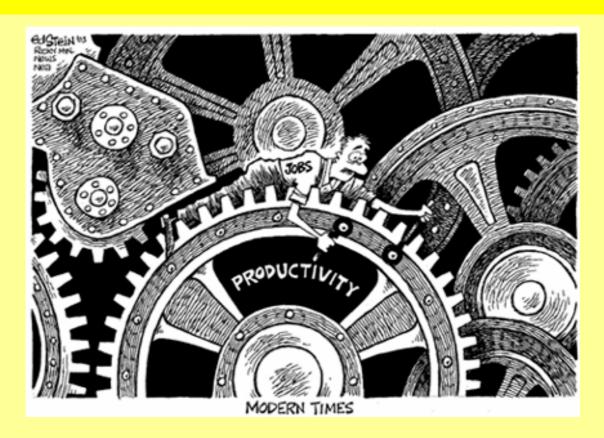
# Globalisation

# The backdrop to present IR theory formation ??



## Globalization

"...in its simplest sense globalization refers to the widening, deepening and speeding up of global interconnectedness...."

—Held, McGrew, Goldblatt, and Perraton, 1999. *Global Transformations: Politics, Economics and Culture* 

## **A Definition**

- \_ "Globalization: A process (or set of processes) which
- embodies a transformation in the spatial organization
- of social relations and transactions assessed in terms
- of their extensity, intensity, velocity and impact –
  generating transcontinental or interregional flows and
  networks of activity, interaction, and the exercise of
  power"
- \_ Anthony McGrew: Sustainable Globalization. In: Allen
- & Thomas (eds.): Poverty and development into the
- 21st century, 2000, p. 348.

### **Another Definition of Globalization**

 Waters (1995) defines globalization as a broad social term: "A social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding"

Malcolm Waters, Globalization, London 1995, 2nd.ed.2001

# Time/Space compression

- "A sense of the shrinking of distances through the dramatic reduction in the time taken, either physically (for instance via air travel) or representationally (via the transmission of electronically mediated information and images), to cross them.
- (Tomlinson, J.: Globalization and Culture,
- 1999, p.3)

#### The path of globalization

Arena (trend)	16-19 <sup>th</sup> centuries	19-20 <sup>th</sup> centuries	21st century
Economy	Capitalist World-	Multinational	Lifestyle
(liberalization)	system	Corporatism	Consumerism
	Crisis of capitalism	<b>↓</b>	<b>↑</b>
Policy	Bourgeois state	International relations	Disétatization and
(democratization)			Value politics
	<b>↓</b>	Crisis of the state	<b>↑</b>
Culture (universalization)	Divided subcultures	Integrated National Traditions	Global Idealization

Source Walters (1995) p. 159.

Main path of globalization ———

Predominant pattern of causal efficacy ------

# Held & McGrew: The Global Transformations Reader (2000)

### Three perspectives on globalization:

- Sceptics: State still important
- Hyper Globalists: markets most important (not state)
- Transformalists: Multi-layered phenomenon, also social & cultural

# "Sceptics"

- "People are less mobile than goods, money
- or ideas; in a sense they remain
- "nationalised", dependent on passports,
- visas, and residence qualifications"

- (P. Hirst & G. Thompson (1997):
- Globalization in Question, p.171)

## "Hyper Globalists"

- "Economic globalization is constructing new
- forms of social organization that are
- supplanting, or will eventually supplant the
- traditional states as the principal economic
- and political units of world society"
- (Held, D. & A. McGrew (2000): Global
- Transformation.... p.3)

### "Transformalists"

"Globalization is perceived as a powerful transformative force, which is responsible for a "massive shake-out" of societies, economies, institutions of governance and world order"

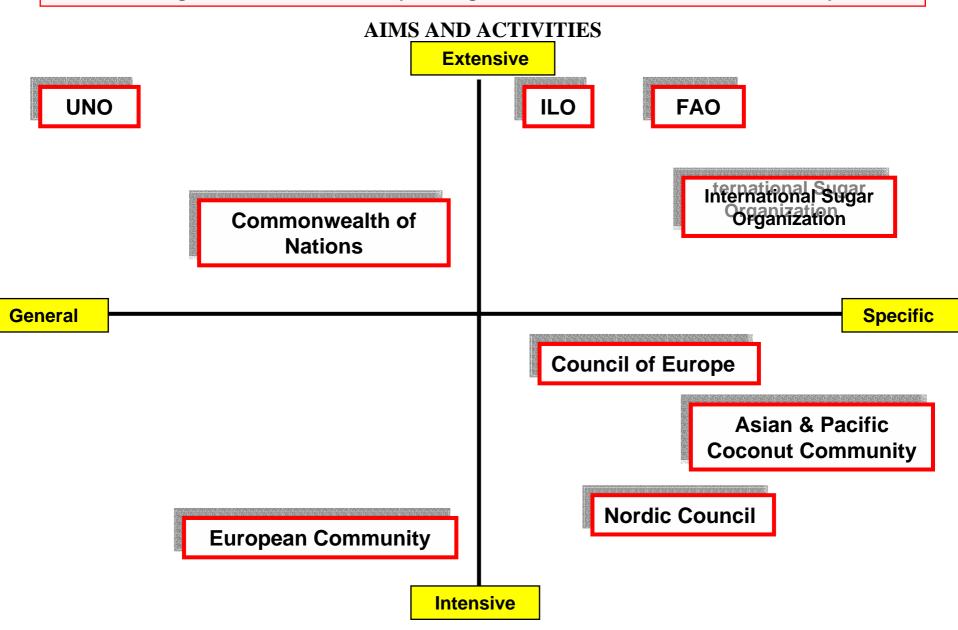
(Held & Mc.Grew, p. 7)

# **Globalisation inputs (1)**

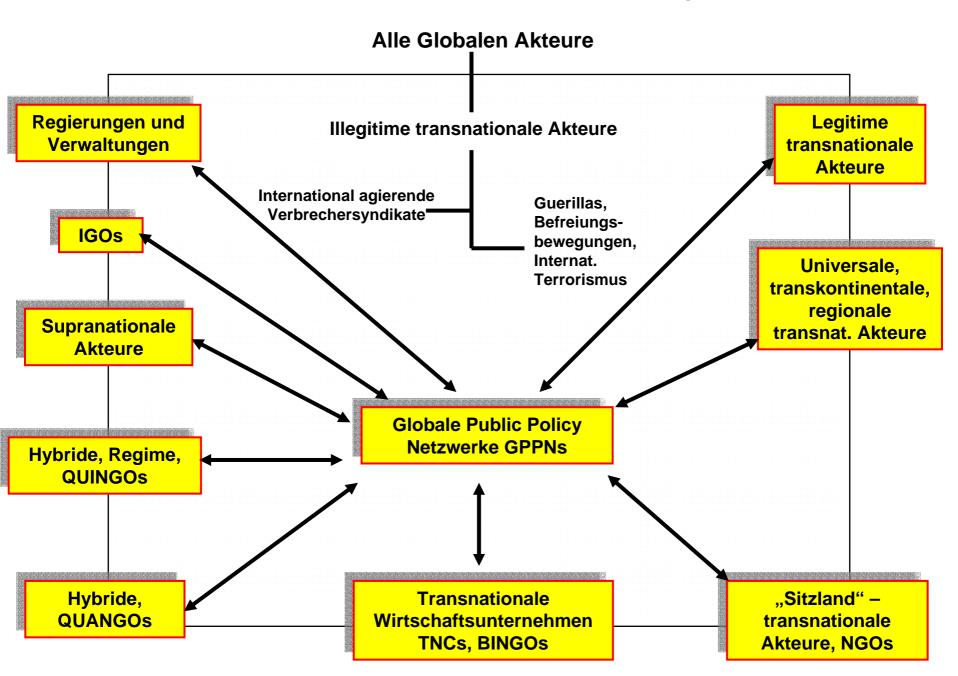
The increasing role of non-state actors



... an international organization can be defined as a formal, continuous structure established by agreement between members (governmental and/or non-governmental) from two or more sovereign states with the aim of pursuing the common interest of the membership...



#### **Internationale Akteure – Differenzierung**



**QUINGO** = Quasi intergovernmental organization

**QUANGO** = Quasi nongovernmental organization

**BINGO** = Business International Nongovernmental Organization

**GPPN** = Global Public Policy Network

QUINGOS &QUANGOS = Mischformen zwischen regierungsamtlichen und nichtregierungsamtlichen Akteuren

GPPN = Allianzen von Regierungsbehörden, Internationalen Organisationen, öffentlich-rechtlichen und privatrechtlichen Körperschaften

#### Verhältnis staatlicher/nichtstaatlicher nationaler und internationaler Organisationen\*

Das internationale System setzt sich zusammen aus

- » weniger als 200 Staaten
- » ca. 250 IGOs (UN, NATO, EU, OSZE usw.)
- » ca. 6600 INGOs mit weltweiter, interkontinentaler oder regionaler Mitgliedschaft (z.B. Amnesty International, Kirchenbünde, das IRK, die FIFA usw.)
- » ca. 10.000 NGOs mit überwiegend einem Land zuzurechnender Mitgliedschaft ("Sitzland-NGO"), die aber gleichwohl signifikante internationale Aktivitäten unterhalten (z.B. Freedom House, USA; Medicins sans Frontieres, Frankreich; Cap Anamur, BRD)
- » ca. 64.000 transnationalen Konzernen (TNcs, BINGOs) mit über 860.000 nationalen Tochterfirmen
  - \* Nichtstaatliche internationale Organisationen: näherungsweise

**Terminologische Neuorientierung:** 

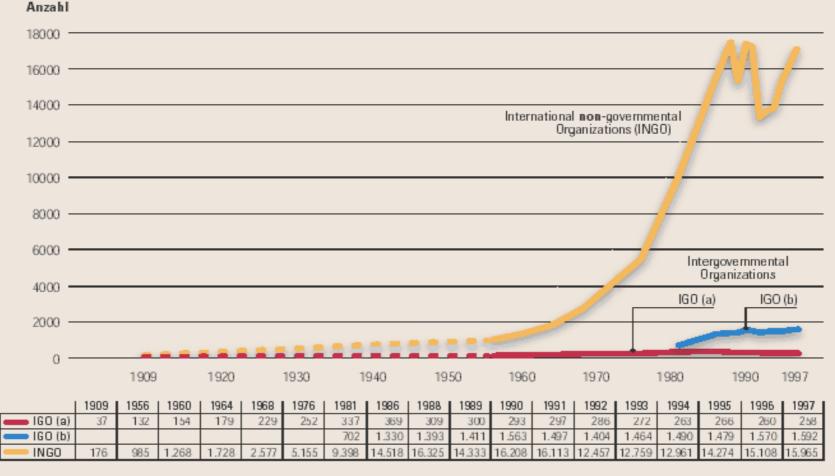
nichtstaatliche internationale Akteure



transnationale Akteure

#### Wachstum der Menge internationaler Organisationen

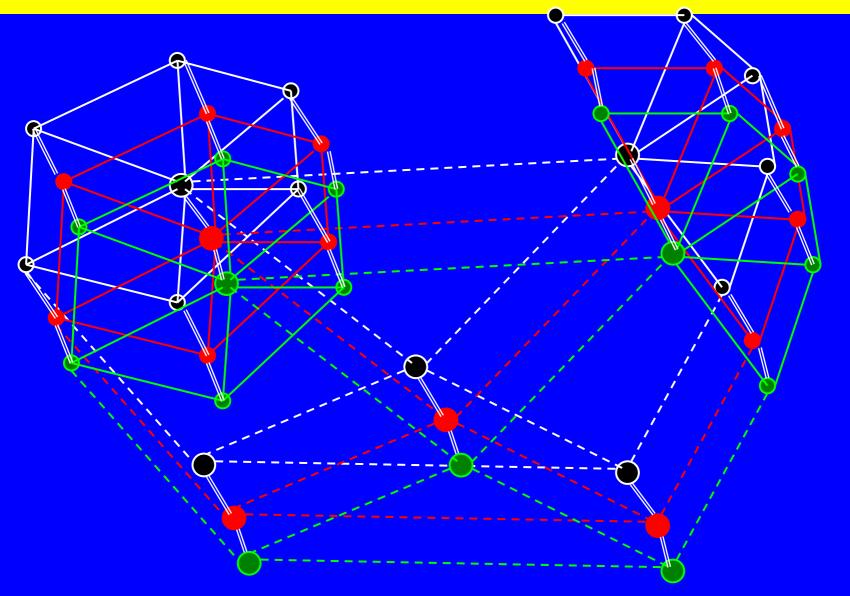
1909-1997



IGO [a]: die Summe aus v\u00f6lkerrechtsf\u00e4higen, universellen, interkontinentalen und regionalen "Intergovernmental Organizations" ["Conventional International Bodies")
IGO [b]: die Summe der orts-, personen-, organisationsgebundenen, und nicht v\u00f6lkerrechtsf\u00e4higen "Intergovernmental Organizations", erg\u00e4nzt um Organisationen spezieller Form und international orientierte, nationale Organisationen ["Other International Bodies")

INGO: die Summe der entsprechenden "International Non-Governmental Organizations" ("Conventional" und "Other International Bodies") Nach Hauchler u.a. 1999: 370 (Quelle: UIA 1996: 1685, 1997: 1763)

### **Cobweb model of international Relations**

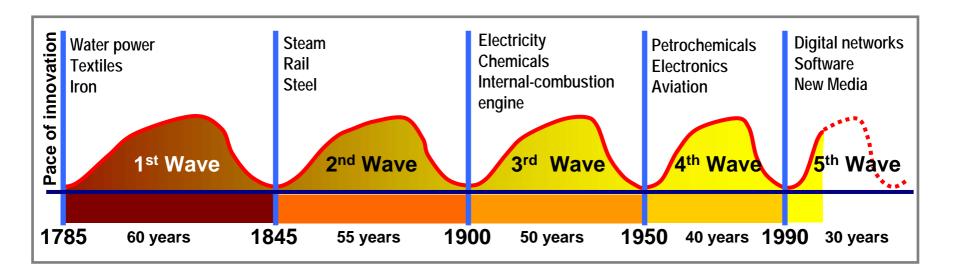


# **Globalisation inputs (2)**

### **Technological developments**



# Long Wave Cycles of Innovation



## **Driving Forces of Globalization**

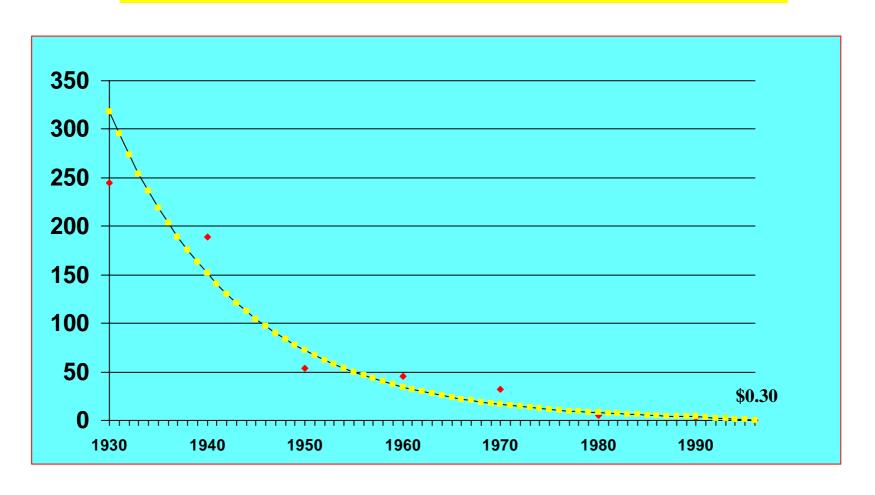
- **A reduction in official obstacles/barriers** for conducting business with foreigners
- Fast reduction and convergence of transaction costs associated with doing this business

# Examples of price decline in transport and communication

- Between the early 1980's and 1996 real sea freight costs fell 70%.
- Real air freight costs have fallen 3-4% a year over a long period.
- Real costs of international phone calls fell 4% a year in the developing countries in the 1990's and 2% a year in the industrial countries.

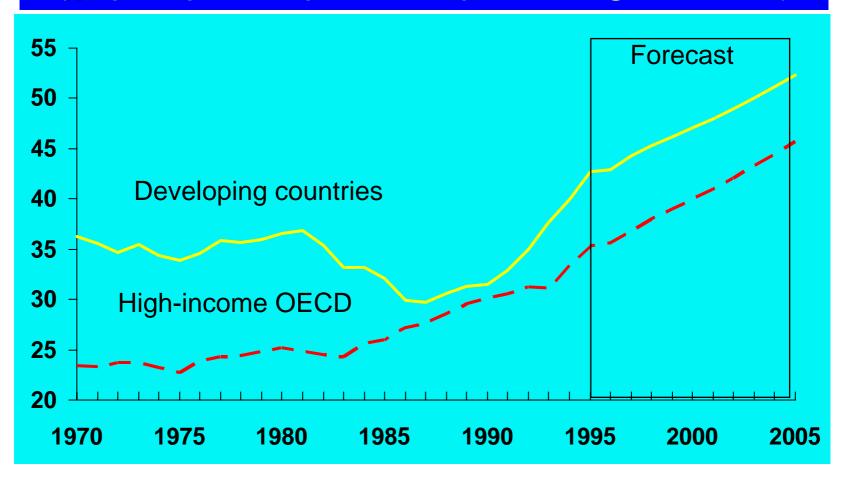
### Cost of a 3-Minute Telephone Call, New York to London

(Constant 1990, U.S. \$)



# Trade to GDP Ratios Rose Dramatically over the Last Decade

(Export plus import as a percentage of GDP)



# **Examples of Innovation Driving Improved Quality/ Lower Cost**

Containerization easier tracking less pilferage/losses faster port services **Electronic data** easier tracking faster delivery interchange (better scheduling) just-in-time inventory management Fiber optics Lower costs

### **Global Production Networks**

#### **MNEs**

- Proprietary Technology
- Management Know-How
- •Global Brands
- Global Distribution
- Scale

#### **Local Firms**

- Low Labor Cost
- Local Knowledge
- Domestic Distribution

- Direct Ownership
- Joint Venture
- Licensing
- Franchising
- Supplier Agreement

# **Special Characteristics of GPNs**

- Certain parts of the world have become magnets for GPN in recent years--the Mexico-US. border; Guandong, adjoining Hong Kong; parts of Poland; parts of Malaysia; the Bombay and Bangalore region in India--this is where growth rates are often hitting 10% a year--and where the upgrading to higher value-added activities is occurring most rapidly
- Many studies have also shown that foreign firms usually pay higher wages, have higher productivity, and greater export orientation--their difficult to replicate assets enable that
- Many studies have shown that firms which engage in global production enjoy unique, difficult to replicate assets-usually technology or differentiation

### Have a look on the handout...

...too much info for one slide....



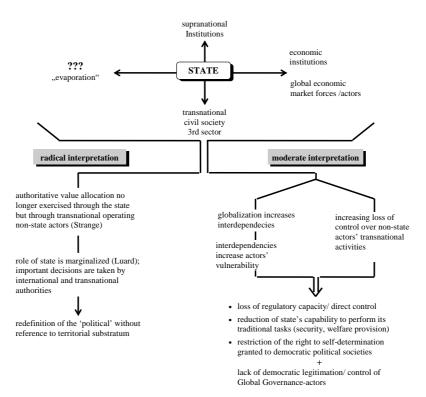
#### Globalization and the State

#### GLOBALIZATION

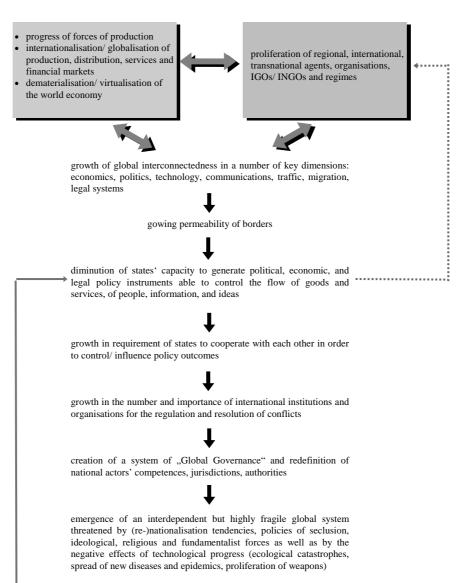
decline of state's power/ autonomy / regulatory capabilities and potentials

general change of social and political structures, particularly territorial organized forms of political power

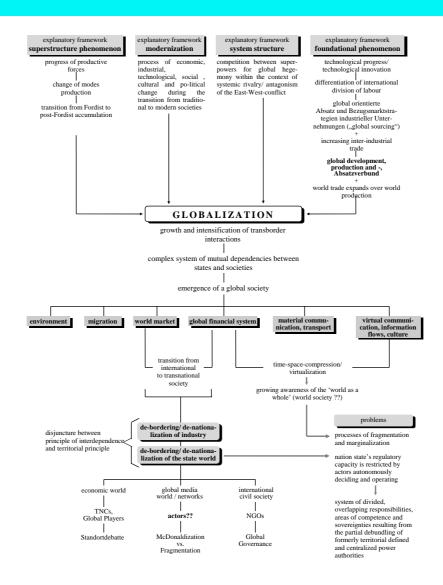
territorial defined authority of the nation state is challenged by non-territorial competitors ("unbundling of sovereignty")



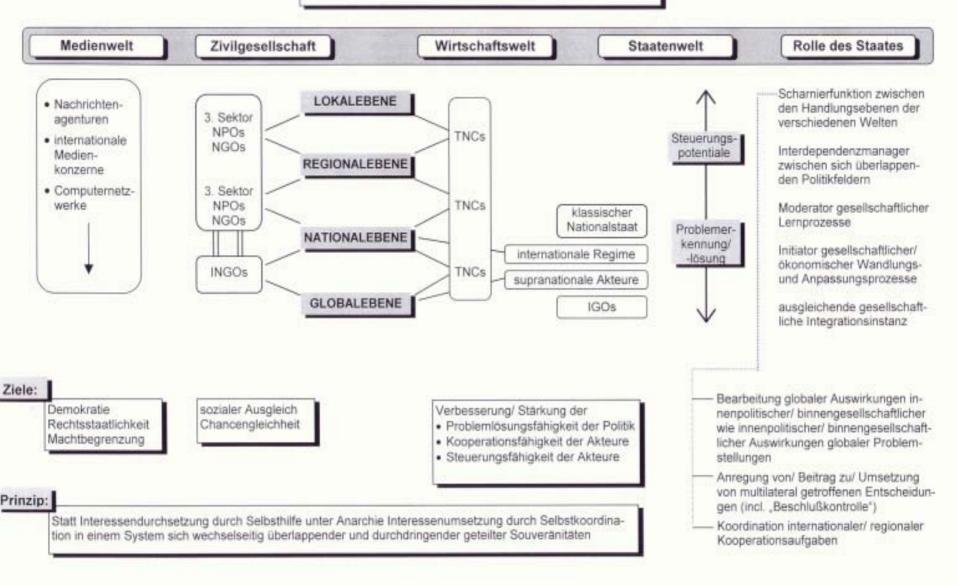
#### Loss of Sovereignty, Debordering, Global Governance. The national actor's new environment?



### Globalization: Explanation & Phenomena



#### **GLOBAL GOVERNANCE**



"What is called 'globalization' is really another name for the dominant role of the United States."

— Dr. Henry Kissinger, former U.S. Secretary of State, from his lecture "Globalization and World Order," Trinity College, Dublin, October 12, 1999.

Thank you ever so much, dear Henry...;-))