Abstract: Globalization, a phenomenon extended to a planetary scale had reached all the human activity levels, involving both positive and negative effects. The modern form of globalization appears at the end of The Cold War, when the geopolitical restructures imposed a worldwide interdependence and a fast rhythm of social changes. The free movement of the capital engages all the countries in a global competition, but at the same time makes them vulnerable in front of the transactions, which leads to job losses.

Key words: globalization, social policies, relocations

JEL classification: F0

1. The Content of Globalization.

Globalization is a reality of the contemporary world, with consequences and manifestations, interconnected in all the human levels: economic, social, political, cultural, scientific, technological, ecological, an irreversible and historical process of social development, determined on a lot of factors, such as technology or market economy.

Being already a cliché, the term has different understandings, depending on the one who defines it. In Cambridge Dictionary, globalization is primarily an economic effect, which is “the increase of trade around the world, especially by large companies producing and trading goods in many different countries”, and then an extended effect – “when available goods and services, or social and cultural influences, gradually become similar in all parts of the world”.

In Blackwell sociologic dictionary, “globalization is a process in which social life within societies is becoming increasingly affected by international influences based on anything – from political and commercial ties, work, style, clothing and media”.

The Monetary Fond Investment’s experts define this phenomenon as “a historical process, resulting from innovation and technological progress, which refers to the increase of integration of world economies, particularly through trade and trade flows, movement of labor and information (technology) across international borders”.

The ex president of the World Bank, J. D. Wolfensohn says that globalization means “international financial crisis and the fear of the workers from the developed countries that they will lose their jobs for lower-cost countries with limited labor rights and the fear of the workers from the countries developing that the decisions which are affecting their life are taken in some other places”. (Wolfensohn, 2001)

The globalization is an objective process, which runs with an amazing speed, including all the states of the world.

The globalization has both positive and negative effects. Positive effects: the high speed of trades, knowledge intensity, transnationalisation of firms and processes, competition, resulting lifelong learning, network, trust the firm, the product. Therefore, the firms have faster activities, become more adaptable to what clients require, otherwise they disappear, and the countries are competitive, have an excellent infrastructure, a lifelong learning.

Negative effects:
- Economic crisis and a gap between the poor and the rich countries.
- Social instability, the weakening of the family’s role, of the school, of the neighborhood in favor of the individual;
- The decay of the social control means and the normative inflation, especially in the transitional societies;
- Media explosion, especially pornography, which spreads violence, ignorance or promiscuity;
- The extension of older behaviors such as alcoholism, smoking, and the appearance of new ones such as drugs, tax evasion;
- The anxiety syndrome, which was generalized because the lack of security in the social environment;
- The weakening of the social system, both intervention and education of the individual;
- The explosion of the geographical mobility, immigrations especially targeted by criminal and mafia groups and foreigners.

2. Features of Globalization

Globalization is a complex process which has left its mark on all the sectors of human activity: economic, political, cultural, scientific and technical, organic.

2.1 From an economical point of view the globalization entails:
- The globalization of supply and demand, the expansion of the global market economy.
- Mobility of capital and the expansion of the international capital flow outside the US-EU-Japan triangle from the 90s.
- Significant share of relocations.
- The tendency of concentrating the capital under the influence of transnational corporations.
- Widening economic differences between countries, causing inequality in income distribution and consumption among individuals.
- Regional economic integration of countries in different structures (EU, NAFTA, ASEAN, etc)

In a global world, the economic game is played on three levels:

2.1.1 Nation level
- The citizens can create higher income with knowledge and skills as good as others.
- The citizens can use a telecommunication infrastructure, means of transport, etc.
- The nation becomes a leader in research – development and has entrepreneurs able to develop the idea of product

2.1.2 Firm level
- Qualified staff, investment, buying and selling products globally.
- Social rules in order to allow industrial flexibility.

2.1.3 Human level
- Knowledge, skills, desire of change

2.2 From a political point of view we can distinguish the extent of the globalization process in various area of the world, a phenomenon accompanied by:
- The resurgence of authoritarian and extremist tendencies (ETA, Hamas, Hezbollah, etc).
- The existence of similar institutional organization systems, shifts in political behavior due to the granting the rights for immigrants and the emergence of new political structures.
- The emergence of new types of threats and their global expansion (terrorism, nuclear weapons, environmental disasters.
- The creation of intergovernmental organizations such as UN, OMC, OMS, OIM, G8, etc.
- Shaping a global system of justice: the European Court of Human Rights, the International Criminal Court for former Yugoslavia, the International Court for Rwanda, but it is circumvented by the states which are not signing different agreements or commitments, such as the one initiated by the U.S with various countries about the refusal to extradite U.S citizens to be tried by the International Criminal Court.
- The unequal distributions of political power in the world, which has the effect of breaking the rules of the superpowers (U.S) “competition is a factor of relations destabilization between civilizations, when the interests become competitive and especially when pressures are exerted by political powers. (Dimitriu, 2002)

2.3 From a cultural point of view, the globalization generates:
- The uniformity of cultural consumption (movies, books, music)
- The formation of certain groups interested by the same products (cloth, music, etc)
- The internalization of the English Language

2.4 In science and technology the globalization contributed to:
- The conquest of land by spreading space vehicles
- Computerization of all areas of activity
- Internet – spread
- The imposition of quality standards in all the areas of quality
- The concern for the intellectual rights and protection of trademarks and investment

2.5 In ecology, the globalization has created the emergence of serious problems affecting the whole world: damages the ozone layer, greenhouse effect, climate change.

2.6 From a social point of view:
- There is a tendency to standardize the product consumption
- Unprecedented human mobility
- Elite- formation and the exclusion of the poor
- Relationships over long distances, some virtual
- Ubiquity of some social problems such as poverty, unemployment, social exclusion, etc.
- Oriented movement against multinational corporations and against global agreements of the most industrialized countries.

The first movements occurred in the mid 90s, when various corporations such as NIKE, GAP have been accused of banning syndication, poor working conditions, low wages and the practice of using children globally. Nowadays, in addition to these charges were added the ones against international institutions: OMC, IMF and the World Bank. “What goes wrong in these institutions? Why they generate protest marches, demonstrations and riots, as happened in Seattle in 1999, in Washington and in Prague in 2000 and in Quebec and in Washington in 2001. What do we find beyond these complaints? The globalization is a positive process and can be a development resource, even though till now we couldn’t see any result. Anti- IMF protests are justified, though I do not agree all the idea promoted by such occasions. But the action gives me the hope that the organizations which are leading the world today will be reformed once.”

From the anti-globalization militants’ point of view, these institutions paved the way for the transnational corporation power, which will influence the governments become less important than the global economic institutions and their efforts to target and expand economic growth. Nongovernmental organizations criticize G8. They consider that G8 doesn’t make enough efforts to save the lives of millions of children who die every year from preventable diseases. Currently, the large number of decisional groups worldwide and their components created confusion. That is why Barack Obama proposed that G8 should open to the emerging economies, such as China.

3 The Consequences of Relocations on the Labor Market

The relocation of the large companies is one of the phenomena that concern the countries with cheap labor practice, with low wages, a tax to encourage multinational and poor social protection. Wizard capital is accompanied by unemployment and bankruptcies in the importing countries.

A significant case is the one of SEB (Color, Rowenta, Tefal), which in 1989 formed its first global network by acquiring well-known German company Rowenta; in 1994, the process is accelerated through the deployment of various branches in Russia, China, Mexico. Taking control of plant Arno, SEB becomes the authoritarian leader in the Mercosur zone (Argentina, Brazil, Paraguay, Uruguay) through other implementations. In almost 30 countries SEB becomes number one provider in many industrial segments.

The worldwide dissemination of the large companies is a nightmare for the local employees because the appearance of new jobs generates the disappearance of a greater number of jobs.

However, the analysis proves the absence of a correlation or global interdependence between the “degree of openness (trade liberalization and globalization) and unemployment as there are countries where unemployment is very limited or does not exist. It’s absurd-P. Jacquet wrote-to predict that globalization will lead to rising unemployment or that it will reduce it” (Miftode, 1999).” With or without globalization, unemployment in explained by a system of factors that cannot miss the structure of labor training, labor market performance, the nature of society, social policies and of course, the economic ones.” (Miftode, 2002)

The globalization led to important changes in the labor relations. For example, EU, a conservative area in terms of social protection and the working conditions, are accepted employment contracts different
than the standard ones on an undetermined period. For about 40% of the population has turned to alternative solutions: part-time contracts, the ones with a limited duration, “zero-hours contracts” (work on various projects, the compensation being made at the end of the project). For example, employment contracts for an indefinite period of time as set by Labor Code in Romania are difficult for employers because the employment, the dismissal, the change of the working conditions or the payment of the employee take a long time and do not allow more flexible labor market.

The relocations involve redundancies and layoffs, thus unpopular among employees. However, the products obtained and the new locations are cheaper and may return home at lower prices, which is to benefit the consumers.

IT is by far the most affected field by the phenomenon of relocation. In Europe, almost 25% of traditional IT jobs will be transferred to emerging markets by 2010. In the U.S., figures show that by the end of 2005, one in ten jobs in the IT sector was affected by the relocation. In 2005, 80,000 items were transferred, so that unemployment in this field has reached 7%.

According to various estimates, between 3 and 3.5 million jobs in services and, especially from IT, could be relocated within a decade, of which 500,000 in 2005. This exodus is accompanied by a severe decrease in wages for those who remain to work in the field in USA. In Europe, the situation is similar. By 2010, one quarter of European jobs in IT are likely to be relocated to emerging countries. (Florea, 2007)

4 EU Social Policies for the Limitation of the Negative Consequences of Globalization

The economic globalization involved also the globalization of the social policy, which consists in passing both the problems and the decisions from the national level to the supranational one, reducing thus the influence of the national governments on social policies and increasing the influence of supranational institutions (regional or global) such as EU, NATO, World Bank, FMI, UN.

Also, the economic globalization and the economic competition of states lead to important changes in tax and social policies.

Unemployment “0” as the aim of the Keynesian state’s welfare is no longer possible, because it couldn’t be applied to any country in a global economy.

For example, Sweden, which has maintained its unemployment rate below 3% for 2 years after the oil crisis, dropped after 1994 when it was recorded a rate of 10-11%, falling to 7.2% in 1999.

High unemployment rates were registered in other countries in Europe and Asia, like Germany, that faced with high costs of reunification and South Korea after the crisis caused by FMI.

Free movement of capital, driven by globalization, has considerably strengthened its position in negotiations with governments and unions, so if they have difficulties with them, there is always the chance of moving in a competitive country.

The process of Europeanization and globalization has attracted a number of social consequences, namely:

- Labor migration from one state to another (between subsidiaries of the same company) has created new needs, such as the one of a transnational security system for migrant workers
- Migration of workers from poor to rich countries has created groups of migrants and residents requiring re-replacement of citizenship and civil rights as basic human rights in social policy.
- Social migration of two streams: from poor to rich countries in search of social welfare and vice versa, from the rich to the poor for the so-called “social tourism”.

All these processes require transnational decisions and concerted international actions. The global social policies are no longer operating with poor individuals, but with poor countries, with the redistribution of wealth between countries and groups of states, etc.

The states are contributing with significant amounts to regional or global funds, and those faced with problems such as economic, social, war, natural disasters, receive grants from these funds.

A European fund, called Globalization Adjustment Fund was established by European Community Regulation no. 1927/2006 in order support, in a spirit of solidarity, workers affected by job losses due to changes in world trade patterns.
This fund has an annual budget of 500 million and is designed to help “the victims of globalization: such as: assistance in seeking employment, vocational guidance and retraining, supporting creativity in self-employment, subsidies for participation in ongoing education and training.

This fund will not fund passive social protection measures such as: old age pensions or unemployment benefits, which should be in the care of the Member States. The fund is directed only to those affected by the globalization. It is a single aid, individualized and limited in time. It was created on December, 20 2006 and was improved on June, 28, 2009. According to the European Commission Report adopted on July, 31, 2009, in 2008 the fund helped 10.000 workers who have found a new job.

5 Social Policies to Reduce the Negative Impact of Globalization in Romania

Romania, as a former communist country, with the desire to have a capitalist destiny, has major social problems and feels the need for a coherent institutional approach for the problems, imposing a series of measures for adopting a foreign social policy system, adapting to the imperatives and to the logic of Europeanization and globalization:

5.1 The stability of the internal environment, which is a condition stabilizing the global market

5.2 The shift in emphasis on increasing efficiency and giving up the objectives of reducing social inequalities

5.3 Preparing measures to counter and limit the effects of social problems, such as:
   - The disbursements on the labor market
   - Aging and its impact on pension
   - Emigration of highly skilled labor
   - Shift in emphasis from civil rights to civil obligations and individuals for their own welfare
   - Increasing the role of communities in managing their own social problems
   - Reduce costs and increase competitiveness
   - Reducing taxation
   - Reduce labor disputes
   - Free movement of capital and labor
   - Improve the effectiveness of social policies

5.4 The existence of a modern social insurance system to allow the wages replacement and the existence of an effective package of benefits and social services able to protect people from the risk of job loss.

In European politics, labor flexibility is understood as a multidimensional concept that refers to the existence of flexible contractual arrangements and comprehensive strategies for lifelong learning, to favor successful transitions into the labor market: from school at work, from a job to another, from inactivity or unemployment to a job or from a job to retirement. This implies the existence of institutional agents in order to implement flexible forms of employment. Temporary work agencies represent such a tool, which in developed economies play an important role for successful transactions in labor market and especially for youth and vulnerable groups. These agencies appeared in Romania in June, 10 2004, according to H.G. no. 938

The labor market in Romania must also follow the need of the companies to adapt quickly to the competitiveness requirements. Thus, employment policies must include the results of constant collaboration with businesses and professional associations for effectively regulating labor relations.

Changes to the Labor Code after 2005, were taken in order to give flexibility to all the employment relations and to reduce administrative pressure on employers. Legislation on unemployment insurance system and employment stimulation was substantially modified.

Starting with January, 1st, 2006, the unemployment compensation was different, depending on the contributions and the average gross salary in the last 12 months of activity. Thus, it was initiated a fair system of insurance, for the risk of losing the job. The National Agency for Employment, as a public service, will advise Pre services, for those who will be redundant following the restructuring operations carried out by employers.

These services involve outreach, placement on existing vacancies and retraining. Also, collectively redundant workers will receive a complex package of measures to stimulate employment.
For those who want to open a business, there is an employment orientation to economic activities. Also, the National Employment agency will grant financial benefits to the enterprise for organizing training programs for employees and assumed an increase till 2010 of about 10% of the funds allocated annually to ensure access for the ones seeking for a job.

Then, by accessing funds SOPHRD 2007-2013 were allocated financial resources to increase the adaptability of workers and enterprise. These funds are intended to promote an entrepreneurial culture, training and support to enterprises and employees to promote adaptability and development of partnership and initiatives for social partners.

CONCLUSIONS

Acclaimed by some and criticized by others, globalization is a reality of contemporary society, in which events unfold with lightning speed, causing mostly economic insecurity and social insecurity default. It is an objective process that takes place at the supranational level resulting in both positive and negative aspects.

According to some authors, globalization suffocates civilizations, interstate relations being of domination and submission, where the industrialized states dispute their priorities.

There are a lot of anti-globalization events with incidents among protesters in confrontations with security forces. It cannot be neglected the extremists forms of expression such as terrorists attacks or nuclear threats, which are the result of poor countries’ hate over the rich ones, that are trying to impose their supremacy.

Globalization made relocations increase, the countries entered into a global competition, trying to offer more attractive conditions for the investors.

Relocations can fill the economic “void” from a certain area by attracting investors who will initiate new economic goals, employing local people, even if labor is used at a lower level than home, and contributing to the loss of jobs in the countries where they come from.

Globalization challenges, in a first phase at least, the widening of social inequality and the fear, but there is no turning back. It requires that the states, through social policies they take, to counter the negative consequences of this process and to support this transition to a global world.

The European Globalization Adjustment Fund was created by the European Community with the aim to reconcile global benefits of trade liberalization in the form of long-term growth and employment, with potential adverse effects of globalization in the short term, particularly on employment in terms of most vulnerable and least skilled workers. This fund is for the ones properly informed, knowing that the access to European funds, generally requires a very good documentation and many approvals, which could discourage some people who are less initiated.

After 1989, Romania passes a complex process of economic, social, institutional change, generated by a different political system and adopting the market economy. Labor market policies and associated institutional framework have evolved substantially since 2002. The first National Program of Active Market Policies was developed in 1997, but until recently, the active policies were a goal rather than a reality. Labor market policy expenditure fell from 0.63% of GDP in 2004 to 0.35%of GDP in 2007, and this while the Romanian GDP represents less than 40% of the EU countries.

Spending on labor market policies have had a downward trend in the developed European countries, but the gap between Romania and EU countries increased from a ratio of 3.6 in 2004 to 4.8 in 2006.

In Romania the labor market policies may not be effective and may not be able to face global challenges, because of all the changes which occur in the institutional system. “The degree of flexibility of the market in Romania is high, but the flexibility is “forced”, being associated with massive restructuring in industry, agriculture and informal sector. It is not regulated, but spontaneous, it doesn’t involve a balance between work and family, but it is associated with precarious employment and poverty” (Preda, 2009).

For developing countries like Romania, the authorities of the other states along with the international community must make a report as varied from economic adjustment and economic development between the costs and the benefits of globalization.

If a country is isolated from the international economy, as did the least developed countries in the early postwar years, the country is likely to fall further and to decline in the international hierarchy. Therefore, every state, especially the developing states as Romania, has to deal with this dilemma and to
assess the costs and potential benefits to participate in the global economy. “The serious problem is that Romania failed to form economic elite, to have, in other words, agents specialized in the processes of the integrated countries are likely to lose control over important aspects of their own economy. The past teaches us that such a situation gives rise to strong nationalist reactions, becoming a source of serious political problems.

The German investment in the economies in transition, in Eastern Europe, the US in Latin America, the Japanese in Asia-the Pacific, can trigger extremist attacks against companies and foreign investors. Such reactions not only affect the economy, but will threaten the very stability of the global economy.

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