Introduction

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Biographical notes: Bruno S. Sergi is with the University of Messina and the University of Greenwich Business School. He has taught international classes and has been Adjunct Professor and Guest Lecturer at universities and central banks' research departments in several countries worldwide. He has a long-standing interest in economic theory, transition economics and international economics. His expertise in analysing economic theory, especially in unstable political contexts, has led him to publish numerous scholarly articles and books. He works with several scientific journals as either an editor or a member of the editorial board.

I have the great honour in welcoming you to this inaugural issue of the *International Journal of Trade and Global Markets*, published by Inderscience Publishers. Let me take this opportunity to share my ideas for the *International Journal of Trade and Global Markets* and its future with you. We wish to be on the leading edge of research and debate concerning the most telling theories and policies relating to problems of international trade and global markets. The existing and still continuing reinforcing of processes and global trends in trade, investment, labour flows and so forth have become key subjects of analysis during the past few decades.

It is believed the course of globalisation of the world economy started around 1600 A.D., or that its roots go back to the appearance of state communities in Europe over the period 1400–1750. In fact, trade among nations expanded rapidly from 1600 to 1800, and has been expanding so quickly thereafter that world trade growth rates outpaced world output growth rates by the end of the 1990s. In addition, escalating foreign investment exceeded the growth of world output and the growth of international trade. Under a different perspective, the free flow of labour was impressive and capital moved freely among major countries between 1870 and 1910. Recall that 15 million people crossed the Atlantic to settle in North America during the second half of the 19th century.

As a recent example highlighting the importance of our journal's approach to such issues of concern, the collapse of communist regimes in East-Central Europe and Central Asia led to profound shifts in political, economic and social realities, which this journal will accept as the most momentous occurrence to date regarding global trade, finance and economy, and thus alter its coverage accordingly. Thus, in close cooperation with the Board and with the support of our prospective contributors, I would like to continue the adopted pathway and try to strengthen the Journal by focusing on certain topics and issues regarding globalisation I consider to be of high priority nowadays.

We might reckon that 19th century British liberal, Richard Cobden, as one of the then major theorists of globalisation, occurring as free trade ideals spread throughout the

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world, with the occurrence of more interdependent markets serving the purpose of inoculating the saving taste of civilisation of and for all nations involved in such trade adventures. Over time, foreign investment flows, a better use of human resources, investment in computers added much to simple trade flows and all have become the actual engine of world economic growth. Studying trade, global financial flows, and investment impact on technology and corporations – multidomestic, international, global and transnational-companies, this new journal is concerned with possible aspects of globalisation in its entirety.

Globalisation is a new way of thinking and managing production of goods and services; this is the greatest challenge to companies, whether they operate in a global competitive environment or not. Yet, the use of the term globalisation is a more recent phenomenon. Academic circles did not recognise this term until the 1980s. Unquestionably, after Canadian scholar Herbert Marshall McLuhan coined the expression the 'global village' in 1960, the notion of a global village that is interconnected by an electronic nervous system, became part of our culture and lives. Besides McLuhan who interprets the world as a computer and an electronic brain, we have several possible definitions of globalisation. They range from globalisation regarded as the increasing internationalisation of the production, distribution and marketing of goods and services, to global trends deemed to be functional integration of national economies within the larger circuits of industrial and financial capital.

Previous decades in fact have witnessed increasing interactions between continents and productive areas. Part of the world has benefited from these realities very much. However, the large poor masses of sub-Saharan Africa have not benefited substantially from the growth of international investment. It is this Journal's goal, therefore, to study how a country's competitiveness may be enhanced. It is beyond dispute that a global world offers to all countries major benefits. However, apart from potential benefits, global markets also bring risks, ranging from asymmetric transfer of economic cycles to some conflicts of interest. Although the decision to disregard the globalisation process would mean a country's marginalisation, the maximisation of benefits and minimisation of risks associated with globalisation in national economic areas, must become determinants of economic policy overall. Equally truthful is that globalisation entails both an increasing flow of goods and resources across national borders and the materialisation of a complementary set of organisational structures, which stand for strengthening the levels of interaction and interdependence between states and societies. Readers have to comprehend carefully we are moving towards global markets that increasingly interconnect people in all facets of their lives, that is, cultural, economic, political, technological and environmental. This constitutes the world economy nowadays, with increasingly interrelated national markets setting off both beneficial and negative aspects of globalisation.

If I state we are living in a period witnessing an unprecedented level of global integration, I can equally claim the same world was even more borderless between 1820 and 1913, and the world economy was more integrated at the end of the 19th century as well. Nevertheless, today's world differs significantly from the one of a century ago. The world economy is broader in terms of the number of national markets that are directly engaged, while it is also deeper in terms of density and velocity of interaction, and flows of trade and finance. In addition, the dominant mode of organisation for world economic transaction has changed significantly from trade and portfolio investment to internationalisation of production through increasingly larger corporations. Equally assuredly, however, is thinking that global markets are genuinely adhering to free trade ideals and that markets are interdependent nowadays, certainly is an illusion as well.

Let us importantly reflect on the mighty impact of the endless Chinese market and its huge workforce, while in a specific European context, we must bear in mind the introduction of trade relationships in Central European states, diverted from former Soviet bloc countries to West Europe after the implosion of communism in Europe. If we cannot and do not then draw a direct comparison between China and East-Central Europe, as newly emerging economies in Central Europe, which are privileged Western markets, then this comparison is only a sort of return to the past. In fact, between the first and the second World Wars, Central Europe's states strongly engaged in trade with West Europe. After 1989, there was a trade reversal, which we could dub as becoming a 'natural economic area' between Central and Western Europe.

In this context, therefore, overestimating the degree to which many intended and unintended consequences concerning globalisation's increasing momentum can alter, ruin, even support long-term policy initiatives anywhere on earth can be a mistaken notion, yet contribute to solutions as well. In a larger context, recent global market trends have not been least important in understanding the role of the information technology on technological progress. Sizeable investment on information technology helped the US economy to record rates of productivity change during the past 12 years. This could be part of skyrocketing productivity overall, but also come as a result of better managerial organisation in the USA.

If the exact impact of information technology on productivity growth rates is one of the most relevant questions that have troubled economists for decades, multinational enterprises appear to exhibit higher productivity rates overall. Remarkably, multinational enterprises that have been able to bridge investment on information technology and superior management and organisation behaviour, record the best results. If productivity growth was stronger in Europe than in the USA after World War II, a second phase coincided with the widespread use of computers coming into the work place. Europe's productivity continued to catch up with US productivity levels right up to the early 1990s. However, US productivity growth rates accelerated by the mid-1990s and they were accompanied by escalating investment in information technology that was without comparison in Europe.

Firm-level evidence gives rise to the puzzle of the difference between the USA and Europe in diverging productivity growth rates, and suggests that managerial areas could explain differences behind USA vs. Europe in productivity performance. In fact, US firms were better equipped to take advantage of the introduction of new technologies owing to their better organisation capabilities and forward looking choices. However, what has been thus far the impact of ever-increasing economic interdependence on national economies, despite increasing integration, in today's world in many ways is also fragmented and without coordination. These realities have troubled economists and business leaders for decades, and are the subjects we wish to explore further and beyond that which the scientific literature has done so, which will make this journal of greater interest for all of us. Though the interests of integration are not completely divergent as natural trade flows now reveal, research interest is testing whether this trend will cause more benefits or harm to new market economies.

As well, besides the long past and recent literature, which have not been able to settle the question firmly and unanimously, the main aspect of research methodology now reflects the applying of statistical methodology to trade and market relationships.

Investments also serve the multipurpose task of reducing the economic gap and easing the convergence of national or regional economies. Besides, investment in information technology advances comes through profound change in the fields of microelectronics, informatics – hardware and software – and telecommunications. The strengthening of the sector of informatics has had beneficial effects on production. For instance, it is easier to elaborate and memorise sizeable amounts of information, and it is possible to channel huge amounts of information every single second from one country to another. An exponential growth of users and uncomplicated access to information complete this picture.

Further developments in nanotechnology – a nanometre is a trillion of a meter – through nanorobots will lead progress in medicine, power production and so forth. All these occurrences are reinforcing the process of globalisation in finance and trade, and have most likely consequences on inequalities everywhere, hopefully positive. There are ongoing phenomena that we have to look at carefully. The strong but unbalanced economic growth in newly industrialised countries, is because of a catch-up effect, with resources transferred to more productive sectors, shift of labour-intensive production to low-cost countries, the lessening of ideological conflicts, tendency towards regional blocs, demographic change, and intensifying influence on nongovernmental organisations in addressing a wide range of international issues.

A concluding aspect that enters this indispensable analysis is there is slight evidence so far for some of the hypotheses that could provide an underlying principle for an association implying a causal relationship running from exports to domestic savings. It will be important to examine the relationship between the external sector and domestic savings, and whether positive external sector developments may contribute to increasing domestic savings.

Because the economic literature has not definitively answered these issues and is still weighing overall risks and advantages of global phenomena, the *International Journal of Trade and Global Markets* is a most valuable, timely, and above all crucial investment, worthy and worthwhile of all interested readers.