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## **The impact of globalization on the local economic sector – selected aspects**

**Summary.** Contemporary local development is a phenomenon that occurs in very dynamic and often turbulent circumstances, and particularly interesting ones are the local socioeconomic circumstances whose significance has recently grown exponentially. It is unquestionable that there are actually two reasons for such a state of matters, namely the unprecedented economic phenomena of enormous scale, *i.e.* globalisation, and the overlapping global financial crisis of the past years. What they have caused is that the relationships between the economic entities operating in the global socioeconomic sphere and their local environment are becoming very specific. The said local dimension of globalisation is on the one hand a measure of growth rate, and on the other hand, it makes one realise the power of the ongoing phenomena taking an extremely abrupt course. Therefore, one must recognise the global dependence of local developmental process, and it should be stressed that such awareness is currently low. There are certainly numerous reasons behind such a status, however, by no means does it relieve one of the obligation to seek the skill to identify the actual issues on the local scale where more and more serious barriers emerge, especially on the peripheries.

**Key words:** globalisation, local development, local economy, local scale

### **Introduction**

The recent years have seen huge geopolitical changes taking place, also in the sphere of economy, manufacturing conditions, competition and dependency, as

individual countries have introduced the new growth paradigm.<sup>1</sup> An international scheme, referred to as globalisation, has become the leading force affecting the current events observed all around the world. Globalisation is often mentioned as a new quality in the process of internationalisation and perceiving the world as a new order. It has also become a notion frequently mentioned, but often exaggerated and abused. Different interpretations of the term *globalisation* have basically led to perceiving it in the category of various links, connections, new networks established between countries, regions, microregions and the society. The foregoing implies that it is a long process of integration of more and more economies and societies transgressing their borders. Consequently, a single global economic system is emerging, characterised by very strong mutual dependencies stemming from the simultaneously happening liberalisation of the global economy. But the processes of globalisation, liberalisation and internationalisation do not always go hand in hand with the necessity to strengthen what can be observed at the proverbial “bottom”, but they repeatedly cause destabilisation of the outcomes formerly achieved. Regardless of the level on which globalisation functions and the standpoint globalists assume, one should definitely highlight what globalisation has actually contributed to the regional economy and determine whether the convergence being commonly praised is actually successful. It is obvious that it limits the domestic uniqueness and brings virtually identical institutional solutions to the play, hence the question if we are supposed to become one state and one global economy? Is economy the sole and exclusive driving force of social development in the contemporary world? Is global capitalism, so widely promoted, actually the model of choice to follow? It is also obvious that seeking ways to eliminate disproportions is a natural consequence, but despite the ongoing stressing of the necessity to provide appropriate conditions for better convergence aimed at improvement of economic, social and territorial cohesion, is this actually the case? Is the contemporary development of the European Union countries and the entire EU area not maintained exactly by the discrepancies which lead to a retaining division into growth-oriented areas and those which constitute peripheries? It seems that there will always be a difference of standpoints with regard to processes taking such a course, since inside specific socioeconomic spaces, divisions of unparallelled scale tend to be emerging naturally. It is so because of numerous reasons, including the fact that there is a redistribution of goods taking place in a global, international, national, regional and primarily local scale, where the latter is merely to agree to accept solutions being implemented by the global economy, very often developed without its participation, not to mention the right to take a stance. Under such conditions, both pre-programmed winners and those doomed to failure tend to

<sup>1</sup> Economies of scale have been replaced by economies of scope. The new economy is based on an assumption that knowledge is translated into an economic growth driving force. It is becoming a linking factor of the contemporary social and economic development.

emerge. This framework is an economic pathology Bolesław Winiarski had already predicted in 1990s. It seems that one should be extremely cautious trying to evaluate these problems, still it is worth making some significant theoretical and practical remarks (this being the actual purpose of the article) that will make it possible to grasp the gist of a problem studied for a fairly long time now.

The aim of the article is to point out the problems connected with the impact of the globalization activities effects on creating the opportunities for further local development through the prism of self-government as the main entity managing the local sections.

Mainly descriptive method is used for the realization of the so formulated aim and the article is of a scientific essay character.

## **1. Economic and social issues of globalisation**

To put it as plainly as possible: globalisation of economy is an outcome of combination of the international trade development (including capital exchange) and the decision making development in the spheres of production, commercialisation, capital management, all of which entail the global market integrity. It may also be perceived as a process aimed to acquire the above features.<sup>2</sup> It is often referred to as a process of destruction of national borders for the sake of the market. It is when both the market and the allocation mechanism operate beyond borders, changing the criteria of efficiency.

Nowadays, globalisation, being a very dynamic phenomenon, brings various outcomes for economies, including primarily for their internal (regional and local) dimensions. These outcomes trigger intense emotions and divide scientists, politicians and representatives of different social groups into advocates and adversaries of this phenomenon. Depending on the strength and direction of the impact exerted by changes and the approaches towards globalisation assumed by individual parties to the discourse, its positive or negative aspects are emphasised. Many a time, dissent has resulted from a level created by politicians on which this phenomenon is interpreted from the perspective of one's own goals, influencing the pursuit of position and high enough social status. Speaking of consequences of globalisation, one would undoubtedly mention such phenomena as the productivity increase and the related improvement of revenues and living conditions, the ease of communication and common access to information enhancing the developmental capabilities of societies and individuals, the reduction of operating costs, the increase in the rate of discoveries and innovations leading to better satisfaction of needs and higher quality of life. Among the advantages of globalisation,

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<sup>2</sup> J. Bremond, J.F. Couet, M.M. Salort, *Kompendium wiedzy ekonomii*, WN PWN, Warszawa 2006, p. 227.

the advocates usually also stress the possibility of international coordination of actions, for instance in the sphere of the environmental degradation prevention or joint scientific research.

Therefore in a sense, globalisation stands for a universal process or a series of processes generating multiple links and correlations, where the notion of *compaction* refers to the increased number and range as well as the broadened scope of cross-border transactions, whereas the notion of *depth* refers to a degree to which the said correlations influence the ways in which societies are internally organised.<sup>3</sup> But to a certain extent, globalisation also weakens the functions of states and constrains the latter. The market is becoming less and less controlled by the state, which used to be the sovereign power imposing boundary conditions upon every activity. Supranational corporations acquire further new roles as they become both beneficiaries and subjects of globalisation. Governments tend to lose the capacity to manage sovereign policy to a growing extent, whereas transnational corporations are becoming the leading parties disposing of money and demand upon which power, economic activeness as well as employment depend.

In the work entitled *End of Millennium*<sup>4</sup> Manuel Castells has highlighted the contemporary major issues of the global economy, among which, besides the classical ones, he has mentioned exploitation, social exclusion, marginalisation and selective integration, being the directly linked characteristics accompanying the contemporary developmental processes commonly recognised as positive. The author stresses that reactions to the globalisation processes include the European integration which shows that the global economy is not an undiversified system composed of enterprises and money transfers, but rather a regionalised structure where traditional national institutions and new supranational entities still perform leading roles in the economic organisation of competition as well as in the acquisition or losing of the profits it provides. The author also claims that, even though most of the economic activity and a majority of workplaces in the whole world are national, regional or even local by nature, the most important, strategic economic activities performed in the age of information are globally integrated via electronic networks of capital, commodity and information exchange. It is for the global integration that the current process of European unification has been triggered and channelled, based on European institutions that, from a historical perspective, were mainly established for political reasons.

The basic dimension of the globalisation process is one which applies to financial and foreign exchange markets. They are truly global, and owing to electronic transfers and the capacity to avoid or overcome governmental control, they may potentially act as unified entities in real time. At this point, one should stress that

<sup>3</sup> *Słownik politologii*, WN PWN, Warszawa 2008, pp. 150-153.

<sup>4</sup> M. Castells, *Koniec tysiąclecia*, WN PWN, Warszawa 2009.

the existing second dimension of globalisation, namely the information technology, is a chance for the future, since it constitutes the very core of production capacities of economies and the military power of countries. And even though globalisation is currently asymmetrical, the importance of European research centres, companies and markets is a warrant for Europe to always remain deeply involved in predominant technological networks.

Authors studying these problems tend to agree that globalisation rediscovers regions.<sup>5</sup> This is done by means of enterprises which – operating in the global market – infiltrate the regional and local space seeking new locations. Making use of their range of impact and strength in the first place, transnational companies search for two essential elements in space, i.e. outlet markets for their products and services as well as resources of production factors, however, they do not care about quantity as much as about price and quality, owing to which their products and the production itself are becoming more attractive and, most of all, more competitive. At this point of the consideration, one should definitely mention that, although natural, such a process is to be recognised as highly unfair from a number of perspectives, including that of businesses managed in the given local (in-house) socioeconomic spaces of economic entities, to name but one. They are doomed to compete under the conditions of globalisation which virtually eliminates their potential developmental prospects.

In today's economic reality, enterprises are spontaneously forced to fit into strategies of large corporations which, in turn, assume a global perspective. One should also emphasise that there is a specific hierarchisation (centralisation) being observed among groups of companies representing the same industry, since in order to face up to the increasingly difficult competition, the main objective of their activity is development of adapting skills, since they are what success depends on. It means that such phenomena take a different course (trend of adaptation) in large international companies (corporations), and yet a different one among smaller companies whose only chance to survive is through collaboration with the tycoons. The latter's ability to adapt and compete is only limited to acceptance of the conditions proposed by larger enterprises (e.g. subcontracting under short-term contracts), more bonded with networks of correlations.

It is very frequent that the current globalisation, characterised by information revolution, makes use of well-proven techniques of the previous one<sup>6</sup> with regard to such aspects as transport cost cutting, for instance, but in practice, this cost reduction primarily applies to very small enterprises, often operating in the periph-

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<sup>5</sup> J. Chądzyński, A. Nowakowska, Z. Przygodzki, *Region i jego rozwój w warunkach globalizacji*, CeDeWu, Warszawa 2007, p. 32.

<sup>6</sup> The evolution of globalisation, as described in the literature of the subject, is divided into a period from mid-19th century until the end of 1920s, and the second stage starting in 1970s and lasting until the present.

eries, remote from headquarters of the largest globalisation-associated companies. Hence globalisation is an economic phenomenon not only based on societies and nation states, but primarily on transnational corporations and market co-operators. These entities are the key players in the process of emergence of worldwide systems, both binding and making economies of individual countries dependent. On pain of extinction, they are forced to evolve and to keep adjusting to the changes they themselves often cause. The foregoing implies that in order to function under the conditions of contemporary globalisation processes, one must undergo all phases of enterprise evolution, however, in these circumstances, it also means that most local enterprises willing to retain their independence in setting their own strategies will be forced to always rely on domestic production factors and utilise domestic markets only. Moreover, yet another feature of the new framework is the transfer towards high-value production and the related flexibility which, owing to the ability to introduce rapid changes in parameters and types of production, enables satisfaction of individual customers' needs. Nevertheless, as aforementioned, flexibility is also an ability to adjust to the requirements of individual markets. This implies that the choice of location is one of the most significant strategic decisions made by global companies. What also matters is the specific conditions characteristic of the given location and the given type of activity. In this respect, flexibility will not only mean allocation in multiple places, but also the ability to move operations between locations.

What is also worth stressing is that invariability of production factors, very frequently perceived as static, has recently created certain opportunities to become specialised in production of goods which could be manufactured in the most efficient manner, and to import the surpluses attained. Under such a model, proceeds from import and export between countries were related to goods and final production.

Production, always associated with a certain territory, was being organised around the domestic, national market. Strategies as well as the future of enterprises were related to and dependent on the given market, the state would implement a policy of its development and protection, and future decisions and business projects could be based on the possibilities to extrapolate or anticipate the current trends.<sup>7</sup>

The economic situation observed at present is completely different, since not only is it translated into the standing of companies, but also of municipalities (nodes in the local network) or other settlement forms. The processes being observed, such as metropolisation of socioeconomic space, its appropriation, emergence of semi-peripheries or peripheries, are becoming more and more common and often lead to very serious perturbations, in both the economic and social sphere.

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<sup>7</sup> A. Jewtuchowicz, *Terytorium i współczesne dylematy jego rozwoju*, Wyd. UŁ, Łódź 2005, p. 11.

It should be noted that the said processes (features) of the contemporary global economy have permeated local economies to a various extent, this being particularly applicable to economies peripheral towards the core (metropolis). Hence the heaviest burden of tackling these tasks lies upon the most important entity managing the local economy, namely the local self-government. For this reason, there is an ongoing need for research (analysis) of spatial socioeconomic structures, especially in the region-microregion axis – structures which, in the age of globalisation and internationalisation, should be characterised by convergence and complementarity of the actions undertaken. The individual theories and models of regional and local development must rely on endogenous potentials of growth and development, and when reinforced with knowledge, they should constitute local and regional creativeness capable of competing and hence inducing innovation. Only flexibility of joint efforts, as emphasised above, provides grounds for a potential to use creativeness and innovativeness in the processes of socioeconomic growth and development, thus creating regional networks of relationships. In this respect, networking appears to be a category indispensable to build the common welfare of local and regional communities.

To recapitulate the above consideration, it should be noted that global economy is – historically speaking – a new phenomenon, different from the world economy. It is primarily characterised by the “capacity to act as an entirety in real time or at chosen time on a planetwide scale.”<sup>8</sup>

## 2. Networks and network economy

Specific contemporary combinations of social and economic life, emerging on all spatial levels, starting from enterprises and municipalities, to end up with transnational corporations and global economy, required new forms of organisation of economic entities. One may even claim that, under the new socioeconomic conditions,

there has been a need for such forms being established between enterprises, public administration bodies and R&D institutions, and the inherent feature of organisations incorporating different entities must be flexibility. This feature is common to all complex organisational systems developing nowadays.<sup>9</sup>

It has led to a situation where

in the structures of the global system, the very basis of competitiveness is no longer the traditional allocation efficiency, but rather adaptation efficiency whose premises and indicators are various intermediate forms of activity coordination functioning between the market and the hierarchy, commonly known as networks.<sup>10</sup>

<sup>8</sup> M. Castells, *Spółeczeństwo sieci*, WN PWN, Warszawa 2007, p. 107.

<sup>9</sup> R. Domański, *Ewolucyjna gospodarka przestrzenna*, Wyd. UE w Poznaniu, Poznań 2012, p. 102.

<sup>10</sup> K. Miszczak, *Nauka i sieci gospodarcze w przestrzeni*, in: *Współczesne koncepcje przestrzenno-gospodarki i społeczeństwa*, ed. S. Korenik, Wyd. UE we Wrocławiu, Wrocław 2010, p. 174.

The basic characteristic of networks is that they can emerge and spread along trunk lines as well as back streets of global economy by referring to the power of information provided by the new network paradigm.<sup>11</sup> They are also known of being composed of two elements: nodes and ties linking the former. In a large network, the size of nodes decreases, whereas the number and quality of ties abruptly increases. Networks connect towns and regions, and along with them, also enterprises, institutions and individuals. It is for that reason that every social and economic activity undertaken in a geographical space may be represented as a network.<sup>12</sup> It means that participants of economic processes taking place in a geographic space, through specialisation and cooperation, can become involved in complex undertakings they would otherwise not be able to perform when acting alone.

There are many different types of networks and correspondingly many classifications according to the nature and the subject of connections. Much attention is paid in various publications to two kinds of network connections: *subcontracting* and *strategic alliances*. Authors also speak of vertical and horizontal networks in production as well as a value added chain. Vertical networks (customers – organisation – suppliers) are usually deeply rooted in production and the value added chain. On the other hand, horizontal networks are established between various enterprises representing the production and the service sector, research institutions as well as enterprises handling innovation transfer. There are far more partners in horizontal networks.

One may refer to many other network divisions. Following the European Commission, S. Korenik has distinguished between:<sup>13</sup>

- “star” networks featuring a leading company,
- networks of “nodal connections” where all entities involved have equal rights,
- “temporary” networks, poorly formalised, where intensification of contacts depends on the current needs, which tend to change considerably in time,
- regional networks which constitute a territorial corporation, often highly formalised.

Other authors, such as Ryszard Domański, mention the following types:<sup>14</sup>

- information networks,
- local and regional innovation networks,
- networks functioning under models of ecologically sustained development,
- temporary networks,
- neural networks.

<sup>11</sup> M. Castells, *Spółczesność sieci...*, p. 173.

<sup>12</sup> In networks, the law of growing profits plays an increasingly important role, becoming a functioning indicator for enterprises that, willing to raise their competitiveness, must take this law into account.

<sup>13</sup> S. Korenik, *Dysproporcje w rozwoju regionów Polski – wybrane aspekty*, Wyd. AE we Wrocławiu, Wrocław 2003, p. 20.

<sup>14</sup> More about this subject in: R. Domański, op. cit., pp. 106-130.

Among various types of connections between business actors, the most characteristic ones are regional networks whose functions include organisation of the economic framework in the sense of space and scale of entities, entailing external conditions.

Networks are the basic element of connections (social, economic), and the key ability one should possess is the ability to collaborate, as determined by the quality and quantity of social interactions. These traits may be perceived as innovative strategic attitudes to management not only of an organisation, or as relations between the far and the near business environment, but primarily, what should be stressed, they have become sources of competitive advantage, both in the private and in the public sector. The disproportions one may observe between these two sectors are origins of many successes, but they also cause failures in economy.

When discussing these problems, one should emphasise that accelerated transformations of the structure of industry and the entire economy lead to a growing diversification of products and services. This diversification intensifies the information absorbing capacity of industry and economy, and it is driven by information technologies. It is for them that enterprises are able to flexibly respond to changes taking place in the surrounding where they perform business activity. Enterprises adapt to diversifying needs and demand more easily by diversifying their product and service selection.

Diversifying production requires diversified skills. When the pursuit of products of mass consumption is replaced by an attempt to satisfy more diverse, specific needs, enterprises must cooperate with other manufacturers as well as consumers in order to determine specific utility features of products. What follows is an explosion of various complexities which then absorbs different types of knowledge, and enterprises are no longer able to create all of its ingredients on their own. Consequently, micro markets, where these ingredients and specific, very similar products and services face one another, tend to multiply. At the same time, the economy goes global and this imposes all sorts of standards upon the micro markets. Each micro market becomes a world of detailed trade regulations as well as technical and environmental standards one must learn and entail in strategies pertaining to micro markets. On the other hand, the growing importance of information and knowledge as well as their absorptivity jointly constitute a driving force of the development of cooperation alliances established between enterprises and R&D centres.<sup>15</sup>

The principles governing network economy are different than those of a traditional hierarchical economic framework. It is an appropriate and may be a very efficient instrument of economic policy of a large city or a region. The economy of these territorial units shows growing fragmentation. Harmonisation of diversified activities may bring them considerable synergistic effects. Networks are also important instruments of the economic policy, particularly when municipal or regional authorities switch to an activity type which consists in providing municipal services creating opportunities for various interest groups.

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<sup>15</sup> R. Domański, A. Marciniak, *Sieciowe koncepcje gospodarki miast i regionów*, Komitet Przestrzennego Zagospodarowania Kraju PAN, vol. CXIII, Warszawa 2003, p. 13.

Contemporary network organisations differ significantly from traditional bureaucratic structures in several aspects:<sup>16</sup>

1. They are susceptible to spatial deconcentration. They strive to come closer to recipients and production processes. It is forced by competition, the need for comprehensive quality management, growing collaboration with regional scientific centres, the necessity to win over the competition in time. More difficult tasks are tackled more easily when the decision making process and personnel of companies are positioned closer to customers and to production of the commodities offered. Enterprises are no longer based in a single location, but they rather operate through multiple facilities.

2. Such organisations are designed and built based on the principle of delegation of decision making powers and responsibilities. Unlike in old type organisations, where the decision making authority is concentrated with the top management, in new organisations, tasks are assigned to divisions forming a network of connections using electronic means of communication. The network must be based on the principle of mutual benefits for divisions. The management of a new organisation must function collectively and have skills required to build teams, mitigate and prevent conflicts as well as solve problems.

3. New organisations do not eliminate hierarchy, yet they bestow a different character upon it. What they do is free their structures from positions and privileges which hinder the information flow, cooperation, decision making and learning. New hierarchies become one of the ways to coordinate and control actions.

Networking has its downside as well. What emerges in networks is referred to as cores, i.e. poles between which tunnel-like connections function. The regional development related consequence of such connections are processes of polarisation. For networks may contribute to the support and development of systemic solutions as well as to decomposition, degeneration and even destruction of a system.<sup>17</sup>

### **3. Local economy sector under the conditions of globalisation**

Changes of the world economy, mainly pertaining to the growth paradigm, which consist in a transition from the industrialisation phase to the post-industrialisation one (network economy, knowledge-based economy), have particularly affected the most important entity representing the local sector and managing local development, namely the local self-government. Hence, at the turn of the 20th cen-

<sup>16</sup> Ibidem, pp. 14-15.

<sup>17</sup> K. Miszczak, S. Korenik, *Nauka i sieci gospodarcze w przestrzeni*, in: *Współczesne koncepcje przestrzennego rozwoju gospodarki i społeczeństwa*, ed. S. Korenik, Wyd. UE we Wrocławiu, Wrocław 2010, p. 186.

tury, they induced new local development issues showing that decentralisation and empowerment of local communities on the simultaneous fading of a territorial state do nothing but push the local development problems to a background, since what started to matter most in the economy is regions and large cities. It was also noticed that – particularly in the peripheries – one can observe a process of “suppression” of previous functions without a possibility to renew them due to more and more serious financial barriers emerging. A determinant of such relations has mainly become the location of all such territorial units, but also a low level of social (creative) capital. At a certain stage, the process of metropolisation of the socioeconomic space, measured with the strength of economic impact of large metropolises, led to a discontinuity of space, and so completely different relations in the regional economy have emerged ever since. What can be seen is an image of one region perceived through the perspective of the capital city, a metropolis competing in international markets, one that is innovative and creative in knowledge management, and another – based on standard production factors and practically not contributing to the processes of growth and development of the region perceived as a whole. Under such conditions, speaking of efficiently functioning local economies and democracy as the political framework accompanying those changes has become largely utopian and assumed the form of a slogan, rather than the objective truth. One may also dare to claim that the foundation upon which the contemporary globalisation is allocated has been weakened.

When it is no longer simple to speak of world economic policy, and primarily of who actually manages it, it is also difficult to exert influence on where businesses are allocated. One thing is quite clear, however: it is definitely where no one controls or regulates it. And hence this particular unsteadiness of the world economy manifests itself through dynamic changes of conditions under which managing processes proceed, and lead to uncertainty and asymmetry, not only in terms of the revenue distribution but also social division, often causing marginalisation of territorial units, especially the peripheral ones. Individual socioeconomic spheres, while undergoing technical and technological progress, do not accept it with identical intensity which is then translated into the activity of local economic entities unable to keep up with the speed of changes.

Such a state of matters has already appeared in certain local dimensions, where the grey market has begun to prevail as a “sector” taking over surpluses of workforce, providing fairly high incomes and becoming legalised under globalisation and internationalisation, for instance of the small and medium-size enterprise sector. It does not appear to be a spontaneous process, since nearly everything is becoming subject to internationalisation, including illegal transfers which – under such conditions – constitute an alternative for an employment scheme where jobs are practically only secured by the public sector, still on a minimum level. Thus local clusters emerge, reflecting interests of various groups and circles.

It may even be claimed that, under such circumstances, the situation is completely opposite to what had taken place in the early 20th century. The contemporary reality precludes employment of workforce surpluses, since globalisation, while strengthening capitalism, seeks new locations as aforementioned, but only where they would ensure profit to international corporations.

It should be stressed that the contemporary dynamic changes of legal frameworks and organisational structures in administration and the SME sector, mainly leading to flattening of these organisational structures, have not yet brought positive outcomes of efficiency improvement in local economies, and even if they did take place, they were certainly not effects of the said changes. In this respect, innovativeness was mainly conditioned by the geographical location of the given socioeconomic space, having a certain centre which affected the condition of its surrounding in various ways. The local budget deficits which are currently observed to augment are not fully substituted with often complicated procedures applied to acquire non-budgetary funds. The piling-up nonconformities in the sphere of authority, especially in the peripheries, make the latter more and more tightly closed and bring specific economic and social depreciation. It is partially due to this situation that smaller territorial units do not keep up with the growth of metropolitan areas whose strength does not permeate the proverbial "bottom". And it is for these reasons as well that the leading role among the processes observed is played by globalisation and its specific opposite, i.e. *glocalisation*.

At the same time, it should be noted that the loosing parties seem to be mobilising themselves according to their interests and, most of all, needs. They are indeed ready to make sacrifices in the name of a patriotic uprising in order to catch up with the selection of goods and services required to provide for a community very often referred to in the peripheries as a *small homeland*. This face of globalisation is a domain of development of classical capitalism, seeking expensive recipients for their goods and services. However, the expensive ones are rather outnumbered in the local scale, especially in small peripheral locations, compared to metropolises, which very often causes that financial filtration of these environments distorts the actual image of the processes taking place in them, only to mention financial transfers. And at least for that reason, local authorities are facing a serious dilemma to choose between ways and methods to overcome the emerging barriers, these being predominantly of organisational and financial nature.

Having analysed this situation from yet another perspective, i.e. the benefits brought by worldwide globalisation processes, one should stress the fact that it is exactly globalisation and internationalisation that have contributed to the emergence of new economy, often called knowledge-based economy. The growing investment in what is referred to as *immaterial factors* seems more profitable and

may even solve the problems of employment of better educated persons in the incoming years. It may become a serious challenge for the Polish economy, however, it is also a huge opportunity to get rid of unwanted solutions which impair the regional and local dimensions.

## Conclusions

The contemporary socioeconomic reality is dominated by instability manifesting itself in dynamic changes not only taking place in the economy, but also in everybody's life. One may even claim to have confronted the reverse of welfare society, namely overproduction and abuse of natural resources. This situation seems to be accelerated by the recent crisis, hampering growth. It also means that, at the very beginning of the 21st century, a more and more widespread characteristic of the social and economic life, both of the developed and the undeveloped world, is becoming the uncertainty observed in the macro and the micro scale. It is also reasonable to agree with a hypothesis that, at the current stage of progress of the globalisation process, it has already been settled that no country acting alone is capable of effectively defying mechanisms triggered by the said process. Yet another popular hypothesis stipulates that, in the process of globalisation, a country loses its significance, since it is too small to handle the big matters and too large to successfully manage the small ones.<sup>18</sup> Hence there is no such thing as the economic policy of the proverbial "mean", and neither are there any tools to stimulate such a policy. Consequently, there are the global matters and the local matters, both types existing at two different poles. This polarity determines the condition of local economies, and hence it affects the diversification of possibility behind local development. In times of such dynamic changes, it seems that the local sector, particularly in peripheral socioeconomic spaces, requires strong support from the state. But the role of the state has been changing in the age of globalisation. "The state has lost a fair share of its sphere of influence in times of globalisation."<sup>19</sup> Nevertheless, it still seems that in spite of all, bearing in mind how local socioeconomic sector has been developing, there is a need for the role of the state to be defined, and without a doubt, it is indispensable to ensure correct functioning of economies and societies. For there are numerous spheres which may cease to function properly if the state withdrew from the role it plays.

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<sup>18</sup> More about this subject in: A. Łuczyszyn, *Spoleczny aspekt zarządzania rozwojem lokalnym a interesy wspierające procesy globalizacji współczesnej gospodarki*, in: *Człowiek we współczesnej gospodarce globalnej*, ed. P. Grabowiec, M. Klimowicz, Wyższa Szkoła Zarządzania i Finansów we Wrocławiu, Wrocław 2011, pp. 149-163.

<sup>19</sup> E. Oziewicz, *Procesy globalizacji gospodarki światowej*, in: *Globalizacja i regionalizacja w gospodarce światowej*, ed. R. Orłowska, K. Żołądkiewicz, PWE, Warszawa 2012, pp. 26-27.

Strong dynamics in the local sections, manifested mainly in practicing marketing of its social and economic identity is not enough to compete with large global corporations. Such a situation makes local actors rigorously comply with the strategies of those corporations whose goals are often quite different than those of local development strategies.

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## Wpływ globalizacji na lokalny sektor gospodarczy – wybrane aspekty

**Streszczenie.** Współczesny rozwój lokalny zachodzi w bardzo dynamicznych i często turbulentnych realiach. Do szczególnych należą lokalne uwarunkowania społeczno-gospodarcze, których znaczenie w ostatnim okresie wzrasta w sposób wręcz spotęgowany. Niezaprzeczalny jest fakt, że powodem takiego stanu rzeczy są dwa niespotykane dotąd, a występujące na ogromną skalę w historii gospodarki zjawiska, tj. globalizacja i nakładający się na nią współczesny światowy kryzys finansowy. Zjawiska te powodują, że układające się relacje między operującymi w globalnej przestrzeni społeczno-ekonomicznej podmiotami gospodarczymi a ich lokalnym otoczeniem stają się specyficzne. Ten lokalny wymiar globalizacji jest miarą tempa rozwoju z jednej strony, natomiast z drugiej – urzeczywistnia siłę zachodzących zjawisk, które przebiegają w sposób niezwykle ostry. Trzeba mieć świadomość globalnego uzależnienia lokalnych procesów rozwojowych, a należy podkreślić, że na chwilę obecną świadomość ta jest niska. Przyczyn takiego stanu rzeczy jest zapewne wiele, niemniej nie zwalnia to z konieczności poszukiwania umiejętności identyfikacji rzeczywistych problemów w skali lokalnej, gdzie pojawiają się coraz większe bariery, w szczególności w obszarach peryferyjnych.

**Słowa kluczowe:** globalizacja, rozwój lokalny, gospodarka lokalna, skala lokalna