

## GLOBALIZATION AND REGIONALIZATION AS INTERACTION OF FORMAL AND INFORMAL INSTITUTIONS

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*Gardener can decide what is good for carrots, but no one can decide for others what is good*

Jean Sartre

In the lecture devoted to memory of Alfred Nobel, J. Stigler noted that the main task of empirical science of the economy – to give a general understanding of the events that take place in the world, and absolutely all its ideas and methods should be subordinated to this task. But this is not the same thing as saying that it must be responsive to contemporary conditions and problems of society, in which it is studying.

If the economic problems were varied and often dramatic, and were largely continuous in nature, then economics as a science would not have arisen. An important part of science is a general increase in knowledge. And this general pattern of growth would not have arisen if each generation of economists would be at fundamentally new challenges that require entirely new approaches [1]. One of the fundamental problems of economic theory is the focus of socio-economic dynamics and understanding of its driving force. In light of this methodological send us another attempt to consider processes for several decades, attracted the attention of the world's scientific and, in particular, economic thought – globalization and localization.

The subject of numerous scientific discussions ratio of globalization and regionalization emerged in the late XX – early XXI centuries. There is a point of view, justifying the main idea: globalization and regionalization – parts of one whole, and developing in parallel, mutually reinforcing. Many of the arguments and the other position – between these two processes there are serious contradictions. A third, compromise view expressed well-known formula: «Think globally but act locally». This approach makes it necessary to consider the thoroughness of these phenomena and processes such as conjugation and, very importantly, as politically motivated. It is getting obvious: the more globalization, the more important local specific is.

To refer to this dual process R. Robertson entered the name of «glocalization», which is defined as the transformation of the economic component of globalization on the local level. He argues that global and local trends «ultimately complementary and interpenetrate each other, although in specific situations may come into conflict» [2].

From the work of most researchers, it follows that the leading role in the process of globalization is the interaction of economic and cultural component, and the role of the state decreases. We believe that it is appropriate to consider regulating and self-regulatory components of the process of glocalization. Culture and the resulting economic (market) factors can be attributed to the self-regulatory components, and public policy is as a regulatory component. Their attitude is treated uniquely, and is of interest of scientific interest.

In the previous operating conditions of autonomous, largely self-sufficient national economy (without defining the influence of a foreign environment) of the cultural and economic factors have historically harmonized: they complement each other, and bring them to a state of congruence is not required. In today's globalized export of new economic institutions have not always agreed with the functioning of cultural institutions violates the previously established harmonious relations. And in each case it happens in different ways.

On this basis, we believe that the processes occurring in the EEC (European Parliament and Euro currency appearance, etc.) improperly compared with the processes of integration in the post due to differences in the dynamics of economic and cultural components. In Europe, these processes are manifested in the leveling of the level of national economies in general, and most important macroeconomic indicators, in particular. Post-Soviet space is preserved or even enhanced the differentiation of these characteristics. In Europe, this stability is preserved under the existing cultural institutions. In several CIS countries undergoing radical change «Soviet» cultural institutions up to the destruction and restoration of a centuries-old «pre-Soviet» institutional controls.

Today the systematic study of glocalization is limited to two issues:

a) the level of stability and strength of cultural identity, as a consequence of the penetration of global brands in local markets;

b) the institutions of transnational governance, created in the process of mutual integration of the economies of various countries.

These problems are studied primarily in practical terms, that is, short-term responsive-

ness to contemporary conditions and problems of society. Economic aspects of glocalization do not receive adequate coverage in the context of the relationship with the vector of development of society and its social (formal and informal) structures. Thus, the emphasis is more on results and consequences of glocalization [3], and less on the creation of theoretical bases of this process and the establishment of its system «embeddedness» in the structure of society as a whole, and most importantly – in the definition of glocalization by the vector of social development.

For fairness's sake it should be noted that the study of problems of globalization are not limited to these two areas, but it attempts to trace cross-disciplinary consistency, interconnection, structural hierarchy of elements has little effect in the scientific literature. It seems that the theoretical aspects of glocalization, including philosophical, are no less interesting and relevant than the analysis of factual material.

So, glocalization changing our ideas about the relation of spatial representations and national boundaries, changes and vectors of economic development.

In the formation of ideas about space people come a long way from the perception of the territory of their residence, in particular the national territory, in the exceptional quality as the center of the universe, to the consciousness of it as not coming out of the total number of these, its neighboring worlds. (The isolation of the former Soviet Union from the rest of the world, especially from non-totalitarian, free states, led to the fact that own national-centric view of «post-Soviet» people persisted much longer than in democratic countries – until recently. The economy has been subject to policy, which represented the top of the hierarchy of socio-economic relations, including culture. Such radicalism outlook then was moved to free-market ideas, transformed now in the idealization and the inevitability of globalization.

Information boom and the emergence of new media, for whom national borders are no longer an obstacle, leading to a change in our understanding of the relationship between space and national boundaries. It turned out that space, being an objective reality that exists independently of the will of one person, group of people or even the whole state. Since the period of isolation was replaced by a global process of internationalization, which has resulted in a peculiar compression of space. Therefore, based on the ordinary view of globalization, as a rule, is the notion of uniting and integrating terrestrial civilization, covering its expansion in all terrestrial and near-Earth space and overcomes the effect of the various boundaries of cultures, nations, social and economic in-

equalities, as well as the distance in a purely physical sense.

Ideas of modernization and Westernization in non-Western societies are faced with cultural resistance and its differentiation: new values, from place to place, are perceived differently and ambiguously: on the categorical exclusion and rejection (Japan XVI-XIX cc.), To unconditional imitation (Turkey began in XX century.). The examples could be gone on, but for us the main question is about the root causes another divergence and differentiation of space.

Given that the influence on economic development is difficult to find a more powerful factors in contemporary culture than ethnic and religious factors in the border areas of economic science have been put forward two related propositions.

1. Institutional economics has resulted in strong evidence in favor of recognizing the primacy of culture over the market, the primacy of informal institutions to the formal. In other words, the economy is not governed by the market and supply and demand are derived from the organizational culture in the broadest sense (at the micro-, meso-, and macro-level social structures), and to a large extent – the derivatives of the complex religious and ethnic institutions.

2. Different socio-cultural systems (SCS) socio-economic development in general and economic development, in particular, has not received an unambiguous interpretation for the foreseeable future is unlikely to get it. Of the diversity and ambiguity of the existing SCS (different authors in different ways to differentiate: the East and West to the more detailed division into 8 SKS) West is the undisputed leader in the reflection on the historical changes and the expansion of their opinions and judgments on the rest of the world. The rest of the world continues to live and develop on its own internal laws, and the economy in varying degrees of trying to develop the western scenario. As noted in a monograph by M.N. Abisheva [4], it is important to understand that the western SCS – only one of the eight existing ones, has its own logic of development, the laws of the organization of space, time, society and economy that can not be extrapolated and other SCS. Single and comprehensive indicators of organizational culture in general, and ethnic and religious institutional controls, in particular, to date, can not offer an alternative to these specific indicators such as GDP per capita and HDI. But they can serve as a definition of magnitude difference of one SKS, and hence the socio-economic system from another. For the sustainable development of the mentioned systems may be more important than the identification of specific quantifiable

indicators. In economics known phenomenon of irrational behavior of agents of economic activity, but it is mostly limited to the consideration of induced consumption, which in general is investigated abstracted. Only in terms of national, ethnic and religious identity of these abstractions take shape.

Speeding up of globalization, its expansion, could radically change the socio-economic development. And last but not least because of the increasing localization, as the opposition, resistance to globalization. Since the localization of social structures is largely ethnic and religious components, general economic role of government is seen as the future strategic management of ethnic and religious institutions. Taking into account the recurrence of the processes occurring in the universe, and economic processes, in particular, one can assume that the processes of glocalization also have a cyclical nature. The task of national governments is to smooth the high amplitude vibrations in the direction of both globalization and localization.

The existing experience shows that the dominance of globalization has led to the creation of world economic expansionist structures with clearly expressed hierarchy of relations of type «commanding center» – the executive periphery [5]. The author referred to the monograph on problems of economic expansion B.N. Shaptalov says that regardless of the difference between treatments in the literature structures «center – periphery» in the global balance of forces due to the objectives of the study, the degree of coverage of the materials involved and the subjectivity of scientists, the existence of these structures – the objective reality and tool for creating two-tier world is the expansion. Expansionary economic center (EEcC), he regards as an investment controller, including the creation and distribution of world technological know-how. If a certain State has been able to fulfill this role, then it began to willingly cooperate those economic subjects who felt the need in its development, but did not have to do the right opportunities. Thus, the economic center was the impetus for the development of regional and conductor, and in case of sufficient power and global economic and innovative processes.

The state that claims to be the creator of the EEcC should have:

- a) a strong non-oil export industry, nature;
- b) the ability to initiate the creation of new technologies) to have under his control the financial system with the established mechanisms of reproduction and distribution of capital on an international scale;
- c) have energy and organizational culture that is sufficient for long targeted expansion [5].

In the economic structure of the expansionist «center – periphery» (EEcC) is divided into four areas: EEcC (creators, owners), allies, satellites, and peripherals.

The first sphere – EEcC – represents an active and powerful state or alliance, defining standards of development, consumption and activity in other states and nations. By the force of impact EEcC divided into global and regional. The global EEcC include the U.S., EU and Far Eastern State. They account for the vast majority of venture development, manufacturing technically demanding high-tech products, international investment capital.

Note that the above mentioned author is not identified yet another dynamic EEcC in the face of China, which is holding sufficient regardless of the states, which he called the Far East, in recent decades, successfully competing for influence with the first two of the above points, including in their territories as well as providing training to the introduction of the national currency – the yuan – as a regional currency in South-East Asia.

On the role of regional leaders claimed in Asia – India and Brazil, Africa – South Africa.

The scope of the Allies are States fully share the expansionist ideology, lifestyle, foreign policy, having involved in the system EEcC economy on mutually beneficial terms. B.N. Shaptalov says that the Allies were separated and the culture of EEC.

We are confident that we can talk only about the individual elements of economic culture in the narrow sense of the word, not the organizational culture, and even less about the culture as a whole. Numerous facts indicate that culture, even within individual states that make up the collective EEcC – EEC (European Economic Community) differ significantly (Bavaria and the northern lands of Germany, north and south of Italy, etc.), not to mention the differences in manifestations of national cultures in the multiethnic and multinational organizations (G. Hofstede's research, performed by the example of IBM). Allies are in a positive depending on the center may be as capacity-building its own expansionist and development of methods for expansion to seize the initiative and come to the fore (Japan, South Korea, Taiwan).

Satellites include the countries included in the EEC system, are not subject to rules allies. Their systems are intrinsically alien to the EEcC and the political orientation can be objectively it is competitive, and maybe the same. At the same time they are needed EETS as a convenient tool in the fight against other players – expansionists.

K satellites imposed strict requirements:

- a) opening the domestic market for foreign market players EEcC;

b) privatization of public sector and decentralization of the banking system (in the aggregate – the rejection of Keynesianism, which should, according to the IMF and World Bank is the prerogative of only the host countries);

c) the shift from import substitution policies for inclusion in the global division of labor in accordance with established market relations.

Relatively favorable (especially in the short and medium term) the position of satellites comes in when the hosts EEcC forge production and marketing of raw materials at favorable terms to both parties, which entails raising the standard of living and quality of economic management. But the position of the satellites

is different from that of the Allies, that the latter, as EEcC, are not interested in the full development of productive forces.

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