INTRODUCTION

The end of the first decade of XXI century has marked a collapse of financial system in the USA and many other western countries, which is followed by the economic recession, as well as by the intensified polarization of GDP dynamics in different parts of the world. Without any doubt the shift of world economic activity from the West to the East is accelerating. The gravity point of world economy, moves from the most developed market economies of the USA, Great Britain and Euro zone countries to the fast developing Asian economies lead by China and India, followed closely by economies of South Korea, Vietnam and of many other countries.

Repeated interventions of governments in financial institutions of free market economies have failed to preserve the neoliberal trends in economy. Nonetheless, they have reemphasized the growing need for searching for a new symbiosis between regulatory functions of governments and unconstrained development of free market. Under no circumstances should a human being (creator of financial, intellectual and spiritual capital) be perceived just as another form of capital. After all it is the market economy, which is for the people but not the other way around.

The rapid changes observed in the years 2007–2009 have exerted an enormous influence on the capital flows, as well on the process of capital accumulation in the world. The countries of Middle East and Asia (with China in a first place) but also particular countries, including Norway, Russia and Brazil, which can derive profits from the high prices of commodities, are able to deliver huge amounts of capital nowadays. Thanks to their investment dynamics, Sovereign Wealth Funds (SWFs), controlled by the governments have recently become worthy of much notice. This is due to the fact, that they make big profit from high prices of commodities and from commercial surpluses. A matter of considerable importance is also a phenomenon of remittances sent by ever growing number of emigrants to their mother countries.

Among the vast range of hot topics, that need comprehensive rethinking there are some, which pose a serious challenge to business analysts and economists. Multi–polar character of the contemporary world, together with the pressing necessity for reaching a general consensus on the new shape of financial system's regulations, must force the scientists to raise new questions and to revalue previous analyses. Another issue requiring thorough analysis and reexamination is the process of currencies' differentiation, which can uphold the real state of reserves and lead to emergence of new directions of transfer of capital. There is one question, that should be ask almost immediately.

How long will it take to restore both trust in financial institutions of the western world and trust in the values that used to lay the foundations for the expansion of market economy? Those good old values like: hard work, saving money, respect for a customer, observing ethical standards in business not to mention the necessary balance between the short term and long term objectives of a company, as well as between shareholders and differentiated groups of stakeholders.

There are also other questions to be answered. Is global economy going to experience a stable GDP growth from 2010 and later on? Is the process of growth polarization between the western and eastern hemisphere going to become more intense in the future? Should we expect further gradual rise in prices on the commodities market? How will those possible higher prices affect the growth of currency reserves in countries, which sell commodities? What will be the impact of the aforementioned factors on the process of shaping world multi–currency financial system? What forms and directions are capital flows going to take in such a differentiated world? What influence can all those issues exert on the expected changes in international institutions, and on the attempts to reach much desired consensus between world's super powers?

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Issues discussed in the following ten chapters focus far and foremost on theoretical aspects of capital cash flows in the global economy. They are accompanied by the attempts to take into consideration the consequences of the world financial crisis for the process of polarization, decrease and economic growth in the particular countries and regions.

Discussion about the cash flows and the process of creating the new world monetary system were meant, as a starting point for discussion presented in this volume. A. Szablewski, the author of the first chapter, puts great emphasis on the necessity of overcoming the moral crisis. He reveals, that the value crisis gains crucial importance, as it turns out to be crucial obstacle on the way toward re–establishing trust in corporations, financial institutions and authorities. He quotes G. Soros, who, while searching for new scientific paradigms, was able to formulate a new paradigm of financial markets, based on the theory of reflexivity.[11] He also endeavors to answer the vexed question often raised nowadays: will the renaissance of government interventionism, increasingly visible in the best developed world economies, became a sufficient recipe for overcoming the current crisis? On the basis of the latest GDP forecasts he makes the point, that the global economy crisis speeds up the shift of economic activity from the West to Far and Middle East. The shift affects the directions of capital flows, investment processes and wealth creation. Analysis of surpluses and shortages of capital in different countries reveal an unquestionable leadership of Sovereign Wealth Funds as new suppliers of capital. Finally, the author takes up the burning issues of creating multi–currency global monetary system in the next decade, weakening of the US Dollar, strengthening of the Euro and growing aspiration of Chinese Renminbi (new active policy of China).

[1] G. Soros, *The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What It Means*, Public Affairs, New York 2008.

In the second chapter, A. Bieć gives both economic and export forecasts for the global economy, as well as for the economies of particular countries and regions. He also takes into consideration crude oil process, food and metal prices and influence of financial market crisis on cash flow migration. Using IMF forecasts, he describes in detail his own GDP forecast and reveals his expectations for export growth in the world and selected regions up to 2015.

In the third chapter, K. Rybiński delves deeply into the theoretical analysis of reasons and results of the modern financial crisis of the western world. Later on he focuses on presenting monetary policies, asset bubbles as well as relations between credit and deposit ratio in particular countries. With regard to Poland, he qualifies the current anti–crisis policy of the Polish government as the *free rider strategy* and justifies his statement about the golden Polish decade in the 2010–2020. In the course of this chapter, he also asks many significant questions about both governments' attitude towards taking over financial institutions and about consequences of growing indebtedness of western countries for the process of inflation in the future.

K. Żądło, the author of the chapter four, emphasizes the issue of trust, which can easily function, as a way of risk perception. Global financial system – she notes – is based on the infrastructure of common trust. Deficiency of trust (constantly proved to be true judging on the behavior financial institutions) is a result of bad communication. Thus, she finds communication between companies and financial market to be crucial factor constituting the culture of trust.

In the fifth chapter, M. Mikołajek–Gocejna probes the issue of over–performance, as the key determinant of competitiveness of contemporary economies, sectors and enterprises. She also investigates with close attention the significance of utilizing investor relations in competition for capital. Later on, the discussion focus on the gaps in the system of communication between companies and their environment, including information gap, reporting gap, quality gap, understanding gap and perception gap. Ms Mikołajek–Gocejna argues, that accounting for investor expectations in enterprise is a form of value management. She also stresses the need for the new approach to investor relations.

The focus of chapter six is capital accumulation by China and India and its influence on the global economy. The author, A. Trzaskowski, first considers transformations in the Chinese and Indian economies in the era of market reforms, then moves to drawing scenarios for those great Asian economies. He successfully attempts to show the development of capital markets of China and India, as well as the process of capital mobilization through IPOs. This section allows the reader to appreciate the reforms of the financial system carried out by China and India. It also clearly depicts capital flows in those countries, including international investment positions, changes in foreign currency reserves, global economic consequences and Foreign Direct Investments (FDIs). Finally, he ponders on the influence, which the world financial crisis is going to exert on the economies of China and India in the future.

The topic of chapter seven is the globalization of venture capital investments. Its author, M. Panfil, begins his dissertation from briefly sketching out the history of venture capital development and then goes on to presenting both quantitative and qualitative approach to the use of venture capital funds in the main world regions such as: the USA, Europe and China. He believes, that the globalization of VC investments is systematically progressing, although its growth dynamics are rather weak. Presumably, in the near future China and India – as he notes – will absorb more and more venture capital, in particular from American VC companies, which are gradually getting better oriented in those markets.

In the eighth chapter, D. Ciesielska addresses the topics of services' offshoring and Foreign Direct Investment. She strongly argues, that the development of offshoring results from three basic factors: liberalization of international trade, intensified competition on global markets and development of IT technologies. She also tends to demonstrate, that the Foreign Direct Investment is one of the forms of capital placement. Besides other issues, she mentions General Electric, as an offshoring pioneer and reveals the sources of success of Indian global corporations in the field of offshoring.

In the ninth chapter, M. Grotte turns her full attention to the issue of migrant remittances in times of financial crisis. She reminds the reader, that international migrants constitute 3% of world population and states, that in 2005 their number was estimated at 191 million. Out of those economic migrants accounted for 93% and their number is expected to grow. She successfully attempts to fully describe the issue of migrant remittances and other financial flows, their scale and significance in different world regions. This section also gives an evaluation of the impact of remittances on recipient economies. The impact analysis have been conducted on macro–level impact, household–level. The perspective and impact of international financial crisis was also taken into account. Moreover, she studies the changing patterns of migration, as well as remittances' transfer costs and technologies. She is firmly of the opinion, that remittances are likely to become an even more important source of external finance in comparison to other international flows, either private or official. This however is under condition, that their resilience to financial crisis persists over time. One shall also bear in mind, that remittance numbers accounted for, are only those officially registered and informal flows are assumed to be significant.

The mechanism of shaping crude oil prices is the central point of discussion held in the final chapter. Its author, W. Potocki, attempts to point out, that capital flows can strongly affect both buying and selling transactions of crude oil. Discussing the theory of exhaustible resources vs. reality and non–structural models, he focuses on crude oil price and consumption, Hotelling's rule and on the explanation of discrepancies. Besides, he investigates the model of short–term market equilibrium and the crude oil price forecasts formulated on the basis of historical statistical data. His remarks on the issue of crude oil behaviour on the future markets, and particularly on crude oil price equilibrium model deserve to be considered seriously. Since a global energy crisis is the greatest threat to the world – as the author presumes – such a crisis can be successfully avoided, if within the next 10–20 years the world considerably reduces its dependence on crude oil by curbing consumption and developing alternative technologies.

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It was our prime objective to address this book to the vast range of audience, to scholars, lecturers, under– and post–graduate students of different economic disciplines, as well as to managers, investors and counselors. The chapters of this book originated, as papers prepared for a research project carried out by the authors in Collegium of Business Administration at Warsaw School of Economics. Our thanks are due, first and foremost, to Andrzej Herman, Dean of Collegium of Business Administration, WSE, for his constant support, friendly and warm atmosphere, that he was able to create in Collegium and for his efficient help.

The chapters in this volume were first edited in March 2009 by Difin in a work entitled *Migracja kapitału w globalnej gospodarce*. To the present edition, however, they have been revised, some of them even substantially reworked, in light of many discussions and new conclusions.

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We will be extremely grateful for all your views and comments.

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