration over the wars started with the First World War and ended with the Second. It was only then that Western Europe returned to resume the effort for more integration and cooperation. As the graph shows, this effort is successful until the recent past.”

Source: © Max Roser (2015) – `International Trade`. Published online at OurWorldInData.org. Retrieved from: <http://ourworldindata.org/data/global-interconnections/international-trade/>

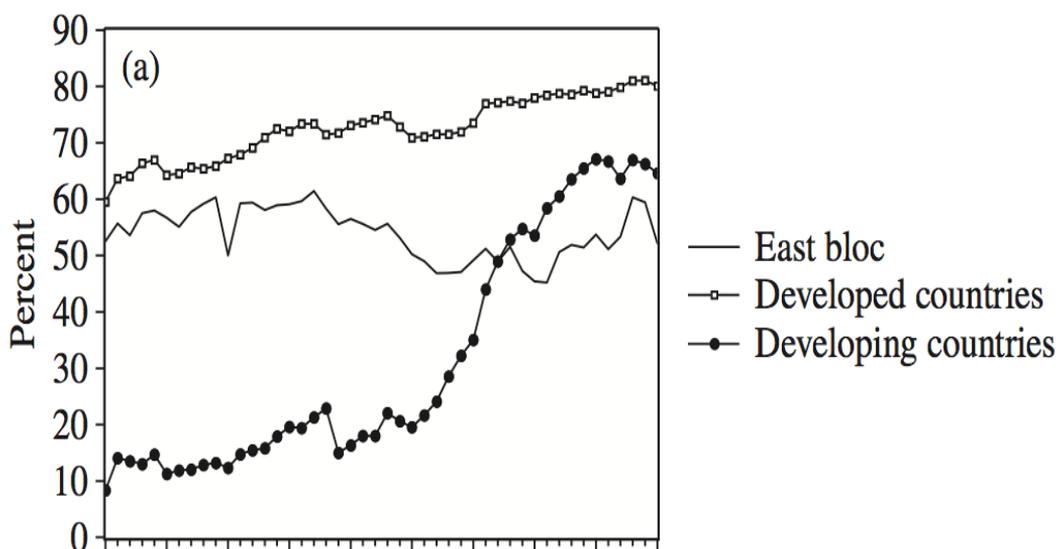


Figure 5 – „Manufactured products’ share of exports, 1955–2000 (percent) – Findlay (2007)” Findlay and O’Rourke (2009) – Power and Plenty: Trade, War, and the World Economy in the Second Millennium. Princeton University Press. Original source for the data is the UNCTAD Handbook of Statistics On-line.

Note by Roser, Max: „The changing composition of international trade is shown in the next graph. It shows that the composition of trade of developing countries has changed rapidly. Whereas more than 80% of their exports used to be non-manufactured products – predominantly primary goods – the share of manufactured exports has almost reached 70% by the end of the 20th century. An interactive visualization of trade data of the recent past (post-1995) can be found at the MIT: <https://atlas.media.mit.edu/de/>”

Source: © Max Roser (2015) – `International Trade`. Published online at OurWorldInData.org. Retrived from: <http://ourworldindata.org/data/global-interconnections/international-trade/>

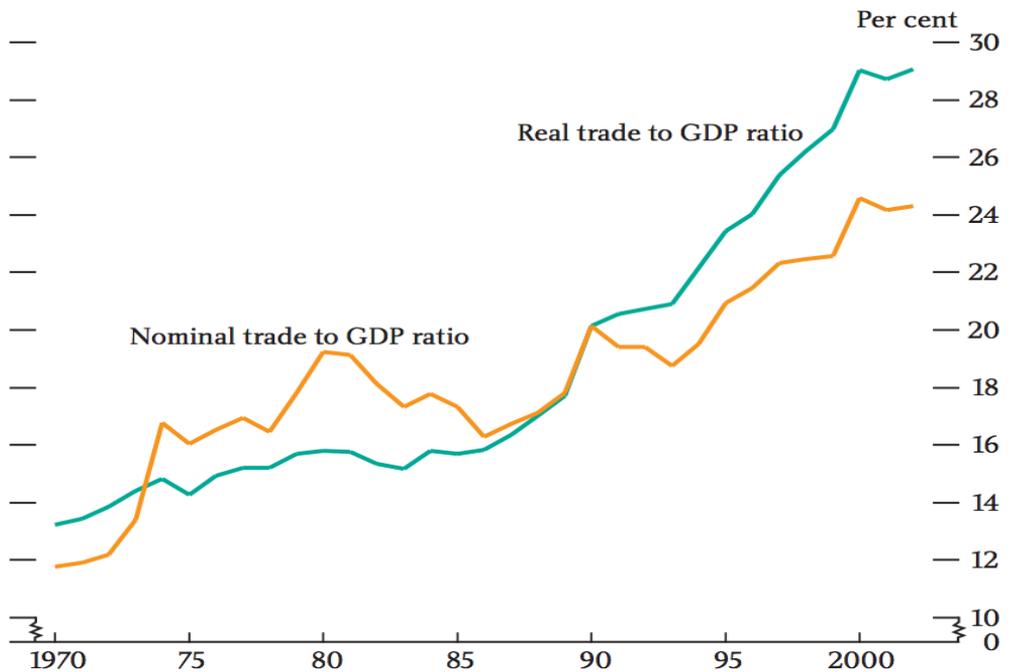


Figure 6 – „ World imports as a ratio of world GDP (nominal and real) 1970-2002 – Dean”

Note by Roser, Max: „ Dean – Why has world trade grown faster than world output?

Online http://www.econ.brown.edu/fac/Mark_Dean/Other_Paper_1.pdf He has taken the shown data from UN statistics.”

Source: © Max Roser (2015) – `International Trade`. Published online at OurWorldInData.org. Retrieved from: <http://ourworldindata.org/data/global-interconnections/international-trade/>

Shareholder structure split by investor group

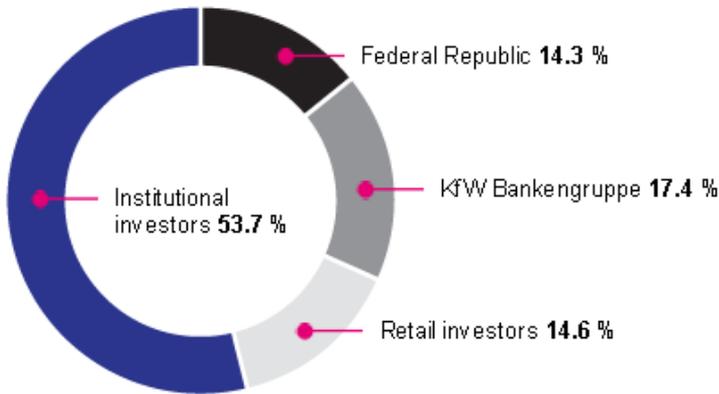


Figure 7

Source: © 2015 Deutsche Telekom AG

Free float split by region

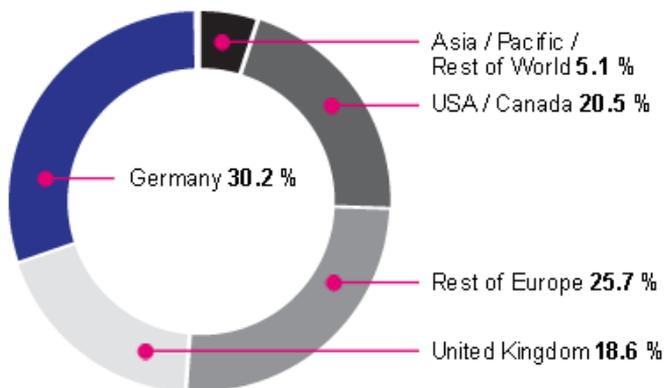


Figure 8

Source: © 2015 Deutsche Telekom AG

Free float and number of shares (March 31, 2015)

Shareholder	% of capital stock	Number of shares
Free float	68.3%	3,097,819,797
State-owned Germany	31.7%	1,437,751,450
- Federal Republic (Part of the State Ownership)	14.3%	646,575,126
- KfW (Part of the State Ownership)	17.4%	791,176,324
Total	100.0%	4,535,571,247

Source: © 2015 Deutsche Telekom AG

Figure 9

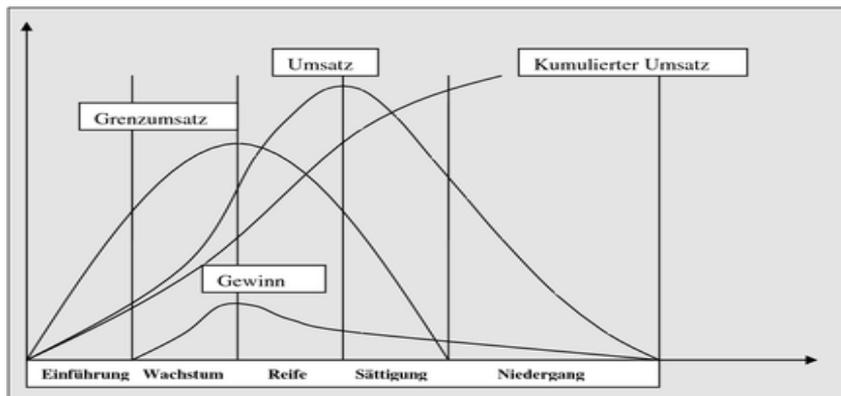


Figure 10 – Product Life Cycle Management (Das Modell des Produktlebenszyklus)

The following figure is intended to represent the curve profiles, which are most widely used to explain the life cycle phenomenon in a specific context.

Source: © In Anlehnung an Siegwahrt. H. (1995): Product Life Cycle Management: die Gestaltung eines integrierten Produktlebenszyklus. Stuttgart: Schäffer-Poeschel. 1995. Seite 5.

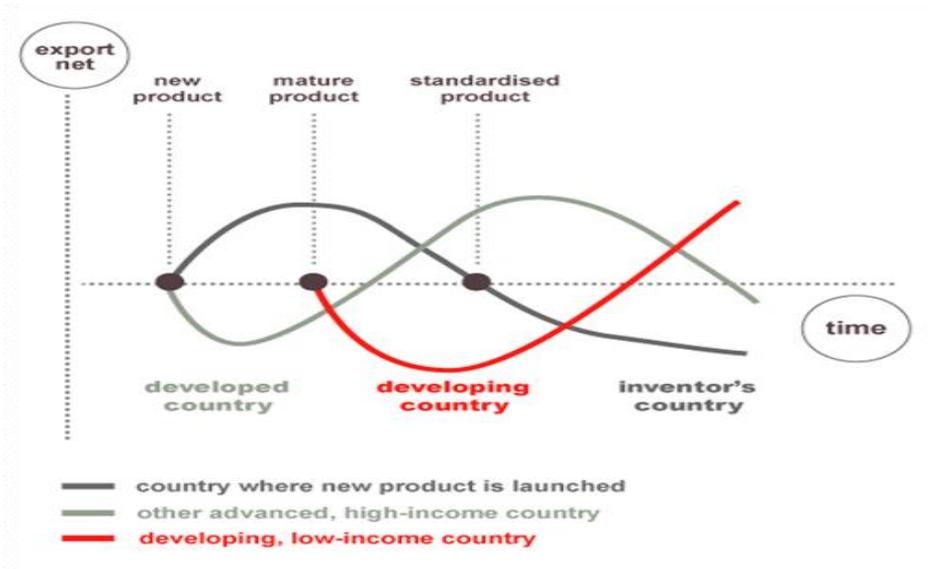


Figure 11 – International Product Life Cycle Theory
 Source: © 2007 John Wiley & Sons, Inc.



Figure 12 – How did imperialism divide the world into countries
 Africae nova descriptio...W. J. Blaeu 1630. Source: © Google
 2015



Figure 13 and 14 – How did imperialism divided people in categories as more and less superior. Other cultures in conflict to European pre-eminence. Source: © Google 2015

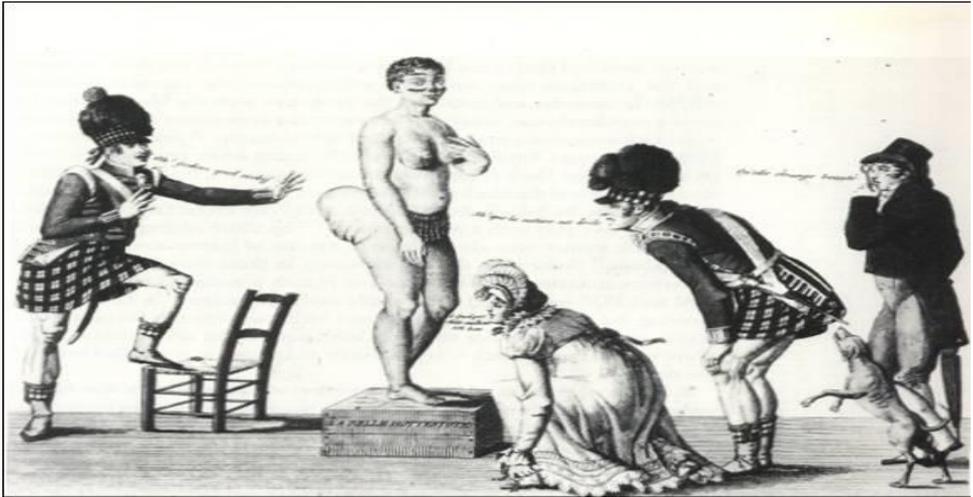


Figure 15 - Saartjie Baartman: The Hottentot Venus; Unfortunately racism was scientifically guaranteed. © Google 2015