

# Globalization

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**Globalization** is a multidimensional process of social change facilitated by technological advances that has compressed space and accelerated time (Robertson, 1992; Harvey, 1989). This has resulted in an *increase* of global interconnectivity across time and space through the extension or stretching of social relations and also in an *intensification* of these social relations. Although globalisation is essentially a wide-ranging and integrated process, the following three main dimensions of this process are frequently discussed: economic, political and cultural. The extent and impact of globalisation on society is still under discussion, but three main theories of globalization have been identified: namely, traditionalism, globalism and transformationalism.

*Traditionalists* or *sceptics* view globalization as an unachievable end-state of global internationalization and maintain that current economic developments are merely an extension and intensification of historical internationalization processes as have previously occurred during colonial and imperialist periods and the golden age prior to WWI (Hirst & Thompson, 1999).

*Globalists* consider the process as an inevitable, homogenising force that will ultimately lead to a borderless world in which global forces regulate economic, political and cultural processes thus heralding the 'end of geography' (Ohmae, 1990). Unhindered flows of capital, people, information, culture etc. will lead to a homogenization of places to the extent that everywhere will be the same (Friedman 2006).

Economic globalisation denotes an increasing integration of the economy via the disassembly of trade barriers leading to footloose capital and the creation of a global market place for products and services. Economic transactions are interconnected and companies are integrated into transnational companies (TNCs) that reposition production processes in order to obtain a competitive advantage. Due to the connectivity of the economy, national economies are interdependent and economic events in one economy have the potential to cause ripple effects across the globe.

Similarly, political globalisation is characterised by an increasing connectivity of nation states and also a shift in the location of regulatory power to transnational institutions such as the World Trade Organisation (WTO) and the International Monetary Fund (IMF). The footloose nature of capital and production typified by transnational corporations further erodes the power of nation-states as they seek to exploit differences in national regulations (economic and social e.g. labour laws) to gain competitive advantages.

The stretching of social relations has also resulted in an amplified exchange between cultures (e.g., through migration, tourism, media etc.) and an increase of flows of global cultural products and practices. Ritzer (1993), for instance, draws on the transnational fast food chain McDonalds to describe a force of cultural homogenization (McDonaldization) that extends across the globe. Extending his theory to tourism (McDisneyization), Ritzer and Liska (1997) argue that the global mass production and replication of tourism services and products leads to place-less destinations and repetitive experiences consumed by tourists that are reluctant to engage in differentiated experiences.

*Transformationalists* argue for a view of globalization as a dynamic (on-going) and differentiated process, which transforms the structures and practices of contemporary societies. It offers a nuanced analysis of the globalisation process as being influenced by contradictory forces and with multiple possible outcomes rather than a fixed trajectory leading to a borderless world (Held et al., 1999).

Large, transnational firms may be considered by globalists to consist of footloose capital scouring the globe for competitive advantage, not tied to specific places and thus disembedded from social and cultural contexts. Yet, there are significant costs associated with shifting operations to take advantage of more beneficial regulations elsewhere. Transnational corporations are embedded in local, formal and informal networks of trust, cooperation and knowledge transfer (so-called 'untraded interdependencies'). Economic action and institutions are constructed through the activation of these social networks, which are embedded in local contexts and conditions (Granovetter and Swedberg, 1992).

With the stretching of political relations, political power has extended beyond the boundaries of the nation-state and regulatory powers have been transferred to the international and global scale. Yet, while international and transnational institutions have obtained responsibilities formerly held by national governments, powers have also been devolved to subnational scales (re-regulation). This 'hollowing out of the state' (Jessop 2000: 352) has resulted in a new order of multi-level governance based on collaborative governance (Shaw and Williams 2004) with nation-states left to assume new coordinating roles (Church *et al.* 2000).

Global brands such as Coca Cola, global events such as the FIFA football world cup and social communication brands such as Facebook are manifestations of cultural globalisation. These cultural symbols, images and practices represent the global reach of culture and the stretching of social networks across space leading to an increase in cultural exchange. Yet, at the same time, new cultural hybrids emerge as global products are adapted to local markets (e.g. McDonalds) and there has been a resurgence of both support and consumption of local culture and products, particularly in rural festivals (Andrews and Leopold, in press).

#### *Place, space and spatialities of globalisation*

As can be seen in the transformationalist view on economic, political and cultural globalisation presented above, the main contradictory issue is between global and local forces. Yet, it is too simplistic to focus solely on 'the global' and 'the local' as the spatialities of globalisation do not correspond to an essentialist understanding of

geographic scale. Instead, the transformationalists view the world as both spaces of places and flows that cross notions of geographic scales. It is important to realise that to unravel the complexities and changing nature of globalising processes, it is necessary to understand how globalisation processes (i.e. increased flows of capital, tourists, knowledge etc.) affect and transform places and how in turn places shape and transform these flows (Henderson *et al.*, 2002).

#### *Tourism cause or effect?*

The relationship of tourism and globalization is reciprocal. On the one hand tourism is influenced by globalisation: The economic aspect of globalization is manifested in the rise of transnational corporations, such as hotel groups or integrated tourism corporations, due to an increasing level of international or global capital flows via foreign direct investment. The growing mobility of people and new communication technologies result in increasing social interconnections and in turn closer cultural relations. On the other hand, tourism contributes to the increasing connectivity between people and places as it ‘... is also helping to create, recreate and distribute images and objects around the world’ (Shaw and Williams 2004: 6). Flows of images and symbols stem from tourists themselves in the form of souvenirs, stories, blogs, postcards, photographs etc. or by tourism firms or tourist boards which actively engage in marketing destinations for consumption via adverts or trade shows etc. These flows of representation create changing spatial patterns of consumption leading to new touristic practices and the emergence of new destinations (Meethan, 2001).

#### **Suggestions for further reading**

Meethan, K. (2001) *Tourism in Global Society: Place, Culture, Consumption*. Palgrave: Basingstoke, UK.

Shaw, G. and Williams, A.M. (2004) *Tourism and Tourism Spaces*. Sage: London, UK.

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