

Globalisation and Development Centre



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Contents and Introduction of:
**Measuring Globalisation
and its Consequences**

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1 Introduction

During the last few decades, human dynamics, institutional change, political relations and the global environment have become successively more intertwined. While increased global economic integration, global forms of governance, globally inter-linked social and environmental developments are often referred to as globalisation, there is no unanimously-agreed upon definition of globalisation. It means different things to different people. Depending on the researcher or commentator, it can mean the growing integration of markets and nation-states and the spread of technological advancements (Friedman, 1999); receding geographical constraints on social and cultural arrangements (Waters, 1995); the increased dissemination of ideas and technologies (Albrow, 1996); the threat to national sovereignty by trans-national actors (Beck, 2000); or the transformation of the economic, political and cultural foundations of societies (Mittleman, 2000). Scholte (2002, p.6) argues for the globalisation concept moving beyond being a buzzword for almost anything that is vaguely associated with it. Otherwise, discourse on globalisation runs the risk of being brushed aside as being "... 'globaloney', 'global babble' and 'glob-blah-blah'".

If things weren't sufficiently confusing, there has also been a spawning of preferred terms and descriptors. Keohane and Nye (2000, p.105) distinguish between globalisation and *globalism*, where the former term refers to the process by which globalism, i.e., "the networks of interdependence at multicontinental distances", is altered. The concept of internationalisation is also significant.¹ It refers to the role of the nation-state, often in cooperation and interaction with other nation-states, in adapting to global challenges. In contrast, globalisation is often thought to be a direct threat to the existence of the nation-state itself. So, by and large, internationalisation is best thought of as the response to globalisation.

The world increasingly shares problems and challenges that are not confined within national boundaries. Multi-regional financial crises, world-wide pandemics and cross-border pollution are obvious examples. Such problems place the spotlight on the world's most prominent *supra*-national organisations – the United Nations (UN), the World Bank, the World Trade Organisation (WTO) and the International Monetary Fund (IMF). Citizens' interests and welfare are increasingly being affected and, according to some, undermined by these bodies. If true, not only might such a development threaten representative democracy, but it potentially abrogates the role of the nation-state itself.

It's also clear that globalisation is something more than a purely economic phenomenon manifesting itself on a global scale. Friedman (1999) associates modern-day globalisation with Americanisation (or more pointedly, U.S.-isation)² And, after all, shouldn't everyone just flow with the times and spell globalisation with a 'z'!? Fiss and Hirsch (2005) analyse full-text datasets of newspaper articles and press releases related to globalisation and show that the globalisation discourse emerged as a response to greater U.S. involvement in the international economy. Between 1985 and 1998, the use of the term "globalisation" increased substantially. The authors argue that the term originates in the early 1970s, with little consensus of what it means or how it should be defined. Politically, socially and culturally, globalisation is thought to erode national cultures due to the pervasiveness of the global media and the information and communication technologies (ICT) revolution. The economic dimensions of globalisation have an impact. The flows of goods and services and factors of production – labour and capital – have both direct and indirect effects on the

¹ See, e.g., Sassen (1993), Chomsky (1994) and Held *et al.* (1999).

² In the view of Ritzer (1993) an even better descriptor may be "*McDonaldization*".

nation-state.³ With respect to the latter, national policies are affected – internationalisation, recall – and the economic, political and socio-cultural fabric of societies is fundamentally changed.

Among the more visible manifestations of globalisation are the greater international movement of goods and services, financial capital, information and people. In addition, there are technological developments, new and enhanced legal systems and institutions which facilitate these flows. On the cultural front, there are more international cultural exchanges, the spread of multi-culturalism and greater cultural diversity within many countries. Such developments are facilitated by the freer trade of more differentiated products as well as by tourism and immigration. Flows of immigration – both legal and illegal – also contribute to today's melting pot societies.

For many commentators, particularly economists, there is little doubt that globalisation has produced significant gains at the global level. Foreign trade in goods and services, capital, technology and labour all move more freely across borders. In addition to economic gains, there have been significant benefits in the areas of culture and governance.⁴ Public awareness of issues such as human rights, democracy and gender equality has increased significantly because of the greater access to newspapers, radio, television, telephones, computers and the internet. These developments have arguably led to improved allocative efficiency which, in turn, enhances growth and human development.⁵

At the same time, globalisation is also perceived as creating new threats: to individuals, societies and eco-systems. There are fears that it may exacerbate the gap between rich and poor – both within and across countries – creating new threats to human security in terms of financial volatility, political and cultural insecurity and environmental degradation. In other words, the beneficial, innovative and dynamic aspects of globalisation are being tempered, and according to some more than offset, by forces that create disruption and marginalisation, such as population growth and migration, the emergence of infectious diseases, widening disparities in development world-wide, climate change, an accelerating loss of biodiversity and the scarcity and pollution of fresh-water resources.

³ See Gaston and Nelson (2004).

⁴ See Falk (2000).

⁵ See UNDP (1999).