

GLOBALIZATION-ORIENTATON OF EVERY COUNTRY'S POLICY

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In this modern world , globalization has become an important task .As a publication of Organization of Economic Cooperation puts it, the term of globalization can trace back to the year of 1985, describing the tremendous changes that happened in the past 20 years. That is to say, commodities , service, capital and technology spread through out the fields of production, consumption and investment in an unprecedented scale also at a surprising speed . It is such a spectacular process that all sorts of people are describing the huge changes with the word of globalization. Precisely, globalization deals with a series of changes in the fields of economy-orientated science & technology, information , society , culture and education. Its great influence has to be considered when a government is drawing up its policy. At the same time , enormous impact is attacking the theory of management. All mentioned above sets a new qualification for management scholars to reach.

Inexorable Trend of globalization

1.Influence of Science & Technology

The wide usage of some achievements in the fields of information technique , mecrographic , bioengineering, new material , new energy, aerospace engineering and oceanographic engineering is raising the conditions of world economy and bettering the human life substantially. Improvement of science and technology will become the decisive factor of great influence in the development of world economy, and will boost the productivity , reduce production costs and improve quality of products, and it will play the important role as the impetus in the process of globalization. To a certain extent, material capital and knowledge instead of currency are becoming the vital resources for enterprises . In such circumstances full of violent technology competition , the restrain of enterprises and their success in strategy depend on professional knowledge , specialty and potential managing ability but not capital. The development of the technology represented by computerized information process system makes contribution to the social production pattern and life style unexpectedly. Advanced methods such as automation, computer auxiliary design and auxiliary production have been employed to simplify the complicated tasks. With the involvement of advanced information and communication technique, resulting in the dramatically gathering and distributing of information, high efficiency in production , financial management and marketing has

been achieved . In the past, information wasn't able to reach governments or enterprises in time, and the means by which information spread inside was confined to conferences and letters. But nowadays, inside information transformation depends on mobile-telephones, facsimile printers and computers, while external communication depending on communications satellites and Internet. What the decision makers are supposed to do is tap their mice, if they want to contact the branches all over the world. A face-to-face conversation with their counterparts can even be made through the synchronized conference system. Information and news media have infiltrated into every aspect of life and work.

2. Worldwide Marketing Process

In 1980s, with the transfer on an enlarging scale of commodities ,service , currency, capital, science & technology, information and labor force in the world market , principles of market economy have been recognized . Commercial relationships are getting closer and both regional economy integration and its tendency are growing stronger. World market is merging into an organic whole. Most of the countries have taken opening policy and some countries of stated-planned economy are on their way to marketing economy, which is an important factor in the acceleration of globalization. No countries can survive outside of globalization. It is important for all countries to exchange experience and learn from each other in the process of economic development. Some global economic organizations have been brought into influential play. World Bank, International Monetary Fund and World Trade Organization play a vigorous role in strengthening exchanges between the West and the East and enhancing North-South dialogue . After barriers of commodities ,services, capital and enterprises being removed, free trade has been carried out more extensively. The financial crisis in Mexico and Southeast Asia indicates the world wide connections of international finance, and hundreds stock exchanges and currency transactions push it forward everyday.

3. Transnational Enterprises , the Essential Role in Globalization

The development of transnational enterprises, which indicates the international tendency of economic development enlarges world trade. The effective configuration of transnational enterprises' organization, without confronting and limits, results in the internationalized capital shifting and makes a single country's economy more dependent on world market. Over the recent few years, as transnational enterprises adopted global strategy and network as their organization configuration, a new system---integration of international production, which is more advanced than that of trade integration has been mapped up. Multirealm development is the tendency of transnational enterprises and it is exerting the comprehensive influence of omnibearing work done by multi-realm and multi-lines on economic strategy. More international strategy alliances are being established among these transnational enterprises. At the same time , the process of conceiving of new products and the emergence of new lines and new markets have been speeded up by the joint effect between transnational research and development and by technology complementary. Both effect of economy of scale and consolidation of monopoly caused by the new turn of merger make large transnational enterprises so powerful as to occupy the leading position in world market.

International opening strategy of equity joint venture and joint management has replaced the closed competition strategy.

4. Exchange and Emergence in Domain of Culture, Education and Management.

In respect of the changes in strategy, system, production, management, marketing and investment, enterprise in reform also have changed a lot. Exchange and merger of culture are striding forward worldwide. Innovation, which pushes globalization forward is providing basic impetus for enterprises to survive and develop. Meanwhile, it is hard for enterprises to maintain a permanent superiority due to globalization. Neither any single product nor any single technique can ensure an enterprise a long-term growth or any commanding leadership. Enterprises have to explore new products, carry out technical innovation and practise scientific management. In vies of consumers and employees, different nationalities and worldwide distribution of suppliers, globalization forces enterprises to make contact with various counterpart of different cultural back ground. Therefore, a practical target that is to learn from each other, innovate in management and investigations between countries are very effective . So is the principles on returned students in educational system. As a result, projects that need careful consideration will occur in the field of management science. Contemporary managers are also under the same situation. Not only governments but also decision makers have to accept the challenge to manage an enterprise, get hold of the market, improve their ability and participate transnational operation. With the changes of what to be operating environment, corresponding policies and suitable methods of management are needed.

Orientation----Every Country's Policy During The Age of Globalization

1. Macro-analysis

The speed and ways of globalization all around the world are far beyond our imagination. The inexorable tendency of globalization has been recognized by all countries undoubtedly. That countries are interdependent on and infiltrating into each other has reached a surprising height. "Globalization", as we adopted before, summarizes the unprecedented economic internationalization. Every government should take it seriously that changes and developments are going on in international division of labor, export capital, transnational enterprises and tertiary industries, especially in some specific aspects, such as finance, communication, information process, technology transfer and transportation. Under such a situation, and through world trade and international financial cooperation, the process of globalization should be boosted smoothly and the task of setting up the new international economic order should be achieved by consented efforts.

Government are becoming more and more important in globalization. Facing the new market environment, governments should foster the ideology of global strategy and take active art in globalization and this is an ideal option. First, governments base their economic development on world market, and in the view of domestic economy and the favor of domestic enterprises, they will take advantage of any political, economic and diplomatic methods to seek superiority for competition. In another word, that the competitions among enterprises represented those among governments. Second, cooperative economic policy has been adopted by most governments and

bilateral, multilateral and even global negotiations are very popular in the world. Governments and international organizations have reached a universal agreement that the prerequisite to enhance regional economic cooperation and advance the process of globalization is to observe some certain regulations. All mentioned above is aiming at promoting the development of economy, strengthening interdependence and mutual trust among countries, eliminating the polarization between the rich and the poor countries, and resolving the problem of peace and development. So, policies mapped up by every government have to concern global and regional organizations, work out macro-strategy and keep away from any negative effects as well as avoid producing any conflicting aspects. In order to catch up with globalization, proper adjustment should be carried out by on every country's policy. Also, policies of different governments should focus on resolving various of contradictions which are the one between development of productivity and the limited national border, opening and exclusiveness, regional of bloc favor and global favor and the one between the benefit to different countries.

2.Situation of America, Japan and European countries and their reaction

After the cold war, economy increase of some certain degree has been achieved in varied countries and regions and the trend of economic multi-variation is occurring worldwide. But a certain amount of negative factors exist, anyhow. Even so the developed countries like America, Japan and some European countries have the absolute advantages in world economy.

In recent years, the American economy is booming, while the problems of the widening gap between the rich and the poor, the piling debt burden on consumers and trade deficit will impede its development. American government has put forward the marketing plan of making America companies more powerful, more profitable and more consumer—oriented which serves as the direction of markets and industries. As the government estimates, more than 150 projects will be launched totally worth 1 trillion US dollars. All kinds of methods including canvassing, information and financing will be tried to help large companies compete for more contracts. Meanwhile, government will help small and medium-sized businesses to tap their latent export potentialities. American government is taking great trouble to open markets for its home-made products, and it is planning to remove export barriers by means of regional trade liberation and realizing trade and investment liberation in Asia and Pacific Economic Organization before the year 2022. Essential progress has been accomplished in the integration of EU. By January of 1999 when European Monetary Union will come into play, the unified currency--Eurocurrency will have been in circulation. Firstly, we should notice that the multi-variation of the world will be speeded up by the final establishment of European commodity currency, capital and labor market. Secondly, In order to keep the financial deficits less than 3% of Gross Domestic Product, European countries adopt corresponding policies, and these measures of fiscal restrains also bring about some negative effect on economy especially the problem of unemployment. As EU is growing more mature, its economy will develop even faster. As to Japan, its economy is booming represented by the decreasing stocks, the increasing housing investment and residents consumption and the rising income of enterprises and banks. In 1996, Japan got the final scheme of "Economy structure reform" to improve the high cost economic pattern focusing on creating new lines, improving environmental construction, training personnel and invigorating enterprises. Generally speaking, in views of maintaining and

reinforcing their superiority developed countries pay much attention to research and exploitation for supports to transnational enterprises.

3.Opportunities and Challenges for Developing Countries

The relationship between globalization and development which connects the domains of politics, economy and society is very complicated. Policies of every country should take the North-South relation and economic development of developing countries into consideration. Globalization puts developing countries in dual condition, where positive and negative factors ,opportunity and challenge are existing side by side. When most developing countries are busy with the popularization of simple communicating facilities such as telephone and telex, the developed ones have reached the point of multimedia net word; In contrast with the developed countries' transition from industrial economics to information economics, developing countries are still far from industrialization. Such a contrast also appears when developed countries control the non-pollution industries, while developing countries are falling into big processing factories. In reality, there is more inequality than profit between these two kinds of countries. The means by which world economy and international trade system are established is unequal. Attendantly, unequal allocations of benefit and loss is resulted by the inequality of terms of trade, finance, and the inequality of investment and technology transfer. Because of the inequality existing in the global economic pattern, developed countries by means of trade loan and investment earn huge profit worth hundreds of billion of dollars from developing countries annually. With the opening of commercial markets of developing countries, developed countries are limiting technology transfer markets and labor markets, which makes developing countries suffer more from the economic growing of world market and have to tolerate restriction imposed by foreign governments of some international financial organizations. Fear some unsteadiness is to be caused by under this kind of situation, which will hold up the development of the global economy. It is wise for every country to better the unequal situation.

Although some examples and data indicate that developing countries and regions have some drawbacks in the quality of economy and development, their economy has increased at the speed of twice as that of developed countries and their economic power has been growing steadily since 1990. The high-speed developing economy in developing countries is due to the steady political situation , suitable policies and investments from developed countries. But the prices developing countries have paid are unequal exchanges in foreign trade, principle and interest of foreign loan, the value of scientific and technological achievements and the value of intellectual property rights, losses on the unsteady international financial market, and the large quantity of brain drain . In connection with developed countries , funds technology and experience of management can be gained together with the later-gained superiority . If these countries can make full use of them ,advancement any be speeded up, industrialization and automation may be achieved earlier and the distance from those developed countries may also be shortened.

Policy That China Should Adopt

1. Basic Principles

During the process of globalization, China, being the biggest developing country in the world, should lay down correspondent economic policies to accord international economic relationship, to develop its native economy and, in the end to make whatever contribution to the establishment of the new order of international economy. For this, a series of basic principles thereupon should be observed. The chief points are as following:(1) establish socialist market economic system with Chinese characteristics from the start point of national conditions itself; adhere to policy of equality and mutual interests and develop omnibearingly foreign economy relationship step by step; (2)further the reform of economic system, maintain the benign circulation of economy and enforce national competency; (3) adjust and escalate the industrial institutions and realize the diversification of industry, push on industrialization process; (4) take vigorous action to instruct enterprises to produce products of preponderant, distinctive, competitive, characteristic and of international demand, to encourage exportation; (5) create necessary conditions, improve investing environment, introduce enthusiastically overseas funds and absorb appropriate advanced techniques; (6) enforce the democracy and legal system, eliminate bureaucracy and corruption and lay a solid foundation for economic development; (7) promote international, cultural communication to serve global economy and commerce, at the same time show respect to cultural integrity and independence of individual country and nationality; (8)cooperate frequently with the governmental or regional organization and world economic organization, pay concerted and unity attention to crucial global affairs, take on the responsibility for protect in geological environment and reducing pollution, and take part in the concerted action against global financial markets risk, reduce trade barrier and lower taxes, etc.

2.About Science & Technology and Management

Chinese government, at first ,should put more investment on there search and development of science and technology when drawing up a policy to improve beneficial result by the progress of science and technology; then try to synchronize its research and development with those of developed countries in high-tech fields by learning foreign advanced science and technology and introducing and absorbing techniques rapidly to shorten time and reduce the distinctions in science and technology between China and developed countries.

High-tech industry, which could make the core of economy perfection and industrial competitive power with its characteristics---high appreciation and high efficiency, has become the focal point of present industrial policies in each country. Considering every country is putting its comparison preponderance on the base of technological ability, innovation and utilization of new techniques in producing process, we must pay much attention to it. Advanced management theory and practice are usually indispensable conditions to judge whether a enterprise can enter world markets or not. For example, the Overall Management of Quality, required by the series standard ISO 9000 which is decided by world standard organization, is gradually becoming the lowest condition on which developed countries would like to make contracts with us. Management techniques should be spread, applied and learned, meantime, government and enterprises should pay great attention to global strategy management; enhance large enterprises to consider how to arrange important factors from an global angle, to develop markets and to decentralize risks; take a vigorous action to

instruct and promote merger and combination between enterprises. Gradually probe for the method of governmental administration and enterprise management and foster new ideas and culture about management which are adapted to globalization. In order to create certain conditions for taking part in international activities of enterprises, they have to learn advanced management experiences. And they should attach great importance to research of the relationship between management and national tradition culture, cultural exchange which can help to forge a better enterprise spirit of learning from each other and mixing together and to play the role of management.

3. about Transnational Companies

Transnational corporations are major roles in the process of globalization. To the host country, they have the dual characters----pursuing profits and promoting development. On one hand, they occupy and utilize natural resources and markets in host country; on the other hand, they bring funds, techniques and management at experiences. Both sides should draw up the mutual benefit cooperative treaty through equal negotiation to reach the goal of complementing each other and taking what he needs and reduce fictions. With a view to promote domestic economy, Chinese administration should enforce cooperation with transnational companies(already established foreign-owned enterprises, joint adventures)by using corresponding industrial policies. Otherwise, Chinese administration should also make the most of transnational corporations and make more large enterprise groups become world ones which should be given the guidance in direct investment abroad. To establish a transnational corporation, they should distribute rationally according to regional preponderance they possessed; choose overseas spots for direct investment; put in important position the investment in developing countries. Also they could gain large-capacity markets and advanced techniques by investing adversely in developed countries appropriately to make use of the insufficiency of domestic sources. That whether or not to establish transnational corporations should depend on internationalization preponderance; in order to enlarge occupied markets percentage, to remain characteristic craft technology and to obtain advanced techniques and high quality personnel, government should encourage enterprises to engage in direct investment abroad and operation in a transnational way.

4. International Financial Organization

China along with some other developing countries, confronted with the problem of insufficient funds over a long time, should make best use of loans from international financial apparatus and take an active part in its reform. Also close cooperation and concerted action are needed, countries to try to adopt reform measures to which our nation should be adaptive, and which is in favor of developing countries and preserve its own interests. Project loans should still be the main way to utilize loans from the World Bank otherwise, Chinese enterprises require, through active utilization of technical assistance loans and joint loans developed by the World Bank and official apparatus and financial banks to improve the capability of using commercial loans. Aiming to successfully join its economy with international markets, China must strengthen communication and cooperation with the International Monetary Fund(IMF)and the World Bank in economic research, train of talented persons, proposal for policies, macro management, etc. To stabilize currency, exchange

rate, etc. Which can increase, in the process of deepening finance, the rate of economy growth, China must learn advanced management experiences. Trying to avoid unfavorable influence aroused by contradictions and find a way to reach balance, China should take part in the globalization in financial world and play an active role by cooperating with IMF and the World Bank.
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