

‘Globalization’ and economic development: why Geography still matters

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BEN PARTRIDGE, JUL 26 2011

Evaluate debates surrounding the shifting role played by geography in contemporary processes of economic globalisation

Earlier periods did not know jet travel, intercontinental missiles, transworld migrants with transborder remittances, satellite communications, facsimiles, the Internet, instant transplanetary television broadcasts, intercontinental production chains, transworld retailers, global credit cards, a continuous diet of global sports tournaments, or large-scale transplanetary anthropogenic ecological changes. Contemporary history is supraterritorial to degrees well beyond anything previously known.

(Scholte, 65:2005)

The extent to which the above extract reflects reality depends on exactly how far contemporary processes of globalization can be characterized as *truly* global. For, whilst it is undeniable that earlier periods of history did not see the rapid technological advances that have accompanied late-capitalist development, nor the concurrent ‘time-space compression’ (Harvey, 1989) brought about by digitized satellite telecommunications (with their resultant effects on society and culture, needless to say trade and commerce), it is almost certainly the case that many humans alive *now* have yet to experience the most basic of these advancements or trends, never mind the full gamut of phenomena Scholte invokes as the hallmarks of a globalized, ‘supraterritorial’ world. Paying closer attention to the geographical distribution of the causes and effects of, and also the harms and benefits resulting from, contemporary processes of economic globalization, reveals those processes to be differentiated along distinct and tangible geographical or territorial scales, themselves embedded in the capitalist world economy shaped by centuries of uneven development.

In business, academia, the media or civil society, there are many celebratory voices to be heard, cheerleading the further integration and liberalization of international trade in goods and services as an inherently positive, welcome and for some, inevitable development in the history of the world economy (cf. Ohmae, 1990; Friedman 1999). Accompanying these sentiments is the belief that economic interaction as facilitated by state level actors is no longer relevant; it is supra-state, trans-national corporations (TNCs) which define the global nature of today’s commerce. Murray (2006) refers to this thinking as globalization as a liberating force, ushering in a ‘borderless world’ or the ‘twilight of sovereignty’. McCann (351: 2008) notes how, in a similar vein, O’Brien (1992) announced the ‘end of geography’ and Cairncross (1997) the ‘death of distance’. Consequently, political leaders and business elites proclaim globalization as a necessary and inexorable geopolitical and economic reality with hyperbolic statements like “the 21st century is a ‘global century’” or “globalization is a reality that overwhelms all others” (Scholte, 1: 2005). Murray (25-6, 2006) typifies these ‘hyperglobalist’ (cf. Dicken, 2007) sentiments as believing that “time-space compression renders distance unimportant [...] locality has less meaning, since we live in a ‘global village’ [...] difference is declining, culture homogenizing [and] territories are made less salient by the transcendence of process across and above them.” Perhaps the most rabid of these arguments, comes from Friedman (8:2005) who insists that, politically, and economically, geography no longer has any relevance whatsoever:

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Because it is flattening and shrinking the world, Globalization 3.0 is going to be more and more driven not only by individuals but also by a much more diverse—non-Western, non-white-group of individuals. Individuals from every corner of the flat world are being empowered. Globalization 3.0 makes it possible for so many more people to plug in and play, and you are going to see every color of the human rainbow take part.

For Friedman, the world is 'flat'. Topographical, territorial or geographical parameters no longer figure in the structure or direction of the world economy. Moreover, because of the 'flattening' or equalising effect of technology, trade and societal relations on the global scale are increasingly individuated, something which Friedman is clearly concerned to hold up as a positive, 'empowering' effect of globalization. The intimation is that maybe even TNCs, as well as states, no longer matter. It is 'we' the global citizenry who determine the course of history. Some geographers, such as Scholte (2005) seem to provide academic ballast to Friedman's observation, pointing out that "whereas [the] older trend towards a shrinking world occurred *within* territorial geography, the newer spread of transplanetary simultaneity and instantaneity takes social relations *beyond* territorial space". In this instance, Scholte seems guilty of extending Friedman's blanket journalistic dictat that there is a 'Globalization 3.0' that exists 'out there' as a supra-territorial force to which we must submit.

Yet Yeung (1998; 2002) has offered a riposte to this "fetishising of spatial categories" which turns globalization into a spatial theory of supraterritoriality, stating that "[g]lobalization is an outcome of social constructions of space that are mediated through historically specific political, economic, and technological forces" (2002: 286). Murray (2006: 25-6) echoes Yeung's argument for the enduring relevance of geography, conceding that while "[d]istance, as measured in an absolute sense, is indeed less important, place, space, locality and the relative distance between these things are not."

It is because there has been an errant inversion of the causes and effects of globalizing tendencies by certain economists and writers, that there can be a mistaken and dangerous shift to thinking of globalization as a 'thing-in-itself' representing not only the benefits which increased economic integration can bring, but also a precipitator of social change and with that, the illusion of a progressive force. As Yeung (2002: 287) has expressed it, "globalization should be viewed as a set of mutually constitutive tendencies comprising both *material processes* of transformation [...] and *discourses* that operate across a variety of geographic scales. [...] It is certainly not akin to a megatrend 'out there' with which social scientists can objectively grapple." He concludes (2002: 300) that "economic globalization does not have a life of its own because there are some stringent geographic preconditions for it to take place."

Murray (2006: 2) further recommends that a 'note of caution' needs to be sounded about the 'shrinking' or 'flattening' world concept because "the relative distance between some people and places has become greater (e.g. income gap has widened) [and] the majority [of people in the world] who do not have access to the internet have become relatively more isolated." As Johnston et al. (2002, p. 9) also argue:

The rise of globalization has been marked by increased material polarisation between regions; for every global city in the network of global cities there is what Castells calls a 'black hole' of marginalisation and exclusion [from] the global network society.

Kelly (1999: 388) too reports Mittelman's (1996a: 18) observation of 'holes in the global mosaic'; whole world regions and enclaves (both spatial and social) which are not a part of globalization processes. Sheppard (2002) explains that this uneven development is constituted by the relative *postionality* of those parts of the world included in the developed, globalized networks, which due to historical contingency, were ripe and ready to be further integrated by technology owing to their well established trade links and power relations. In other words, the geographical location of economic and political centres was incredibly important to the trajectory of the world economy, and globalization cannot be understood without recourse to this fundamental fact. Sheppard characterizes the 'hubs' of the global network, where concentrated activity on a global scale occurs as 'wormholes', which are a "structural effect of the long historical geography of globalization, reflective of how globalization processes reshape space/time" (2002: 19).

Johnston et al (2002: 9) maintain that "the most conspicuous [of globalized networks] is the 'world city network' where corporate service firms locate at their heaviest intersections of information[...] these myriad global spaces of flows are

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the *critical geography* in globalization.” Dicken (21:2007) emphasises also that there is “a very strong propensity for economic activities to agglomerate into *localized geographical clusters*.” The very nature of globalization is underwritten by the growth of ‘world’ cities which are linked together in reciprocal relations of exchange in services, goods and labour. These relations have not only been made possible through technological advances, but have been further reinforced by the growth in telecommunications. As Sassen argues (179:1998)

telematics and globalization have emerged as fundamental forces reshaping the organization of economic space. This reshaping ranges from the spatial virtualization of a growing number of economic activities to the reconfiguration of the geography of the built environment *for* economic activity.

When Scholte (59:2005) writes that “globalization refers to a shift in the nature of social space [...] transplanetary connectivity”, we may be tempted to imagine that this ‘connectivity’ loosens the relationship between culture (ideas, politics, social praxis) and place; we can envision a ‘global’ society no longer constrained by spatial dimensions. Yet what many scholars in geography continue to reiterate is that this is an illusion; the internet engenders forms of global transaction for one portion of humanity only, those with the access, the resources, the agency to engage with the global network, reified as those global cities or city regions which constitute the homes of the majority of global actors, whether TNCs, NGOs and intergovernmental organisations, or powerful individuals, the first world rich elite. O Tuathail (149:1999) characterizes them as the “‘wired technological classes’ connected across the planet to each other and disconnected from the rest living in the same territorial state as themselves.” Paradoxically therefore, globalization results in a sphere of activity that is transnational, and that does connect disparate peoples across the globe, whether economically or otherwise, but which also creates an un-globalized underclass, the majority of which compromise the populations of developing countries or the destitute and impoverished of the newly industrialized economies. It is apposite to invoke Kaplan’s (1994) notion of the ‘bifurcated man’ (in Rajaei, 23:2000) to illustrate this point:

We are entering a bifurcated world. Part of the world is inhabited by Hegel’s and Fukuyama’s Last Man, healthy, well fed and pampered by technology. The other, larger, part is inhabited by Hobbes’ First Man, condemned to a life that is “nasty, poor, brutish and short.” Although both parts will be threatened by environmental stress, the Last Man will be able to master it, the First Man will not.

Geography has in actuality become more important because of ‘supra-territorial’ technologies – being at a central hub or node of the globalized network of advanced cities is paramount to participating in contemporary globalization, as McCann (357:2008) notes “many of the industries that are most dependent on information technologies [...] are themselves among the most geographically concentrated industries in the world.”

Technological concentration is further exacerbating uneven development as Sassen (182:1998) has quite presciently described, there is a “spatialization of inequality evident in both the geography of the communications infrastructure and in the emergent geographies of electronic space itself.” Murray (27:2006) reports that Kitchin and Dodge (2002) have argued that cyberspace exhibits uneven and real geographies where online interactions are not divorced from those offline, but rather are contexted by them. A two-way relationship can be observed between geography and networks then, whereby technology acts as a conduit. Dicken (16:2004) expresses this most succinctly, stating that

[globalizing] processes are not only geographically grounded and embedded (in the sense of deriving some of their characteristics and resources from place-specific contexts), but they also generate geographically specific, highly uneven, concrete *outcomes*.

A more sober account of what globalization entails, and its fundamental relation to geography looks to be possible. Dicken (11:2007) has surmised that globalization manifests itself as a “*situated network* embedded within the broader macro-structures of the global economy as well as grounded in the prevailing geographical structures of the real world.” Indeed, we can begin to see that the world is neither flat, nor curved, but uneven – a differentiated terrain of peaks and troughs; peaks being the nodes of the ‘world’ city network, the true loci of globalization, facilitated through telecommunications and transplanetary air travel, and troughs; all those areas in between, the alienated and neglected places of rural, small-town and remote sites of economic underdevelopment. For the majority of the world’s

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population, those without access to instant internet communications and the internationalized goods and services enjoyed in the developed North, globalization may have the minimum of effects on their day-to-day existence.

Even if 'place' has been subverted with new spatialized flows of knowledge, information and services, geography is still relevant; "a 'world city', for example, is a node on a network but it is still a distinctive place" (Murray, 22:2006). Scholte (60:2005) contends similarly that

[r]elations between people always occur somewhere: in a place, location, a domain, a site. No description of a social circumstance is complete without a spatial component. Moreover, no social explanation is complete without a geographical dimension either. Space matters.

Interrogating the concept of globalization and examining the differentiated materialities which have both facilitated its development and continue to shape its future direction shows quite clearly that new and complex social relations have arisen which are not easily mappable onto existing territories. This in no way diminishes the utility of geography to understanding these shifting hierarchies of scale but in actuality demonstrates the enduring relevance of geography in both the academic and socio-economic sense alike.

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