The three eras of globalization

There have been three great eras of globalization. The first lasted from 1492—when Columbus set sail, opening trade between the Old World and the New World—until around 1800. I would call this era Globalization 1.0. It shrank the world from a size large to a size medium. Globalization 1.0 was about countries and muscles. That is, in Globalization 1.0 the key agent of change, the dynamic force driving the process of global integration was how much brawn—how much muscle, how much horsepower, wind power, or, later, steam power—your country had and how creatively you could deploy it. In this era, countries and governments (often inspired by religion or imperialism or a combination of both) led the way in breaking down walls and knitting the world together, driving global integration. In Globalization 1.0, the primary questions were: Where does my country fit into global competition and opportunities? How can I go global and collaborate with others through my country?

The second great era, Globalization 2.0, lasted roughly from 1800 to 2000, interrupted by the Great Depression and World Wars I and II. This era shrank the world from a size medium to a size small. In Globalization 2.0, the key agent of change, the dynamic force driving global integration, was multinational companies. These multinationals went global for markets and labor, spearheaded first by the expansion of the Dutch and English joint-stock companies and the Industrial Revolution. In the first half of this era, global integration was powered by falling transportation costs, thanks to the steam engine and the railroad, and in the second half by falling telecommunication costs—thanks to the diffusion of the telegraph, telephones, the PC, satellites, fiber-optic cable, and the early version of the World Wide Web. It was during this era that we really saw the birth and maturation of a global economy, in the sense that there was enough movement of goods and information from continent to continent for there to be a global market, with global arbitrage in products and labor. The dynamic forces behind this era of globalization were breakthroughs in hardware—from steamships and railroads in the beginning to telephones and mainframe computers toward the end. And the big questions in this era were: Where does my company fit into the global economy? How does it take advantage of the opportunities? How can I go global and collaborate with others through my company? […]

Right around the year 2000 we entered a whole new era: Globalization 3.0. Globalization 3.0 is shrinking the world from a size small to a size tiny and flattening the playing field at the same time. And while the dynamic force in Globalization 1.0 was countries globalizing and the dynamic force in Globalization 2.0 was companies globalizing, the dynamic force in Globalization 3.0—the thing that gives it its unique character—is the newfound power for individuals to collaborate and compete globally. […]

People all over the world started waking up and realizing that they had more power than ever to go global as individuals, they needed more than ever to think of themselves as individuals competing against other individuals all over the planet, and they had more opportunities to work with those other individuals, not just compete with them. As a result, individuals must, and can, now ask, Where do I fit into the global competition and opportunities of the day, and how can I, on my own, collaborate with others globally?

But Globalization 3.0 not only differs from the previous eras in how it is shrinking and flattening the world and in how it is empowering individuals. It is different in that Globalization 1.0 and 2.0 were driven primarily by European and American individuals and businesses. Even though China actually had the biggest economy in the world in the eighteenth century, it was Western countries, companies, and explorers who were doing most of the globalizing and shaping of the system. But going forward, this will be less and less true. 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 and play, and you are going to see every color of the human rainbow take part.

6 brawn = physical strength; 17 to spearhead = to lead an organized effort or activity; 21 diffusion = spreading of one substance within another; 23 maturation = process of becoming mature, growing up; 25 arbitrage = process of buying, esp currencies and company shares
TASKS

A) WORKING WITH THE TEXT (working time 30min)
1) Find headings for the different parts of the text. Make a mind-map with them, adding decisive keywords and symbols.
2) Creative writing: Answer Friedman’s question for yourself: »Where do I [as individual] fit into the global competition and opportunities of the day?« (ll 42-43)

B) MATERIAL ANALYSIS (working time 40min)
1) Describe the cartoon by A. Singer as detailed as possible.
2) Which role do brands play in globalization nowadays? To answer this question use your findings from B 1) and the information given in the mind-map of global food producers.
3) What impact does the global brand market have on your everyday life? To what extent are you affected by it? Refer your reflections to one of the quotations below:

   either
   
   The whole of the global economy is based on supplying the cravings of two percent of the world’s population.
   Bill Bryson, Best-selling Author
   
   or
   
   Imperialism or globalization – I don’t have to care what it’s called to hate it.
   Bill Ayers, Political Activist (extreme left-wing)

»Invading New Markets«
cartoon by Andy Singer (2007)