Introduction

Globalisation is an ongoing process by which countries and their economic, political and social spheres integrate on a daily basis. Being part of national states, people become citizens of the world. In the course of daily activities, individuals increasingly come into contact with people from different backgrounds, with unlike beliefs and values and they learn to live and work in a globalised world. Countries become interconnected and interdependent. Thus, now there is no doubt that globalization has become the dominant factor in the development of world civilization. United Nations General Assembly, which brought a record number of participants to an important meeting – 189 countries, signed over 300 agreements, and at the end of the session the UN Millennium Declaration was concluded. Main provisions of the declaration were as simple and accessible facts as freedom, equality, solidarity, security, tolerance, respect for nature and mutual responsibility. As a result, the Millennium Summit formalized globalization as a new global ideology, defining the world order of the 21st century.

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However, examining the structure of current globalisation, we face some issues that this phenomenon introduces. The popularity of the modern concept of globalization is primarily due to the economic and social achievements of developed countries dictating its terms to the world market. As a result, the gap between poor and rich countries broadens; development based on competition, profit-making, cost-reduction and increasing market shares expands. And therefore, the need for an alternative globalisation arises around the globe.

This essay is divided into four main parts. First part focuses on three major schools of thoughts, which give characteristic descriptions of globalization from different perspectives. Second part of this essay concentrates on the chronology of globalisation – the way that international trade was liberalising and production received a global character. Third, introduces readers to main problems of the current globalization and discusses why the alternative to the current globalisation is required. Finally, the last section offers the analysis of things that could be done differently in today’s globalisation, examines whether an alternative globalisation is possible or not, and concludes with an optimistic summary table consisting of a number of significant changes that are necessary for peaceful transition, in a long-term period from the current globalisation to an alternative one that this essay offers.

Three Perspectives on Globalisation

There is no single definition of Globalization and at the same time there is a big debate about its characteristics, classification, its impacts and causes. It is possible to differentiate the following three schools of thought: the hyperglobalists, the transformationalists and the sceptics. The goal of each of the following schools is to characterise distinctive features of globalization from different points of view.

1. Hyperglobalisers, such as K. Ohmae and R. Reich believe that global economy has an important impact on humanity and politics; they argue that the market is borderless and economy is single, global and integrated. “Today’s world economy is genuinely borderless. Information, capital and innovation flow all over the world at top speed, enabled by technology and fuelled by consumers’ desire for access to the best and the least expensive products” (Ohmae, 1995). “We are living through the transformation that will rearrange the politics and economics of the coming century. There will be no national products or technologies, no corporations, no national industries. There will no longer be national economies” (Robert Reich, 1992, p. 3).
2. The sceptics, such as P, Hirst and G. Thompson suggest that “globalisation is largely a myth”. They believe that the extent of existing globalisation is exaggerated and that the increase of global trade has happened only in major developed economies – in Europe, Asia-Pacific and North America. “The international economy is one in which processes that are determined at the level of national economies still dominate and international phenomena are outcomes that emerge from the distinct and differential performance of the national economies. The international economy is an aggregate of nationally located functions” (Hirst, Thompson, 1999, p. 10).
3. The third group is defined by Held and McGrew as transformationalists, which includes such authors as Rosenau (1997) or Giddens (1990). They assume that globalisation plays an essential role in fast economic, political and social changes that are restructuring world order and modern societies nowadays. “Globalisation denotes the intensification of worldwide social relations and interactions such that distant events acquire very localised impacts and vice versa” (Held, McGrew, 2007, p. 2). “Globalisation concerns the transformation of local, and even personal, contexts of social experience. Our day-to-day activities are increasingly influenced by events happening on the other side of the world. Conversely, local lifestyle habits have become globally consequential”.

Chronology of Globalisation

There is also no single agreement about the time globalisation has emerged, opinions about the chronology of its appearance and development vary depending on how one looks at the meaning of globalisation. Some might say that globalisation is a recent development, others could state that it has began far back in history, while thirds would argue that globalisation has not yet started at all. I see the beginning of globalisation in the rise of international production and international trade, formation of which refers to the 1970s-1980s. It has started with oil and energy crisis in 1973-1974, when state enterprises started to show the signs of inefficiency. States were not able to react to the impulses of the world market and to reduction of production costs. This, on one hand, led to reduced profitability or even to losses in some industries in developed countries. And on the other hand, it led to significant discrepancies between the national conditions of reproduction in the course of industrialization – the rates of wages, education level and workforce skills, interest rates, price of raw materials and energy. Due to those facts, numerous attacks on government business and the requirements of its liquidation were taking place; the privatisation of state property according to the neo-liberal theories has started.

The liberalisation was one of the tools for successful globalisation, which appeared in two forms. Firstly, reduction of tariffs, elimination of non-tariff barriers, simplification of import and export procedures occurred based on numerous international agreements. In other words, there was a reduction of restrictions on access and operations in the global market. Secondly, there was a change in domestic legislation relating to foreign economic relations, such as the elimination of quotes for import and export, removal of restrictions on foreign capital in the domestic market. As a result, labour-intensive, material-and environmentally-polluting industries started to be relocated to developing countries. In addition, scientific and technological advancements have created opportunities for the spatial separation process (such as capital-intensive and energy intensive processes) and placement of the individual phases in accordance with the prices of factors of production. At the same time, improved transportation and communication allowed the interaction of these scattered productions at relatively modest cost.

As a consequence of all above mentioned factors, production received a really global character today. We can say that today’s world became interdependent and interconnected; because one country’s well being very much depends on the cooperation with other countries. As an example we can take the production of cars, it is scattered on the companies in different countries around the globe. And entrepreneurs in each country are responsible for a specific phase of production – design, production of engines and electrical equipment, the manufacture and marketing. In the 1950-1960s, each company worked in the market limited by national borders. However, today restrictions on movement of goods and services across national borders have decreased and international manufacturers of the world market can move quite easily. (O’Roukre, Williamson, 1999). We can now see that the cause of globalisation was a capitalist ideology, based mostly on profit-making and cost-reduction, which has a lot of positive as well as some negative effects on the world’s development. In the next section, I would like to focus on some of those negative effects – problems of the current globalisation.

Problems of the Current Globalisation

This section focuses on main three issues – political, economic and social – that I believe require changes in current globalised world. One of the main economic problems of globalisation is related to the following question: “Who is benefiting from globalization?” In fact, rapid growth is typical only for a small group of rich countries; while the least economically developed countries have much lower growth rates and their gains from globalization are minimal. If we take an example of trade discussion of Uruguay Round, which was finished in 1994, we can see that the advanced industrial countries of the world, such as the US and the EU, received the biggest share of the gain and the poorest countries have actually worsened off. Developed countries still preserve tariffs against the poor countries at the rate of four times higher than the tariffs they have against other rich countries. Their whole tariff structure is directed against trade with poor economies, which effects lowering the price of the export goods of them and hurt their economies. (Stiglitz, pp. 172-173). If national and international political processes are influenced by money, there should be no illusions in understanding that power in decision-making processes relating to the global economy remains mostly with those countries, firms and organizations that are economically the strongest. (Helleiner, Gerald, 2001)

The second problem arising is a political one and relates to the potential regional or global instability because of interdependence of national economies on global level; so called butterfly effect appears. National security and nation-states depend on the activities of other countries and decisions of governments in neighbouring states more and more in today’s globalised world. (Michael Zurn, 2005, pp. 235-244). Local economic fluctuations or crises in one country can have regional or even global implications. This possibility is not merely theoretical, but is very real, and the current financial crisis confirms that. Peter Evans argues that “inability of the state to impose even a modicum of collective discipline on private economic elites at the national level (most crucially in the United States) undercuts productive dynamism”. (Peter Evans, 2008, p. 280)

And the last issue that I would like to bring up is related to social aspect. The main goal of a global market and current capitalist globalization is rapid accumulation of wealth, which hardly meets any human and social needs. Let’s take a simple example of one corrupt government that accepts investment money from a multinational company. People who live in that particular country have no choice but to work for that company, at the same time company does not pay workers enough money to afford sufficient food, healthcare and education. The company has promised to the government that it will develop their country’s economy. However, people are starving and diseases are spreading in the crowded conditions in which they live. Some people realize the damage and start to fight to get their country back on track, but those people are usually being arrested and being sent to jail. The multinational companies as well as government of that country make huge profits while people suffer and die. The irrational pursuit of profit often harms the environment and conflict with other social values. The imbalance causes a broad wave of protest, which is not welcomed by governments and companies and as a result brings social problems, inequality and fear to confront the current political regime. (Sklair, 2008).

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Based on the problems described in the previous part of my essay, I would like to propose some necessary changes to the way globalisation develops nowadays. With the reference to the economic issue, I would say that in order to have more balance as to benefits of the globalisation and the world trade, globalization must be more regulated and countries should collaborate better. Developed and developing countries have to act co-operatively, so that the gap between poor and rich does not widen more and more each year, but it has to start narrowing. However, there are no institutions, particularly democratic institutions to do that effectively. In order to make globalization more manageable and seek to base it on principles of solidarity, it is important to reform and strengthen the role of such international organizations as the United Nations, the World Trade Organisation (WTO) and the International Monetary Fund (IMF). Expanding ties of international organisations with non-governmental organizations might be one of the examples for the reform (Lindert, Williamson, 2001, pp. 30-35). The role of media plays an important role and therefore media must be fairer and more opened. Media nowadays is driven by consumerist forces, and not by all citizens. People around the world are not being helped to recognize that most important issues – overcrowded cities, quick spread of new infections, global warming, growth of worldwide disparity, destruction of the environment – are all part of the same global process called globalisation. People should be aware that these issues do not just happen, but they all are related (Cavanagh, Mander, 2004, pp. 52-54).

The next range of issues is related to the fragility of the international economic and political systems that follow from interdependence and interconnection of countries around the globe. We can see that local economic, financial and sometimes even political instability in one country can have regional or in some cases even global effect. Therefore, I suggest that states must be more local oriented and solve national problems first, but at the same time they should be able to react promptly to global issues, because states continue to be essential actors in determining the global regime. The same applies to business world, in order to be successful in the global competition, companies need to “think globally and act locally”. Practice shows that businesses which are able to design globally for narrow local requirements and which follow “broaden your vision, yet narrow your focus” will generate growth and success. (Pinto, 2004). The idea of globalization that “bigger is better” is wrong. It involves lack of concern with local issues and overrides locality. In connection with this agenda the concept of glocalization has been introduced. It became an aspect of business jargon during the 1980s, which originates form Japan, where the general issue of the relationship between the particular and the universal has historically received almost obsessive attention (Miyoshi and Harootunian, 1989). Glocalisation is a double process – firstly, institutional and regulatory activities move from the national scope upwards to regional or global scopes and downwards to the scope of individual or local. Secondly, economic activities and inter-firm networks are transforming at the same time to become more localised and transnational (Swyngedouw, 2004).

With regards to the social point, I would like to argue that the current globalisation is very capitalist one which prioritizes the growth of private income over the creation of employment and other social aspects of our lives that are important both for individuals and for the community as a whole. (Sklair, 2008). Global economy needs global ethics, reflecting respect for human rights and recognition of personal and social responsibility. Horst Köhler, the managing director of the IMF states that “people living together in local communities have always recognized and responded to common moral principles, such as sharing with those who have less, and protection of the vulnerable. As the world has become more integrated and interdependent, the scope for applying such fundamental values has widened” (Köhler, 2002). I believe that the WTO and the IMF should address the problem of reducing poverty deeper, by creating employment, improving healthcare and education systems and therefore improving quality of living standards in all countries around the world.

In the following table, I have tried to summarize some of significant changes that are required for peaceful transition, in a long-term period, from the current globalisation that we have to a globalization that is more regulated, more oriented on local aspects and focused more on social sector.

Conclusion

In a last decade of the twentieth century, the term “globalization” became one of the most frequently used in the analysis of contemporary international relations, and continues to be actively used to characterize global political, economic and social processes. However, the current globalisation is mostly influenced by the interests and guidelines of economically developed countries and their ideological preferences. These factors leave their imprints on the development of globalisation, accelerating or slowing it down, and give specific nature to certain aspects of this phenomenon. Main requirements of an alternative globalization are the equality for all nations, people and countries, as well as regulation of specific areas of the world’s development with the help of strong democratic international institutions.

This essay shows that an alternative globalization is essential for sustainable development of the world, and if the right steps and efforts are taken worldwide, an alternative to the current globalisation will be possible to implement. An alternative globalization as described in this essay would bring together countries and people in single global equitable and prosperous area, despite all the crises, failures and deviations, which is in everyone’s interests.

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