

Is globalization a new phenomenon in world politics? essay sample

[Economics](#), [Globalization](#)



In my essay, I will analyse the statement of globalization being a new phenomenon and I will look at the ideas that would suggest this. It is however in my opinion that globalization is not a new phenomenon but a steamroller that has constantly picked up speed to become the issue it is today. I intend to look at the differences in the ideas of modern globalization to those of the sixteenth through to the nineteenth century using the ideas of great economists such as Andre Gunder Frank, David Ricardo, Kevin O'Rourke and Jeffrey Williamson as a basis of my argument.

In a way, to say that globalization is a new phenomenon is to say that international trade is a new phenomenon too. This idea has been one of many classical economists including that of the British economist David Ricardo. In his arguments, mercantilism has often been compared to and seen as an early form of globalization going back as far as the sixteenth and seventeenth centuries, with mercantilism being an important part of economic and political structures. When Ricardo talked about mercantilism and the politics behind it, many similarities to globalization can be seen, questioning the idea of globalization just being a more recent world development. For a country to have a great economic and political position it needed to colonise so it could gain access to more natural resources and precious metals, share the wealth of other countries and set up a wider trade network.

During this period of the sixteenth and seventeenth centuries, many governments were intervening and dictating the economics of its country making many countries into a closed economic system causing inflated

prices on goods and preventing the development of a better standard of goods. When these methods were reformed and more countries opened up to a free market, the first step to globalization was taken. In his ideas, Ricardo also wrote of countries specialising in a particular industry so different countries could trade with each other for a greater good. This was first seen between three of the major powers in Europe, Britain, Germany and France when they started to trade openly seeing a shift from the idea of mercantilism towards more classical economic ideas. This was an earlier model of a modern theory of globalization. 1

With the free market system growing and taking place it attracted ideas of imperialism which caused many theorists to criticise the economic powers by suggesting that poorer and more underdeveloped countries were being raped and stripped of their resources. It was then when Lenin spoke about imperialism being the exploitation of the quasi-colonies by the financial capitalists. The similarities of the problems of globalization can be seen here too as more recently the discontent lies with multi-national corporations(MNC) gaining a profit of exploiting the cheaper labour pool of the third world. 2

One early example that backs up this view of globalization is from 1912, when general electric and standard oil where the dominant MNC's in both their fields of electricity and oil respectively. Both these MNC's were dominant in certain areas of the globe with both being richer and more powerful than a majority of governments throughout the world. These

companies were allowed to expand to other countries as at the time the colonisation of the European powers and America was happening.

“ There was a single global world economy with a worldwide division of labour and multilateral trade”.³ This was stated by A. G. Frank referring to the time of the 1500's, suggesting globalization has been around for over 5,000 years.

I understand the basis of such a view as, at this time, many Europeans were travelling the world with America been discovered only 8 years beforehand. As the Europeans travelled the world, many trade networks were opened up and the European nations made their influence felt all over North America.

“ ‘ Globalization’ emerged as a buzz word in the 1990's, just as ‘ interdependence’ did in the 1970's, but the phenomenon it refers to are not entirely new”

The argument of globalization not being a new phenomenon can be taken even further by saying that ever since man has travelled and left his place of origin; a basis of globalization has existed.⁵ Globalization has only become a recent issue as there has been a more dramatic spreading of networks altering the economics and cultures of countries, and has only recently become a ‘ buzz word’.

There are many political and cultural exchanges too that suggest globalization is not merely a new phenomenon. An eighteenth century example of this was when America declared its independence breaking away

from rule of the British government and monarchy, a revolution which inspired similar revolutions in Europe such as that of the French Revolution. Even cultures were beginning to spread through the arts, most particularly western influence and exchanges of culture to South America, Africa, parts of Europe and the Middle East. Many religious cultures were exchanged and spread too with many parts of Africa and Japan converting to Christianity. Although on its own this is clearly not enough to state that globalization existed, it is just yet another factor in saying that it did.

However, even though it's been argued globalization was clearly under way by the eighteenth century, an alternative argument can be put forward. There is never any dispute over the fact that there was a large global trade network but there is no means that can imply a rise in global trade necessary involves globalization. Many goods were traded from places such as Asia to Europe and their goods often fetched far higher prices in Europe due to the tariffs placed causing the failure in having a single global market. This is a clear step away from globalization at the time.

During the great wars and depressions throughout the world between the 1920's and 50's, many factors of globalization had gone into reverse with many tariffs being once again implemented. However, once the Second World War had finished, globalization went into overdrive with the same factors as before but this time new factors were emerging. One of these factors was that a world bank was set up for helping countries re-develop and there was also a large growth in international financial markets. 7

For me, the major factors involved when looking at globalization as a new phenomenon were when the world moved to a floating exchange rate and the development of the World Trade Organisation, who were committed to lowering trade barriers. However, it is because barriers on trade still exist and many countries have their backs turned to the capitalist west that globalization has not yet reached its full potential but it is still growing.

However, even if globalization is not a new trend, is there any way in which its future can be seen? It is quite clear to see that current trends suggest that countries are not just out to obtain free trade but regional trade treaties with the idea of globalization still being a figurehead as an economic and political goal. Despite this, regionalism is also kept on a high agenda with the European Union, the North American Free Trade Agreement and the African Union being examples of regionalism. Thus the question remains open about whether globalization goes back centuries or whether it is a more recent phenomenon with the idea of globalization still growing.

There is nothing particularly new about the existence of globalization; its recent emergence can be due to the way in which globalization has recently gone through a period of rapid escalation. Otherwise it is hard to see any clear defining qualities that globalization holds that has not been present in the previous centuries. One reason that could explain this is due to the fact that in the early twentieth century through to the 1950's, globalization had in effect gone into reverse causing its re-emergence to be seen as a 'new wave' of globalization.

It is in my opinion, that although there were many early signs of globalization in the sixteenth through to the eighteenth century, there was never enough to say that globalization was a real factor and was only starting to develop the potential to become one. However, by the nineteenth century there were many things to suggest globalization was in full swing. This is because people were travelling the world as was goods and money, the lives of people were beginning to change, cultures and political ideas were too exchanged. Also, many forms of communication networks were being set up paving the way for even more trading and political exchanges, with Britain leading the way with the adoption of a free trade policy.

Although globalization is arguably more dominant now than ever before with more influential factors, the basis of it has existed for over 200 years picking up speed and development with the occasional relapse along the way. In effect globalization now is felt more in the way more countries are affected by it and more MNC's have emerged, a factor that was not really seen for the most part of globalizations development.

References:

“ Globalization has thus not been a sudden novelty. It goes back to the three last centuries, and went through different stages”

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2 K Waltz. Man, the State and War

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