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# The Influence of Globalization in the World

**Hailun Li**

School of Politics and International Studies, University of Leeds, Leeds, The United Kingdom

**Email address:**

mr.lihailun@gmail.com

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**Abstract:** The process of globalization has been a controversial topic so far, and it is considered as capitalist globalization, because globalization is driven by capital and takes transnational corporation that pursues benefits as the carrier. Although this topic is a bit old, globalization has always influenced people's life. Today, anti-globalization is also a rash issue, and those who support this view believe that globalization has increased inequality between countries. This paper uses critical thinking and a fair perspective to analyze globalization, putting forward an idea that globalization will promote the process of democracy globally. Simultaneously, globalization provides new ideas for global collaboration and even the establishment of global democratic government. The methodology of this paper is theoretical analysis, basing on literature review. Obviously, globalization is a double-edged sword. It not only benefits wealthy countries, but also improves the strength of developing countries, but the negative effective of globalization needs to be paid attention to. Globalization is the only way for the development of human society and the engine that promotes the growth of the world economy, meaning that the historical trend is irreversible and will continue to move forward. Therefore, the approach used by developing countries should be to take measures to minimize its negative impact, rather than to resist it.

**Keywords:** Globalization, Democracy, Global Collaboration

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## 1. Introduction

The world over the past few decades has experienced a momentous historic process called *globalization* through which politically, economically and culturally, the relationship between countries continues to strengthen and the world has transformed to a whole, although regionalism did emerge to some extent with this process. While a variety of definitions of the term globalization have been suggested, the definition introduced by Waters [32] who considered it as a process of localization and Lowe [17] who saw it as a worldwide process will be used in the essay. In the history of the international political economy, globalization has been thought of as a continuous driving force in the growth of the world economy, whereas there are a series of issues about whether it will only have a positive impact on developed countries in use. According to the research on a large number of related works of literature, what can be proved is that globalization has indeed promoted the accumulation of capital in industrialized countries and made them richer; simultaneously, it has provided many internal and external opportunities for the less

developed countries, including the democratization, the increase in the domestic economy and high level of cooperation between countries. The impact of globalization is beneficial to the development of the world community, instead of a certain part of countries. This essay will mainly analyze the effect of globalization regionally and globally, rather than only focusing on wealthy countries, including three sections: a brief concept of globalization will be introduced in the first part; the second part is concerned with the impact on developed countries and less developed countries will be discussed respectively, focusing on two main sections; the last part presents that globalization has brought cooperation to some global governance between countries at the international level, and there will be a question about the construction of global government.

## 2. Globalization

### 2.1. The Evolving Definition of Globalization

The content of globalization as a prevailing trend in the 20<sup>th</sup> and 21<sup>st</sup> centuries is constantly being enriched. Different

theorists could grasp a certain characteristic of globalization to define it, like Baldwin [1], a well-known economist in the United States, who put forward a view of the “new” globalization differing from the current as well as past globalization and argued that the digital development of technology as a new key factor has a potential to drive globalization in a different way in which people need to master related artificial intelligent, rather than old work skills.

However, in exploring the impact of globalization, there are two opinions that are useful to this essay, Lowe and Waters. Lowe’s point of view is a universal way of thinking about globalization, and he insisted that the demand for national interests has trigger a continuous and large-scale expansion of capital globally, so all regions of the world are closely linked through the trade and a change from an independent sovereign state to “a world community” where almost all aspects are interrelated and interdependent has happened [17]. This opinion is similar to Robertson [25] who stressed the global consciousness and Ravenhill [24] who considered that global integration is strengthening through economic organization and trade rules, even if the unequal distribution of the world’s wealth has given rise to regionalism. Lowe’s perspective is used to emphasize the role of globalization in the wealthy countries. Nevertheless, Waters seems to give priority to the rebuilding of society in the domestic. He suggested that on the basis of its own cultural heritage, a country absorbed the fruits of developed civilization rationally and purposefully; at the same time, this process eventually formed a culturally unified world which also ensured the cultural diversity of different regions [32]. Besides, this view is roughly accordant with Giddens, although he mainly focuses on the difference between regional and global [6]. Therefore, Lowe’s opinion will be used to stress the global cooperation and the benefit of the developed states because they can take action globally; as for Waters, to stress the reconstruction of poor countries.

## 2.2. The History of Globalization

Globalization as a popular terminology emerged in the late 20<sup>th</sup> century and the stage of globalization can be seen as composed of three historical periods. In the first period (from 1500 to Mid- 19<sup>th</sup> century), Frank [4] argued that:

“there was a single global world economy with a worldwide division of labor and multilateral trade from 1500 onward”.

It is the beginning of globalization, and it is also the beginning of the Western capitalist production [30]. The first industrial revolution happened in 1759 and ended in 1840. For example, the total volume of some local goods, such as tea, sugar and so on, significantly exported to another countries; simultaneously, the percentage of textile that imported into other countries increased 2% from 1670 to 1760 [23]. In addition, as for the second period (between Mid- 19<sup>th</sup> century and 1950s), the end of the first Industrial Revolution and the beginning of the Second Industrial revolution led to a substantial development of transportation and communication technology, which are the main driving forces to accelerate the process of the globalization. For instance, Japan adopted a free-riding strategy, and the percentage of its export earnings

had a significant increase between 0 and 7 [9]. The third period is from 1950s to 21<sup>st</sup> century during which globalization with low transportation costs and expansion of the electronic information technology had surpassed any period; more importantly, after the baptism of world war II, America replaced Britain as the economic hegemony and led the establishment of a series of trade rules as well as organizations, which provides a peaceful and stable environment for globalization [24]. For example, during this stage, China’s economic aggregate grew dramatically, and China’s influence on the global economy has increased [3]. Therefore, it is worth noting that rapid development of globalization was almost driven by the industrial revolution, however, it has developed for a long time and will continue to expand with the support of digital technology.

## 3. The Impact of Globalization

### 3.1. The Impact on Wealthy Countries

The emergence and development of globalization could attribute to the birth and improvement of Western capitalist production methods, so globalization can be called capitalist globalization by some economists like Sweezy and can be regarded as the global expansion of the developed countries with respect to politics and culture, especially in capital. There is no doubt that globalization is benefiting wealthy countries and has been benefiting them.

There are three main benefits for developed countries, including economic, cultural and political aspects. First, and the most important, the integration of global resources provided the foundation for the original accumulation of capital in industrialized countries, especially during the Industrial Revolution at which these countries relied on a strong industrial base and military power to conquer the underdeveloped countries and to open their markets. For example, the typical form during this time was the East India Company; the company built the agent in the Awadh where they conduct tax-free trade and extract the value of local textiles, even if the company did not politically control Awadh [13]. In addition, in today’s era when wealthy countries take a new approach (transnational corporation) to gain benefits, these companies are investing all over the world, building processing plants in the raw material production areas to use cheap labor as well as resource and using high-value commodities for export [24]; however, the benefits for developed countries have damaged the interests of other countries to a certain extent, coupled with similar culture and convenient transportation costs between adjacent regions, leading to the emergence of regionalism [24].

Secondly, the process of globalization is also the spread of Western civilization to other countries and even this civilization has been considering as a universal value to replace other civilizations. Huntington put forward the point of view of the clash of civilization. He proposed that the decline of communism in the world does not mean that the history is end, the conflict has become a clash between the

civilizations of the core countries, and the competition of civilization will exist for a long time [11]. As the representative of the Western culture or Western civilization entered on freedom and democracy, the United States has been committed to promoting it to the world. For instance, 1. after the end of WWII, the Soviet Union and the US respectively introduced communist as well as liberal ideologies to the world and established political systems based on these ideologies [5]; 2. Language as the core element of culture is the direct expression of strong or weak culture; English that is a universal language illustrates the dominant position of culture of developed countries [2]. So cultural globalization can be viewed as a process of cultural integration among different regions, in which wealthy countries occupy the core position, however, it is important to protect cultural diversity because each culture is the product of historical process.

Finally, the impact of globalization on the political aspects of developed countries is after economic aspects. The implication of globalization makes wealthy countries better than less developed countries in international status, on the one hand, there is a new term *politics of globalization* which means that the government's political governance capacity has improved from its own country to the world, on the other hand [24]. Developed countries have completed this transition and their counterpart are beginning. For example, America as the only superpower is constantly committed to playing an important role in the world and the region and continues to influence international affairs, like Iraq [31]; the most obvious example of developing countries is China that is becoming capable of affecting regional affairs while actively participating in globalization. Therefore, from the above three points, the implication of globalization is positive for developed countries; rather, it has a similar influence on developing countries and global cooperation.

### 3.2. The Impact on Poor Countries

Globalization that is regarded as a double-edged sword and two sides of the coin brings opportunities and challenges to less developed countries, which is the reason why the phenomenon of anti-globalization has occurred. However, these issues are far less conspicuous than the achievement that some poor countries obtain in the wave of globalization. Globalization is an inevitable trend in which developing countries cannot stop the transnational corporation from taking action in their territory, so they have to learn how not to be marginalized when working with developed countries and have to learn how to formulate the right policy combination to seize the chance [18]. Just like for advanced countries, this unstoppable wave also provides same functions to less advanced countries from the domestic economy to democratization.

First of all, globalization has benefited the rich countries while making the economy of poor countries take off, but these countries have to study how to turn international capital into the driving force of their own economic growth. The private transnational corporation and capital flow from wealthy countries invest in and build factories in poor

countries, taking advantage of cheap labor and transportation cost to earn the price margin between raw materials and finished products. Backward countries can make appropriate policies, such as reducing taxes and land rents, to give these companies to attract their capital. The most obvious example of the transition from poverty to wealth is in Southeast Asian countries, like Singapore, South Korea and China. In the 1980s, faced with the regression of international communism and domestic political and economic dilemma, China implemented a market-centered reform and opening policy, until 2014 when China's economy has been in a situation of rapid growth [20], however, joining the WTO has brought China a second economic shock; before China, Singapore adopting an export-oriented economic policy also achieved important success, and the percentage of the unemployed population dropped by 1% from 1987 to 1988 [8]. Therefore, the effect of globalization is obvious, but it is worth noting that it is more likely to be helpful to a few the third world economies.

Moreover, one of globalization is to make the country a democratized polity. The core symbol of democracy is that citizens have the right to vote and participate directly or indirectly in political decisions [27]. There are three points: 1. In the process of cultural and political globalization, transnational companies with Western Civilization trained a large number of industrial and skilled workers who can be seen as the backbone of the middle class in the poor authoritarian state. When their interests are squeezed, they will form a union to exert pressure on the authority, which is consistent with Fukuyama's theory that the formation of the perfect polity will be attributed to people's desire for the expression of opinions [5]. 2. Globalization has driven the development of communication technology, under which the public can receive global information more than ever [18] and they will generate unbalanced psychology by comparing citizens who live in democratic countries. 3. Huntington wrote that the relationship between economy and stability is not always positively correlated [10]; the improvement of economic level coupled with the popularization of education may train a large number of citizens with fair, righteous and freedom values, which will provide the basis for the democratic politics. For example, from the 1970s to 1990s, some countries and regions that had actively integrated into globalization to improve their own economic development in Southeast Asia, Latin America and Eastern Europe had gradually democratized [27]. Therefore, it is not accidental that the third wave of democratization happened in different regions and at the similar time, which is the result of globalization [27], however, not only Rosow and George [26], also Nayyar [21] argued that the connection between free-market principles brought by globalization and democratic politics may be dialectic, in which decision-makers may pay more attention to the rich rather than the poor, although democratic countries follow the principle (one person, one vote).

Finally, the spread of freedom and democratic ideology is just one aspect of global integration, and the other is bring the

dissemination of culture. For instance, English has penetrated into all parts of the world, and when local people enjoy the services of transnational companies such as Adidas, Nike and KFC, they will be subtly influenced by the culture brought by these firms [29]. Therefore, over the years, these cultures have formed a paradigm for economic growth, and if people living in poor countries do not follow rules, they will be placed in marginal areas [12].

### 3.3. The Impact on Cooperation

As mentioned above, the historical process of globalization was accompanied by industrialization, and the principle of liberalism has been dominant in government policy; at the same time, people lack environmental awareness in the early stage. Because of the serious environmental problems, people begin to pay attention to this problem and seek solutions. However, it is not an issue that can be addressed by one country, and what it needs is “win-win” cooperation. Global cooperation currently focused on environmental issues shows a positive signal for a peaceful environment, which will lead to a new question about whether this kind of cooperation will eventually result in a global government that is different from the UN.

The pursuit of economic growth rate caused by economic globalization was an important reason for the serious global environmental pollution, however, social and political globalization will be useful to the reduction in the deteriorate environment, which is a long-term process of global cooperation [28]. In addition, the famous the law of the relationship between economy and environment (Environmental Kuznets curve) was introduced by Gill et al [7] who explained that the improvement of an economic level will result in the deterioration of the ecological environment, but when the economy develops to a certain threshold, it will in turn promote the quality of the environment. For example, the economic development of Malaysia and China reached a high level, they did not take a free-riding action, but actively adopted some policies to reduce pollutant emissions [28]; the G7 countries established international energy conservation as well as emission reduction agency and exchanged environmental awareness [15]. Therefore, global cooperation is possible in facing the case of international issues but developing countries in a period of economic growth might not take such methods.

As for the global government, optimistic liberals in international relations have been illusory about this view. However, in reality, countries take actions for their own interests, because their interests in cooperation are higher than those in noncooperation [14]. Therefore, there are still many uncertainties about the establishment of the world government, and the nation-state needs to try to find a new approach, like applying domestic democracy to the global.

## 4. Conclusion

In conclusion, this essay has analyzed that globalization has not only benefited wealthy countries but also has a positive

effect on poor countries and even world cooperation are, even if the former gains more interests than the latter, which is due to the fact that the development and evolution of globalization followed the global expansion of capitalism. As mentioned above, interests for wealthy countries includes highly developed economy, influential Western Civilization and global vision or acquisition of global governance capabilities; the less developed countries could use foreign investment to achieve leapfrogging development, potential accept Western Civilization to transform from totalitarianism to democracy and absorb western advanced thinking to develop the economy, but these countries have to master how to form the suitable combination of strategies to take advantage of opportunities of globalization, like China and Singapore, otherwise only some backward countries could achieve rapid improvement. At the same time, a major breakthrough has been made in international environmental issues, which could greatly improve global air quality. In addition, according to literature of global international economy, despite the rise of regionalism, globalization is still an irreversible trend and its spread will be accelerated because new technology such as AI, will have a faster driving influence on it than ever before. Therefore, at this new stage, both wealthy and poor countries should not only accept and use globalization to achieve their own improvement with a tolerant and open attitude, but also commit to approaching to a new type of international cooperation.

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