Unit 7 Globalization of World Food Markets
Lesson 1: What is Globalization?


Globalization Defined

What Is globalization? Is it the integration of economic, political, and cultural systems across the globe? Or is it Americanization and United States dominance of world affairs? Is globalization a force for economic growth, prosperity, and democratic freedom? Or is it a force for environmental devastation, exploitation of the developing world, and suppression of human rights?

According to 12 Manage Executive Fast Track, “Globalization is a broad term referring to increased integration, interconnectedness and interdependence of international economic activity and social relations” (2008). Globalization impacts the following (partial list):

- Trade
- Investments
- Labor Force Movement
- Migration
- Production
- Products, Services and Technology Usage
- Research and Development
- Exchange of Ideas and Knowledge

(12 Manage The Executive Fast Track, 2008)

Three Types of Globalization Dimensions

1. Globalization of Production: encouraged by the cost advantages that can be won by establishing an international production network.
2. Globalization of Products: favored by the significant rise in costs generated through the constant need to present ever-newer products.
3. Globalization of Markets: access to more and more foreign markets since the fall of international trade barriers, creating new opportunities as well as stiffening competition.

(12 Manage The Executive Fast Track, 2008)

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The World-Systems Perspective

According to the Journal of World-Systems Research,

Today the terms "world economy", "world market", and "globalization" are commonplace, appearing in the sound-bites of politicians, media commentators, and unemployed workers alike. But few know that the most important source for these phrases lies with work started by sociologists in the early Seventies. At a time when the mainstream assumption of accepted social, political, and economic science held that the "wealth of nations" reflected mainly on the cultural developments within those nations, a growing group of social scientists recognized that national "development" could be best understood as the complex outcome of local interactions with an aggressively expanding Europe-centered "world-system" (Wallerstein 1974; Frank 1978). Not only did these scientists perceive the global nature of economic networks 20 years before they entered popular discourse, but they also saw that many of these networks extend back at least 600 years. Over this time, the peoples of the globe became linked into one integrated unit: the modern world-system.

Now, 20 years on, social scientists working in the area are trying to understand the history and evolution of the whole system, as well as how local, national and regional entities have been integrated into it. This current research has required broadening our perspective to include deeper temporal and larger spatial frameworks. For example, some recent research has compared the modern Europe-centered world-system of the last six hundred years with earlier, smaller intersocietal networks that have existed for millennia (Frank and Gills 1993; Chase-Dunn and Hall 1997). Other work uses the knowledge of cycles and trends that has grown out of world-systems research to anticipate likely future events with a precision impossible before the advent of the theory. This is still a new field and much remains to be done, but enough has already been achieved to provide a valuable understanding of the phenomenon of globalization.

The discourse about globalization has emerged mainly in the last decade. The term means many different things, and there are many reasons for its emergence as a popular concept. The usage of this term generally implies that a recent change (within the last decade or two) has occurred in technology and in the size of the arena of economic competition. The general idea is that information technology has created a context in which the global market, rather than separate national markets, is the relevant arena for economic competition. It then follows that economic competitiveness needs to be assessed in the global context, rather than in a national or local context. These notions have been used to justify the adoption of new practices by firms and governments all over the world and these developments have altered the political balances among states, firms, unions and other interest groups.

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