THE LIBERALIZATION OF THE ENERGY MARKETS IN THE GLOBALIZATION CONTEXT

Titus SUCIU
Transilvania University of Brașov
29 Eroilor Blvd., Brașov, Romania
titus.suciu@unitbv.ro

Abstract. *The paper presents the close connection that exists between liberalism, energy markets and globalization. In the first part we make a presentation of the historical evolution of liberalism, starting with the classical economic liberalism continuing with the neo-classical liberalism emphasizing neo-liberalism and within the latter one, the monetarism. In the second part of the paper we present the energy markets, specially oil, natural gas and electricity. In the third part we define the concept of globalization considered both from an economic and from a social point of view. The core of the paper shows the strong connections between economic liberalism, the liberalization of energy markets, the transnational energetic companies and economic globalization. Among the winners of globalization we notice the transnational companies and among the losers, the national state and the under-qualified workers. The paper works with two important concepts such energy paradox and Strategic Flexibility. Namely, until energy paradox becomes a real threat to further growth of global economy, or until scientists find innovative technology solutions for energy supply, energy geopolitics will have more and more influence on production, transport and consumption of energy from traditional sources, fossil fuels, including indirect influence on production of renewable energy. The Strategic Flexibility approach enables a company to compete effectively today while preparing for an uncertain tomorrow, without either over-committing to one vision of the future or simply hoping for the best. Strategic Flexibility involves using scenarios to anticipate alternative future business environments, defining a strategy that includes actions that will be appropriate regardless of which scenario the future most resembles, but also applying real options concepts to make contingent arrangements for elements of the strategy that may or may not be needed. It is applying real options thinking to the less definite responses to scenario worlds that makes Strategic Flexibility both truly strategic and truly flexible. It is important to find and implement new energy sources especially green energy sources. As a main conclusion we consider that Romania can act an important role in the region because our country is an energetic exporter.*

Keywords: *liberalism; energy markets; globalization; energy paradox; strategic flexibility; transnational companies.*

Introduction

Namely, the current model of industrial development and social structure, impacts of capital on globalised economy, political interests of numerous countries, nations and political elites are so deeply rooted in intensive energy consumption, particularly oil and gas, that it is extremely difficult to change the existing state of affairs, although, on general level of cognition, people are aware that it is unsustainable. In order to have a better insight into the causes of this contradiction, it is necessary to analyze the root causes and the way how this seemingly inseparable link between industrial development, energy consumption and oil was established, including seemingly really inseparable relationship between economic and political interests that created such structure.

Globalisation processes, in addition to other effects, had significant impact on setting up unique models and rules of business behaviour as well asthe actions taken by government bodies. Quite simple model was established – 'take it or leave it' – according to which the countries that accepted economic development aid, adopted also all recommendations, from IMF rules in designing macroeconomic policy in order to meet obligations as part of the terms for getting access to international capital market and foreign investments. Those who accept international standards can have access to development incentives and investments; otherwise a country can remain on a blind track of isolation, stagnation and underdevelopment.

The liberalism

From a retrospective point of view the economic liberalism born approximately three centuries ago went through three main stages: a) the classical liberalism started during the second half of the 17^{th} century spanning two thirds of the 19^{th} century; b) the neo-classicism or marginalization spanned the last third of the 19^{th} century and the beginning of the 20^{th}century;c) the neo-liberalism imposed itself to the forefront of the economic doctrines in the last three decades of the 20^{th} century and the beginning of the 21^{st} century.

a) *The classical economic liberalism*
The classical economic liberalism has its origins in the work of the French physiocrats and of the English economists A.Smith and D.Ricardo. Samuelson and Nordhaus referred to the classical liberals were advocates of the private property, of individualism and freedom, of the natural order and of the non-intervention of the state in economy. The state has only the role of protecting the private property, of securing the social order and the national interests. A.Smith and D.Ricardo demonstrated that the substance of merchandise is work and the size of value is determined by the amount of work materialized in the merchandise. In their viewpoint society is divided into three classes: the capitalists, the land owners and the workers. The repartition of income is made according to the position of each class towards the means of production: the capital, the land, the work. The profit is the main driving force of the market economy.

We can mention some limitations, malfunctions and inequalities which belong to the classical economic liberalism: the market not the man with its needs is at the centre of the liberal doctrine; the exaltation of the economic freedom has brought about the enrichment of the powerful ones, of the industrialists and the pauperization of the workers; they devised and sustained wrong theories, such as the impossibility of the economic crises, of the full use of labor, of the economic equilibrium automatically established.

b) *The neo-classical liberalism or the marginalization*
The neo-classical economic liberalism is a continuation of the classical liberalism and at the same time a fierce criticism of "the dirigisme" ever since its genesis.It is called neo-classical liberalism in order to point out that it is a stage in the evolution of the economic liberalism but it also represents a discontinuity a break from the classical. By the novelties it put forward the marginalization surpasses classicism. Unlike the latter, the neo-classicism goes from consumption to exchange; it replaced the theory of value based on work with the theory of the marginal utility; it included in its research some issues neglected by the classical school such as the rarity as a feature of the economic goods or the role of the psychology in the behaviour of the economic agents; it laid accent on circulation and consumption; it developed the rational economic calculation founding a new economic discipline-the econometrics; it combined the psychological analysis with some procedures and mathematical terms (the marginal calculation), hence the term of marginalization.

c) *The Neo-liberalism*
Since the 7^{th} decade of the 20^{th} century the internationalism and the globalization have profoundly transformed the national economies restraining the capacity of action of the states. The neo-liberalism appeared between the two World Wars. The term was used in 1938 in Paris at the Walter Lippman Colloquium in which took part outstanding representatives of the economic liberalism among which: Ludwig von Mises and Friederich A. Hayek. These economists were joined by other schools of a neo-liberal orientation such as the Freiburg school, the monetarians, the libertarians.

Firstly, the neo-liberalism directed its criticism against the dirigisme, because the massive intervention of the state in economy instead of ensuring the economic equilibrium infringed on the economic and political freedom of citizens evolving towards dictatorship.

Secondly, it revalued the classical and the neo-classical orthodox liberalism by recognizing its main features: the economic individualism, the market, the continuation of privatization, the reduction of taxes and of the public expense but at the same time it critically sets a delimitation from it as it defends an abstract economic freedom to the profit of the versatile and of the powerful. The abstract uncontrolled freedom generates the monopolies. (Suciu, 2008).

The neo-liberalism accepts a certain role of the state in economy but not the limitation of the economic freedom as asked by the dirigisme; on the contrary protect the market and the competition among economic agents by means of a legislative system. The neo-liberals make a clear-cut distinction between competition and the" laissez-faire" policy. According to them only the free prices ensure the economic equilibrium, the economic growth and the rational use of all the means of production (Moldovanu, 2003).

The great inspirers of the neo-liberalism are the economists F.A. Hayek and M. Friedman. According to Hayek the economic efficiency is incompatible with the social justice as the first one refers to a more rational use of resources based on the spontaneous mechanism of prices, whereas the latter refers to the state intervention in re-distributing the income which harms the efficient functioning of the market economy through the free interplay of prices. The main function of the state is the creation of the legal framework which would ensure the competition of the economic agents.

The Monetarism

The decline of the keynesism, beginning with the generalization of the stagflation in the 1970s gave an impulse to the monetarism. An important element criticized by the monetarists at the keynesists refers to the state intervention in economy. In the monetarist view the state interfering in the market economy exercises only a perturbing influence. The monetarists are also against the state interference in settling prices against subventions for private enterprises and against the social policy that aims at offering material support to disadvantaged categories.However the monetarists accept a certain interference of the state in economy on the monetary mass. The golden rule suggested by M.Friedman is an increase of the monetary mass with a certain percentage annualy, the public announcement of it and maintaining it for a long period of time. (Sută-Selejan, 2000).

The energy markets

Energy products are vital both for meeting basic human needs and for supplying electricity. The importance of oil has increased since the beginning of the twentieth century, to become the highest used fuel. Natural gas hs recently had a significant impact on electrical power supply and use. Energy product markets are: oil, natural gas and electricity.

Oil. The English word petroleum derives from the Latin for stone and oil-petra and oleum. Crude oil viscosity (thickness), specific weight (density) and colour may vary a lot. In general, crude oil is named for the land from which it was extracted, i.e. Brent or West Texas Intermediate- WTI.

There are seven main oil producing regions: Russia, China, the Middle East, Northern America (USA and Canada), Africa, the Northern Sea and the Far East.

Oil is currently the world biggest energy source. Its price depends on: events in the Gulf (60% of the world reserves), disasters, litigious industrial relations between the oil producing/refining countries, the OPEC's conclusions resulting from the regular meetings, the absolute levels of price, seasonal reasons duet o which refineries produce more petrol at the end of the winter.

The oil market creates an oligopoly situation. Several producers dominate it, the economic power of which is great enough to drive market prices (BP, Exxon, Royal Dutch Shell). The oligopoly market can witness direct agreeements between companies. The dominant role in oil producing stays with the OPEC, an intergovernmental organisation which covers three continents: Algeria, Angola, Ecuador, Indonesia, Iran, Irak, Kuwait, Lybia, Nigeria, Quatar, Saudi Arabia, the United Arab Emirates and Venezuela. Oil price behaves the same as that of any other commodity, rising and falling depending on many factors, such as demand and supply, political events, natural disasters. Prices on the market are not determined only by the demand and supply balance, but also by the buyers' and salespersons' forecasts connected to the trend of the oil price. If buyers anticipate a change in the supply in the upcoming period and an increase of prices, they will wish to buy oil today to accumulate some reserves and to protect themselves against future higher prices. Similarly, if buyers anticipate an increase of the supply or the future decrease of prices they will postpone buying (Wiley & Sons, 2002).

Natural gas is a mixture of hydrocarbon gases, which contain only carbon and hydrogen, and low quantities of other gases, such as carbon dioxide, nitrogen, ethane, propane, butane. Methane (CH_4) is the main component of natural gases, but its content varies depending on its extraction site. Extracted natural gas is called moist gas or humid gas as in order to be transported, it has to be refined and processed into dry natural gas. During the refining process, less volatile hydrocarbons (propane and butane) are removed. The remaining dry gas is almost pure methane which is transported by pipes or is liquefied at low temperatures and then transported as liquefied natural gas.

The importance of natural gas as energy source has increased for the following reasons: it is a cleaner energy source than oil, unprocessed oil supply fluctuates, energy-producing industry has liberalized (USA, UK), the EU passed the Gas Directive.

Electricity As of the 80s major changes have affected electricity supply industries in many countries. Wholesale electricity markets were set up. Their development was tightly connected to several factors:
a. Liberalizing. There are currently many regions in Europe and the US providing industrial and household consumens with the possibility to select their energy distributor.
b. Price competitiveness. This product's price depends on the fuel or the energy source needed to produce electricity (oil, natural gas, coal, uclear power, solar panels, geothermal energy and wind power). Price is also impacted by the seasonal character of the supply demands.
c. Technological progress connected to energy production and distribution. Electricity is known as a flow-type product, as it cannot be stopped in the conventional manner. Given that, it is not easy to set its price, as variables involved are many and they cannot be predicted.
Some opf the most important variables to which electricity price is submitted are the following: demand, which is determined by the use time, geographical setting of production site, energy source- oil, coal, nuclear power, hydro-electrical, unforseen price rises and falls, seasonal energy demands, dependance on the existing energy transport facilities, weather (Wiley & Sons, 2002).

The futures-type contracts and the options for energy products are now traded at several international stock markets, among which: NYMEX (New York Mercantile Exchange), IPE (In ternational Petroleum Exchange), CBOT (Chicago Board of Trade), NZFOE (New Zealand Futures and Options Exchange), SFE (Sydney Futures Exchange), Scandinavian NordPool.

The globalization

Globalization is a complex process by which national economies can be integrated in the world economy some directly, others by the intermediary of the regional groups a process achieved through several main channels, such as the trans-frontier circulation of capital, commodities, technology, information.

Globalization is defined by its main features, namely the compression of space and time, the new technologies and communications, the integration of the financial markets and the movement of capital, the externalization of production and retail, the globalization of some vital issues (environment, organized crime, terrorism, migration, security, peace). Globalization is at the same time a process of reconsideration of the relationships North-South, as well as between the centre and the periphery largely speaking, since in these relationships both the internal and the external relationships are at play among spaces, such as countries, regions or large territories (Stănescu, 2009).

Globalization is not a linear process but a contradictory one with advantages and disadvantages with winners and losers with wealth ad poverty, unemployment, social and economic inequities with different actors of the political, economic and social life such as: states, trans-national companies, over-national and international organisms and institutions.Consequently, an initial schematic analysis shows that there are more winners than losers from globalization. Most people gain from borrowing and consumption and only very few lose as productive workers in the developed countries and capitalists in the developing countries. (De la Dehesa, 2007)

The contradictory character of the globalization process lies in the inter-conditioning of advantages and disadvantages. Thus, the growing occurrence of the trans-national companies and the intensification of the direct foreign investments, the dissemination of the top technologies and information and of the international commerce lead to an increase in productivity and implicitly to the economic growth and to an increase in the living standard. However, the dominant role of the developing trans-national companies may determine a vulnerability of the economy in these countries and in certain conditions expose it to crises and social unrest.

The main beneficiaries of globalization are the trans-national companies which by transferring some production capacities from the developed countries, by the intensification of the direct foreign investments, by the introduction of new technologies and a performance management in the developing countries obtain in exchange work force and raw materials at a price several times lesser than in the countries of origin (Suciu, 2008).

Globalization means at the same time competitiveness. In order to become competitive the countries in a process of transition and development have to make constant efforts on their own to overcome the backward state of their economies. The countries receiving trans-national companies receive duties and taxes from the latter's activity on their territories which make the state budget revenue grow. Owing to the contribution of the trans-national companies some countries in transition and on the way of development have passed from the category of countries exporting raw materials to the category of countries exporting manufactured products.

The energy paradox and the necessity of strategic flexibility

Human civilization's aspirations and unlimited desire for achieving progress are confronted with limitations in material base for achieving such progress. The fact is that modern civilization requires more and more energy for further progress, specifically, it requires oil and gas, while at the same time oil and gas reserves are declining with the prospect of considerable shortages within the period shorter that average human life. Hence, for the first time in our history we are faced with the paradox of unlimited human goals and limited possibilities for meeting these goals. This is the paradox reflected in limited resources and unlimited human desire to achieve growth, which appeared for the first time in history in concrete circumstances and realistic form.

Why all the warnings sent out by scientists on the problem of unlimited use of limited resources and the need for preservation of the environment on the Earth have not been translated into efficient and rational use of natural resources? How is it possible that in the terms of global knowledge and global dissemination of information, a large majority of people simply ignored reasonable messages and recommendations based on that same knowledge? Nevertheless, the modern world found itself in a paradoxical situation. The collision of interests and reason, short-term and long-term development goals, energy and growth needs, and limitations of available resources, push globalised economy into a new spiral of energy consumption.

As a result, limited resources, tense geopolitical relations and ideological prejudices created a new spiral of conflicts which can lead to fierce fight for energy, but also for other natural resources such as potable water and space. The extension of intensive industrial and economic development based on today's energy and technology foundations, opens up the issue of sustainability of future development for generations to come (Dekaniæ, 2011).

The key problem of the world energy supply system lies in the fact that economic model is based on the existing production technology system driven by fossil fuels which provide relatively cheap energy, but which is unsustainable in the long-term. Much is uncertain about the business environment facing energy companies in the early part of the 21st century. Opportunities and threats are inherent in the division of the world into energy haves and have-nots, yet how the situation will play out is hard to say.

Strategic Flexibility: Framework for Action

Deloitte Research has developed a framework we call Strategic Flexibility to cope with and exploit exactly this type of dilemma. This approach enables a company to compete effectively today while preparing for an uncertain tomorrow, without either over-committing to one vision of the future or simply hoping for the best. In terms of process, Strategic Flexibility involves using scenarios to anticipate alternative future business environments, defining a strategy that includes actions that will be appropriate regardless of which scenario the future most resembles, but also applying real options concepts to make contingent arrangements for elements of the strategy that may or may not be needed. It is applying real options thinking to the less definite responses to scenario worlds that makes Strategic Flexibility both truly strategic and truly flexible. Managing strategic risk according to the Strategic Flexibility approach involves four stages – Anticipate, Formulate, Accumulate, and Operate:

Anticipate: Identify the drivers of change and define different ways they might evolve and interact over a period of time such as five to 10 years. That usually results in four or five scenarios that capture the range of most-plausible futures.

Formulate: Define an optimum strategy for winning within the specific business environment of each scenario. Then merge these plans into a single strategy with two components – "core" elements (initiatives that show up on the "to-do lists" for most or all of the scenarios), and "contingent" elements (initiatives that are needed under the circumstances of just one or two scenarios).

Accumulate: Acquire any assets and capabilities needed to execute the core elements of the strategy. Conventional scenario-based strategy methods often stop with that. But here there is more. The next step is to make limited commitments with regard to those assets and capabilities that will be essential if but only if certain circumstances emerge. This may also involve converting fixed commitments the company has previously made to more flexible arrangements that provide more leeway. These flexible commitments are the "real options" that provide the right but not the obligation to move in a particular direction.

Operate: Implement the strategy. Put the core elements of the strategy fully into effect immediately. With respect to contingent elements, monitor the business environment and either preserve, exercise, or abandon the real options depending on whether unfolding events make it more or less likely the conditions that would make them valuable will materialize. (*www.bglegis.com/globalEnergyRisk*)

Strategic Flexibility permits a company to proceed with certain international initiatives confident that they will be sustainable under a broad range of future scenarios, including those in which globalization unravels. This approach also provides a means for limiting dependence on international ventures whose future is not so assured. A stake in them can_be intensified, reduced, or abandoned as ongoing events provide better insights as to which way things are moving in the global arena.

Connections between liberalism, energy markets, globalization and transnational companies

The term globalization refers to the globalised market of goods, services and capital dominated by global corporations. Large international banks and globalised financial markets enable business operations around the world and transnational circulation of goods, services, capital and knowledge. Global corporations operate on global market by using capital and moving the capital and resources from one end of the world to the other for the purpose of their growth optimization and profit. The term globalization is closely related to multinational companies that operate on the global market. Although international corporations, particularly oil companies, appeared already at the beginning of the 20th century, their actual expansion in many industrial activities took place in the 1950s. Their strengths and advantages became fully prominent by the end of the 20th and the beginning of the 21st century as a result of political democratization, flourishing of liberal economies, technological advancements and development of communications, particularly Internet. Internet in combination with satellite telecommunication network provided a base for global information technology.

Energy activities, as infrastructure for economic activities, developed in tandem with capital and politics, by corporate managers and government representatives. In some cases political influence was very strong, although frequently hidden. Intensity of political control over oil industry differs on various continents. In addition, part of energy activities, which are characterized as natural monopolies due to the nature of network infrastructure in their operations, is of primary interest for any state's fiscal policy. For almost a century oil industry has been a primary source of tax income of a country (Dekaniæ, 2011, p.309).

Energy sources and transport routes caused a number of political conflicts, tensions and clashes. Energy and energy reserves, as an important precondition for achieving economic growth, represent one of the most important foundations for planning of the future. In such a context energy is beyond economic or development goals, it becomes a key political interest. It seems that the world became politically multi-polar once again, but at the same time there is one geopolitical constant – energy and energy resources. Today, it is clear more than ever that economic and political power go hand in hand with lines of force of energy geopolitics. It is more and more clear that energy superpowers, the United States, Russian Federation and China have also become economic superpowers. The United States certainly are a superpower for more than fifty years, Russia gains this position as energy prices go up and it possesses huge reserves, and China becomes a superpower by a combination of indigenous coal reserves activation and import of oil. Thus, energy and energy resources have a dominant role in determination of key directions of economic growth, but they also affect repositioning of political power. Energy is certainly a global development factor and energy geopolitics one of key factors for ensuring political power.

Thus, apart from globalization of markets and political powers, the modern world has entered into an era of global instability. With escalation of terrorist activities and deepening of political crises in the Middle East international oil prices started to rise and resulted in price increase of all other energy sources in the second half of the first decade of the 21st century until the mid 2008 when the world was struck by financial crises. Privatization and restructuring of energy sector in most Western European countries boosted use of natural gas in electricity generation. In addition, governments supported consumption of natural gas through environmental protection policies. Higher consumption of gas induced also more intensive technology transfer from developed to developing countries. Many governments promote use of natural gas and development of gas infrastructure. Considerable progress in these areas has been achieved in Eastern European countries where a number of enterprises are still state-owned, however, privatization and restructuring of energy entities gains momentum. (Dekaniæ, 2011, p.312).

Renewable energy sources have increasingly important role in the energy sector of the 21st century, although oil and gas have so wide application that we cannot talk about jeopardizing fossil fuels position. The cost of energy generated by renewable sources is still uncompetitive to enable development of wide application; however, its positive impact on the environment paves the way for expansion of renewable energy use. Apart from nuclear energy, some other primary energy sources have been challenged and have had their ups and downs in respect to intensity of construction, like hydro power for electricity generation. Hydro power is considered a permanent energy source; it depends on natural and investment potentials of a country, as such projects require large investments, but also on global technological advancements. Large hydro power plants give rise to growing concerns due to negative impacts on the environment. (Dekaniæ, 2011, p.312).

The oil price in macroeconomic perspective exhibits a large volatility. Increases in oil prices affects the industrial production, business cycles, current account deficits and financial markets. According to Bildirici and Omer Ersin the oil prices possess important characteristics such as nonlinearity, asymmetry, there sold effects should lead the policy makers to evaluate the policies to be applied with great care. The nonlinear volatility models capture the data generating process more effectively. The policies aimed at stabilizing the volatility of oil may have destabilizing effects on the production and on financial markets. This result translates itself to different derivatives and the economy and this destabilization effect is largely under the influence of persistence in oil prices and also in the external shocks that oil prices are subject to.

In general, the natural gas market in Europe has been dominated by long term contractual relationships that allowed a national operator to control the distribution of gas from producer to consumer and allowed little, if any, room for competitive threat from an third party supplier. Liberalization in natural gas markets usually means that capacity rights and transportation services are marketed separately. A chief benefit of this arrangement is that it should stimulate production at the margin by removing any constraints for potential producers to access a market, i.e. – it provides physical liquidity. In fact, a liberalized market may have facilitated a better reaction to the cut-off of supplies precisely because it would have allowed for a greater number of supply options.

Conclusions

Oil price is an important factor to the world economy performance. A price rise leads to a transfer of the income from the importing to the exporting countries via trade exchanges. The magnitude of direct effects duet the increasing price depends on the weight of costs for oil in the national revenue, on the degree of dependence on the import of oil, as well as on the capacity of the end users to consume less.

Effects are also tightly connected to the increase in the natural gas price resulting from the oil price rise, to the economy depending on natural gas and to the impact of high prices on other forms of energy, competing with oil or being generated based on it.

The faster oil price rises and the longer its high level lies maintained, the more important the impact on macroeconomic. For the oil exporting countries, its increase leads to the direct increase of the real national income through the high revenues achieved by exports. In the case of importing countries, the high price leads to inflation, to high production expenses and low investments. Revenue to the state budget decreases, increasing the budget deficit, which leads to a rise of the interest rate.

Romania adopted European Energy Charter as a part of international commitments in the process of joining integrated European community. This document represents one of the cornerstones of liberalization and regulation of the energy markets. The principle of separation of energy networks from energy production and trading and establishment of regulated system of energy transmission through energy networks represents the essence of regulated energy market in the European Union. It sets the rules for free access to energy networks and other elements of energy infrastructure, prevents creation of monopolies in managing of energy networks and affects development of energy markets. Implementation of these principles represents the core of the Third Energy Package for regulation of energy markets in the European Union. In addition, in parallel with transformation of European Community into European Union the energy strategies were redesigned in line with the principles outlined in European Energy Charter which promoted common regulation of energy markets and certain limitations to national energy policies. In this respect, Romania listed to the Bucharest Stock Exchange the companies Romgaz, Nuclearelectrica and Electrica, a process that is of interest for both Romania and foreign investors.

Basic principles of European energy policy were based on understanding that current situation on international energy market did not favor buyers and importers of energy, therefore western European countries supported EU regulated energy market with free access to all participants. Romania and its energy companies will have to adjust their energy policy to the process of globalization and its requirements, but at the same time to safeguard its national interests and work toward integration into European energy flows. Therefore it can be assumed that energy geopolitics and not global rationalism of sustainability will prevail for some time and affect relationships in energy sector and in planning of overall civilization development.

The neo-liberalism represents the interests of the capital investors and of the employers who preponderantly sustain the benefits of globalization by policies meant to liberalize the financial market, the capital, the technology, the international commerce and attribute to the state a minimum contribution in the social protection. The neo-liberal orientations of different nuances conceive globalization from the perspective of the free market by efficiently using the world's constantly dwindling resources, by maximizing the world's wealth for all the peoples and social categories. In their view, globalization will bring about a convergence of the economies of the developing countries with the developed ones. The economic integration of the developing countries within the global economy will occur by increasing the rates of economic growth.

Nevertheless, the free market economy does not bring only advantages for all the countries and all the social categories. It develops in a chaotic and contradictory manner with advantages for some and disadvantages for others. If the national states were completely eliminated from the market economy or reduced to a minimum of attributions for the protection of some socially handicapped categories, as some neo-liberal orientations sustain, then the nation-state would not be able to step in for the correction of anomalies and market economy crises.

Globalization is at the same time a necessary and objective process. To disregard the existence of globalization and remain outside this process as a national state or company would mean a condemnation to isolation and stagnation. Among the deviances of globalization are on the one hand the liberalization of markets, of the international commerce, of capital circulation, of technologies, of information, capable of generating an unprecedented economic growth and on the other hand globalization triggers a spectrum of social-economic inequities in which the gap between the heavy- industrialized countries and the majority of the developing countries and between the wealthiest social category and the poorest one is continually deepening.

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