

## THE FUTURE OF GLOBALIZATION

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### **Abstract**

*Once humanity had made the necessary technological leaps for promoting fast and easy travel, the acceleration of human endeavors was inevitable. This acceleration has made possible the integration and globalization of national economies, a global economy emerging. Globalization has become a force impossible to resist and impossible to deny. Globalization has both advantages and disadvantages. The issue that humanity must understand is it cannot be reversed, just its disadvantages reduced or made bearable.*

**Keywords:** *globalization, isolationism, immigration, economic growth*

### **1.The birth, past and present of globalization**

Globalization has been seen in the last few decades as a real driving force towards social and economic integration creating prospects for the general wellbeing of human kind.

Globalization has been viewed as a force which brings people together primarily through economic prosperity, as it has been considered that economic growth naturally results in a higher standard of living which in turn would end social turmoil and bring forth a new world filled with people being able to really enjoy their lives<sup>1</sup>.

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<sup>1</sup> Ion Popescu, Aurelian Bondrea, Mădălina Constantinescu, ”Globalization – Reality and myth”, Ed. Economică, 2004 in ”Globalization in Sub-Saharan Africa”, Graduation Thesis, Dinescu Adrian-Gabriel, Academia de Studii Economice, București, 2009, unpublished.

However, this utopian viewpoint has been contested by a multitude of reputable authors and also, generally, by a wide range of people which has begun to view globalization as a force of evil.

They highlighted that globalization is not a positive force, because it does not enrich the life of the average individual, but it does only enhance the wealth of multinational and transnational companies which feed upon the needs of underdeveloped countries, depleting them of resources and then moving on, leaving them in a barren state.

Also critics of globalization have claimed that it is the main reason why humanity will lose its direction by propagating global greed and by destroying most of its subcultures, languages and traditions.

An increasing number of scientists, but also regular citizens, consider globalization as the driving force responsible for the destruction of national identity, a force which will destroy the national culture of a country, eliminating everything that differentiates them for the other peoples of the world. Indeed globalization is named by some as “Americanization” simply because many corporations, which are considered to be the first “force” of globalization, are American based. In this “globalized” world, “the strong” shall have much more influence over “the weak” simply because the latter will become more dependent on the stronger culture’s products but also ideals which the stronger culture will impose on the less dominant one.

However, after the end of the oil crisis of the 60’s and the revival of the neo-liberal doctrine through-out the 80’s, 90’s and the first decade of the current century, generally, those who supported free-trade and liberal economics were those who had the power both nationally and internationally.

In the 80’s, particularly, through the Reagan administration in the US and the through the Thatcher governance in the United Kingdom, the free market became the ruling force in global economics and politics.

This tendency of the free-trade countries to rejoice once again before the spoils of unbridled capitalism, coupled with the tremendous technological discoveries in IT&C at the end of the 80’s and the beginning of the 90’s spurred the acceleration of global

integration and rejection of all trade tariffs and other barriers put forth at the beginning and middle of the 20th century.

The world seemed to be on the horizon of a new age, embodied by a certain economic and social union: the European Union.

Though made up of diverse peoples and cultures, though having a troubled history, primarily, because of economic interest, all these countries came together under the umbrella of a Union which promised not just economic freedom, but also individual rights and freedoms: the freedom to travel without restrictions, to find work in a free manner in any country of the Union, to be able to change residence without restrictions.

Although many would like to view this Union as a result of the enlightened nature of its citizens, the truth is that a few enlightened minds realized that only by joining forces Europe can stand on its own two feet in the globalized market in which giants like the United States, China, India and in a lesser degree, the Russian Federation fought for control.

Europe had to come together to avoid being assimilated by other powerful economies and become nothing more than consumer countries, which, on the long term, would lead to major economic problems.

Brilliant and visionary politicians had, thus, prevailed in stifling the isolationist and reactionary movements which tried to prevent European integration. In the last decades these politicians have managed, through no small feats, to persuade the general public, traditionally conservative, that the future of Europe lies in a general European federations.

These politicians have mastered the art of keeping under control the reactionary tendencies of humans and continued on the long road of trying to bring humans together and making them realize that the only way forward is through freedom of trade, open borders for all people and capitals.

## **2. Globalization : a positive force**

Globalization implies that the entire world is one market, an opportunity for all countries to trade in those areas in which they are more efficient than others.

With all the national markets opened, the prices of many commodities will drop significantly and the entrepreneurs will be encouraged to raise efficiency, to create more for a smaller cost. Thus the consumers will benefit to a high extent from the liberalization of the markets. Looking for examples in the past one cannot ignore the growth of China which has opened its borders to outside investment only a few decades ago and which has resulted in a sky-rocketing economy.

Besides the obvious advantages which would result from opening of the national markets to exterior investors, globalization would effectively erase the immense cultural and financial differences between the western world and the majority of the population of the globe which live on only a fraction of the income of European or North-American citizens, most people of the globe currently living on extremely small wages and in very poor conditions.

Globalization generally brings technological development accompanied by sustainable economical growth that would greatly help the poor countries struggling to enter the informational era. Also by expanding alliances between nations and creating structures with more authority than a single state, law, order and peace will regain their rightful position in countries which have seen terrible afflictions and war for decades in the absence of international intervention and corrupt governments or governments unable to impose law upon its citizens because of the lack of legislative tools. For example the African states (Somalia, Zimbabwe) would benefit a great deal from outside support to impose their laws, having great difficulties struggling with factions hoping to destabilize their countries. Making the country part of a greater structure will significantly increase the "force" of the state, as Francis Fukuyama<sup>2</sup> calls it.

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<sup>2</sup> Francis Fukuyama, *"Construction of states"*, ed. Antet XX Press, Prahova, 2004.

Globalization is seen by many as an unstoppable force. Once set in motion at the half of the 20th century all countries will be forced to take measures to become integrated in the global economy, under pains of being left behind for good.

Lately, a lot of leaders have sought to express their regret and disbelief towards globalizations, but few of them dared to challenge its supremacy.

Most leaders who support liberal economic thought encourage the expansion of globalization because of it's the many advantages it brings forth for a nation.

Firstly, globalization creates the premise of intercultural relations, the freedom to express and share ideas. While most of the world languishes in general turmoil (most of the world still is firmly underdeveloped in relation to the west) an infusion of new ideas and approaches would be the only solution towards moving the planet along and creating an environment in which problems can be solved.

Also, getting to know other cultures encourages members of a certain society to get to know its own problems and mistakes, what sets it apart from other cultures, what it should preserve and what it should change.

Thus globalization leads to a rise in awareness of global issues which require global solutions.

Secondly, globalization promotes IT&C, facilitating the entire communication process between peoples and individuals, promoting, most of all, basic human rights.

People want to communicate with each other, they want to know other cultures. The internet, the globalization of the means of communication and the significant reduction in cost has permitted people to travel with unprecedented ease. All these advantages stem from globalization, and, at the same time, they enhance and accelerate it.

#### **2.1. Globalization feeds itself and is unstoppable.**

Thirdly, globalization has massively improved international exchange promoting the free flow of capital towards areas which most need it.

For example, after they were released from the colonial yoke the African countries found themselves with important natural resources, but devoid of money and knowledge

to exploit these resources. Thus they chose either to privatize these resources or to loan the necessary funds from global financial institutions (IMF<sup>3</sup> etc.).

Furthermore, without the presence of international corporations which were interested in the rich pickings and cheap labor in those countries, the money lent by the international institutions could not be properly used as these countries almost always lacked the know-how to efficiently exploit the resources.

Fourthly, globalization has permitted and encouraged the “brain trade”<sup>4</sup> and internationalized the workforce.

The presence of an international global workforce has encouraged efficiency and collaboration between experts in all fields thus raising the standard of living of these people involved in international trade, but also improving the possibility of students to get to know important technological and economic advances<sup>5</sup>.

Freedom of travel for the workforce is a crucial theme in globalization. Most workers come from the developing world and flow towards the developed world, but lately it seems that this trend has reversed and more workers flow towards developing nations which have attracted more and more capital<sup>6</sup>.

Most people view this international migration as a positive force, as it allows people from all over the world to gather in extremely efficient think tanks discovering new ways to improve human lives, which, in turn, improves the lives of people left home in the mother-country which in turn gives rise to more and more scientifically astute individuals and thus increasing more and more the development of humanity.

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<sup>3</sup> In regard with the IMF policies review also : *How the IMF Promotes Global Economic Stability*, 2016, <http://www.imf.org/en/About/Factsheets/Sheets/2016/07/27/15/22/How-the-IMF-Promotes-Global-Economic-Stability>.

<sup>4</sup> AnnaLee Saxenian, “*Brain Circulation: How High-Skill Immigration Makes Everyone Better Off*”, [http://www.luys.am/attachments/articles/Brain-Circulation\\_BROOKINGS-REVIEW\\_2002\\_en.pdf](http://www.luys.am/attachments/articles/Brain-Circulation_BROOKINGS-REVIEW_2002_en.pdf).

<sup>5</sup> Also review : FOREIGN POLICY, A.T. Kearney, Measuring “*Globalization: Economic Reversals, Forward Momentum*”. <http://www.comp.dit.ie/rfitzpatrick/Business%20Perspectives%20slides/Papers/Measuring%20Globalisation%20-%20Economic%20Reversals,%20Forward%20Momentum%20-%20A.T.%20Kearney.pdf>.

<sup>6</sup> This may be proof that the global integration of nations is fully under way. See also : Kathleen Newland, “*Migration as a Factor in Development and Poverty Reduction*”. <http://www.migrationpolicy.org/article/migration-factor-development-and-poverty-reduction>.

Lastly, globalization has been a powerful force towards the democratization of governments.

Because most people prefer to live a comfortable and developed life, intellectually and economically, as globalizations brings many advantages, the ideas of democracy have entered the consciousness of many nations who don't have a democratic tradition. As capitalism seems to work best with liberal-democracy, and people seek to gain the most out of every endeavor, so more and more voices in oppressed countries have spoken against dictatorial regimes and have tried to empower democratically elected governments to implement liberty and democracy.

Thus, by indulging their egotistical desires, globalization and capitalism have led to the overthrow of authoritarian governments by peoples who sought to enter the global market by creating working competitive economies.

This has, in turn, lead to a significant rise in assuring human rights and promoting individual liberties<sup>7</sup>.

Globalization means freedom of movement for all humanity.

Throughout the history of the world, humans tend to migrate, change place, as opportunity arises, seek the best land on which to settle min search of freedom, liberty and happiness.

The richest countries and regions in the world have been those who embraced diversity, the freedom of the individual to exchange ideas, goods and services.

This is a truth we consider to be self-evident. Humanity can only expand if people can come and go according to the interest of society or for their own individual interest.

As societies which ensure freedom of movement will see a greater technological and economic growth than those who stay closed, the latter ones, in time, will suffer economic recession as their technology will become obsolete and will not serve the needs of individuals.

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<sup>7</sup> R.E. Howard-Hassmann, *"Can globalization promote human rights?"*, 2010, Google Books.

Globalization cannot be reversed as the means of travel have evolved immensely after the industrial revolution. The invention of the steam engine, the internal combustion engine and the latest computer technology make travelling something pleasant, to be enjoyed, rather than something dangerous like it has been since time immemorial.

Since traveling has become such an easy and pleasant affair, many more people become involved in visiting other cultures, learning about them and discussing ideas with people across the world.

This change of ideas outweighs tendencies in the majority of people to seek isolation as these ideas make people realize that they are more alike than they thought and that they have a lot more to gain by being allies than by being enemies.

## **2.2. Globalization brings peace.**

In such a moment of technological, economical and ideological progress, war will become not just undesired, but it will become obsolete, as its consequences will become so dire for individuals (in an increasingly individualistic world) that no one will want to fight wars and sacrifice their lives or their economic achievements.

Also, since more people will come together to discuss ideas, their differences will seem less and less important, and so the likelihood of conflict will reduce.

## **3. Reactionary movements against globalization<sup>8</sup> and the negative side of globalization**

Unfortunately, egotistical tendencies in all humans have dark sides when they are unleashed: extreme nationalism, isolationism, xenophobia.

These tendencies coupled with certain forces: the capitalistic forces of the big companies which, indirectly, have lead people to not trust conservative politicians who tried to force higher goals than just general mindless consumerism, by indulging their primordial needs of pure consumption and through the massive use of pop-culture that

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<sup>8</sup> R Boyer, D Drache, "States gainst markets: the limits of globalization", 2005, Google Books.



encourages a life lived for personal, instantaneous pleasure. Also another significant force has been represented by extremist politicians who gained a significant foothold as a result of people who have an extremely limited view of economic and social sciences, but, as it should be stated, are entitled to be upset because are situated at the painful end of capitalism.

These people feel they have suffered because of immigration, because of open borders which they feel have taken away, on the short term, their livelihood, through the forces of productivity. Also the intense speed of modern and post-modern life, accelerated cultural changes and other similar factors that have pushed people into trying to put an end to all this change.

People saw the ultra-nationalistic movements, the extremist anti-immigrant movements as solutions to complicated problems. These people can't see an end to their self-imposed or even imagined suffering and thus they romanticize the past and try to recreate simpler times.

Unfortunately, globalization, arguably, does have some unavoidable negative aspects. While some countries are able to implement policies to protect themselves again these issues, most cannot and are destined to live with significant burdens in exchange of development.

Firstly, critics of globalization claim that it increases inequality between individuals as it promotes a capitalistic-greed based system - the "get rich fast" mentality.

Countries must ensure the rule of law within their borders and must maintain a healthy judicial system.

If a state is weak then it will attract less foreign capital because entrepreneurs prefer a stable and predictable system in which to invest. A stable and predictable system curtails not only the rule of law, but also low levels of corruption.

This foreshadows a difficult area. Globalization tends, sometimes, to increase corruption in underdeveloped states.

Foreign capital, while it can be extremely beneficial towards the progress of a certain region, can bring devastation to the environment and the inhabitants of that area, when

the regulatory body of R Boyer, D Drache, "States against markets: the limits of globalization", 2005, Google Books.

that country cannot impose efficient constraints on the respective investor.

Entrepreneurs will rightfully try to maximize their investment irrespective of the environment and the locals.

Protecting the lives of people and the environment is not the job of the investor, the capitalist, the corporation which sets up shop in a new area. In the neo-liberal mindset that is the role of the state, the arbiter, to set up rules that everyone must follow under penalty of law.

If there are no rules or these rules are not followed then the capitalist has no obligation to protect either people or environment.

Since most underdeveloped countries lack the judicial system to counter the wealthy multinational companies than it is easy to see why globalization has brought destruction and misery in significant parts of the world.

For example, Nigeria, a developing country situated in the West of Africa has important oil reserves which have produced over the last few decades hundreds of billions of dollars in revenue. But, like a certain study suggests, only a tiny part of these revenues have gone into state coffers, approximately one billion dollars, the rest going to investors and corrupt government officials.

Also Nigeria, being a country full of natural resources, has seen its environment destroyed by greedy entrepreneurs who chose to profit from corruption, bypassing stringent environment regulations.

Thus, for weak states, globalization can actually accentuate poverty, greed and corruption.

Secondly, some claim that globalization represents a trap for numerous undeveloped countries. Trying to find sources of foreign investment to become competitive, these countries fall prey either to greedy investors who, taking advantage of corrupt civil servants, acquire important resources for an insignificant amount of capital, either to

international creditors, like the International Monetary Fund which put forth stringent criteria for loans, as well as instating huge penalties when in breach of contract.

Some even claimed that several African countries have been bankrupted exactly by the conduct of the IMF, lending money and imposing severe economic measures which more often cause severe damage for the economy.

Thirdly, in the globalized economy the markets rule and indirectly impose their will on people through the products they promote.

If states involved in the global trade would be equal, have similar levels of development, have advanced judicial systems and state power, have peoples of similar values, then the system would be entirely functional.

But since states involved in the global trade are extremely different, ranging from small underdeveloped countries with failed economic systems to big capitalist, powerful democratic states, it is evitable that the latter will impose their will and their products.

These big states which have known unprecedented growth throughout the early 20th century now have an advanced lead against the developing world which is forced to accept its cheap products.

Also, these advanced states impose their political will against developing nations and force them to adopt standards, especially concerning environmental protection, that are almost impossible to follow by countries which are barely "getting on their feet". Basically, the developed countries impose strict regulations on developing states which prevent them from catching up.

These undeveloped countries are caught in a vicious circle which the developed states prevent them from breaking : they do not have the productivity to compete on the global market with their own products and need foreign investments, but these foreign investments come with a big cost as they stem from the developed countries and also, they cannot catch up as the developed world does not allow them to use high-pollution but cheap technologies which they themselves used at the beginning of the 20th century.

But more or less these voices were initially situated at the fringes of modern society, in an area where usually extremist factions used to sit.

Lately, a huge rise in these tendencies has been recorded, reaching its pinnacle in 2017, after the election by the nation with the highest GDP in the world of a leader who stated he will massively limit immigration, try to impose trade tariffs and barriers meant to “protect” national industries. In a nutshell, a return to the isolationist movement of the early 20th century, which hardly has any chance of improving people’s lives nowadays as it has coincided with an era of economic acceleration and world integration.

As this paper is being written the United Kingdom has declared that it is has initiated procedures in preparation of the withdrawal from the European Union. As the United Kingdom is composed of several states, Scotland, in which most citizens prefer to remain in the European Union, has announced that it will once again try to separate from the United Kingdom in order to remain in the European Union<sup>9</sup>.

#### **4. Mistrust of globalization**

Thus the present confronts us? Will the European project fail as more and more countries secede? Will the United States of America become an isolationist, anti-immigrant, protectionist country, imposing harsh barriers on the world economy? Will these two major events form a barrier that will hamper world economical growth and bring forth a new form of economic stagnation that will hamper growth for decades to come?

**Will globalization fail because of increasing isolationism and xenophobia?**

In answering these questions I do believe that globalization is a force that cannot be stopped as humanity has never reverted back to previous states, even though it has had major ups and downs in its development.

I remain essentially an optimist, confident that humanity will always realize that it’s not walls and isolation that facilitated its accelerated growth throughout thousands of

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<sup>9</sup> For a detailed study on the departure of the United Kingdom from the European Union also see : BBC, Brexit: „All you need to know about the UK leaving the EU” <http://www.bbc.com/news/uk-politics-32810887>.

years of evolutions, but the collaboration between individuals, peoples, nations, states and federations of states.

Humanity has had its moments which seemed to herald total destruction, moments which apparently would bring the end of civilizations. For example, the fall of Rome seemed for the casual observer as the fall of civilization and it seemed that humanity would never see again the heights of development. Yet, after a long period indeed, humanity, stabilized its self and it began to create works of art even greater than before, to involve itself in technological pursuits with more passion than ever before.

Even in modern times, after the Second World War, humanity seemed on the verge of collapse. Europe lay in ruins, two atomic bombs had been dropped on Japan and bolshevism seemed to be unstoppable. Yet, after only 50 years, most major dictatorships have been overturned, Europe and Japan have reached new heights of technological development, the global GDP has seen a steady increase and humanity now enjoys a long period of peace and stability.

Without a doubt, in my opinion, this tendency of humanity to react with vigor and determination after every “wrong choice” it made is irrefutable.

In spite of the current trends I believe that globalization cannot be stopped, but it can be hampered and its negative aspects can be made to seem extraordinary.

Globalization promotes fast movement of capital around the world. It is very useful for countries who need capital to develop industries, but it is very problematic for states who have reached a certain middle ground – they are not the source of the capital investments, but they are not so underdeveloped that capital flows towards them. In other words it is the paradox of capitalism and globalization that, after the capital has been infused, once a certain level of development has been reached, and the price of the work-force has risen due to economic growth and the extraction costs of resources have become greater due to the free flow of capital, money will tend to leave the respective country and move to another one in which labor is cheaper and resources plentiful, leaving the population of that respective country, more often than not, in a recession or a

stagnation, increasing frustration, forgetting that, at one time, that country was the beneficiary of capital.

But, since economic growth is exponential, the movement of capital cannot be stopped and has accelerated rapidly in the latter decades of the 20th century as more and more countries open their borders seeking the riches that capitalism promises.

Since capital has made several countries extremely rich and thus has permitted unprecedented technological development, other countries which are poorer and less technologically advanced, will not be able to refuse the entry of capital as this would mean accepting technological backwardness.

Thus, the free movement of capital cannot be prevented if a certain country desires to maintain its technological development in relation to other countries.

## 5. Conclusion

In spite of the latest development, in my view, fears that humanity will spiral into some backward state of isolation and war are unwarranted because globalization is an unavoidable result of the permanent human desire to become part of a bigger, greater structure, as it began millennia ago with the first community and reaching the point of a “global village”.

We are simply traversing a period of heightened tension become of many concurring factors: the speed of change, the complexity of change, unprecedented technological development.

Also, the perils of climate changes must not be overlooked as humanity is being presented with a unique challenge, as the consequences of actions of present generations will be felt in 100 – 200 years, a situation for which modern or post-modern man is not really prepared.

Moreover, the capitalistic based system of consumption which we created for ourselves, which must not be mistaken for globalization, cannot sustain such a huge global population, under current conditions, and thus people must impose upon themselves

certain limitations. Most people will not suffer these limitations as they consider it their essential right to consume and to enjoy their lives whichever way they want.

But, the fact that humanity will have to learn to limit its desires does not and cannot equal a halting of progress, as the latter can be achieved through sustainable methods which preserve the Earth for future generations as well as satisfy the needs of the many.

This period of heightened tension – a real step backwards – unfortunately, will last 10-20 years in which humanity will try to find its equilibrium and to try to shake these isolationist tendencies as it shook its tendencies towards a communist-socialist type state, very tempting in theory, but horrible in practice.

Unfortunately, humanity does not seem to learn from its mistakes so this period will have to wear its self out. People will have to feel the consequences of their choices, but I do maintain my optimism. The European Union will not secede and the European project will continue towards political integration and the formation, in a generation or two, of the United States of Europe<sup>10</sup>.

Also, the United States of America will realize that electing to power politicians who breed mistrust, hate, xenophobia, isolationism and protectionism will not lead to an improvement in the lives of its citizens, but the contrary. After a short experiment in “politics of hate” the American people will undoubtedly wake and realize that future will be in cooperation and globalization.

Of course, this period will cost us dearly: spoiled economic growth, lost technological opportunities and not the least, wasted human lives.

But humanity has always suffered before it realized the error of its ways and this situation will be no different.

The future will reside in a globalized economy, in a globalized humanity.

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