



Introduction to International Relations

Chapter Notes: Chapter 8

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Chapter Eight:

Globalization Today

Chapter Overview

Chapter 8 turns its attention to globalization, examining the economic history of the past half-century to determine the causes of the world's increasing smallness and "flatness." As always, the perspectives each offer unique explanations for the phenomenon of globalization. For realist perspectives, the source of "globalization 3.0" lies in U.S. hegemony—after the demise of the Soviet Union and America's economic rebound in the 1980s, the United States was in a position to open up the world for technology, markets, and democracy. For liberal perspectives, technological developments and open markets themselves have driven the phenomenon of globalization; the information revolution liberalized trade relations, and new institutional structures have worked together to bind the world up in complex interdependence. Identity perspectives, finally, emphasize the battle of economic ideas that raged in the latter half of the twenty-first century. According to them, the conservative revolution of the 1980s created a climate conducive to the information revolution and globalization 3.0.

Types of globalization

- Globalization 1.0—lasted from 1492 to 1800 and was driven by "brawn."
- Globalization 2.0—lasted from 1800 to 2000 and was driven by MNCs.
- Globalization 3.0—began at the beginning of the twenty-first century and is driven by "brains."

Globalization: Realism

- Bretton Woods began to decline and ultimately collapsed, in large part due to America's declining relative power.
- However, U.S. economy rebounded in 1980s, so when Soviet Union collapsed in 1991, America remained as the world's sole superpower.
- America's hegemony opened up the world for technology, the internet, democracy, and open markets. Many developing nations also began to emulate its policies.
- But will American preeminence last? Already some realists see counterbalancing forces at work.

Globalization: Liberal

- The third industrial revolution—the Information Revolution—created major structural changes. Jobs increasingly moved to services, and poor as well as wealthy countries can participate in global economy now.
- Multilateral trade expanded, and the Uruguay Round in 1994 extended liberalization to agriculture and services.
- This spilled over into finance, which was also liberalized in the 1980s.
- Increased volumes of trade and finance led to complex interdependence; e.g., Asian financial crisis affected economies across the globe.

Globalization: Identity

- Identity perspective sees 1980s as battleground between tax cut and deregulation movement, strategic trade, and sustainable development.
- Movement toward market-oriented ideas, known as Washington Consensus, emerged in 1990s.
- Despite Washington Consensus, however, clash of economic ideas persists in economic nationalism pursued by the Asian tigers.
- Additionally, sustainable development has received a boost from the oil crisis of 2005.

Thought Questions

1. What are the strengths of the realist explanation for globalization? The weaknesses?
2. What, in your opinion, are the effects of globalization on sovereignty? Are these effects good or bad?
3. Which perspective offers the most convincing explanations for globalization? Why?
4. How, according to some identity perspectives, did the conservative movement of the 1980s foster globalization? Do you agree with this?
5. Do you think that Thomas Friedman's three versions of globalization are good characterizations of the history of the world economy? Why or why not?