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GLOBALISATION OF THE ECONOMY: CROSS-CULTURAL ASPECT

Smerichevskiy S.F. Globalisation of the economy: cross-cultural aspect. The paper considers the problems that arise in connection with the multicultural nature of society. Solutions to these problems at the state level proposed. It is stated that globalisation can deepen social and cultural differentiation of society. Therefore, it is necessary to manage the national and cultural parameters properly. The comprehensive study of the phenomenon of culture in a comparative context, analysis and evaluation of the opportunities and limitations that carry cultural constants are the ideal conditions for international management success. The ethnic-economic systems theory proposed by P. Chakravarty and Y. Zhao, as a central attribute of the neo-economic model of the global economy, is developed and supplemented by the cross-cultural aspect of its functioning and growth. The essence of the cross-cultural approach based on the analysis of socio-cultural factors of global economic development not achieved within the framework of traditional liberal doctrine investigated. The necessity of developing a fundamentally new conceptual framework for research on the problems of globalisation and rethinking the cross-cultural approach in the framework of such scientific direction as synergetics argued. Synergetics allows understanding how the world goes to unity, to the super organisation, how a single “global corporation” is formed.

Keywords: global economy, methodology, principles, cross-cultural aspect, international business, business culture.

Смерічевський С.Ф. Глобалізація економіки: крос-культурний вимір. У статті розглянуто проблеми глобальної економіки, які виникають у зв'язку із багатокультурним характером суспільства. Запропоновано вирішення цих проблем на рівні держави. Встановлено, що глобалізація може сприяти поглибленню національних і культурних відмінностей у суспільстві. Тому необхідно грамотного управляти національно-культурними параметрами. Розвинуто та доповнено запропоновану П. Чакравартті та Є. Жао теорію етноекономічних систем як центрального атрибуту неоекономічної моделі глобальної економіки крос-культурним виміром її функціонування та розвитку. Досліджено сутність крос-культурного підходу, який ґрунтується на аналізі соціальних і культурних чинників глобального економічного розвитку. Аргументовано необхідність розробки принципово нової концепції дослідження проблем глобалізації та переосмислення крос-культурного підходу у межах такого наукового напрямку як синергетика.

Ключові слова: глобальна економіка, методологія, принципи, крос-культурний вимір, міжнародний бізнес, ділова культура.

Смеричевский С.Ф. Глобализация экономики: кросс-культурное измерение. В статье рассмотрены проблемы глобальной экономики, возникающие в связи многокультурным характером общества. Предложены решения данных проблем на уровне государства. Установлено, что глобализация может способствовать углублению национальных и культурных различий в обществе. Поэтому необходимо грамотного управлять национально-культурными параметрами. Развита и дополнена предложенная П. Чакравартти и Е. Жао теория этноэкономических систем как центрального атрибута новой экономической модели глобальной экономики кросс-культурным измерением ее функционирования и развития. Исследована сущность кросс-культурного подхода, который основывается на анализе социальных и культурных факторов глобального экономического развития. Аргументирована необходимость разработки принципиально новой концепции исследований проблем глобализации и переосмысления кросс-культурного подхода в рамках такого научного направления как синергетика.

Ключевые слова: глобальная экономика, методология, принципы, кросс-культурное измерение, международный бизнес, деловая культура.

Background. The internationalisation of the economy, the unprecedented growth in the number of contacts with different countries and culture representatives, the increasing level of their intensity, depth and diversity, as well as the degree of their involvement in international business initiate research related to international

comparisons and analysis of existing forms of interaction in international business. The modern practice of globalisation makes a kind of social order to science for the study of these trends in the economy. That is practically refracted in the search for recommendations on the development of programs for the national economic transformation and its integration into the world economic space, the establishment of influence limits for the foreign models and management ideology, the level of penetration into other cultures, improvement of international companies management.

A cultural approach may be the basis for the study of these processes and the solution of the problems widely used in social research, but the demand for which in the economic sphere is not only unsatisfied but also not updated.

A comprehensive study of the cultural phenomenon in a comparative context, analysis and evaluation of the opportunities and restrictions that carry cultural constants is an ideal condition for the international management success [1, p. 25]. The main differences of the international management from its national model lay in full consideration in multinational personnel management of cultural specifics, national colouring and identity, which form a new category of competitive advantages.

Recent research and publications overview. Today the research direction of cross-cultural management in international business is exceptionally poorly developed. In the foreign scientific literature on business, this area is most fully represented by the works of such scientists as A. Funakawa [2], G. Hofstede, J. Wieland [3], J. Glover, H. L. Friedman [4], K. Gordon [5], M. Porter, P. Chakravarty, Y. Zhao [6] et al. There are practically no comprehensive studies in this area in the domestic literature. Some scholars [7] consider the cultural features of globalisation purely from the perspective of sociology. The study of the problems of the economy globalisation traditionally focuses either on the world trade issues, or multinational corporations development, or financial aspects, which are currently the most scientifically developed [1; 8; 10; 11]. However, the least studied in this area are the issues of socio-cultural differentiation, individual social groups and communities division and confrontation, the collision and disparity problems of national business cultures.

The objective of the paper is developing the methodological and conceptual approaches to the study of the global economic problems and contradictions based on the cross-cultural approach.

Results. The nature of economic globalism is involved; its study focuses on methodical and methodological approaches of many disciplines. Currently, economic science has focused its primary attention on the following five aspects: the financial globalisation, the formation of global multinational corporations, the world trade intensification, the regionalisation of the economy, the trend towards convergence [8].

The first three areas are now thoroughly investigated from a scientific point of view, both in foreign and

domestic economic schools. However, much less investigated is the problem of the regularities of the economy regionalisation and the essence study of convergent and divergent processes in the globalising world.

Cross-cultural issues and the multicultural nature of societies pose profound policy dilemmas. The challenges raised by these dilemmas, as well as the policy decisions that states must take in response, are sensitive and vital issues, as they can have a widespread impact on state security. Presented below are eight dilemmas and corresponding recommendations for appropriate policy reactions at the state level [9] (Fig. 1).

While it is not necessary to explain the importance of all of the dilemmas and recommendations, it is worth expanding on those that could have the most resounding impact. The first dilemma is essential for any state dealing with these issues. In attempting to maintain state and human security in democratic societies, the preservation of civil liberties is non-negotiable. Second, any policy in this area should ensure that the peaceful majority of any immigrant population do not fall victim to stereotypes that link them to the radical minority. Politicians must refrain from employing fear and xenophobic statements against groups or cultures for political reasons. The last dilemma noted is the problem that immigrants face in terms of choosing between their native religious and cultural identity and the national identity of their host country [9].

State reactions to each of these dilemmas must be formulated and justified, as well as encompassing and inclusive, in order to avoid angering large groups of immigrant and culturally diverse communities. If these recommendations are implemented in state security policies, there must be some form of accountability and regulation. The execution of such policies must ensure efficiency while protecting civil liberties. Besides, freedom of expression should couple with responsibility, and states should enact anti-hate legislation to protect these immigrant and minority communities [9].

None of the international business issues has been the subject of so much discussion involving the broadest possible audience of theorists and practitioners, as it was in clarifying the “convergence – divergence” relationship in the sphere of national business cultures. The paradoxicality of the situation is that globalisation, stimulating and accelerating convergent processes, at the same time, deepens the social and cultural differentiation manifested in extremely different forms of nationalism, religious intolerance, and xenophobia [10]. As an obstacle and limitation of international operations, divergent processes are one of the definitive sources of their effectiveness, provided the national and cultural parameters competent management.

So, is globalisation more convergent or divergent? The scholastic dispute about this is increasingly moving into the pragmatic area of the social and cultural factors maximum use in the firm’s strategy [1].

Original and productive in the scientific sense seems to be the approach, offered by P. Chakravarty

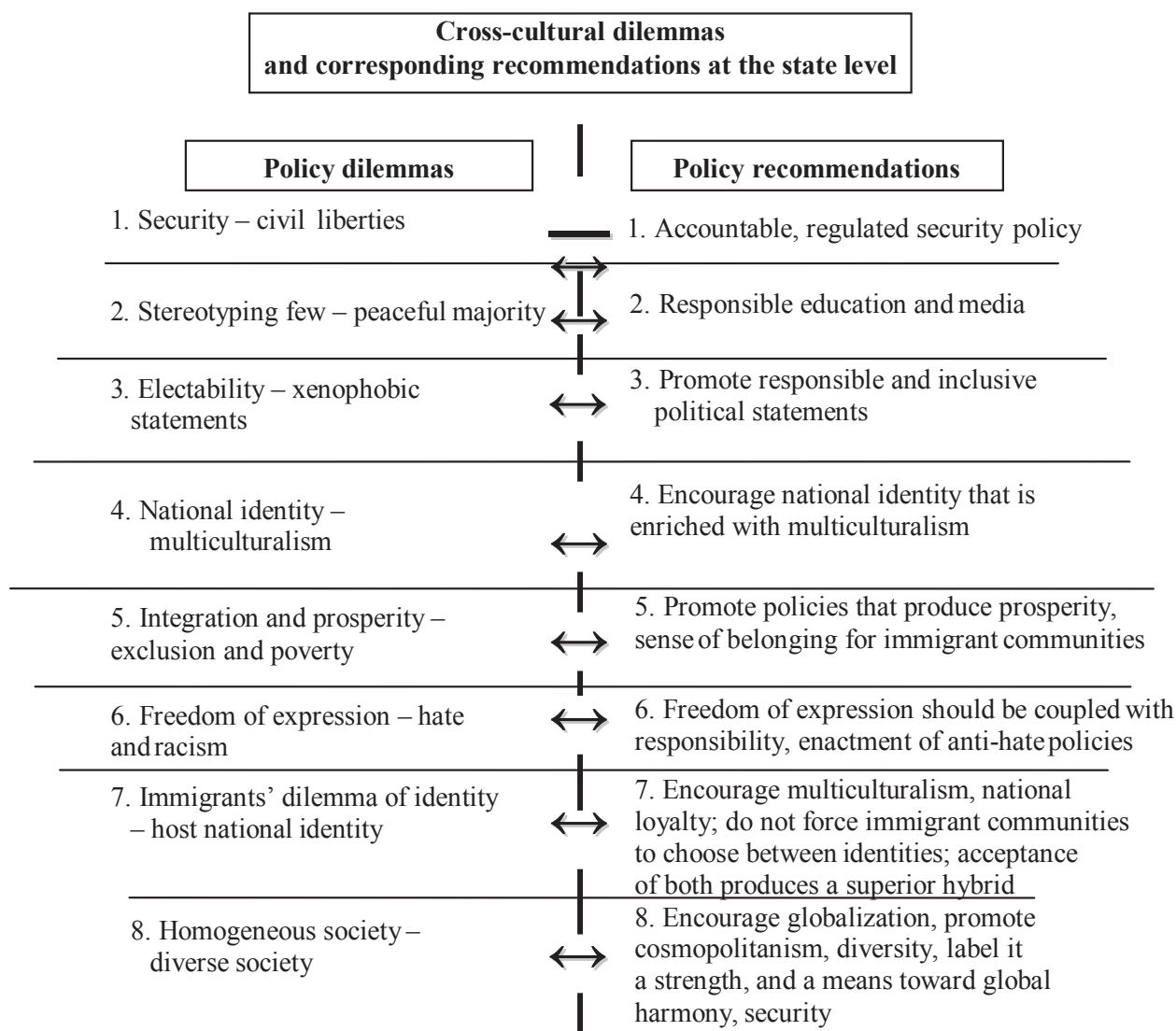


Fig. 1. Cross-cultural dilemmas and corresponding recommendations at the state level

Source: [9]

tty and Y. Zhao [6], which reflects the fundamental changes in the relationships between national economies and environment, and with each other in the new economic space. In their opinion, the post-industrial model, without taking into account social and cultural factors (including ethnic and national), inevitably cultivates ethnic and national contradictions that threaten the integrity of transnational communities, exceptionally heterogeneous in national and ethnic aspects. It is rightly pointed out that the post-industrial model can reproduce the depersonalised commodity mass, remaining indifferent to the ethnonational factor, but with the same inevitability it reproduces the ethnonational contradictions that ultimately overturn the post-industrial model [6].

There are two possible scenarios for the resolution of these conflicts: either the removal of ethnic and national contradictions through the unification and formation of a homogeneous civilisation community or the forma-

tion of ethnic-economic systems that harmonise ethnonational and technogenic factors.

In the author’s opinion, the advantages of this approach to the problem of resolving the existing contradictions of the global economy are the following:

- application of a system approach to the analysis of modern problems and contradictions of globalisation;
- comprehensive assessment of the business environment, the environment of the economic system functioning, including ethnonational, cultural, moral, ethical and other factors, that is, components that are not considered by the law of value. Thus, the general nature of reproduction processes in the global economy, according to P. Chakravartty and Y. Zhao, may reflect the national mentality, customs, labour tendencies and political preferences. In this logic, ethnic-economic systems are not isolated either from cultural, moral, ethical, religious, or reproductive-industrial spheres [6]; the mechanism and the degree

of influence of the latter reflected primarily in the strategic effects;

- extended interpretation of competitiveness: in the “coordinate system”, proposed by scientists, it is impossible to remain in the category plane of “competitiveness of goods” (price competition and quality), which requires replacement by a fundamentally new, comprehensive and qualitative criterion of “ethnic-economic competitiveness” (quality of life with originality elements, national uniqueness and colouring);

- orientation on coordination and harmonisation of global and national economic interests, moreover, the formation of ethnic-economic systems should become an integral part of the national development strategy [6];

- differentiated approach to the different types of ethnic-economic systems formation within the general civilization paradigm (for example, Japan, Taiwan, Ukraine, et al.) and predictive assessment of socio-cultural dynamics of their ageing (in European, Eastern and new industrial countries, et al.);

- socio-cultural correction of the sustainable development model, its correlation with the stability of the formation of the ethnic-economic system.

The author shares the conceptually expressed by P. Chakravarty and Y. Zhao provisions reflecting the modern global economic realities, and considers it possible to develop and supplement the theory of ethnic-economic systems, proposed by them, as a central attribute of the new economic model with the so-called cross-cultural aspect of their functioning and development.

It seems that in order to solve the accumulated problems and contradictions of globalisation, it is possible and appropriate to use a cross-cultural approach based on the analysis of socio-cultural factors of global economic development not achieved within the framework of traditional liberal doctrine. The essence of this approach can be represented in the following statements:

- the cross-cultural approach is used concerning cross-border processes and operations in the world economy, carried out with the crossing of national borders [2, p. 95];

- the analysis of economic factors of globalisation must be supplemented by the study of cross-cultural transformation, the interaction dynamics of the national business cultures and management systems [5];

- in contrast to the technocratic rationalism of the liberal concept, a cross-cultural approach is at the same time an anthropocentric approach, the research centre of which is a person, his mentality, value system and behavioural attitudes that meet the realities of the new behavioural economy at the same time;

- the formation of a new human-centred economic mechanism of the post-industrial society requires the replacement of economic determinism, overcoming the agentless, impersonal consideration of economic phenomena and processes. Herewith, the analysis of technological multiformity and economic disequilibrium

of society should be supplemented by the study of its socio-cultural dynamics, the plurality of social values, types of mass and individual consciousness;

- socio-cultural variables – business culture, ideology, religion, et al. – can rightly be considered as catalysts initiating fundamental changes, social and economic innovations of post-industrial society. Accordingly, a new type of management based on integrated entrepreneurial and socio-moral decisions is required;

- as the phenomenon of globalisation goes beyond the purely economic scope, it is reasonable to consider any phenomenon or institution of the global economy, regardless of the nature, level or scale (state, market, integration, et al.) as a social structure, that is, as a product of culture, which reflects the level of knowledge and a specific system of power [3];

- it is a multifaceted, interdisciplinary approach that allows integrating intellectual achievements of sociology, anthropology, economic theory, social psychology, management, organisational behaviour, as well as ideological components into a single methodological concept. It is on a broad socio-cultural basis that is possible to integrate various modern schools and concepts around the conceptual core – economy [4].

This cross-cultural approach requires rethinking of the established methodological principles and the development of a fundamentally new conceptual apparatus for the problems of globalisation study. In the author’s opinion, it can be implemented most fully and adequately within the framework of such relatively new scientific direction as synergetics, adopted from the natural sciences, but also applicable to complex social systems.

The productivity of the global problems synergetic study can be argued as follows.

Aiming to identify common patterns of self-organisation and evolution processes in different systems, synergetics, in fact, studies any joint, collective, cooperative action in systems of different complexity with the participation of a large number of elements, insists on their coordinated interaction in the formation and maintenance of the structure as a whole. Thus, synergetics lays the methodological basis for the study of integration processes at various levels, and above all – globalisation processes. At the same time, it serves as a methodological and ideological platform for management in a globalising world.

Synergetics allows understanding how the world goes to unity, to the super organisation, how a single “global corporation” is formed. The synergetic principle of combining parts into a whole is the maintenance of a single, typical for all integrating countries rate of development in the combined parts [12, p. 48]. However, today this rate is not adjusted and not balanced both in the country context (economically developed countries and the so-called periphery), and in the integrated areas of activity (political, economic, socio-cultural). This imbalance in spatial and temporal relations is reflected

in the processes of national-state and socio-cultural differentiation, separation and isolationism.

The modern global economic system is developed in the “pulsation” mode, based on oscillatory rhythms of development: through disintegration and association, differentiation and integration, division and merging [12, p. 50].

In contrast to previous approaches, synergetics focuses on the study of open, dynamic systems with a significant number of freedom degrees, which corresponds to the global economic realities.

Consistently defending a systematic approach, synergetics puts in the focus of research not only the internal regularities of a system but also the study of its external interactions with other systems of different levels. It is relevant, especially in the study of global problems, where the nature of national economies external communications has an undoubted priority over their internal problems and contradictions.

The object of the synergetics research is the interaction and development patterns of the systems (subsystems) at various levels, which in the field of global studies are implemented by the analysis of the interaction between the global economy as the meta-system, regional economies as unique integration systems and the autonomous subsystems – national economies. Each of these analysed units considered as a composite element of the entire body of hierarchically organised systems. Moreover, the global economy as a system of the highest level is not a mechanical reflection and reproduction of the lower subsystems but is a qualitatively new phenomenon that requires independent study and research.

Globalisation in the context of synergetic studies is a complex multicomponent phenomenon that incorporates ideological, political, economic, socio-cultural and other components, the subordination of which is not apparent: moreover, the further, the more the question of the primacy of one or the other loses meaning [13]. This approach is particularly productive in the study of globalisation processes that, as a rule, maintain the economic-centrist orientation, which one-dimensionality is most noticeable in this problem, where the importance of socio-cultural variables is sometimes more critical than economic parameters.

The interaction of these factors and the process of their coevolution within the global economy require coordination and synchronisation of the integrated components development pace, new organisational and management technologies and a unique integration culture, mutual correction of the achieved economic, political and especially socio-cultural integration degree, as opposed to its current dominant imbalance.

Globalisation runs extremely contradictory: coevolution means the concurrent deployment of differentiation and unification processes, divergence and convergence, rapprochement and delimitation. Therefore, cooperation relations are replaced or coexist alongside confrontation and conflicts, episodic clashes and cataclysms. However, coevolution does not presuppose a

preliminary specification but the possibility of alternatives in models and directions of development [13], which, in the author’s opinion, is reasonable primarily relating to national economies.

Globalisation forms a new system with an incomparably higher level of interaction complexity and at the same time, puts a fair limit to further integration processes. The national-cultural factor is primarily such a restrictor: the national identity of the business culture and management system of each country.

Synergetics emphasises the processes inter-conditionality at the micro- and macro levels. Moreover, it is a simple micro level structure that determines the nature of macrosocial processes. Of all the variables that ultimately determine the socio-economic picture at the macro level, socio-cultural and, in particular, behavioural characteristics are critical. Macrostructure of the system determined by the simple rules of each unit’s behaviour, and it is the people’s micro behaviour, ethical regulators, which they follow in everyday life that affect the emerging macrosocial structures, and their stability [11, p. 23]. In other words, even small fluctuations at the micro level can cause significant shocks at the macro level. Thus, in studies assessing the American firms’ activity effectiveness in comparison with the indicators of European, Japanese and other Asian competitors, the concepts of “culture” and “cultural changes” are used as an explanation of differences in the levels of efficiency, without which the analysis is not complete [14, p. 45].

The reduction of diversity is destructive to the new global society and harms the national economies competitiveness. The future belongs to diversity and multiculturalism, as evolution works for increasing diversity.

Integration of various structures into a single complex system on synergetic principles provides savings: it is more profitable to develop together because it leads to material, energy, spiritual and other costs savings [12, p. 51].

Conclusion. Globalisation supports the cultural identity and national traditions displacement, leading to the loss of cultural diversity and sovereignty. As a result, it takes a sharply defined this or that character, and it is complicated to formalise both politically and socio-culturally, which provokes inter-civilisation, interethnic and interconfessional conflicts, increases social instability.

At the present stage, the role of the so-called soft variables of globalization – ideological and cultural factors – is steadily increasing. After all, globalisation is a competition not only for markets but also for values. In these circumstances, economic leadership is determined primarily by the effectiveness of the reproduction of social institutions and lifestyles that provide economic and cultural advantages, which requires, in turn, a thorough knowledge of the specifics of other people’s national character, their traditions, religious attitudes, behavioural features and cultural norms.

Thus, in order to solve the accumulated problems and contradictions of globalisation, it is possible and appropriate to use a cross-cultural approach that

extends the scope of traditional liberal doctrine and is more in line with the realities of the behavioural economy.

This cross-cultural approach requires the established methodological basis rethinking, the development of a fundamentally new conceptual apparatus for the study of the globalisation problems. In the author's opinion, it can be implemented most fully and adequately within the framework of such a relatively new scientific direction as synergetics.

It is the cross-cultural approach that most fully reveals the real determinants and mechanisms of national competitiveness because, in addition to macroeconomic or microeconomic parameters, it takes into account such vital components of competitiveness as institutional culture, national business culture, and management ideology.

Cross-cultural issues should be supplemented by the study of the international interaction ethical bases as components of social capital and a resource for improving the efficiency of the cross-cultural interactions.

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