

# Introduction to Globalization

*THE CONTEMPORARY WORLD (PS 1A)*

# What is Globalization?

Globalization is a broad term mostly linked to the economic aspect: the integration of national economies into the international economy by trading, foreign investment, flow of capital resources, movement of people or migration, the proliferation of technology, and presence of military.

It is mostly identified to be powered by a combination of economic, technological, socio-cultural, political, and biological aspects.

## Key Definition

"The intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa."

— Anthony Giddens (2013)



# Understanding Globalization: Key Perspectives



## Compression

The world turns small in which everything is not far to reach and accessed by everyone. It breaks the gap, boundary, or barriers between nation-states to create common consciousness.



## Intensification

The extent and strength of consciousness or practice not limited to a specific geographical place but able to cross the borders of nation-states.



## Transplanetary Process

Increasing liquidity and growing multidirectional flows of people, objects, places, and information across the globe.

As espoused by Ritzer (2015), globalization is a process involving increasing liquidity and growing multidirectional flows of people, objects, places, and information as well as the structures they encounter and create.

# Four Dimensions of Globalization

Manfred Steger (2009) states that globalization is the expansion and intensification of social relations and consciousness across world-time and across world-space. He cites four main dimensions:

1

## Economic

Intensification and stretching of economic interrelations around the globe. It embraces the occurrence of a new global economic order, the internationalization of trade and finance, the dynamic changing power of transnational corporations, and the greater role of international economic institutions.

2

## Political

Intensification and expansion of political interrelations around the globe. It comprises the modern nation-state system and its changing place in today's world, the role of global governance, and the path of our global political systems.

3

## Military

Intensification and stretching of military power across the globe through numerous means of military power (nuclear weapons, radiation weapons, weapons of mass destruction). This occurs across offensive and defensive uses of power and survival in the international field.

4

## Cultural

Intensification and expansion of cultural flows across the globe. Culture refers to "the symbolic construction, articulation, and dissemination of meaning." Topics include the development of a global culture, the role of media in shaping our identities and desires, and the globalization of languages.

# Ecological Dimension & Globalism

## Ecological Globalization

Topics include population growth, access to food, worldwide reduction in biodiversity, the gap between rich and poor as well as between the global North and global South, human-induced climate change, and global environmental degradation.

## Globalism vs. Globalization

Steger separates globalization (the process and direction of change over time) from globalism (a set of ideologies ranging from the worship of the free-market to global jihadism). Globality is a "single socio-political space on a planetary scale."



# A Brief History of Globalization

The contemporary world is the era of a digital-driven period of globalization called "Globalization 4.0." But when did globalization start? What were its major phases?

## Silk Roads (1st century BC–5th century AD, 13th–14th centuries)

For the first time in history, luxury products from China started to appear in Rome after being hauled for thousands of miles along the Silk Road. Trade had stopped being a local or regional affair and started to become global.

1

2

3

## Spice Routes (7th–15th centuries)

Islamic merchants spread trade as the new religion spread from its Arabian heartland. By the early 9th century, Muslim traders dominated Mediterranean and Indian Ocean trade. The main focus were spices from the fabled Spice islands in Indonesia.

## Age of Discovery (15th–18th centuries)

European explorers connected East and West and accidentally discovered the Americas. The Portuguese, Spanish, Dutch, and English first "discovered," then subjugated, and finally integrated new lands in their economies.

# The World Wars & First Wave

## First Wave (19th century–1914)

Great Britain dominated the world geographically through the British Empire and technologically with innovations like the steam engine. It was the era of the First Industrial Revolution.

## World Wars (1914–1945)

Financial markets caused a breakdown of the global economy. The Great Depression led to the end of the boom in South America and a run on banks worldwide. By the end of WWII, trade as a percentage of world GDP had fallen to 5%.



# Second & Third Waves of Globalization



## Second Wave (Post-WWII-1989)

Under US leadership and aided by technologies of the Second Industrial Revolution (car and plane), global trade started to rise. This happened in two separate tracks as the Iron Curtain divided the world into two spheres of influence.



## Third Wave (1989-2000s)

When the Iron Curtain fell in 1989, globalization became truly global. The WTO encouraged nations to enter free-trade agreements. In 2001, China became a WTO member and started manufacturing for the world.



## Digital Integration

The internet connected people worldwide in an even more direct way. Global exports reached a milestone, rising to about a quarter of global GDP. Trade grew to about half of world GDP.



# Globalization 4.0: The Digital Frontier

## The New Frontier

In a world increasingly dominated by two global powers, the US and China, the new frontier of globalization is the cyber world. The digital economy is now becoming a force to reckon with through e-commerce, digital services, and 3D printing.

It is further enabled by artificial intelligence, but threatened by cross-border hacking and cyberattacks.

## Negative Globalization

At the same time, a negative globalization is expanding through the global effect of climate change. Pollution in one part of the world leads to extreme weather events in another. The cutting of forests in the world's "green lungs" has devastating effects on biodiversity and the capacity to cope with greenhouse gas emissions.



# Key Takeaways

## Connected World

Globalization has been in circulation a very long time ago. It has affected the system of every nation's society and thinking.

## Intensification of Relations

Globalization is the intensification of worldwide social relations that enable the global society to be connected, that every event affects one another leading towards progress and development.

## Process of Transformation

As a process, globalization transforms social relation and transaction into a transcontinental or interregional flow of network activity and exercise of power.

- ❏ **Alternative View:** Many commentators view globalization differently. Martin Khor, President of the Third World Network in Malaysia, referred to globalization as colonization.

