



# The Globalized World

*Stacy McKernan*  
*English 215*

Globalization is a phenomenon and a revolution. It is enveloping many countries while leaving others behind. Thus, many people question if globalization is beneficial to the global community. This was seen in the World Trade Organization protests held in Seattle a few years ago. To understand the debate of the globalization dichotomies, citizens of all nations should know what it is and how it affects everyone socially environmentally and economically. It is defined as “a process of interaction and integration among people, companies, and governments of different nations; a process driven by international trade and investment aided by information technology” (Carnegie).

Many countries, such as the United States and Japan, have flourished in this world revolution with increasing economic wealth, higher standards of living, and new social order, with the spread of democracy. On the other hand, many underdeveloped nations do not have the resources and capital investments to become a part of the phenomenon and are consequently left with only the negative impacts while the rest of the world progresses around them. Nonetheless, citizens of globalized countries are unwilling to give up their high standards of living. However good or bad the globalization phenomenon may be, it is an inevitable process that will continue to cause regions to prosper positively or fall deeper into poverty.

Globalization has been economically beneficial to many developed countries such Sweden, Japan, and the U.S.. Although most people perceive globalization as a relatively new phenomenon, it has been actively concurrent throughout history, only recently has it rapidly increased. In the late 1800s, Sweden was poor and unable to produce enough food to meet the needs of its population. Despite the lack of food, their land produced numerous amounts of timber and steel deposits. The answer was trade: Sweden went to England and traded its timber and steel for much needed foods, which marked the dawn of its industrial revolution. New companies began exporting all over the world and, by 1950, the Swedish economy had quadrupled (Norberg). Without globalized trade, Sweden would not have imported the food it needed to keep its population high, and its people nourished, and, consequently would not have become economically stable. Many globalized countries follow this same trend of international importing

and exporting commodities to stabilize their own individual economies.

Although globalization has been a consistent process throughout history, why only now is it being debated if it is a positive development for the world community? In the book *Hot, Flat and Crowded*, Thomas Friedman explains that a combination of technological, market, and geopolitical events at the end of the twentieth century had leveled the playing field in a way that was enabling people, from more places than ever to take part in the global economy and, in the best case, to enter the middle class (Friedman, 29)

Essentially, the introduction of the computer, the World Wide Web, and software and transmission protocols rapidly increased the globalization process faster than anytime before. These tools of globalization are not going to go away; they will only become more advanced, causing globalization to be inevitable. This is exemplified in western countries and Japan through the ever-increasing technologies that result in economic prosperity.

Japan is the only non-Western country to achieve economic stability similar to that of the western countries. How was this achieved? In the early 1900s, they hit the financial revolution with good central banks, security markets and, with this, investments from transnational companies. In this hundred year period, they industrialized and produced millions of products sold on the world market. By 1998, Japan had reached a gross domestic product of \$358 billion, relative to the world average (Sylla). That is a rate of 10 percent higher than the GDP in the United Kingdom (Sylla).

Leading up to this high GDP was the Japanese automobile. In the 1980s, Japan was able to build cars faster and more efficiently than any automobile producing company in the world. In the early 1990s, Japan had eleven plants in North America with more popping up in Western Europe as well (Sadler). Japan's economy relied heavily on its automobile industry and without the ability of those companies to become transnational, they might not have become as stable.

Japan is also the leader in research and development facilities in the world. Research and development (R&D) labs are essential for producing new electronics, computer hardware, and software. Japan has about 180 of these labs in the United States alone (Florida). Japan perfectly exemplifies the economic benefits of globalization through their success in their international automobile industries and R&D facilities.

There are four stages of economic development that enhance the understanding of globalization. In the e

*Global Economy*, Brian Berry explains there are four stages of economic development that all interact with each other. There are factor-driven, investment-driven, innovation-driven, and wealth-driven countries. Wealth-driven countries have reached a level of affluence that reduces the drive to succeed, which undermines innovation and investment, thus relying on other countries for those aspects (Berry). Innovation driven countries are reliant on factor-driven countries that provide them with resources and cheap labor. In the same way that wealth-driven and innovation-driven societies rely on the lesser, the lesser relies on them for opportunity and work. Some countries can be incorporated in more than one category for example: the United States.

Some believe that the United States reaps the most economic benefits of globalization. According to the United States Bureau of Economic Analysis, the United States' nominal GDP is \$10,881,610.00, which is still more than twice the amount of the second world economic leader, Japan (U.S.). Comparatively, underdeveloped countries such as Ecuador accumulate only a fraction of the GDP of the U.S. at \$54,583.79 billion. The U.S. has managed to surpass many nations and has enabled some Americans to become heavy consumers with a high standard of living. Some women in America walk around with purses that cost enough to feed a whole family living in Kenya for a year. Although this is not true of all Americans and this behavior does not only pertain to United States citizens, it represents the contrasts between economically developed countries and underdeveloped countries. Even with this knowledge of enormous economic differences, should the globalization revolution be perceived as bad aspect for the global community?

Many societies are left out of the globalization process causing impoverished nations and low standards of living. Globalization requires underdeveloped countries to find some part of the economic production process to perform better and cheaper than their competitors, even at the expense of their own internal needs (Tynes). This is essential to compete in the global market. For example, the workers of the Maquiladora factories in Mexico earn below minimum wage, in unsafe conditions to provide basic necessities for their families. As discussed above, the underdeveloped or developing countries are represented in the investment-driven or factor-driven economies. In these stages, the countries are not only reduced to exploitation of outsourcing and raw materials, they are also regulated under the businesses of hegemonic, economically-ruling countries.

Throughout history there has always been some sort of hegemonic power between people. In most cases, this hegemonic power is linked to economic dominance and the ability to modernize and urbanize (Rowntree). After America had begun to urbanize and exploit their own resources, it began

exploring other parts of the world, and subsequently colonizing these new lands for resources. The nation of Hawai'i is a great example of the overthrowing of the existing rule for economic increase by the U.S. In the warm climate of Hawai'i, sugar cane could be produced and exported throughout the world for a great profit. Because the U.S. had money, land and power this was easy to do. "Overthrow" is not the ethical answer but many countries are willing to jump on the global bandwagon.

Another instance where underdeveloped countries feel the negative impacts of globalization is in Rwanda. Rwanda is a small, underdeveloped African country comprised of very little land. According to the World Bank statistics, Rwanda's GDP is ranked in the lowest 150 countries in the world (The World Bank Group). Because they have little land with a large population, they are unable to grow the sufficient amount of food needed to sustain their population. This same situation worked out well for Sweden because it was able to export commodities to obtain the wealth to import food, but Rwanda has not been as privileged. Rwanda has very little resources to export and, as a result, they import food from other countries with the small amount of money they gain from exporting (Price). Therefore, they are stuck in an economic ditch, unable to advance their way of life.

In many ways the environment is a limiting factor on economics. Basic resources such as petroleum, trees, and agricultural crops are extracted from the land and commoditized on the global market. Unfortunately many of these resources are non-renewable and are being depleted at faster rates than they can be replenished. Globalization is at the heart of the over-exploitation or, more specifically the depletion of these types of basic resources.

The main link to the depletion of resources and globalization is over-consumption. Particularly cultural standards facilitate over-consumption and also facilitate the need for surplus commodities to be exported. As the United States industrialized and globalized, it became part of the culture to purchase commodities. There are about 203.1 million American adults in shopping centers monthly (Besio). This statistic does not pertain to grocery markets. It signifies the typical mall embodied by The Gap, Macy's, Nordstrom, and other high-end stores selling vast amounts of unnecessary though some do not agree, items. All of these items require a significant quantity of resources, including cotton to create the clothes, and oil that is required for international transportation.

Oil is intricately linked with globalization through time-space compression. The time-space compression refers to technologies, such as transportation, that decrease spatial and temporal distances and increase the flow of communications and ideas. Unfortunately, oil consumption for transportation is one of the biggest problems that the world faces today.

Not only is its depletion harmful to our way of life because it is non-renewable, but the byproduct of its energy use is even more harmful to our environment. Carbon dioxide is emitted after gasoline is burned and causes the Ozone layer to thicken. Because of this thickening, less heat can escape into the atmosphere. This is essentially considered the “greenhouse effect”. As a result, the world’s temperature increases, causing ice caps to melt and sea levels to rise.

The islands of Hawai‘i are a great example of the necessity of globalized transportation. The transportation sector leads energy demand in Hawai‘i due mainly to heavy jet fuel use by military installations. The Hawaiian Islands are thousands of miles away from any continent, which requires commercial airlines for passengers and cargo. Currently, there are 52,897 thousand barrels of oil being used annually in Hawai‘i (U.S.). The total amount of oil consumed encompasses 64% for transportation and almost 30% for aviation fuel, while diesel stands at a mere 6.8 %. On the Big Island each year there are about 4,460,000 passengers enplaned and deplaned from the Kona and Hilo airports (Department of Research and Development). Some brief calculations for how much oil is consumed on inter-island flights on any given day departing and arriving in Hilo are as follows: total travel miles would be about 2112 between O‘ahu, Maui and Kona. These routes alone would utilize about \$13,000 dollars of oil in just one day to transport passengers and cargo.

While globalization has contributed to the depletion of natural resources, it has in fact helped by spreading information technology that can potentially create a sustainable world. Portugal has begun implementing wave power as a source of renewable energy called Aquacadoura. It is both the world’s first multi-unit wave farm, and the first commercial order for wave energy converters (Pelamis). This wave power energy is in the process of being used all over the world. Additionally alternate sources of oil such as hydrogen and cellulosic fuels are being constructed in research and development labs all over the world. With this spread of international information technology the globalized world has the power to become a more sustainable entity.

The process of globalization is economically and environmentally beneficial through international information technology for many developed countries, but many people are starting to notice the environmental degradation and inequality throughout nations. Thinking of globalization in the black and white terms of “good” or “bad” is not feasible. This is because many countries are left out of the economic benefits from globalization an inevitable process. Throughout history there has never been a society that slowed modernization by choice. The key to this continuation is that, with time and the increased spread of knowledge, humans will have the potential

to overcome the obstacles to make the process more equal throughout the world - if they choose.

## Works Cited

- Berry, Brian, D. Michael Ray and Edgar Conkling. *e Global Economy*. New York: Prentice Hall College Division, 1993.
- Besio, Kathryn. “Things to do With Shopping Malls.” *Geography 328*, Cultural Geography, Kanaka‘ole Hall Room 109, University of Hawai‘i at Hilo, Hilo, Hawai‘i. 3 Mar 2009.
- Carnegie Endowment for International Peace. “Welcome to the Student’s Guide to Globalization.” Sept 2007. *e State University of New York*. 1 Mar 2009 <http://www.globalization101.org>.
- United States. Department of Research and Development. *County of Hawai‘i Data Book*. Hawai‘i, 2002.
- Florida, Richard. “The Globalization of Japanese R&D: The Economic Geography of Japanese R&D Investment in the United States.” *Economic Geography* 70 1994 : 344-369. JSTOR. 4 May 2009 <<http://www.jstor.org/stable/143728> >.
- Friedman, Thomas. *Hot, Flat, and Crowded*. New York: Farrar Straus and Girouz, 2008.
- Norberg, Johan. “How Globalization Conquers Poverty.” *Cato Journal* 2003): 249-251.
- Pelamis Wave Power Limited. “The Aquacadoura.” 12 Dec 2008. 1 Mar 2009 <<http://pelamiswave.com>>.
- Price, Jon. “Natural Resources.” Kanaka‘ole Hall Room 109, University of Hawai‘i at Hilo, Hilo, Hawai‘i. 18 Feb 2009. Lecture.
- Rowntree, Lewis, Price and Wyckoff. *Globalization*. New Jersey: Pearson Prentice Hall, 2006.
- Sadler, David. “The Geographies of Just-in-Time: Japanese Investment and Automotive Industry.” *Economic Geography* 70 (Jan 1994): 41-59. JSTOR. 4 May 2009 <<http://www.jstor.org/stable/143577> >.
- Sylla, Richard. “Financial Systems and Economic Modernization.” *e Journal of Economic History* 62 (June 2002): 277-292. JSTOR. 4 May 2009. <<http://www.jstor.org/stable/2698181> >.
- The World Bank Group. “Rwanda Data Profile.” 2008. 1 Mar 2009 <<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/RWANDAEXTN/0,,me nuPK:368741 -pagePK:141132 -piPK:141109 -theSitePK:368651,00.html>>.
- Tynes, Scott. “Globalization Harms Developing Nations’ Cultures.” *Current Controversies: Developing Nations*. 2003.
- U.S. Department of Energy, Energy Information Administration, “State Energy Profiles,” Dec 14, 2006. 1 Mar 2009 <<http://tonto.eia.doe.gov/state>>.