

Correlation and dependence between: Business –Globalisation - Information Society and the Global Society

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ABSTRACT :*Changes in competition which are being observed constitute both the result and condition of globalisation. The structure and degree of strictness of competitive fight influence directly the international development strategies of enterprises. Competition in a global dimension creates new systems of connections, as well as a new dimension of the quality of technological progress and new methods of obtaining competitive advantage. It extorts, so to speak, the creation of new models of organising, different ways of coordinating and configuring activities and cooperating with the environment. An important solution that allows to increase the enterprise efficiency functioning is cooperation on the following line: business – globalisation – knowledge. The purpose of this article is to introduce the relationship, as the latest trend inherent to the process of globalisation, playing an important role in the process of international expansion of enterprises.*

The aim of this article is to give an answer to the following questions:

1. Is there a correlation between business, globalisation, information society and global society?

2. What factors influence the development of business and the process of globalisation and can they be explicitly defined?

3. If there is a correlation between business, globalisation, information society and global society what is the most important factor in this relation?

KEYWORDS –*business; globalisation; global society; information society.*

I. INTRODUCTION

Globalisation is a multidimensional process which is present in many spheres and which is defined in many ways: it has developed with different degrees of intensity since the end of the 19th century and took on a particular importance in the closing decades of the 20th century[1]. Globalisation creates both opportunities and threats for its participants. One of the tendencies that has been getting stronger in the world for at least a quarter of a century is a progressive socio-economic differentiation and the splitting of the world into two separate blocks: the world of poverty and the world of riches. The social structure is undergoing changes. The distances between the individual segments of the market and those who are left outside the market are growing. The benefits from economic growth are not being spread equally. The introduction of the paper should explain the nature of the problem, previous work, purpose, and the contribution of the paper. The contents of each section may be provided to understand easily about the paper.

II. GLOBALIZATION

Globalisation in a general sense may be understood as a process that is shaped by events and decisions on a worldwide scale. Expressing it more broadly, globalisation is a historical and spontaneous process of liberalisation and progressing and merging of existing market of goods, capital and workforce as well as technology and information into one co-dependent market. It is a phenomenon of more bigger relationships and co-dependencies between single countries, groups of countries, their economies and business [2].

Globalisation tendencies of a world economy mean a progressing integration of national economies that is made through an international trade, foreign direct investments and research and contractual development relations and technological and technical relations of enterprises. The borders of countries become more and more “permeable” for the overwhelming and varied business activity of entities conducted on a worldwide scale. Globalisation is the result of these tendencies and it is a higher, more advanced and complicated stage of the process of internationalisation of national economies and clear spread and market convergence.

Globalisation and growing correlation and complementarity of phenomena and processes such as the flow and size of capitals, import and export of goods and services, technology transfer, and transfer of intellectual property, degree of active business partnership and its infrastructure has a decisive influence in the shape of international business.

O. Shenkar [2] defines international business as a domain which combines general knowledge concerning the way of conducting business activity on an international market with a regional know-how. These components create a peculiar "platform of knowledge" which is based on theoretical basis and is hard to imitate. General knowledge concerns such fundamental problems as: international institutions, trading contracts, regional organisations etc. On the other hand, regional know-how refers to cultural, regional, political and economical conditions of particular countries and regions. These conditions have a substantial influence on the behaviours of enterprises on local and regional markets. Such point of view indicates the regionalization of international business in contemporary world economy. It allows to capture the specificity of the conditions that the environment of a particular region offers, and at the same time it allows to search for an answer to the following question: how is the international business environment shaped in the analysed region in the age of globalisation of the world economy and what are the most important driving forces dynamizing its development. Particular attention should be paid to the conditions of the business intelligence (BI) development. The key aspect of global business is based on using knowledge and innovation as driving forces in its conduct as well as on increasing the scope of its engagement and profits. It requires to intensify the quality of education, boost the outcome of research activity, support innovation transfer and knowledge, use the information technology and communication methods more often, as well as implement new ideas so that they could transform into new products and services that would dynamise the speed of economical growth, stimulate the process of creating new work places and solving contemporary social problems [3].

Development and functioning of business intelligence (BI) in contemporary globalizing and integrating world economy is determined by influence of many various factors of an exogenous and endogenous nature. The factors which have the greatest influence include:

- dynamic scientific and technological development which is expressed in the growth of technological and product innovations that accelerate the pace of the development of leading sectors: biotechnology, communication, computer science, microelectronics. These processes constitute a tremendous impulse to create a specific institutional infrastructure that allows for coordination of expected directions of development as well as inspiration and new ideas.
- demand and supply factors which are based, on one hand on harmonization of the demand and simultaneously its individualisation, and on the other, on diversification of the supply. These factors lead to creation of new attributes of competitiveness - time, quality and flexibility of solutions which, together with structural and institutional transformations of the market, that is its oligopolism, evoke changes in international competition;
- expansion of liberalisation of the flow of international goods and services, workforce, capital, technology and technical knowledge resulting from the treaties as well as, both unilateral and bilateral agreements.
- implementation of the policy of openness by highly-developed countries which strategic purpose is to both reduce the developmental distance through a broader engagement to international division of labour, and participation in processes of international specialisation and cooperation of production and exchange.

Globalisation also changes the nature of social relations intensifying the disappearance of "national society". In such case, societies are being established and communities analysed on a global level. By contrast, organisation of the global society is necessary because such a society has to regulate the deficiencies in the system of global capitalism.

Global society is undoubtedly the future. However, today most commonly used term is the information society in which "information is the capital". It has to be emphasized that in such a solution the determinants include global information and globalised economy as well.

Globalization changes the image of the world. It transforms trade, finance, employment, technologies, means of communication, ways of life, culture, as well as ways of governing. It forces companies to compete across the whole world. Many cause and effect relationships typical of it are feedbacks. The result of these processes is reduction in production and transport costs and increase in efficiency and income. However, sometimes the price for progressing dependence on abroad is growing uncertainty, fluctuations in the level of employment and deepening social inequalities. The process of globalization involves participation of various entities, among which the most important are : states, transnational corporations and international institutions and organizations.

Continuing globalization process may be divided into many stages encompassing colonization, slave trade, church constructions abroad, inventions in the high-capacity transportation, industrialization, highway constructions among provinces and countries, electrical and electronic infrastructure. On the other hand Robertson claims that globalization which is thought to be peculiar to present day is in fact a process began before the modernity and capitalism and divides this process into five stages and suggests that the last stage started in 1960 is full of ambiguities [4].

A commonly accepted division divides the globalization process into three stages.

Table 1: Stages of Globalization

| Stages | First Stage1490 | Second Stage1890 | Third Stage1990 |
|----------------------------|---|--|--|
| Impulse | Nautical developments | Industrialization and its requirements | Multi-National Companies in 1970s, Communication Reform in 1980s, Disappearance of Competitors of the West in 1990s |
| Process | Profit and then military occupation | Evangelists, then explorers, then companies and finally occupation | Cultural-Ideological effect, therefore countrywide spontaneous effect |
| Medium | To get the God's religion to the pagans | Burden of the white man, humane mission, racist theories | Highest level of civilization, governance of international community, "invisible hand" of the market, globalization: for everyone's interest |
| Political Structure | <i>Empires and Colonization</i> | <i>Nation States</i> | <i>Regional and Economic Integrations</i> |
| Result | <i>Colonialism</i> | <i>Imperialism</i> | <i>Globalization</i> |

Source: Yaman, 2001.

First Stage (1490): Started with the overseas discoveries of the West. The discoveries were followed by the establishment of colonial empires.

Second Stage (1890): Second extension of the West started after 1870 and institutionalized in 1890s. The utilized technology after the industrial revolution generated high imbalances between the West and the rest of the world. This difference was resulted with the deployment of Western countries into the markets of countries that had not experienced the industrial revolution and exploitation of the resources in these countries. A merciless competition that curtails profit rates started. This competition previously had remained at the firm level as the land and resources abounded but later on as the free lands become scarce it raised to the national level. Increased competition resulted in conflicts and the First World War.

The world changed in many respects after the First and Second World Wars. Almost all the ordinary balances collapsed and a new formation in the world started. First, balances that collapsed and changed were the former economic powers and political authorities connected to these powers. The empires and monarchies and their colonies which are the power source and scattered into various continents diffused one by one through declarations of independence. When economic and political balances changed, social and cultural values and balances disappeared, the newly gaps were closed by new balances. One of them was USA and the other was USSR. Thereby two poles and two blocs formed in the world. But during the Second World War major changes occurred. When the vast part of Europe was ruined, industrial economy in USA experienced a huge growth [5].

Third Stage (1990): In the first two stages instable balances aroused. The number of independent states increased, conflicts increased and accelerated. Identity conflicts reached to peak in the underdeveloped countries.

The national markets of the West were insufficient; markets were desired to expand in order to encompass the whole world. In this process there were no competitors against the West like the ones in 1490 and 1890 stages because the third stage both was the factor that engendered the collapse of Soviet Bloc and the West was left alone to conquer the world as a result of this collapse. The third stage was more powerful, widespread and faster than the first two stages because of the hegemony of MNCs on the world economy started in 1970s, communication revolution created by putting technological inventions of the West like optical cable, communication satellites, computers, internet in 1980s and disappearance of power balances with the dissolution of the USSR and Europe's turning up as the only focus of power again in 1990s. Therefore globalization has become a process that can not be reversed and it should be accorded and strategies should be developed against the process.

The contemporary globalization is influenced substantially by nation states whose history shows significant development unevennesses. In the period of external hazards, the role of the state was growing, undergoing periodical fluctuations in importance in the periods of relative peace. The 19th century featured a relatively short period of liberal capitalism, when the role of the state in the economy decreased significantly, however, two 20th-century totalisms: Nazi, with the great role of the state at the cartel economy, and real socialism with liquidation of private property and omnipresent dominance of the state not only in the economy, strengthened nation states in substantial areas of Europe, Asia and other continents.

Currently, since the 1980s, the role of nation states has been decreasing. The state gradually ceases to fulfill operational functions (interference or direct participation in business activities) and more and more often fulfills system functions which, in the present conditions, include execution of long-term, globally and strategically oriented economic and social tasks. Apart from traditional activity (legislative, stabilization, ensuring safety, etc.), the state is getting involved also in the implementation of strategies or programs aiming at increasing the national economy's international competitiveness, in its course and funding adapted to global competitiveness, introduction of new institutional solutions, promotion of the development of the information and knowledge-based economy .

The analysis of the course of globalization proves clearly that this process would not have the today's shape and would not reach the contemporary intensity without technological revolutions that, first, resulted in radically increased production scale and then enabled transferring goods and consumers at growing distances, and, finally, contributed to the assimilation of behaviors and tastes of buyers. Subsequent industrial revolutions are a condition of economic success of particular economies and causative factor of changes in the world economy. Technical progress determines development and fall of particular spheres of economic operations, nature of employment and social development directions [6].

Globalization has therefore become a phenomenon with which one can demonstrate clear differences between industrialism and age of networking.

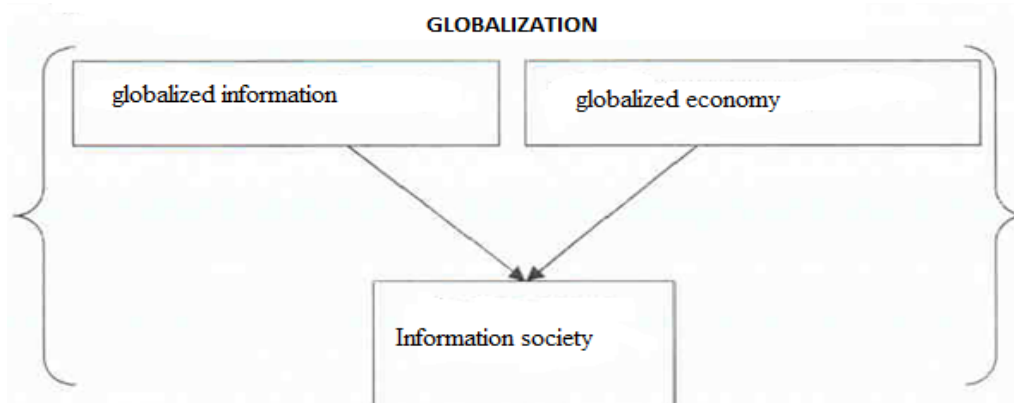
II. INFORMATION SOCIETY

Globalization in general sense may be understood as a process that is formed by world-wide phenomena and activities. To present this problem in a more specific way, globalization is a historical process and spontaneous process of liberalization and progressive merging of goods, capital and labor markets, technology and information in one interdependent market. It is a phenomenon of bigger and bigger correlations and increasing interdependencies between countries, groups of countries, their economies and enterprises. Globalization is thus an increase in internationalization of national economies and a clear penetration and convergence of markets[7].

Globalization changes the nature of social relations by intensifying the disappearance of the "national society" model. By contrast, the organization of global society is indispensable because such a society must regulate deficiencies in the *global system of capitalism* [8].

Global society is undoubtedly the future. Today, the term information society is commonly used in which the main „capital is information"[9]. It should be, however, stressed that in such a society globalized information and globalized economy constitute its determinants.

Figure 1. Information society and globalization.



Source: own study on the basis of: A.S. Targowski, *The Taxonomy of Information Societies* [in:] *Global Information Society. Operating Information Systems in a Dynamic Global Business Environment*, edited by Y. Chen, Hershey, London 2005, p. 3.

Globalization in the economic category - globalization of markets means that we make use of economic possibilities located in various parts of the world. Globalization is often interpreted as a global source of development of communication technologies and movements of capital. However, in a most simplified way, it may be understood as the expansion of trade and investment abroad[10].

Therefore, it may be said that we live in a world of globalized markets. Yet, it should be noted, that globalization is no longer solely seen in the category of world trade in goods and the ability to communicate across the globe. Production, trade and communication are factors that in the modern world are more often vulnerable to unstable actions[11]. One reason for this instability is too high concentration of capital in one sector, which makes the rest of the system exposed to slump. The growing digitization of economic activity and electronic flow of capital contributes to it[12].

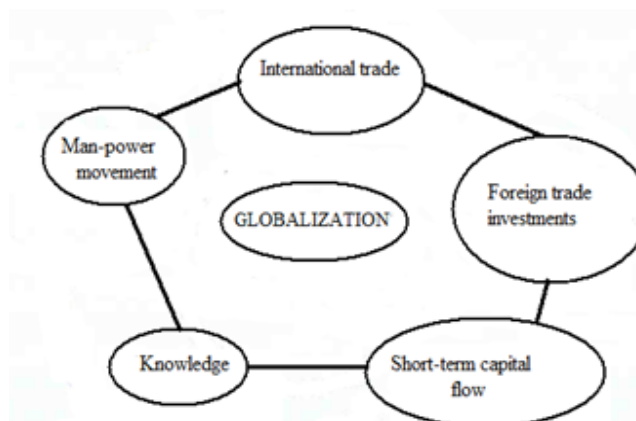
At the top of the "list" is globalization of knowledge which is the result of lower costs of communication and information exchange. Transfer of knowledge which "reinforced" globalization, is, in turn, one of the major factors contributing to growth in emerging markets. Globalization of knowledge includes not only technical knowledge, but also the ideas that transform both communities and markets[13].

Ability to manage the current phase of globalization is getting out of control. Globalization involves a closer integration of countries in the world and this causes a greater interdependence. Socio-economic success in particular regions of the world depends on how it is possible to manage globalization in most efficient way.

Globalization has therefore become a phenomenon with which one can demonstrate clear differences between industrialism and age of networking[14].

We live, therefore, in a new economy, which consists of three pivotal features: 1) it is informational, that is, capable of generating processing and information management determines the productivity and competitiveness of all economic units, 2) new economy is global - financial markets, science and technology, international trade in goods and services, 3) the new economy is networked.

Figure 2. Elements of globalization



Source: J.E. Stiglitz, Globalization and growth in emerging markets, "Journal of Policy Modeling" 2004, No. 26, p.430.

Today, the term technocapitalism begins to dominate, which was defined by S. Best, and D. Kellner, which is understood as a decline in the role of the state and increase in the role of the market, connected with the strengthening of transnational corporations. In other words, Best and Kellner specified the approach to globalization as a synthesis of economic and technological development.

R. Kuźniar writes: „The processes of globalization are the source of the polarization of the international community. The dividing line created by globalization differs from those that have until recently determined the structure of international reality (ideology, imperial spheres of influence). It is the dividing line between the rich and and growing number of poor people. This line runs across countries and regions, and also inside societies in different countries. (...) Strobe Talbott wrote about new bipolarism, which is no longer the Iron Curtain between East and West. This is a line between stability and instability, integration and disintegration, welfare and poverty”.

There is also a division between what is 'local' and 'global' . The differences between this 'localism' and 'globality', and even more particularly between local man and global man, are enormous. According to Z. Bauman: "In a globalized world, locality is perceived as a sign of social discrimination and degradation. The disadvantages of existence in local conditions result from the fact that public space, in which the meaning is created and negotiated, is beyond the reach of local existence, and therefore, locality more and more relies on sense creating and interpretive activities over which there is no control.

Also, the technology has contributed to the polarization of the global society, "progress measured by the number of mobile phones, fax machines, computers, internet connections per 1000 population is very large" but the author immediately adds that "the distance that divides the group of developed countries from developing ones and the third world countries is visible"[19]. Furthermore, "eliminating the time and spatial distances owing to technology not only unified human condition but polarized it. It liberates some individuals from the territorial bonds, and gives some of the factors that constitute the community an extraterritorial meaning, at the same time, however, the territory deprived of meaning, in the borders of which the others still live, becomes deprived of the potential to determine human identity"[20].

Along with the formation of new economy the information society is created. In recent years, in publications describing the issue of globalization, more and more often the concept of the information society appears, which function in an international scale. Development and progressive standardization of processing, collecting and transmitting data have become the main reasons for the describing the modern civilization as a "global village" in which the information is transmitted quickly between continents via telecommunications connections.

As I have already mentioned, globalization is not a phenomena occurring only in recent years. It is a direct consequence of the European dominance in the world, colonization, technical innovations or development of the market economy whose sources can be sought in the past centuries. A symptom of the contemporary globalization phase is, among others, increasing international economic dependence and integration, which involves the worldwide processes of democratization and cultural homogenization.

The information society is a society in which the information is treated as a commodity perceived as a particular kind of non-material good, equal or even more valuable than material goods. In this society the development of “3P” services occurs (storage, transmission and processing of information). The term information society refers to the technical tools of communication, storage and conversion of information [21].

In the information society, more and more spheres are subject to regulation via the market which becomes a universal locus of individual and collective life, and less and less is governed by public sphere. The structures of values are based in a lesser extent on the structure of thinking of business people and people from the field of technology [22]. The state loses its strength, the information society is even more market-based than the industrial society was.

It is not ease to define and describe the process of globalization because of complexity and multi-sidedness of composing phenomena, and, as a consequence, complicated and heterogeneous matter. It is shown strongly by definitions presented in the paper. The definitions are diverse not only depending on the approach of researchers and the moment when they were formulated, but also because of differences of the degree of generality/particularization [23]. The conducted analysis confirms that globalization process involves many contradictory tendencies, directions of consequences and impacts on a macro- and micro-scale. Changes occur vigorously and often it is difficult to indicate a factor that is determining for its presence and intensity. However, it is necessary to explore the essence of globalization and describe it precisely, as it may be an introduction to preparing a strategy of rational shaping its further course and affecting its component parts..

III.CONCLUSION

In conclusion, I believe that the concept of the information society gives the basis to think about the existing paradigms relating to the knowledge-based economy once again. This results from the fact that from the point of view of an individual who is a member of this society, on the one hand, the man becomes more than ever a member of the global society, and on the other, the society allows the man to express individuality more fully. An important element between the knowledge-based economy and information society is electronic currency. In relation to the process of globalization, we must take into account the dynamic growth of the knowledge-based economy, e-business and e-money. All of these factors may allow us to create a synthetic vision of globalization [24]. Global society is undoubtedly the future. However, today most commonly used term is the information society in which "information is the capital". It has to be emphasized that in such a solution the determinants include global information and globalised economy as well.

To sum up, I would like to associate this definition with the view of A. Müller who wrote that [24], If we assume as an axiom that globalization is a function of technical progress, we should recognize the statement expressed as Fukuyama that the process of globalization is unstoppable and that it is impossible to inhibit the development of technical progress as true [25]. That means, in my opinion, that globalization is unstoppable.

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