

ECONOMIC GLOBALIZATION VERSUS SUSTAINABLE DEVELOPMENT

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***Abstract:** The obvious achievements in the development of the world economy were accompanied by the increased concern of politicians, businessmen, scientists and elites, fear of risks of further prospects for the development of destructive processes in national economies, industries and entities. The pursuit of profit forces resource users to save on costs in the performance of two fundamentally important economic functions related to nature: the extraction of resources, which leads to its excessive destruction, and the disposal of waste of the production cycle, which leads to pollution. At the same time, the effect of these functions leads to a further decrease in the ecological capacity of the planet. Globalization has shown that the idea of a high degree of environmental development of the West is a myth that allows a certain country to solve environmental problems safely only on its territory. "Prosperous countries" solve the problems of their "dirty economy" at the expense of the periphery of developing countries. Polluting enterprises of fuel and energy, agriculture, forestry, fisheries, industrial, energy and other sectors of the economy were brought to the periphery of the world market economy. Therefore, the scale of global problems, from which it is impossible to hide behind national borders, is increasing.*

***Keywords:** economic globalization, innovations, sustainable development, global issues.*

***JEL Classification:** O3, F02, Q01.*

1. Introduction

In the transition to a new way of life and sustainable development of the world system, no country can stay aside, although some countries have abandoned the old patterns of development. The development processes of the world market, the internationalization of the economy such as an increase in the interconnection and interdependence of the national and global economy are objectively historical and reflect the trends that were revealed at the beginning of the last century in the works of J. Hobson, R. Gilferding and others. On the one hand, technical and scientific progress has greatly strengthened the industrial, technological and technical-military potential of humankind and, on the other hand, it makes humanity invoke the issues of sustainable development and global threats. The economic interests often prevail over those of sustainable development. As a result, the evolution of globalization, initiated by post-industrial states, by international organizations, contributes to the transition of the community towards the information society or sustainable knowledge. Particular attention in open and closed projects is given to humanitarian and social disasters, which have complex properties and are caused by certain reasons, existing in a certain country, economic, political, social and spiritual, and which underlie any catastrophe. The suggested models seek to characterize the issue of sustainable development in the age of globalization, where it is emphasized that the transition to sustainable development is only possible in the case of a fundamental change in value orientations and co-evolutionary noospheric formation of consciousness. The priority status of these transformations may be the emergence of a new noospheric education system as a model of education in the 21st century.

The aim of the study is to evaluate the relationship between globalization and sustainable development in the global economy.

The methodology of research includes historical, comparative, statistical, induction and deductive methods based on the ideas of system dynamics and on the first global models of J. Forrester, D. Meadows, models and concepts of social development by M. Mesarovich and E. Pestel, the theory of simplification, homeostasis and convergence used

in D. Meadows' report, and the principles of planetary interdependence, humanitarian social order and planning presented in reports to the Club of Rome. In the process of forming the information society and the society of knowledge, the globalization of cognitive activity and its results take place in different forms of knowledge, such as their transfer and integration, developing a kind of global knowledge system that can be called as the global world of knowledge. Of course, we are primarily concerned with ensuring free access to knowledge, which would become the basis for the transition to a knowledge society (IMF, 2019). According to German scientists N. Shter and U. Ufer, this process is very complicated in a market economy; therefore, the development of a global knowledge society proves to be very challenging.

2. Results and analysis

The adoption of the sustainable development goals by the United Nations provides an opportunity for the OSCE to assess and strengthen its role in advancing the global sustainable development agenda. All these activities provide a link between security and the environment and, together, contribute to the achievement of sustainable development goals. The purpose of the world summits is to guide the world on the path of sustainable development, in other words, on the path of comprehensive and sustainable growth. It means the growth that raises the average standard of living; benefits all segments of society, not just the rich; protects, but does not destroy the environment. The world economy is doing well enough to achieve economic growth, but it has failed to achieve prosperity that is environmentally sustainable and fairly distributed. The reason is simple: the world's largest companies are relentlessly seeking profit, being very successful in this, all too often at the expense of economic justice and nature. Profit maximization does not guarantee a reasonable distribution of income on the safe planet. On the contrary, the global economy does not take into account the great number of people, including in the richest countries. The planet Earth itself is under unprecedented threat because of climate change caused by human activity, pollution, depletion of water resources, and the disappearance of countless species of living organisms. The aim of the study is to determine the correlation between global economic innovation and sustainable development.

The knowledge society is the one whose source of development is its own diversity and ability. Every company has its own advantages in the field of knowledge. Therefore, we must strive to link the knowledge that some societies already possess with new forms of creation, acquisition and dissemination of knowledge that is used in the model of knowledge economy. According to the author's research, there is a radical change of social status in the society. In appliance with the research, in the system of factors of production, the traditional factors "land, labor and capital" are being degraded and information and knowledge are placed in the foreground, replacing labor and capital. In the report published by UNESCO under the illustrative title "Towards Knowledge Societies", which states that "today it is generally accepted that knowledge has become a subject of great economic, political and cultural interest, which can serve to determine the qualitative state of the society whose outlines are just starting to emerge in front of us" (UNESCO, 2019). By the notion of sustainable development, we understand the development that provides a balanced solution of social-economic and environmental protection issues that contribute to the evolution of economic processes, human resources, natural resources, and human values, to meet the needs of current and future generations (Brandt, 1980). Contradictions, which turn into economic and political differences that arise between the structures of society, lead to ecological, social and technological disasters (Braun, 1994). In the context of globalization, this issue has begun to acquire a great planetary value that new applied

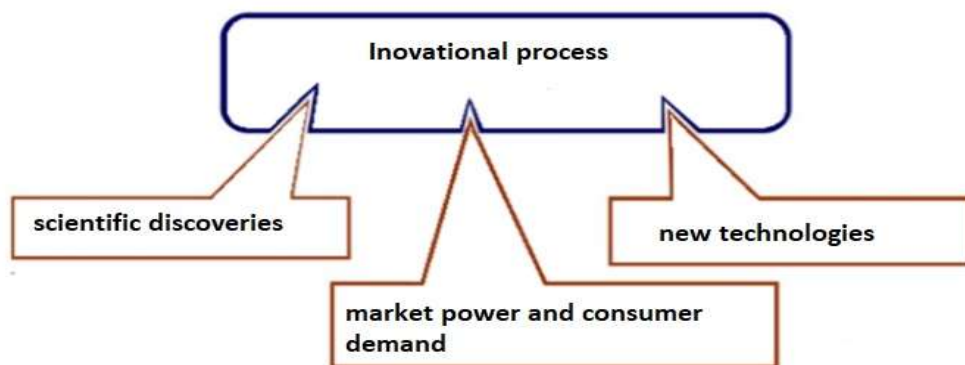
sciences have emerged such as crisis management, disaster medicine, catastrophic sociology, stress psychology, crisis management, and so on. It is unacceptable that the "bottom billion" of the world's population remain outside the process of globalization. Supporting this, we do not only respect the dignity of our fellow men, and do not only understand that any of us may be in such conditions. Globalization in the interest of all segments of the population is in everyone's interest. Poverty is a ground of growth for instability, disease, exhaustion of our common resources and the environment. Poverty can destroy societies, creating favorable conditions for those who seek to destroy, migrate, and endanger human lives. On the other hand, new horizons, opportunities for creativity and innovation are opening up (Gribincea, 2017). Change is the essence of innovation. Innovative work consists in transforming the technical-scientific potential into real activity, materialized in new products and technologies. It is known that the main task of science is a prognostic function, a prediction of what will happen. This was achieved by ancient sciences (astrology, metaphysics etc.). Every scientist knows the limits of his/her competence, and there is a known forecast horizon for traditional science (for example, a meteorological forecast by traditional methods). We understand that the possibilities of classical science are limited, especially in the social and economic sphere. The outcome of the innovation activity is materialized in the form of:

- new or restored product;
- new or restored technological process;
- new or restored managerial process;
- new social services.

In the form of innovative criteria, we distinguish:

- novelty and the use of original decisions;
- practical realization;
- efficiency.

Figure no. 1. External Factors Influencing the Innovation Process

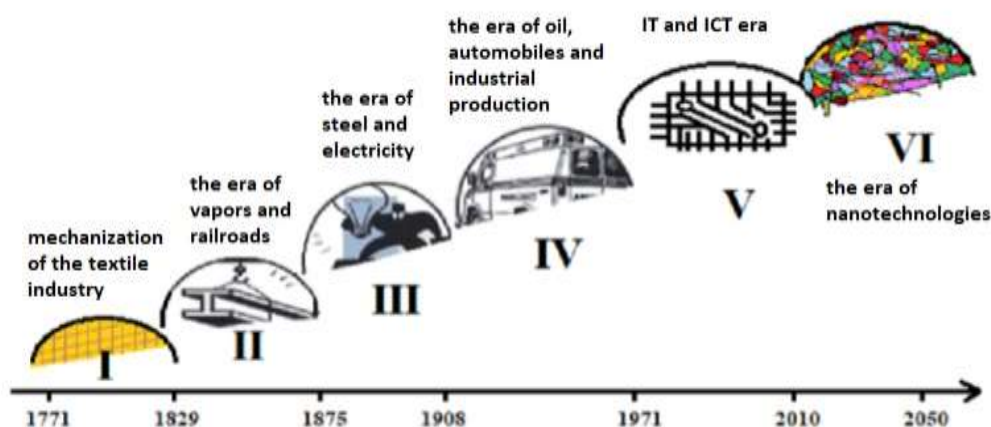


Source: author's research

The process of globalization of the economy is not complicated, with good and bad consequences. Along with the benefits, globalization is full of very serious dangers and traps. The industry has been and still is the main engine of the international labor division and, ultimately, the globalization of the economy. We owe it an arbitrary assortment of various products and services. This industry makes manufacturers look for markets around the world, involving a growing circle of countries in the spheres of trade, production and financial relations. Globalization offers the opportunity to continually improve the standard of living of industrialized countries (which, by the way, encourages other countries to develop their own industry and move from the lowest stages of industrialization to the

highest) (NKJ, 2019). Throughout the historical process, the main driving force of globalization is technological and intellectual innovations. These innovations have reduced transport and communication costs, thus increasing the opportunities for profitable economic exchanges at a greater distance. In the long term, such opportunities will be realized (Figure 2).

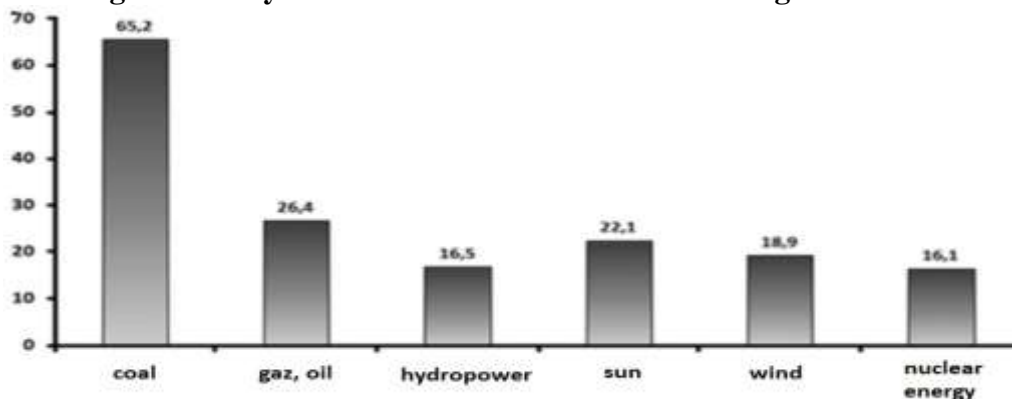
Figure no. 2. The Stages of the Evolution Process of Informational and Technological Development Cycles



Source: author's research

For the first time in history, an integrated world economy unites the processes that occur in several independent countries, which have a common purpose - the achievement of well-being. The attitude of both specialists and all the inhabitants of our planet towards the globalization is very ambiguous and sometimes diametrically opposed. This is linked to different views on the consequences of globalization processes, where some people see a serious threat to the world economic system, while others see a means of further economic progress. Undoubtedly, the consequences of globalization can be both positive and negative, but there is no alternative to them, and therefore the author of this contribution focuses on studying the dangers (threats) of these processes, opportunities and benefits arising from the globalization process.

Fig. 3. Gravity of Harmful Factors on Human-beings and the Environment



Source: Danilov-Daniylan, 2003; Gribincea, 2017; ZDG, 2019.

The age of globalization causes rapid changes in the economic activity. If in 1990 the share of countries with high incomes in world production, calculated at purchasing power parity, was 70%, 28% for the European Union and 25% for the US. According to the IMF, by 2019 this cumulative value will fall to 46%. During the same period, China's share is expected to increase from 4% to 18%, and for India - from 3% to 7%. The rapid growth of the most successful emerging markets countries that brought this change would not have happened without the access to trade and technology provided by globalization. In addition, there is some convergence of living standards. This is a remarkable result from any point of view. China has become a country with a middle income, whose GDP per capita in PPP by 2019 is projected to be higher than in Brazil.

At the summit in Rio de Janeiro (179 countries), the world community has reached a universal understanding of the need to change the nature of mankind's economic development, otherwise it will be destroyed (News, 2019; Braun, 1994).

The expectation that globalization will be a salvation during the processes in the twentieth century was not met, which led to the uneven development of states, peoples, society, etc. As a result of globalization, we are confronted with the ignorance and violation of human rights in a favorable environment, civilized human relations, respect for the right to security, resources, work, sustainable development. Unfortunately, there are contradictions in the North-South relationship, underdeveloped countries, energy issues, food, etc. Globalization brings major challenges in terms of climate change, ozone layer integrity, pollution of global ocean and water systems, atmospheric pollution, deforestation, desertification, loss of biodiversity etc. The humanity has indeed reached a critical point. According to the author's research, the so-called environmental footprint left by one person when using land and water production resources for his/her needs (food, water, housing, transport, commerce, waste disposal etc.) is about 1 ha in poor countries and 10 ha in developed economies. On average, each person on the Earth has 2.2 ha of ecological space. The author's calculations show that, to achieve the level of consumption on Earth as in the US, a surface of several planets like the Earth is required (ZDG, 2019). Moldova has serious environmental problems such as massive deforestation or waste. The main problem is soil and water. Among the European countries, the Republic of Moldova is among the countries with the least woodlands. The natural resources of the Republic of Moldova are in danger, and the environmental problems faced by the country are mainly caused by the irrational use of these resources. The lack of water calls into question the very existence of the Moldovan population. Because of the lack of water, the great cities of human civilization have disappeared. The entire nation was forced to leave prosperous settlements with historic buildings and monuments of high civilization, living in the place where there was access to drinking water. The water quality depends on its chemical composition, in other words, the ratio of the dissolved substance concentrations in it. The first thing we consider is the existence of harmful substances (ZDG, 2019). We are constantly looking for more advanced technologies and methods for filtering and purifying water. The most difficult problems are waste management, green areas, construction occupations, air pollution, traffic jams (only in Chisinau the number of cars is 583,000 units, which exceeds the number of apartments) (Autoblog, 2019). In 2004, over 400,000 cars were registered in Moldova, and this is twice as low as now. In 2004, there were twice as few sources of pollution and, consequently, the volume of pollutants in the air was twice as low. Today there are 941,808 cars, and some simple calculations indicate that their number will reach one million in 2020. Of these, 581,695, more than half, are over 15 years old (gasoline - 483073, diesel - 342553, liquefied gas - 110382, hybrid - 5114, electromobile - 54), 359485 - up to 15 years.

The Court of Accounts investigated the state of the air (30.11.2017), making negative conclusions, and the measures taken to manage air quality are ineffective (CCRM, 2019).

Table 1. Limit Values of Atmospheric Pollutants established for the Republic of Moldova

No.	Pollutant name	Limit values according to European directives	Limit values set in the Republic of Moldova
1.	Sulfur dioxide SO (1 hour)	350 µ/m ³	CMA – 500 µg/m ³
2.	Arsenic As (1 calendar year)	-	CMA – 3000 ng/m ³
3.	Nichel Ni (1 an calendaristic)	-	CMA – 1000 ng/m ³
4.	Cadmium Cd (1 calendar year)	-	CMA – 3000 ng/m ³
5.	Benz pyrene C ₂₀ H ₁₂	-	CMA – 1 ng/m ³
6.	Nitrogen dioxide NO ₂ (1 hour)	200 µg/m ³	CMA – 85 µg/m ³
7.	Carbon monoxide CO	10 mg/m ³	CMA – 5,0 mg/m ³
8.	Lead Pb	0,5 µ/m ³	CMA – 500 µg/m ³
9.	PM ₁₀ (1 calendar year)	40 µg/m ³	There are no norms in Moldova
10.	PM _{2,5} (1 calendar year)	25 µg/m ³	There are no norms in Moldova

Source: author's research

Sometimes decisions made are paradoxical. India, where half of the children suffer from malnutrition, set a mission to Mars. The number of people in India living under the poverty line is 21.9%, the number of poor being about 250 million people. In 1990, despite the bad harvests, the Sudanese government sold the EU countries 400,000 tonnes of sorghum, the main food of Sudan. The same year, the government of Sudan paid China \$ 60 million to buy weapons, which were then used against the local population in the south of the country. But in 1991 the country suffered from famine (the number of inhabitants in Sudan is 43,228,531, the approximate life expectancy is 24-27 years). The world civilization has started a fierce struggle for existence the as reserves of natural resources, fuel, hydrocarbons are significantly diminishing, and the Earth's population has increased exponentially, reaching more than 8 billion inhabitants (Danilov-Daniylan, 2003). The survival of many poor countries will be put to the test. At present, about 80% of new technologies are created by transnational corporations, whose revenues in some cases exceed the GDP of relatively large countries. TNCs are ranked 51 in the list of the top 100 economies in the world (Gribincea, 2017). It should be noted that the major part of their work is related to the development of hyper technologies (or meta-technologies), which include advanced technologies, IT, ICT, the latest computer programs, public technology, media and others.

3. Conclusions

The main idea of capitalism pursues the goal that each person should realize his/her own interests working for the benefit of the whole society. The New World Architecture is influenced by the evolution of the political-social, economic, cultural and demographic world. However, the problem is anchored in people's instincts, which focus

on improving their own well-being. This is particularly noticeable in the transnational network strategy, the Internet, the free movement of citizens, the exchange of students and professional staff, the services sector, environmental organizations and the human rights movement - creating a truly global cultural and economic system. More than half of national revenue comes from financial, technical and scientific cooperation and international trade. The expansion of the external market spheres leads to increased manufacturing of goods, providing services and growth of their export, increasing the number of jobs and welfare of the population, specialization in areas of relative and absolute advantages, increasing the efficiency of production and trade. With globalization facilities for travel and tourism appear, there is exchange of human resources, student mobility and exchange of ideas, opinions, know-how, experience increase, broadening the cultural horizon. IT and ICT have allowed expanded access to information and knowledge across the globe, enhancing innovation. Globalization has reduced the scarcity of millions of people, accelerating economic advancement. However, globalization envelops the world's countries not only with advantages. Increasingly, there is a discrepancy between the rich and the poor, job losses, fraud and financial exodus in offshore areas, neglecting justice, loss of national identity, and degradation of the living environment. Globalization leads to the unlimited consumption of natural resources, the destruction of the ecological balance, the degradation of the atmosphere, the soil, the oceans, without leaving any chance to future generations. Small countries like the Republic of Moldova could benefit from the benefits of globalization through investment strategy, cooperation in production sphere, exchange of students and qualified staff (without brain exodus), outsourcing, etc. Examples can be inspired from Singapore, South Korea, Switzerland, etc. It is important where we stand. Those who are under the "wave" are covered by the water and destroyed, the others standing on the wave - the waters lift them up and take them away. What is important is what policy the government adopts: the development or the expectation of aid (undeserved) from someone.

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