

# Internationalization and globalization – concept, interpretation and communication

**Tamás Tibor Hámori**

Szent István University, Gödöllő, Hungary

## Abstract

Today, globalization has completely determined our everyday life. However, due to COVID-19 virus pandemic, it has received unprecedented attention. There is a lively debate about whether it is useful, whether it is needed, and where it is headed. The situation is further complicated by the subordination of economic interests to populist politics. To understand today's globalization and its future, we need to examine its formation and development. It is important to understand what effects have influenced and what its influence was throughout history, whether positive or negative. After interpreting the past, we examine research and assumptions about the present and the future.

## Keywords

the past, present and future of globalization, colonization, Trumpism, COVID-19, global civilization

## Introduction

Globalization processes have been the main sources of growth in the world economy for years. During and after the 2009 crisis, many questions have been raised about the positive effects of globalization. Some believe that globalization means expanding the economy's ability to meet consumption and demand and increase prosperity of national economies. Globalization is much more than increasing trade and foreign direct investment. Internationalization of new inventions, technical innovations and growing cross-border services are part of the changes in globalization. Globalization is deepening and spreading, with more and more countries actively participating in the process, so that countries that do not wish to participate in these processes will be lagging behind economically and technologically. These changes affect not only the globalization of the economy, but also the globalization of culture, society and politics (Dreher, 2006). It is clear that it is a topic which is being researched and debated by many in the

matters of how and in which meanings it is changing the world. To understand this, however, it is useful to review first how globalization has developed and what direction it is taking today.

Economic historians believe that the globalization adopted today was preceded by so-called International Business, i.e., international trade, back in ancient times! One of the prominent merchant nations of antiquity was that of the Phoenicians, who carried out extensive trade throughout the Mediterranean. It is interesting to note that the North and South American tribes also presumably engaged in extensive trade with each other, especially regarding the Aztec and Inca empires, but, unfortunately, historical finds uncovered are not sufficient to prove this yet. The formation of the already famous Silk Road, where there was regular trade between the Eastern and Western worlds, can also be traced back to antiquity.

However, the initial globalization became really spectacular in the Roman Empire. The first evidence of coordinated, supply-and-demand empire-level trade emerged from the time of the

Roman Empire. Several finds prove that imported fruits (such as dates, olives and figs) were consumed and there was a lively trade on land and waterways. (Hoffmann, 2011) Roman goods reached all parts of the empire, although initially its main purpose was to serve the army. They gladly traded with Asia, the Arab world, and the nations of the north when they were not at war with them. It is well observed how the Roman coin became a “world currency” and how the culture spread in parallel. After the age of conquests came to an end, Rome, after its strategy of subjugation, set itself the goal of unification. It was mandatory for the provinces to comply with Roman law and administrative expectations. As a result, the Mediterranean region was successfully brought together and connected. It is almost an accepted fact that this vigorous Romanization laid the foundations of the Western world and laid the foundations for the wealth of a few later countries.

Building on these foundations and taking advantage of technical advances, the merchants of Venice further developed their trade, and large trading houses also began to appear in Japan. Marco Polo was driven by curiosity and a desire to discover, to travel far from his homeland and map the hidden corners of the world, greatly helping his wealthy patrons by his subsequent expansion, for which trade and money were the primary motivations. In short, their goal was international business, although it was not called that. An important step in the history of globalization was the discovery and, of course, the colonization of America, as a result of which British trading houses networked the whole world. (Czakó, 2010) Many consider this period to be the real beginning of globalization, as it is clear, that the old colonial empires laid the foundations of today's globalized world economy. In the 1890s, Cecil Rhodes summarized the essence of colonization. “We need to find new lands from which we can easily obtain raw materials, while at the same time taking advantage of the cheap slave labour of the indigenous population of the colonies. The colonies also offer landfills for the surplus products produced in our factories.” (Wayne, 2003) In addition to the English, of course, the Dutch, the Spanish, the French, the Portuguese, the Belgians and the Germans also took part in the conquest of new territories, the main reasons for which were the spread of religion and, of course, the acquisition of new markets with settled Europeans. Between the 18<sup>th</sup>

and the 19<sup>th</sup> centuries, unimaginable amounts of raw materials were brought out of South America in order to finance the Industrial Revolution. World trade began to grow at an unprecedented rate, as the mother countries brought raw materials from their colonies and actively traded with them. Slaves and gold from Africa, coffee, sugar, meat, gold and silver from South America, fur, wood and fish from Canada, and opium, tea and spices from Asia (London, 2013). They transported labour to the colonies, in the form of settlers and slaves, and backwards, packing their ships with raw materials that had already networked the whole world. This period is called the golden age of international trade in goods. However, the mother countries did not completely exploit their colonies, as they actively developed the infrastructure to extract even more raw materials. Cities, dams, railways and ports were built. The capital movement in the North-South direction was so huge that around the 1890s it exceeded that of the 1990s. At the beginning of the 20<sup>th</sup> century, exports accounted for a larger share of world production than at the very end of the century. (Wayne, 2003)

In the 19<sup>th</sup> century, the mindset of international business changed, and European companies emerged as investors in underdeveloped parts of the world. Capitalists realized that exploitation is unsustainable and that if they start to develop the economies of lagging regions, their investment can pay off in the long run. After World War II, world trade underwent a major change. (Blahó, Czakó, & Poór J. 2015) Private financial capital investments were replaced by the so-called FDI (foreign direct investment) of companies that had become international in the meantime. More and more mines were being opened in colonial or former colonial areas, crude oil extraction was being promoted in the Arab world, and existing plantation farming was being upgraded to an institutional level in South America. This was a huge change, because so far production had been based on violence, now money and economic interests became its driving forces. During this period, Anglo-American, Japanese, and Western European firms were strengthening and began to expand rapidly (Porter, 1990). Exports of goods and trade tied to a country or a nation were replaced by internal trade and movement of goods between parent companies and subsidiaries. During the 20<sup>th</sup> century, several colonial countries gained their independence, but their dependence remained, if not on the motherland, but on the

large corporations that supplied capital and technology. This dependence was been reinforced by the strong intertwining of the political bureaucracy and the companies driving the economy (Drucker, 1986).

The resurgence of globalization was caused by the development of information technology and, in particular, the spread of the Internet. It accelerated at an unprecedented rate, and the exchange of information is still accelerating today. Education is accelerating and reaching a better quality, which has a beneficial effect on development. Financial markets are intertwined, making any product or service available to everyone. Globalization is becoming deeper and more widespread as more and more countries are getting actively involved in the process. These changes affect not only the globalization of the economy, but also the globalization of culture, society and politics. Technical and technological globalization could thus become socio-economic and financial globalization. This process currently seems irreversible. Since the middle of the 20<sup>th</sup> century, global trade has increased more than a hundredfold. This whole technological advancement has at least as much of an impact on the world as the discovery of America in the 15-16<sup>th</sup> centuries, since new dimensions are emerging, the economy is expanding to new places, freight transport is being transformed, the movement of capital is accelerating and new things can be discovered, researched and learned from them.

## 1. Factors influencing globalization

The concept of globalization itself is not easy to define, let alone the forces behind it. It is a well-known and generally accepted view that globalization means a global economic system, the widespread use of the Internet, the free flow of ideas, information and cultural phenomena, and the supremacy of popular culture, in short, global unification. When a company leaves the country where it was established and starts operating in another country, it has already taken the first step towards internationalization. These activities typically remain within a region at first and then cover a whole continent, although later we can talk about large companies crossing several continents as well. (Poór, 2013) Many people even think that globalization means the standardization of products, that is, products and services are not tailored to the needs of the markets of the target countries but provide the

same uniformly everywhere. (Bartlett & Beamish, 2011) There are also beliefs that globalization is a logical process, as companies with their presence in multiple countries can take advantage of and optimize production, sales, taxation, labour, etc. This gives them a competitive advantage over their competitors who do not take advantage of internationalization. In summary, globalization is the economic concentration of different countries, companies, leading to an increase in capital, the exchange of goods and services between countries, i.e. economic life, and the exchange of information and technology. In the case of a company, the driving force for internationalization is quite clear – to obtain new markets, raw materials, etc. In the case of globalization as a concept, it is no longer so obvious what it is driven by.

Technological development has been one of the most significant driving forces since the 1990s, including the explosive growth of the IT and telecommunications sectors. The exchange of and access to information has been accelerating at an unprecedented rate, which is a major contributor to economic growth. This development has led to the explosive expansion and growth of many industries around the world. Advanced technology and a modern communication network facilitate the availability of products and services, regardless of geographical location, let alone the exchange of knowledge and ideas (Petrov, Čelić, Uzelac, & Drašković, 2020). Technological development is clearly leading to economic globalization.

Countries had previously restricted products and services from abroad through various tariffs, quotas and bans. This, of course, was a double-edged sword because other countries used similar instruments against other countries, making it difficult and restrictive for businesses to grow abroad (Holm & Sorensen 1995). Due to globalization and the constant demand for growth, these restrictive instruments have eased a great deal, in many cases completely disappearing, thus stimulating free trade and increasing the rate of economic growth. These processes have been strengthened and induced by the fact that, thanks to technical progress, consumers are able to gather information about more and more products and services, so the demand for them has developed and increased (Al-Rodhan, & Stoudmann, 2006). Solvent global demand has increased due to rising income and living standards and declining prices due to standardization, which has led many

companies to expand abroad or to meet global needs in cooperation with foreign players.

Increasing market competition is also a huge driver towards globalization, as increased competition in the domestic market is forcing organizations to become global. Thus, various companies are expanding into other countries to sell their products and services in order to increase their market share and increase their competitive advantage. Many market players have gained greater global market share through mergers and acquisitions, strategic alliances and joint ventures, for which global cooperation and information exchange, as well as the coordination of different (company) cultures, are essential.

Before the 19<sup>th</sup> century, international cash flows were greatly limited by geographical location. The Italian banks of the renaissance were the main financiers of trade and governments around the Mediterranean. Due to colonization, London and Amsterdam became key centres and their national currencies as well as capital investments were at the heart of international financial markets. As the industrial revolution spread from England, so did the importance of international capital. Later, several global financial institutions emerged, who were able to support international financial transactions and investments. Thanks to IT networks, these institutions have become interconnected over time and today's global financial market has developed, without which it would be impossible to finance internationalizing companies.

Due to lower capital flow constraints, the aforementioned FDI activity continues to grow, although FDI flows continued to decline in 2018, declining 13% to \$ 1.3 trillion. This decline has been going on for 3 consecutive years and the main reason is the repatriation of capital exported abroad to the US. FDI flows to advanced economies, with their 27% decline themselves, have reached their lowest point since 2004. Cash flows to Europe have fallen to less than \$ 200 billion, mainly due to the relocation of funds and the negative effects of significant changes in the UK. U.S. inflows fell 9% to \$ 252 billion. Flows to developing countries remained stable, increasing by 2%. As a result of the abnormal decline in FDI in developed countries, the share of developing countries in global FDI rose to 54%, a record. Bartlett and Beamish (2011) state in their book that we can really talk about a real multinational company (MNE) since export-import activity is associated with higher levels of

FDI and active management. In their view, because of these processes, foreign subsidiaries are fully integrated into the parent company and, as a result, trading companies in the age of colonization cannot be considered true multinationals.

## 2. The effects of globalization

Products are becoming more and more widely available in the global space, which means that global competition is becoming more and more widespread. However, competition does not stop with products and services, as the representatives of science and the most diverse theories (and even habits) have to “fight” with each other. Of course, competition between the latter tends to strengthen the players and together we can move “faster”, invent new things, while in the product market the competition is against each other in most cases. The emergence and spread of the concept of multiculturalism, the acceptance (or even rejection) of cultural diversity can also be considered part of the globalization process. People began to travel regularly and farther and farther, boosting global tourism and channelling resources to poorer regions and countries. Thanks to advanced means of transport, there is hardly a place on earth that cannot be reached. Of course, this kind of mobility also brings with it the migration of labour and people, which, in addition to strengthening the economy, is increasingly accompanied by political and cultural problems. Pop culture, which is becoming world-wide, cartoons, games and other entertainment opportunities known by almost everyone, are changing our cultural habits (Rodrik, 2011). Based on these, it can be said that globalization in economic terms means both:

- the horizontal expansion of the world economy, the system connecting the economies of countries;
- the vertical deepening of the interdependencies of this organic system.

The integration of the socialist countries and, of course, China (and East Asia) into the world economy played a major role in accelerating horizontal expansion. This put an end to the rather long, decades-long isolation, individual and collective autarchy of this group of countries, which meant only marginal, indirect and inorganic relations with the capitalist world economy. In addition, the international flow and transnationalisation of capital play a key role in

the globalization of economic relations. No one can argue that when state barriers to free trade and free movement of capital are dismantled, the integration of globalization will always accelerate. Put simply, when trade is free, then globalization is faster.

Of course, globalization also has its downsides in addition to economic benefits. One of the most controversial negative effects is in the area of social welfare and security. These are commonly mentioned, among others:

- inequalities within the country and between nations, as well as increasing impoverishment;
- exclusion of poorer people and layers from technical and economic development;
- widespread unemployment
- disintegrating social safety net and the rising costs of its maintenance. Loss of much of the social rights that existed in the past, especially in socialist countries;
- the disintegration of the social safety net, the withering away of existing welfare institutions in developed countries and the increasing difficulties in maintaining them, the loss of much social rights in former "socialist" countries, the relegation of social (health and education) programs in developing countries;
- a marked decline in the ability of individual states to pursue independent, sovereign social policies;
- the increasing marketing and internationalization of welfare services, etc.

Terrorism is a significant problem in most developed countries. Thanks to globalization, people travel a lot. Some study abroad, start a business in another country, visit relatives, take a job in a foreign country and use health services. Many terrorists have come to foreign countries with a worker visa with the hidden purpose of carrying out a terrorist attack. This is a problem that is causing fear among citizens. Unfortunately, terrorists recruit young people, residents of the country, which generates fear, mistrust and tension within society.

Prior to globalization, skilled people were located in government sectors or in the private sector in order to earn higher incomes or set up their own businesses. It was relatively easy to get a job for those who graduated from college and obtained a degree. Having left a job, people

usually quickly found a new one. Due to globalization, there are many active job seekers in the world and an unprecedented supply in the global job market. Employers take advantage of cheap labour, but in developing countries there is a labour shortage because richer societies absorb skilled labour. Even a small mistake can end in dismissal, as an employer can easily find a skilled worker who is willing to work for a smaller salary. Rapid price changes are also one of the negative effects of globalization. There are companies that set up companies in the Far East where they get cheap raw materials and labour. They reduce production costs and can sell their goods at low prices. No matter how the World Trade Organization tries to prevent large price differences, their efforts are not going to be very successful.

Thanks to globalization, there are job opportunities around the world. However, those who worked abroad had to leave their families and normal lives for years. As a result, couples divorced, remarried, and left behind children growing up in a truncated family. Some are unable to support their elderly parents because the money they earn from their work is not enough for everyone. Many elderly people die from illness and lack of financial and emotional support from their children. Globalization has increased the consumption of processed foods, planting plants with chemicals, and minimizing the duration of growth to maximize profits (Dreher, Gaston, & Martens, 2008; Deacon, 1999). For business benefits, animals, such as cows, are fed with chemicals in order to produce more milk or increase weight for those that are sold to the meat industry. Due to the increased consumption of food, chronic diseases are on the rise. The mortality rate is high.

Every community, society or nation has its values and beliefs, that is, its own culture. These are essential as they determine the acceptable behaviour of people in a given community. Elders or leaders make sure people behave morally straight (Pieterse, 1995). However, globalization is confusing different cultures. People have recently rethought the rules and customs of the community and become eccentric, rebellious against the previous habits. The nations of some developing countries accept Western culture and leave their own. As a result, the number of crimes, rape, divorce and domestic violence is increasing.

### 3. Globalization today

Interestingly, technological advances driven by globalization are, to some extent, also resulting in a slowdown in globalization today. In 2016, Adidas began production at a fully automated factory called SpeedFactory. Almost the entire manufacturing process, from development to delivery to stores, is performed by automated intelligent robots. Adidas simply called this development “reinventing manufacturing” and its undisguised goal is to “bring manufacturing home”. It is also clear from the example of Adidas that industry 4.0, but most importantly robotics, has the opposite effect on globalization, as the more machines there are, the more automated the processes, the less human capital is needed, thus drastically reducing production costs. There is not so much need for foreign labour or to set up factories abroad, but it can also be produced domestically, and needs can be met by domestic suppliers. This process will also transform world trade, as there will be no need to transport raw materials, semi-finished and finished products across countries to reach the factory or the consumers. Local production will meet local needs, which will have a positive impact on nature as well. Production will return from developing countries to developed countries, which will in turn have a negative impact on underdeveloped economies.

Today, globalization is also being actively curbed by populist politicians. In South Korea, Mun Jain came to power with a promise to defeat big business, in Greece the extremist Syriza Party is proposing to cancel foreign debt, the EU has stepped up anti - immigration opposition in some countries, and US President Donald Trump wants to put his country in front of everyone. It is easy for politicians to blame globalization, among other things, for stagnant incomes, growing wealth disparities, and so in general, the poorer, but even increasingly middle-class, hopelessness. “If we can build, grow or produce something in the United States, we will do it here,” Donald Trump emphasized in one of his speeches, and with his protectionist measures so far, he seems to be adhering to it. He has issued several decrees requiring U.S. government agencies to favour domestic products in their procurement, despite the fact, that in many cases this also means higher procurement prices. Such a decision, in addition to giving domestic companies a competitive advantage, negatively affects foreigners, whose home countries may, in response, make similar

regulations. In addition, it may have a much greater impact by withdrawing from free trade agreements that are unfavourable to America. It has already withdrawn from the Pacific agreement, initiated a renegotiation of NAFTA (North American Free Trade Agreement), which is more favourable to the US, and even invalidated the transatlantic agreement launched by President Obama. To strengthen U.S. industry, it has imposed tariffs on imports of steel and aluminium, to the detriment of many EU countries, but because the economic power of the US is huge, it is difficult to make a real response. He has a difficult time, however, with the economically also powerful China and the “Customs War” which has been slowly running between the two countries for nearly two years, in which mutually protective tariffs are imposed on each other’s products, thus limiting exports and imports.

However, the trade war between China and the United States goes much deeper than the various protective tariffs. Globalization will end in its current form and it will not be good at all in the long run. Throughout history, globalization has had successive waves of growth and decline. We can still be at the beginning of a wave of recessions because everything can be found to change the current status quo. Some argue that recent trends in politics, technology, and climate change point to the need for a new world order that focuses more on solutions at the local level, with stronger nation-states and a reformed international system. The G7 - the United States, Canada, Japan and the four largest economies in Europe - are no longer able to fully enforce their will at international summits, and in many cases do not even have a common position. The independence of central banks has been jeopardized and, in many cases serves political purposes. EU integration efforts are declining, Britain has exited the EU. This new kind of protectionism in the face of globalization will certainly help boost domestic industry in the short term, but it is not yet possible to predict how it will affect the competitiveness of different nations in the long term, as labour is much more expensive in developed countries than in developing countries, nor can it be said for sure that it would be better educated. Of course, the main goal of every politician is to protect the economy of his country, among other things, regardless of the long-term benefits of globalization. These directions will slow down

growth, the common exchange of information, the acquisition of knowledge and will once again plough deep ditches between different nations.

Looking ahead, however, there are also very positive forecasts. In her book *The Future of Humanity*, Zhouying Jin writes through an entire chapter on the future of global civilization. She believes that if we do not transform current supply chains and resource use, a catastrophic end result is to be expected and continued production and exploitation will cause irreparable damage to the biosphere. She believes that we need to shape our thinking in any way, because there is no need for infinitely growing GDP for prosperity, and organizational methods must adapt to the challenges of the modern age, even if we need to develop a new model of economic globalization and build a green economy. In order to achieve this kind of globalization, it is essential to encourage and combine development and openness. A good example of this is the “One Belt, One Road” strategy introduced by China, also mentioned by Zhouying Jin (2018), which aims to connect 94 cities in 53 countries. This initiative is still in its very early stages, but there are huge hopes for it: infrastructure development, mutual aid in finance, politics, science, culture and much more. China seems to have recognized that common development is the real key to success and is willing to share its successes and resources with regional countries for global development. They insist that if all economic actors are committed to peaceful cooperation, equality, tolerance, mutual learning and common goals, close communities of interest will emerge that will no longer pay attention to where the borders are, but development will be kept in mind. This kind of thinking and cooperation is necessary and inevitable for globalization to start moving in a healthy direction again. However, this will take a lot of time and will have to overcome many of the habits entrenched in generations that are still present in politics today. And of course as stated by in an article (Balan, et al., 2019), there is a huge difference between generation X, Y and Z. Each generation handles globalization differently.

### 3.1. Impact of the COVID-19 pandemic on globalization

During the last months, globalization seems to be historically significant again, as many are already talking about deglobalization instead. One of the Economist Intelligence Unit’s (EIU) report mentions that COVID-19 brought with itself the

regression of globalization and the global supply chain. Instead of globalized supply chains, regional supply chains started showing signs of development. It can be said that generally, this is not a new process, because globalization was already showing signs of slowing down, and the pandemic only sped this process up, because it pointed out to the leaders of international companies that it was worth it to diversify their supply chains. Ian Goldin, a professor of globalization and development at Oxford University highlighted in a radio interview with abc.net Late Night Live, that he sees two different possibilities:

- Signs of economic depression, with intensifying nationalist and protectionist tendencies similar to the 1918 period. Weakening international organizations and strengthening national interests.
- The best-case scenario is, however, that there will be an upswing similar to the post-1945 period, which will bring stronger international cooperation with common goals and directions for development.

According to him, the biggest question is who exactly will control these processes: “We should, or rather, we must be optimistic, but if we are honest, the current leadership of the White House is unsuitable for this. China is not being dealt a card in this sense, and as far as Europe is concerned, the United Kingdom cannot be a leading force either”, he said. Global production chains can be fully understood if viewed from a point of economies of scale, cost optimization, and often untold tax optimization. However, this raises the problem that most products have multiple producers in a country far from the parent company itself. Low inventories and the aim of Just-in-Time production have only increased the vulnerability of the system. Thanks to the COVID-19 epidemic, these critical points have been damaged and many electronic items, and even pharmaceutical ingredients did not reach the assembly plants. This deficient state occurred rapidly and almost unmanageably, as a shock to both companies and whole economies. It is likely that we will not return to the pre-globalization period, but it is also certain that not all countries will start producing everything, because it is an impossible thing to do. It is much more likely that larger regions, such as the EU, USA and China with their associated economic areas will become

more independent production centres for some products and trade between these regions will decrease. In the future, no companies or even countries want to beg others in the future to get access to the raw materials required for production. It could be seen in the United States and other countries of the world even before the epidemic, that they began reducing the ratio of Chinese suppliers.

The memory of 2008 has faded away for a multitude of people and businesses already, and a whole new generation has grown up who had only experienced the previous economic crisis as teenagers. As a result, household debts have risen throughout the world once again. As a result of the epidemic, a whole branch of the service sector, tourism and hospitality was destroyed, literally overnight. A lot of people lost their jobs and their businesses which they had built over the years. A sure way to collapse is when high indebtedness is paired with low or disappearing cash-flow. In 2008, people retained their incomes, but their pay obligations increased, however, there was no current increase in household spending, they lost their incomes instead (Csáki, 2009). The speed of the process of how masses of people lost their livelihoods is unprecedented, and several micro, small and medium-sized enterprises have already filed for bankruptcy. Large corporations and banks have not yet filed for bankruptcy, but if that does happen, the crisis could deepen even further. After the crisis subsides and when recovery begins again, the willingness of the general population to take out loans will most likely decrease and a few people will not even be able to get them, so a slowdown is to be expected in several industries. Many will realize, for example, that they do not need to replace a 5-6-year old vehicle (this will apply to corporate fleets as well), so new car purchases will be delayed, which will have a negative impact on the automotive industry and its suppliers. As production decreases, it will be easier for companies to relocate their foreign factories, which will strengthen deglobalization. The same tendency is expected in tourism, as expensive foreign travel is not a necessity and thus its growth will be slow, which leads to the revival of tourism and cultural diversity. The slowdown in tourism will also have an impact on the real estate market, as owners will look to make up for the cash-flow shortfall from homes rented out on Airbnb and the likes by selling these properties, which will lead to stagnating or falling prices. The

fall in real estate prices will affect the construction industry and so on. It is very clear that everything is interconnected, and the economy should be analysed as a whole, because a shutdown of one industry will have unpredictable effects on all other industries. COVID-19 has also pointed out very well that lots of countries have very poor health care, as many did not go to the doctor because they could not pay huge hospital bills that could exceed their total monthly household income. This logically increases the risk of infections, especially among the poorer social strata. In most parts of the world, there is not a unified system for sick leave, therefore many people go to work during illness, as they would lose their income if they were on sick leave. These serious issues were already on the agenda in the US before the outbreak, but it will likely receive even more emphasis now. A globalized, mutually responsible global healthcare system would be a good solution to avoid similar situations in the future, especially in light of the fact that prevention is always cheaper than reconstruction, albeit current processes are more in the direction of closure than globalization. One of the main characteristics of globalization was urbanization. In hopes of development and better opportunities, many people have moved to cities or their agglomerations in recent decades. Businesses could integrate easier into world trade in a metropolitan environment, than from an infrastructurally less developed region. The community experience, environmentally conscious public transportation and the rapidly growing sharing economy services have also become very popular in cities. Fear of the virus has completely reversed these processes because people feel more secure further away from others, not to mention that mandatory social distancing put in place by governments only further amplified this effect. The sudden introduction of home office has shown many that they can work just as well from home and they do not need to sit in traffic jams or use the crowded public transportation for hours. This had a positive effect on the IT sector, which experienced sudden, rapid growth, as with the right software, the activity and productivity of employees can be perfectly controlled in home office as well. Thanks to home office, former office spaces can be reduced by up to 30-40%, which means a further reduction in the concentration of population.

As an effect of COVID-19, banks, often under government pressure or subsidies, introduced



loans with an APR of around 0% for the corporate sector, but also even for the private sector. The limitless purchase of central bank bonds, which was previously considered impossible, has started, including the purchase of corporate bonds and shares. The current economic situation theoretically had to show companies, governments and families that the formation of reserves and self-sufficiency are both paramount and they should not be engaging in transactions with high leverage. It would be logical that once the economy recovers, many more people will build up savings, but unfortunately, this has not happened after the 2008 crisis either. To avoid huge expenditures, governments should finally admit that it is essential to raise the financial culture of the population, which should begin at school age. Whether there will be a change in this, we will only see in the upcoming years.

At the moment, it is difficult to predict how the events caused by COVID-19 will change the world, and how it will affect globalization. There are currently several conflicting theories and processes. Different economies, countries and households all handle the situation in different ways. The coming months and years will tell which strategy will be the example we should globally follow. Another question is whether this method will be the best for humanity in the long run.

## 4. Empirical survey

### 4.1. Research method

We conducted a descriptive research using questionnaires. The aim of the questionnaire was to find out how the working-age population sees globalization and how much they feel it affects their lives. Another aim was to find out how they think the COVID-19 virus will affect globalization. The Google-form questionnaire was posted in public online communities and was free for anyone to fill out, but no more than once. In the research, we would like to prove whether the respondents find globalization useful and whether it shows improvement.

### 4.2. Empirical study, the samples and the variables

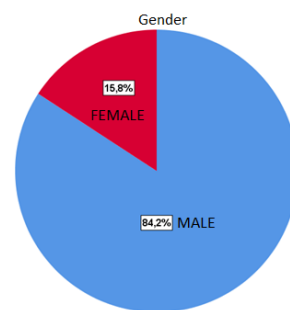
The questionnaire was completed by 186 people, of which 171 were fully completed, 95% between 28/03/2020 and 01/02/2020. The data collection and research examine how respondents think about globalization. As background data, we

asked two demographic questions (gender and age) and the number of employees (size) of the company they work at. The sample set has 171 records, of which we recorded three factual variables and 6 opinion variables:

- Gender
- Age
- How many people work at your company?
- How much do you think globalization affects our everyday lives?
- How useful do you think globalization is?
- How much do you think globalization will affect the future?
- Where do you think globalization is heading?
- How much do you think the COVID-19 pandemic will affect globalization?
- In your opinion, which industries are most affected by globalization?

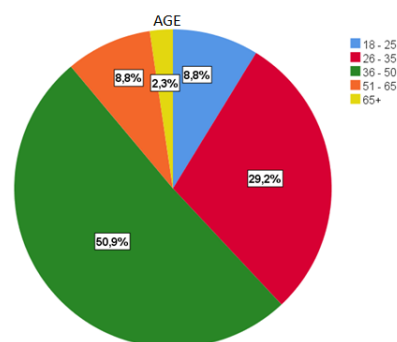
We recorded the opinions on a five-level Likert scale, except in the case of “Where do you think globalization is heading?”, which only had two possible answers.

Descriptive statistics:



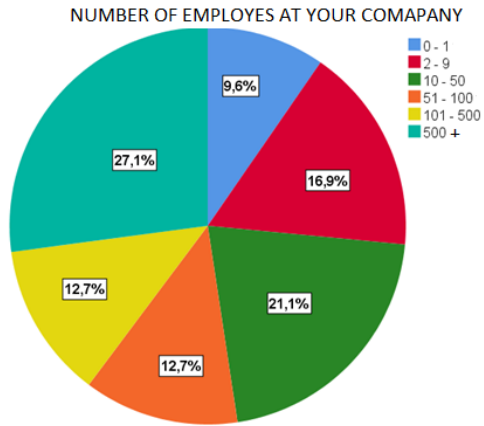
Graph 1

Source: The author

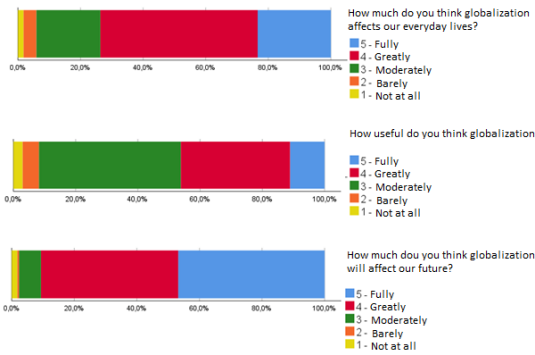


Graph 2

Source: The author



**Graph 3**  
Source: The author



**Graph 4**  
Source: The author

Multivariate analysis: We were interested in two research areas: possible relationships between opinion variables and relationships between opinion variables and background variables. Specifically:

- Is there a relationship between the answers about globalization?
- Are the answers influenced by the respondent’s gender, age or size of their company?

We were looking for the answer to our question with Cronbach’s alpha and rank correlation: the level of measurement and the variables indicate the possible use of correlation, but as Likert scales are “only” ordinal variables (not interval), “only” rank correlation can be calculated. Cronbach’s alpha is a special type of “correlation calculation”, as it calculates a relationship between one variable and all others. In the SPSS program, we could analyse rank

correlation with Spearman’s rank correlation coefficient. Both methods’ results indicate that there is only a weak correlation between these variables: The value of Cronbach’s alpha is only 0.321, and the highest of the item-total correlations is only 0.298 (the results of both can be between 0-1). The highest value (correlation coefficient) of rank correlation calculation is only 0.440, which is the relationship between the questions “How much do you think globalization affects our everyday lives?” and “How much do you think globalization will affect the future?”

The size of the company as a variable also only shows weak correlation, and only with 2 opinion variables; we measured this – as the size of the company is also at an ordinal level of measurement – with rank correlation, too.

The value of the coefficient:

- How much do you think globalization affects our everyday lives?: 0.237
- How much do you think globalization will affect the future?: 0.182
- Both correlations are significant (p < 0.05).

We analysed the correlation between age and attitudes with analysis of variance. According to the result, the only significant correlation is with “How much do you think globalization will affect the future?” (F[3,167]=3.654, p = 0.014). According to the result of the post-hoc analysis, only the age group of 51 and older differs significantly from the 26-35 (p=0.021) and the 36-50 (p=0.009) age groups.

84.2% of the respondents are male and 15.8% are female, 50.9% are between 36 and 50 years old and 29.2% are between 26 and 35 years old. By job, it can be said that they are roughly proportionally distributed by company size, but the proportion of respondents working for companies with more than 500 employees (27.1%) and between 10 and 50 employees (21.1%) is slightly higher than the others. Based on these values, it can be said that the studied population is sufficiently diverse.

50.9% of respondents thought that globalization has enough of an impact on their daily lives, 22.1% thought it had a full impact and 20.9% indicated that it had a moderate impact. A total of 4.3% gave little effect and 1.8% had no effect at all. Overall, 93.9% say globalization affects their life to some degree.

In terms of usefulness, 91.4% think that globalization is useful at some level (45.4% - Moderately useful, 35% - Quite useful, 11% -

Very useful). 5.5% think it is hardly useful and 3.1% think it is not useful at all. There is almost a consensus that the future will be at least moderately affected by globalization (47.2% - Fully, 42.9% - Quite, 7.4% - Medium, 0.6% - Barely and 1.8% Not affected at all). In light of this data to date, it is not surprising that 89% of those who took the test believe that globalization was on the rise. The question of the impact of COVID - 19 on globalization is much more colourful, with 5.6% very invigorating, 17.9% invigorating, 29% very restraining, 40.1% slightly restraining and 7.4% indicate the will not affect response. Based on the answers to the last question, 61.7% of respondents believe that globalization has the greatest impact on the economy. In addition, the number of responses received was 19.1% for IT and 9.3% for telecommunications.

## Conclusion

The initial hypothesis that globalization is considered useful has been almost fully confirmed, as most of the literature and 91.4% of respondents consider globalization useful, of which 11% are very useful. Only 3.1% of the surveyed think that globalization is not helpful at all. The results of the survey seem to be in line with the generally accepted thesis that globalization, despite its downsides, is a useful thing and helps development.

A more interesting picture is shown by the fact that 89% of the participants thought that globalization was increasing, while recent research tended to show a stagnation of globalization, thanks to populist politicians gaining ground in more and more countries and putting national interests first. This trend was already observed before the emergence of the COVID - 19 virus, but already 69.1% of respondents believed that the emerging epidemic would at least slightly restrain globalization. An interesting finding from the survey is that 17.9% responded that COVID - 19 would intensify rather than slow down globalization.

There was no specific question on this, but the responses to the questionnaire show that most people have only a superficial knowledge of what globalization means and in what areas it has the greatest impact. The test also revealed that most people are only aware of the impact of globalization on the economy and IT. This is in line with the information heard in the mainstream media and they are not aware that globalization is

now really a matter of promoting science, working together, acceptance and global development, which if slowed down or stomped, would also decelerate science and development and differentiate certain states by beating a wedge between them, which they will be able to overcome only after several generations. **SM**

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#### ✉ Correspondence

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##### Tamás Tibor Hámori

Szent István Egyetem, Gödöllő, Hungary  
Timur utca 91, 1162, Budapest, Hungary

E-mail: hamori.tamas@pgzrt.hu