

## **Globalism - the important factor of the life of the countries of the region in general and of Albania in particular**

Antoneta Polo  
University “Eqrem Çabej”, Gjirokastra, Albania  
[neta\\_polo@yahoo.com](mailto:neta_polo@yahoo.com)

### **Abstract:**

*The fundamental idea which would like to convey this material is that in the stream of the world economy will be framed those countries which successfully will pass the transition process, by involving all the human and material resources in function of development and the regional and global integration. The countries in transition which become members of the European Union, the most powerful integrated market in the world, can start to get involved into the economy of the world, i.e. in the global economy. Albania is still far from being integrated in this economy.*

*The ideas of the globalism are directly related to the elaboration of the concept of the new world collocation and with the acceptance of five indispensable values which are foundations of the international unity; peace, human rights, development, democracy and the ecology balance. Related to this logic, the new European countries, among which Albania as well, have the possibilities to orientate their development in a way to respond as much as possible to their interests. This should become related closely to the new global conditions. The survey accomplished in the town of Gjirokastra, with people of different levels and groups will give a support for drawing some of the conclusions presented in this material.*

**Key words:** country in transition, globalism, integration, countries of the region, free trade, immigration, global economy, Albania.

### **1. Introduction**

The unequal distribution of the natural resources makes all countries more and more dependent from the productions of the other countries, productions that they can not produce. As a result, it was increased the movement of the people from one country to the other, bringing as such a conjunction of thoughts and cultures. This creates a new international environment, characteristic of which is also the cooperation and interregional integration in several aspects.

The Balkan countries have a lot of characteristics in common, majority of them are on the transition phase, along the changes of the economic structures and almost all (apart of few which are part of EU) aspire to enter the European Union.

Globalism is a contemporaneous model of development, created by the functioning of the free market, extension of democracy and the human rights protection.

The complex nature of globalism stands to different attitudes, one part embraces it and the other confronts it with all its power. Anyway, one thing is clear for everyone: globalism is a process that can not be stopped. With all the goods and negative things it goes inside the life of every country, as a river that can not go back.

## **2. The methodology and the data**

The methodology used in this material is descriptive and analytical. The aim of the paper is to give the indication and the role of globalism in the economy of the countries of the region in general and that of Albania in particular; to give the positive and the negative sides, its indication in the main aspects of a country life.

The data are collected from different studies undertaken by foreign and Albanian annalists studying the globalism phenomenon. On support of this paper a survey was organised in the district of Gjirokastra. Some of the questions of the survey are mentioned below: what do you know about globalism? What is the role of globalism in the life of our country? Does a country lose independence while entering the globalism way? Do you think that globalism will increase your economic welfare? And other questions related to the topic.

## **3. Globalism in the Balkan region and especially in Albania**

Globalism as phenomenon initially existed in the forms of exchange and trade relations, whereas today it has become a complex phenomenon which involves all the human life aspects of all the counties, from the big and developed to the small and less developed ones.

The profits secured from globalization are different, starting from the political to economical, socio-cultural and technological ones. But how is the situation of the countries in transition, Balkan countries included, and particularly in Albania? Are these countries integrated in the global economy? Is the economic independence increased related to politics?

At any time the economy and the politics are related closely to each other. The economic reforms very often empower the economic role of the state. In the countries of the former socialist block, especially in Albania, the state tries to impose itself in the economy, not giving to all the economic actors the equal independence, but grouping and dividing according to their political affiliation, a methodology which is in contrary with the real role of the state. The state should be in the role of a fair referee.

But how fast were the countries of the region fit to the exterior conditions which are different of the interior ones? This is very complicated problem, as such countries should undertake and finalise successfully the started reforms, to be fit as better as possible to the process of globalism. Globalism wants to dictate its own rules on the countries' economy. The countries compile their political programmes integrating them in the process of globalization, too.

The problem of the small countries, like Albania, is to fit as soon as possible, and it comes from the dependency that these countries have from the international markets. They can fit faster if the reforms are taken seriously. The speed of the reforms has to do with the political problems of the country. The reforms are often blocked, but any kind of their tardiness, brings the loss of trust and discourage of businessmen and investors. If the government lose credits in carrying out the reforms, this makes the foreign investors less interested to invest as their fortune is closely related with investments. Albania is a typical example. The loss of trust to government and its reforms decreased the number of the foreign investors in the country during the transition period. The economical reform should be studied, predicting its effects and not carry out reforms in vain. One of the characteristics of the Albanian reforms is the intensification of the

dictating role of the state, the strong controlling hand in any initiative. The study carried out until now show that the relation between the continuity of the reforms and the economic development level. As deep as possible the reforms are the better is the economy developed.

In globalism' conditions, the fiscal politics takes an important role for the normal functioning of the free market. The countries in transition are 'pleased' if during the transition period, they diminish the role of the state, comparing it with the other countries of the European Union. The example given by a Croatian economist gives reasons why the role of the state should be limited. According him, everything state does for the individual<sup>7</sup>, the state does not do it on its own. As bigger and powerful the state is, the bigger is the possibility it misuses its power. If a person expects from the state to undertake numerous activities or work which can be also done by the private sector, the state will do them not better than the private sector.

The politics should create conditions for a free market, a very important element and significant in the globalism' conditions. During '90s Albania was a typical example of a closed economy, exercising little import and export with the world.

A very important moment in the development process of the free market is also the behaviour toward the foreign investment in such countries. By the beginning of the transition period, foreigners were often seen more as people who could harm the national interests and the country independence. They were not seen as investors and contributors to the country development. In numerous cases their investments were destroyed. The mediocrity did not leave the people to understand that apart of the capital the foreign investors invest was information, knowledge, and development closeness to the other European developed countries. Whereas today, a lot of favours were given to the foreign investments, compared to the native business, favours related to the fiscal differentiations and easiness to the foreign investments.

The ideas of globalism are directly related to the elaboration of the concept of the new world collocation, and with the acceptance of five important values which are in the foundations of the international unity: peace, human rights, development, democracy and the environment harmony.<sup>8</sup>

Based on this idea, countries of the region, among which Albania, have the possibility to orientate their development is such a way that can suit to their own interests. This can be reached related closely to the new global conditions.

The Albanian dream for joining the big European family started by the beginning of the '90s, when the communism fell down.

The only way to get apart of the isolation and the economic inferiority was the European integration by means of constructing democracy and the free market economy. The integration start was the 1992' assignment of the Trade and Cooperation Agreement, which marked the first step for the Albania towards the EU integration. As a result, Albania profited from the preferential trade regimes offered by the European Union to such countries.

Since 1992 and on the relation of Albania and EU have been extended in different fields, reaching the assignment of the Stabilization Association Agreement in 2008. One of the most important moments and of this agreement was the economic development with the countries which aspire to enter the EU, to face the European market. Other challenges of our countries remain the regional development strategies, especially the

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<sup>7</sup> Sonje.V., Vujcic. B., "Croatia in the Second Stage of Transition", CNB, Working Papers W-1, 1999

<sup>8</sup> Bailes ,A, Sub- Regional Organizations: Cinderellas of European Security, NATO Review, 1997

empowerment of the small and medium enterprises role. The positive climate for the development of the business and foreign investments, increase of competitions in the regional and global market through development of the technology and information, reduction of the administrative barriers and easing the doing business are our countries' main challenges.

But how far is the globalism known by the people, what do they know about the economic integration of their country in the global economy? In 2007, the Albanian Institute of the International Studies organised a survey which showed that the people were not that clear on the profit if Albania joins the EU, what would be the advantages and what sacrifices does it require such integration. Now, two years after the questionnaire, people are still unclear on this issue. Joining EU and global economy means free visa movement for them. From this point it is very important to start an Albania national wide debate on the empowerment of economic possibilities and capacities and the need of an interregional consultation to profit from the experiences of the regional counties.

#### **4. Forms of globalism**

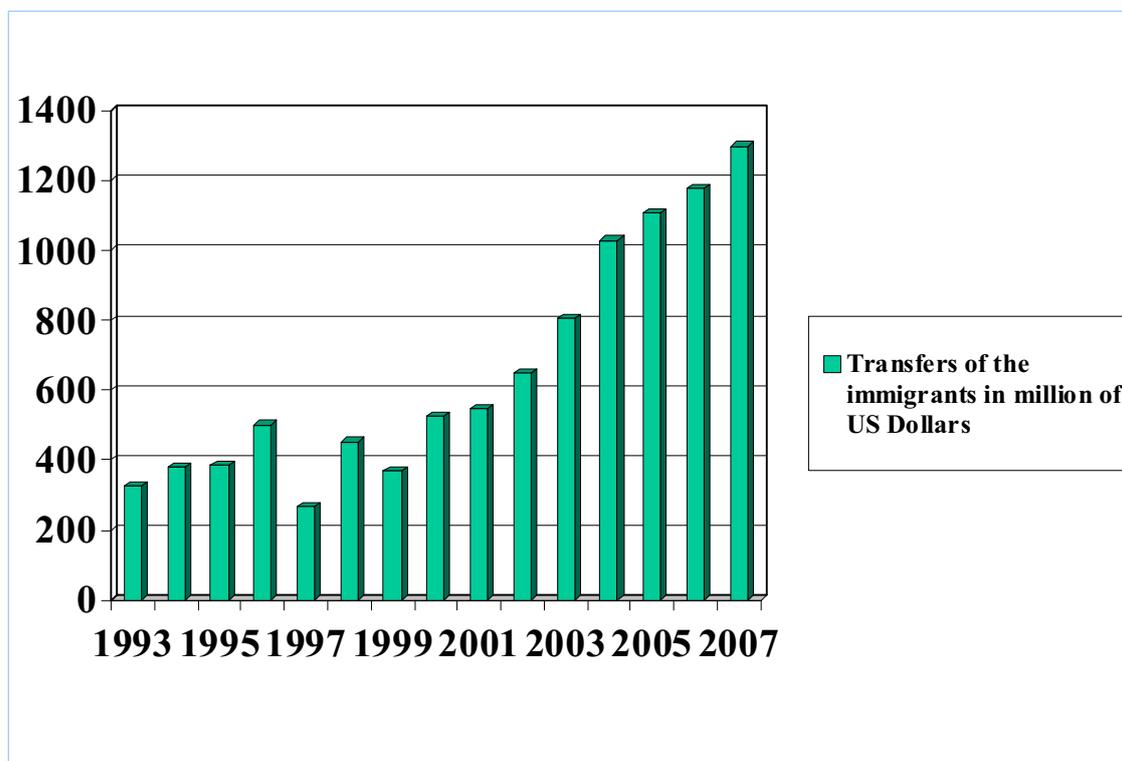
The main forms of globalism are three: globalism of economy, globalism of culture and political and judicial globalism.

- Globalism of economy creates a border-free state, in a way that there is an increase in the reciprocal import and export and investments.
- Globalism of the culture presents the situation that people listen to the same music, watch the same TV programmes and channels, wear the same cloths' brand and have the same ideals.
- Political and judicial globalism brings counties more and more closer having an obligatory political cooperation. On the other side, the international agreements and judicial laws limit the free traditional trade.

The common thing among the three forms of globalism stays in the fact that the globalism expressed in all three forms aim the empowerment of relation beyond the borders.

The economic, cultural and political and judicial globalism relates the countries of the world with each other, increasing the reciprocal dependency and indication. Globalism gives ground to the big and multi national enterprises and diminishes the role of politics. An important role to the countries' globalism plays the phenomenon of immigration. The immigrants play an important role in the countries they immigrate, expressed mostly in the economical and cultural aspect. The most important change happens in the countries they come from. The transmission of the life style, mentality, culture and the most important transmission of considerable incomes indicate enormously in the life of their countries of origin. A very clear example is the Albanian immigration. Albanians have immigrated in different countries of the world, but the majority of them immigrated in Greece, Italy, etc. Their economical support is considerable in the Albanian economy. The numbers of the families which relies on the incomes coming from immigration is enormous. The amount of the immigrants' money transfers to Albania during 1993-2007 have been enormous either in absolute or in percentage compared to the Albanian GDP. It is calculated to be the same income coming from the

economic sector and almost three times more than the direct foreign investments and cover 50% of the current deficit.



Even why the immigrants' transfers to Albania are big they do not give to Albania a big economic development.

They are consumed mostly for buying the imported goods, as such decreasing the trade balance and meanwhile if they would be used to buy the domestic goods they would increase the inflation. If 190.000 families which profit from the immigrants' transfers would not receive them anymore, 40% of them will live in extremely poor conditions.

The immigrants' transfers have enhanced the construction industry, which is the main business they are invested mostly.

Anyway, the financial incomes of the Albanian immigrants have extremely contributed in the Albanian economy. These incomes are very important financial sources that indicate in the national incomes, too.

## 5. Indications of globalism

Globalism is a process which plays a very important role in the life of the countries. Its indication is very big in different aspects in the countries which are 'engorged' in its claws. Globalism first is an economic phenomenon, but its real indication is very deep. The elimination of the barriers between the countries, gives the possibility to the big and economically consolidated companies to move to other countries which have lower salaries and not very strict laws concerning the employees' insurance and the environmental protection, etc. By the beginning of the transition period Albania was a

country where such enterprises were flourishing. Nowadays the number of such enterprises is not the same. At the same time, the inexistence of the very strict laws concerning the environmental protection, made that Albanian become a dumping site for numerous European countries.

Globalism indicates enormously in technology as well, especially in the communication technology, increasing as such the need professional qualification.

As soon as a country enters in the process of globalization, the smaller is the possibility to indicate to the protection of the national interests and weaker become the financial economic and political means (taxes). The mechanisms of a global market harm in a way the country independence. Many things the country was handling on its own way before during the globalism time are to be undertaken in cooperation with the other countries.

As far as cultural aspect is concerned, the global systems of information and communication indicate sensitively in the culture of different countries. The use in a great scale of the English language has indicated a lot in this direction. The tendency to follow the trend of the other more modern countries is another example of globalism indication.

## **6. Negative aspects of globalism**

Globalism is a phenomenon having it contradicts. The reconstruction of the contemporary world and international relations<sup>9</sup> are continually under the pressure of the dilemma, upon which are created two extremely different attitudes. It has always had its own supporters and objectors. For the supporters, globalism is the only way in direction of a more efficient and borderless economy. But the objectors do not think the same. For the last the globalism indication weakens the role of the state. The big companies which operate in the whole world do not have any supervision from the society and are considered as a source of destabilisation in the life of different countries. Which are the negative sides of globalism? Until now we have had the analyses of the globalism process, analysing the forms it presents itself and at the same time presenting its indications in three main aspects of the country life: economy, politics and culture. Let us see which negative aspects exist in the Albanian life.

Unemployment is a very big global problem. It grows bigger with the technologic development and computerisation of different economy sectors. It effects more that level of population which is poorer and less qualified, due to the fact that computerisation need more qualified employees.

In this paper we considered the immigration as a factor that is related closely to globalism. Apart of advantages we can mention other problems which are first related to informality, as the illegal employment, the risks of the hidden life, etc. The negative aspects of immigration in Albania are obvious mostly in the countryside. As consequence of the lack of job force, the lands have remain uncultivated, it was decreased the number of children and increase the other social problems like divorce, etc.

Trafficking of human beings is another problem of the global society. Trafficking is another way of slavery and misuse of power of the strong people upon the weak people.

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<sup>9</sup> Huntington .Samuel P “The Clash of Civilization and the Remaking of World Onder, New York,1996.  
Dicken, P. “Global Shift : The internationalization of Economic Activity”, London 1992

Factors are economic, social and political. Such factors have existed in the past, but in conditions of globalism they become harder. In a global economy, very sharp problem is the environment misuse. In most of the cases pollution is related to export of the outdated technologies and technologic remaining of the developed countries in direction of the less developed countries. Globalism can not be avoided, but the state should limit some interests of the foreign investments. On the frame of globalism happened the construction of a coal thermo central in Durres, which will be a source of pollution. This thermo central will serve mostly to the foreigners either than to Albanians. For this reason it has been opposed strongly from the environmental activists. Such non-properly studied investments can bring the abandonment of inhabited zones. Albania should not repeat the same mistakes the other countries have committed in the past as they cause unrevoked consequences. Shortly, Albania should not become a dumping site for other European countries trash.

## 7. Conclusions

In the end of this paper the most important conclusion related to the globalism phenomenon, as unavoidable phenomenon of the global world, coming from the experience of the countries of the region in general and especially in Albania, are given as following:

- In conditions when globalism is intensifying, there is a indispensable need for a regional cooperation, coordinating the common interests of the regional countries and unifying the common efforts to confront the globalism challenge.
- The globalism process will go deeper in all the fields of life of all the countries.
- A successful cooperation between the countries of the region, in function of optimal countries' adjustment of the region with the new laws of the global world can be reached through a political consecration of governments of the regional countries.
- Apart of the globalism negative aspects, there are more positive aspects which serves to the development of the countries involved in globalism process.
- Globalism is inevitable in the economy, politics and social and cultural life of the countries of the region in general, and in Albania particularly.
- Involvement and integration of Albania in the global world requires its indispensable adoption to the contemporaneous world levels.

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