

# Institutional Aspects of Globalization and Regionalization in the Context of the Transformation of Society

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## Abstract

Analyzes the transformation of societies and economies in a globalizing changes. The influence of the globalization trends in the management processes, on society in terms of transitive transformation systems. We investigate the institutional processes of integration and regionalization in the modern industrial systems. The article analyzes the dynamics of self-organization processes in control systems. Investigate the specificity of post-industrial development strategies and transformation of institutions in the context of globalization in modern industrialized systems.

## Keywords

Globalization, Public Transformation, Integration, Regionalization, the World Economy, Management, Postindustrial, Communication, Society, Self-Government, Self-Organization, Deliberative Social Institutes, Restorative Development

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## 1. Introduction

The growing interlacing of economies, internationalization of financial markets and modern stage of human evolution provides social and, particularly, economic globalization. On the basis of super-national, the global division of labor in economics centers the national industrial systems with close intercommunication between an economy and policy raised [1,s.19]. Now we can see the so-called *successive form of globalization*, developing in the conditions of united world market. It is an objective process which is the important feature of *postindustrial civilization*.

In modernity theories for the integration of developed societies in the modern «*neo-capitalist*» (or in other terminology, «*neo-industrial*»)[11], phase of development is the subject of serious studies that show how modern developed nations manage to institutionalize and monitor

social relationships<sup>1</sup>. This is primarily – analysis of global economic, political, ideological and social transformations, the functioning of ideology, control systems, education and

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training, mass communication methods to limit the scope of the social struggle formalized system, the development of institutions and society control over the market.

Recent changes in the nature of advanced industrial society has led to a highly specialized analysis that the market mechanism can no longer provide a real understanding of the structure of the social system: the state has become an integral part of the economy, and in a sense the whole of society was transformed into an economic unit, and vice versa, seeing scale phenomenon state political interventionism in economic system. Different elements of society permeated economic and political rationality. In place of the classical market economy came not just monopolistic and oligopolistic market, but managed a complex structure and interdependent processes.

In a situation of transition to *neo-capitalism* («*postcapitalism*», «*new industrial*», «*post-industrial*» *society*) the desire to stabilize the system detects a failure only economic instruments, there is a need for direct influence on the minds of the masses, in creating odeometer market of goods of cultural production as an integrating, unifying social force. Scientific and technical process, the transformation of science into a direct productive force, the revolution in communication media facilitate the implementation of this task. It was a new historical management step in creating real conditions for material and for spiritual integration of social systems.

## 2. Research Significance

The considerable degree of integration and internationalization is inherent to the present world. National economies become gradually more integrated. We can observe the «compression» of world space which requires the new forms of mutual social relations. A problem lies not in the phenomenon globalization, but in the ability of governments of many countries to adjust their policies to the changing terms. Concerning the questions of management (economic or socio-economic sphere), these countries adopted basic rules of a modern world market economic game. In modern conditions of social technology, computerized development when different types of work and their products are not irreconcilably opposed to each other as a generalization of the interests of different social communities, and professional features through automation, unified, then the measure of labor itself gradually becomes his time, which may be considered in distribution according to work. In some countries neoindustrial system of self-governing civil society lifestyle gradually implemented. This occurs where the cooperation of labor and distribution, the socialization of property, industrial and political self-

government is a daily, combined with the scientific and technological revolution, globalization of the market, with productive public control over him, the integration of cultural and ethical values common to all mankind's spiritual development [15,s.65].

Being simultaneously the original, unique states, coming from their own principles, traditions, necessities, features, all of them, we want it or not, are subordinated to certain unified economic principles and principles of the so-called globalization [2,s.73], moreover, integrations, which is expressed as obviously so often non-obviously. Not only qualitative satisfaction of existing needs but also advance their forms of forecasting, analysis of possible consequences and constant search for new methods of interaction – is a major strategic task and daily functioning of any society, enterprises, institutions and organizations. Implementation of these tasks provides quality management practices, which are based on international experience and applied work in the field of theoretical generalizations of effective management, governance and management of human and material resources, applying on the micro and macro levels all without exception efficiently functioning segments of the economic and social life [9,s.41].

Randomness and inefficiency of transformation authoritarian-bureaucratic systems of macro and micro levels of the post-Soviet space, their instability, causing the need to find methods of improvement of public and government relations, economy, finding ways to transition to a new type of management mechanism, which meets the conditions of the global economy, to ensure a balance, overcoming the negative processes (inflation, monopoly, unemployment, quality of unsaturation of the consumer market, the budget deficit and so on.) [10,c.11]. In this regard, before the science of economics and management practice problems fundamentally new type. These problems are: development of a conceptual model and mechanisms that provide a harmonious blend of cooperation and collaboration in public relations, rational planning and market regulation, production and consumption in market relations, filling supply of consumer goods and services, the elimination of disparities between the mass of commodities and the amount of banknotes, which are in circulation, accelerating return on capital investment, focus on advanced technologies. In this special place is the problem of ensuring a stable increase in the quality and reliability of new products and services at lower prices for new products and focus on weighty reduction of production and management employees to achieve competitive advantage, pinning already conquered and new markets.

Solving these problems requires a thorough theoretical analysis of tactical aspects of the economy and the search in

the foreign and domestic practice tools for its intensification. The result of such a strategy should be to create a new generation of management systems that will work in a so-called *Conveyor innovations*. In essence, the task is put to combine their institutional and economic systems of a new type of flexibility and adaptability of small-scale production of products and services with low costs and high productivity characteristic of mass production.

All this calls for new approaches to the management of human and industrial resources, as traditional methods of control – with their focus on mass production of the gross figures, which do not provide an effective interaction between participants across and do not pay enough attention to the final consumer – are not justified. So now there is an unprecedented demolition of existing stereotypes of management thinking.

In this model, the idea expressed in the historical trend toward freedom from political and economic determinism, whereby man becomes a co-owner of the general conditions of their personal development, whether they performed socio-economic functions and roles. Reduction due Science and Technology, necessary labor conditions deliberative society increases the time for the full development of the individual, which is itself in turn as the highest production strength inversely affects production labor force.

### 3. Analytical Investigation, Comparison and Discussion of Results

As well as any new phenomenon, globalization has as the supporters who examine her like supreme good, because in their opinion it is capable to increase the productivity and life standards in the whole world, so the critics who adhere to more pessimistic point of view. The last (critics), are those that speak to the problem that a growing competition of developing countries with a low wage level will shorten a working places capacity. This will reduce the salaries in rich countries, and also will result in so-called «race downward». This is indicated when countries reduce salaries, taxes, unemployment benefits, and loosen environmental controls, to become «competitive» [3,s.49]. Competition pressure undermines the possibilities of the states in pursuing their own economic policy.

A structure, practice and logic of a modern global economy, based on the newest technologies of informational technologies and telecommunications, resulted in the new international division of labor. This not only led to changes the world balance of economic power between the industrially developed countries, but also strengthened the

tendency on creation of the economic multitude.

The rise of *new industrial countries* (NIC) includes the critical factors of global development, too. NIC are equivalent competitors to the industrially- developed countries in the production of hi-tech goods. Further, the new global information-oriented economy refers to realization of technological jerks in development due to introduction of know-how in the counterbalance of preliminary dominating idea about collecting short-term advantages from the use of cheap labor and raw material in the countries of the third world.

Critics are also disturbed by the growing influence of financial markets, that are able to cause economic chaos, by asserting that dominant conception of globalization is wrong. This is because the real phenomena in an economy are not inlaid in the strict holistic concept of economic world [4,p.19]. A term «tangled order» could be more appropriate, but absence of «new Keynes», who would describe in strict categories the trends of such order, which replaces the post-war model of world economy.

All processes in the world have become more or less global. As such, existent tendencies are implemented faster, than it takes time to realize them. both ideologists and critics of neoliberal globalization. And, processes which yet a few years ago seemed to be impossible, have become amplitudinous.

«An almost overall refusal of integration of the world economy becomes real», – magazine «Economist» – this is not included in your references. Although the author of this article stated that corporations continue to believe in efficiency of global network of suppliers, he noted that: «as well as in any chain, its force concerns the weakest link. The situation become crucial, when companies will decide that the similar system of deliveries is already dead» [5].

The so-called «*de-globalization*» is examined in this magazine. This is a symbol of open market ideology, as a negative process. Many authoritative world specialists (in particular, Nobel laureates on an economy Joseph Stiglits and Paul Krugman, professor of sociology of the Philippine university Wolden Bello and others) consider that although *de-globalization* gives us considerable possibilities, *de-globalization* is an all-embracing system that must replace neoliberal globalization [7, p.29]. This reflects on a time when it became painfully obvious, that the processes of globalization strengthened social tension, deformed a national economy and generated new contradictions.

The system of *de-globalization*, initially worked out for developing countries, could be an important process for the leading states of the capitalist world too. «Ideas, traction to

cognition, art, hospitality, wanderlust are all the phenomena which are international by their nature. We do not wish to find ourselves abandoned by the tyranny of world forces which make, or try to produce the certain system of the same type, based on principles of open capitalist market»[6, p.34].

A global economy does not exist today; it simply appears that the economic system in which economic and social development of greater part of the world hardly conditioned by progress of the postindustrial world and its possibility to determine the course of events in other regions of planet. Obviously, economic and informative connections have become more intense and varied, but their value within the framework of the different socio-economic systems remains diametrically opposed.

The purpose of «*anti-neoliberal de-globalization*» is to go out of the narrow scopes of conception of economic efficiency, in which the main motivation is the primary cost reduction, regardless of what social and ecological calamities can follow this process. The *conception of de-globalization* is also based on that fact, that socio-economic models, pretending to be universal, offered by neo-liberalism or centralized bureaucratic «socialism», cannot normally function and are unable to provide stable community development.

A socio-economic variety, should be accepted as the normal phenomenon which is worthy of support. The general regularities of social and economic development were formulated, mainly, in a struggle against neoliberal hegemony centralized socialism, and a critical analysis of reasons of neoliberal socio-economic crash. However, how these regularities are implemented and formulated in every case, depends on values, vital rhythms, and strategic choices of one or more societies.

Over the last decades we can have experienced the growth of integrations in the world and tendencies through the joint decisionmaking of the economic and social tasks of several countries. The fact is, globalization is objective and an absolutely inevitable phenomenon of modernity. This can be slowed by certain economic policy (what takes place in a number of cases); but it is impossible to stop or «abolish», as globalization is an imperative requirement of modern society and scientific and technical progress. The considerable degree of integrating and internationalization is inherent for the today's world. National economies have become gradually more integrated. There has taken place the «compression» of world space which requires the new forms of mutual social relations. Ineffectiveness, frequent harmfulness for humanity and the environment, and modern economic approaches compel the searches of possible alternatives. However, not all the countries are equally integrated for today's requirements

and have approximately the same economic level of development. The world as a whole moves to the some kind of «*new regionalism*», simply one of «new regions» (like USA or China) that becomes transnational and spreads its influence on the entire planet [8,c.16].

However this process is far from being identical to the real universalization of global community. In other words, except for certain realities of globalization, in today's world, there are no less real tendencies of regionalization, dissociations and even a-socializations. Regionalization of the economy, in our view, slows the process of large-scale expansionist and extensive globalization; but, it is an inalienable and logical phase of globalization itself on this stage of its evolution, and on the following there will already be an association between inter-regional global groups.

A region is the smallest model of the world and it is here that it is possible to attain internationalization, integration, liberalization, standardization, a non-trenching upon national originality, an exposure to difficulties, contradictions, and spores. This then passes the unacceptable phenomena to the higher stage of the global world evolution that is already co-operating with large-sized world regions-policies. The point is, certainly, the communitarian mechanisms and principles in community and state development, systems of productions and currency-financial systems of regional groups.

In control theory to the evolution of «*human resource management*». Previous «Taylorist rational» management model, which provide stringent methods of administrative command control and vertical hierarchical structure are effective at a *single* site of production or in cases of extreme society needs to concentrate joint efforts. Of course, modern management model does not reject completely rationalism. It remains a methodological basis for the formation of organizational structures, planning, conducting pre-project studies, economic calculations and so on. Command and control elements are hard overwhelming in certain extreme conditions that require, for example, rapid focus on any work site or in dealing with production tasks (eg, mass production of standard products). However, in essence they stand in the way of establishing partnerships, experimentation, keeping initiative that eventually leads to a decrease in efficiency in both production and social mobility. Manifestation of the situation of domination in management functions as the *administrative management model*.

Administer economic-housewifely economic and social activities and the economic and industrial relations of this type are presented to the dominant structure as a standard of well-being and accomplishment. Relationship of antagonism, built on the model of exploitation, especially in the sphere of economy, lead to the emergence and preservation

phenomenon of alienation, confronting human understanding and are a major catalyst for social control is конфликтов. Administrative preservation of antagonistic relations, socio-political conflicts due to intensification of the contradictions between the cooperating parties (workers, the power structure, management). And where you want to experiment, to seek, in conditions of high economic risk, establish a working relationship between the various partners, administrative tools become ineffective – need a new, more flexible and varied, or so-called *organic management*.

Therefore, in the concepts of governance is essential to the formation of a new strategy, which is the beginning of scrapping traditional stereotypes management thinking. We believe that the created type of industrial society destroys its primary interpersonal communication informal form, it becomes a bureaucratic isolating human, ignoring the world of human emotions. Creates a gap between technology and economic development of society and its moral and ethical level. A negative consequence of this is the development of «*social ignorance*» of society, which suppresses the needs and aspirations of the individual. This leads to outbursts of aggression and neuroticism. The enterprise that leads to its destruction (strikes, «routine» training, manufacturing apathy, etc.) in society are the manifestation of this revolution, interclass collision, war, devaluation socio-ethical values.

Be aware that the «*corporatized*» economic and social model can not provide the overcoming of alienation between the participants of public and industrial relations [12,s.101]. «*Corporatized*» model for granting party relationships possibility of obtaining public or particle production profits. However, allowing *possession*, they do not provide the opportunity to participate in the management and control system. In this case, the employee at work or in society as a citizen of the best turns to «owner-shareholder», which is subject to prescriptive authority managers. Construction of the «*consumer society*» and the establishment of formal legal equality does not contribute to the alienation of power and provides no real chance of gaining access to the control system. Irregular «*participation*» in the form of styling solutions episodic participation or implementation decisions taken by management tip, in the absence of management skills, leaves a person passive participant social and industrial processes, formed the dominant ideology. The consequence of this is the development of a person purely contemplative and executive positions.

Antagonistic and operational relationships between people and above all, in the field of direct communication is a major factor in alienating, because they are not man manifests as a unique individual, and as a specific reference fetishized prevailing economic and political ideology.

«*Human Resource Management*» improve the situation. Because the people in it, in particular the employee is no longer subject to the Executive, and it is required an active position, stimulates creativity, formed personal responsibility for the results of our work and activities. And he acts for the sake of common goals (company, society). Development of private initiative in this case stimulated motivational support system (career advancement, financial stimulation). «*Theory Y*» D.Mak-Gregor indicates that the system of administrative sanctions and motivation is not effective enough. Be aware that under certain conditions a person is not only able to account, but also tends to her. Man is able to control themselves and act in solidarity socio-case striving for goals, the achievement of which will help meet their individual interests.

The next step is the model of «*deliberative communicative management*», which is being developed by different theoretical and practical directions and, in particular, *neomarxism*, *subsidiary school*, *libertarian communitarianism*, *participative management* systems, etc., widely used in building effective forms of self-government and self-organization [13].

The purpose of «*deliberative communicative management*» on the social, political and economic-industrial levels is to achieve a conflict-free situation through concerted action, which aim to address common interests and participation of workers (production) and citizens (society) in the management structure. The purpose of the analysis is to identify the key features and tools to build a society in which there is independent of the will of the people and social relations of production, that is, which abolished the relationship of coercion and domination of some people over others. Control over the processes of production and social functioning should go to direct participants in social production (as in the sectors of material production and in the production of ideas and management decisions). Previous production and management *objects (people)* have become *subjects* of production, social organization and management to implement their collective and common and public needs and abilities [14,s.72] A system of incentives and shared a common interest due to the general participation in the government, which as a result of acquiring the features of self-government. In this case, rules and decisions may be based on the total legitimized communication, which is the regulatory principle. Established structure should provide the same conditions for equitable choices and eliminating coercion and domination.

The aim is to reach a consensus on democratic decision-making. At the level of society and enterprise standards and solutions are formed as a result of a compromise and agreement (consensus) among all stakeholders that have equal rights to equal access to managerial power. At the same

time eliminated the excess pressure from one of the parties is not given to anyone privileged power-management position. Consensus is achieved through the procedure of forming a general communicative solutions that based on the equal benefit of everyone, are all informed approval.

This model is called *deliberative democracy* (derived from the Latin term *deliberatio* – «discussion» in the sense of – «matching»). Each individual has an opportunity to participate in developing a strategy of functioning enterprises, government, society, which leads to an account of the interests of individuals and social groups and deepen their understanding. Public, governmental, economic and industrial relations education formed through mutual recognition, discussion and compromise, which means the voluntary renunciation of selfish individualistic or group interests, if they are on the way to mutual agreement and expand economic openness, economic, administrative, social and political communication.

## 4. Summary and Conclusions

The survival of globalized civilization appears to be so difficult, that achieving of economic and social stability, which would be accompanied respect to the human, his/her rights and freedoms, is now possible Unfortunately, this has occurred in only a limited number of societies and, historically, very very short periods of time. *Deliberative democracy communicative management* notes that can not be considered truly legitimate a decision that is based on the pre-approved formula worked out and the actions and decisions. The aim of deliberative governance model is a constantly decreasing hired-exploitative relations, expansion of government (both public and enterprise level). In this case, the subject of social and labor relations is also the subject (not object) control systems, distribution and control.

Society and production in the long term should be *self-administered*. In place of the «*man-thing-people*» must come «*man-man*», where relationships are directly interpersonally-public, reasonable. But such relationships require and certain people – fully developed, the ability to navigate in all social relations. *Municipality* takes place within social systems due to the inclusion of the population in the management and ownership, empowerment and freedom, social security, the humanization of social life. New society and economy, so – it deliberately and a self-regulated system [12,s.52]. Democracy in all forms of *deliberative communicative management* primarily – is communication, which in the process of extensive discussion will rationally generates its participants.

Inherited a certain diversity of quality and diversity of economic structures are slowly but steadily becoming

obsolete at a higher level of scientific and technological forces of production, which will allow individuals to associates to be really free management, socially and politically, economically and spiritually. This will be possible when is the predominant part of the public and the production system will be covered directly to public scrutiny.

These facts support again, that globalization is not something authoritarian; but, it is the historical stage of evolution of civilization, societies and its objective reality.

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