

GLOBALIZATION HL ESSAY

“Barriers to globalization are no longer falling but are rising instead.” Discuss this statement.

Globalization refers to the growing interdependence of countries worldwide through the increasing volume and variety of cross-border transactions in goods and services. Due to globalization the world's trade volume has increased by over 40% in the last years and peripheral areas have been encouraged to participate on a more global and international scale. Although globalization has had many upsides and benefits (especially for LICs), many countries have now imposed certain barriers towards this growing interconnectivity between countries, to preserve their national sovereignty. Therefore, the following essay will discuss the extent to which barriers to globalization are falling or rising.

The Chinese Firewall is a good example of a barrier that greatly imposes globalization and restricts global technological interaction. China's Cyber Space Administration (CCSA) and the Chinese government have censored a range of popular websites, such as Google, YouTube, Facebook and Amazon and have instead promoted Chinese social media sites and search engines. By doing so they have created a network of their own (introducing the intranet concept) and isolated themselves from the global internet. By rejecting Google, a large TNC which is currently operating in over 160 countries worldwide to serve Chinese citizens, China has imposed a massive barrier to globalization.

Another act aiming to increase the barriers to globalization are the measures of protectionism put in place by certain countries. Protectionism can be defined as policies that are set up to shield a country's domestic industries from foreign competition. Although this might seem positive in terms of fueling the productivity of an individual country and increasing its GDP, it does limit globalization substantially. Tariffs, subsidies and quotas are put on imported goods and thus discourage foreign companies to distribute their products internationally. With a reduced flow of goods on a global scale, it can be argued that globalization is slowly decreasing. Especially the US has a strict importing policy and has recently raised its tariffs on Japanese electronic imports.

A third barrier resulting in reduced globalization is resource nationalism. Resource nationalism refers to the process of governments asserting control and taking ownership of their natural resources. By reducing or completely restricting resources to be exported to countries in need of this resource, interconnectivity is limited and globalization declines. An example of this can be seen in Venezuela, with Hugo Chavez seizing control of oil-producing operations owned by foreign TNCs. By restricting access to the fossil fuel reserves, Venezuela keeps its petrodollar wealth to themselves and is able to fund education, health and employment. Although this may be beneficial for the country itself, the global market and the subsequent global interaction through raw material trade are suffering from this.

Furthermore, there are an increasing amount of immigration policies, hindering the free movement of people and labor. This has had the effect that a country's population remains largely homogenous and thus does not promote globalization. By offshoring jobs to foreign countries, remittance corridors are established which ultimately connect the host country to the country of origin. However, these flows are restricted by strict visa requirements and in Mexico a wall has physically hindered immigration. Also, increasing anti-immigration movements in countries such as Germany and the UK act as barriers to globalization, as they reduce the inflow of migrants.

However, arguably barriers to globalization are falling, as the growth in the transportation sector have greatly contributed to a shrinking world and decreasing friction between distance and time. The constant development in the sectors of aviation, road transport, rail transport and shipping, benefit the degree of interconnectivity and trade greatly. Planes now have greater range without the need for stop-overs and refueling, and highspeed trains can now travel up to 400km/h. Additionally, the

establishment of free trade zones (FTZs) and export processing zones (EPZs) have led to a more globalized world and lowered the barriers to globalization.

In conclusion, although globalization has been increasing at a constant rate the last decades a point has now been reached, at which countries are realizing the potential downsides of being part of such closely knit network. Hence the imposing of barriers towards this global process has become more prevalent among high and middle-income countries. When looking at the connectedness index, which ranks countries according to their participation in global flows of goods, services, finance, people and data, it can be seen that countries such as the Netherlands are experiencing a drop in their index value. Thus, it can be concluded that the barriers to globalization are in general rising, instead of falling.