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## **Globalization in Historical Perspective**

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### **Abstract**

*It is by and large perceived that a phenomenon known as "globalization" is quickly modifying lives in each and every edge of the planet. However, it is somewhat difficult to characterize globalization and when it started. Social researchers and various historians have proposed a wide range of theories to define the beginning stages for the historical backdrop of globalization. An attempt has been made to identify the various stages that led to the present process of global convergence: the consolidation of Asian and Indian Ocean networks beginning about a millennium ago, the new sea routes opened by European expansion about five centuries ago, and the Industrial Revolution of two centuries ago. The time when societies came closer together can be distinguished from the rest of human history which was dominated by divergent forces that divided human communities from each other. After World War 2 and till mid 70s most less developed countries (LDCs) and newly industrializing countries (NICs) implemented a closed economy, import-substitute industrialization model with excessive interventionism and protectionism. The outcomes were slow growth due to balance of payments crises and worsening income distribution due to inflation. This required empowering private ventures and direct private investments (DPIs), flexible exchange regime, freer foreign trade, and implementation of privatization. Although 1997-98 global financial crisis slowed the flow of funds and DPIs, yet globalization proceeded generally.*

*"GLOBALISATION" has become the buzzword of the last two decades. A sudden rise in the exchange of knowledge, trade and capital around the world, driven by technological innovation, from the internet to shipping containers, thrust the term into the limelight. An attempt has been made to identify the necessity to define globalization comprehensively including the interactions of political, cultural, social, and biological aspects, as well as the more obvious economic ones, in order to trace its historical development.*

### **Introduction**

The word "globalization" can be described as the phenomenal increasing expansion of many sorts of global interaction. It would be correct both to restrict the term to the current stage of these integrative processes and to recognize that contemporary globalization has long historical roots, many of which were regional rather than worldwide. "Globalization" has become a popular and controversial issue which earlier remained a loose and poorly-

defined concept. Comprehensively, globalization is used to encompass increase in trade and liberalization policies as well as reductions in transportation costs and technology transfer. Globalisation has its effects on economic growth, employment and income distribution - often without distinguishing between countries and within-country inequalities - and other social impacts such as opportunities for poverty alleviation, human and labour rights, environmental consequences and so on.

The “history of globalization” includes many steps which lead to the current stage. The history of globalization has included complex interactions among these economic, political, socio-cultural, and biological factors. Economic crisis had political repercussions and vice versa. Cultural and social realities promoted or disrupted political and economic integration. The challenge of historicizing the process is to bring together the different disciplinary approaches in a framework that shows their intersections. Although no consensus exists, social scientists and historians have proposed different starting points for the history of globalization. Practitioners of some academic disciplines, economists in particular, are inclined towards shorter timeframes. On the other hand, historians are likely to describe a much longer process. Besides disciplinary proclivities, the debate about the starting point of globalization reflects ideological debates over Marxism or cultural wars over Eurocentrism. Some scholars have also depicted that the discussions of globalization connects to the earlier debates about modernization, underdevelopment, and the rise of the West.

Globalisation as a concept refers to the ways in which developments of one particular region can rapidly come to have significant consequences for the security and wellbeing of communities in quite distant regions of the globe. Globalisation includes interregional flows and networks of interaction within all realms of social activity from cultural to the criminal on different regional levels from global to local.

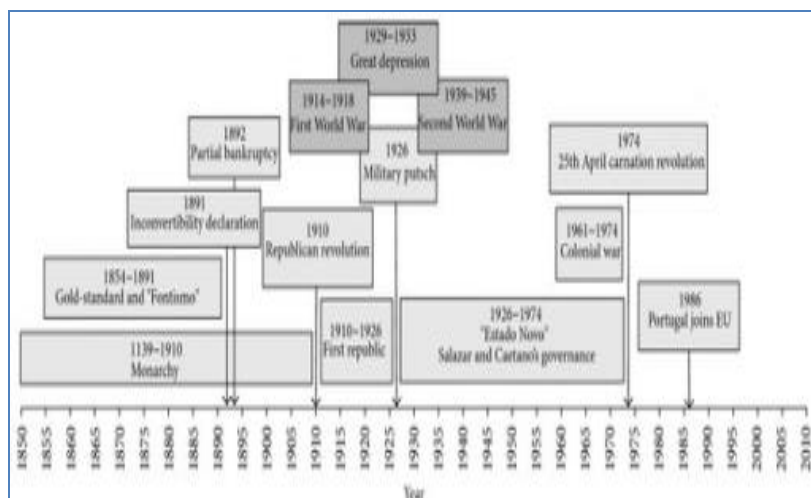
Thus, Globalization can be linked to the local, the national and the regional. It is a relationship between social and economic networks organized on a local and / or national. It connects social and economic relationships and networks crystallized on wider scale the regional and global interactions. Globalization also includes those spatial-temporal processes of change which constitutes the fundament of the transformation of human concerns in an organization, linking together and expanding human activity across regions and continents. Without referring to the growth in space of the connections, we cannot find any clear and coherent formulation of the term globalization.

### **When Globalisation began?**

When Globalisation began? It is still a contested question. The year of 1492 when America discovered Europe is often referred to as globalization’s ‘big bang’. But Andre Gunder Frank, writer of the influential book *Reorient* from 1998, has proposed that the forces of globalization began way earlier than the European discoveries. Global-historians have often emphasized that the process of expanding contact and exchange of goods, people and ideas between societies far apart is an ongoing process since the first human civilizations arose and perhaps even before that. It is still a question that whether it should be called globalization or not. Today we live in an interconnected world, a result of processes that can be traced way back in the past. So, in order to get closer to the understanding of our world

and its past, even on the local level, a global perspective, a perspective that goes beyond the national state we inhabit is required. We see globalization as the expansion of the sizes of social systems and the increase in the complexity of inter societal links. Thus, in certain respects, globalization may be regarded as a process connecting the past, the present, and the future—as a sort of bridge between the past and the future.. There are a number of publications dealing with particular aspects of globalization. In particular, we believe that seeking perspectives that cross organizational, geographic and cultural boundaries may aid in reducing misunderstandings and diminish the negative aspects of globalization. The global financial crisis has only emphasized the need to develop local solutions in a global environment and at the same time to search for global solutions to common problems. New approaches are required that demonstrate an appreciation of the ‘local’ in particular political, economic, social, cultural and geographic contexts, while simultaneously promoting effective change in response to pressing global issues. Globalization is a very broad concept not only with respect to the diversity of regions, cultures, and actors, but also with respect to the diversity of analytical approaches that can be employed to study it.

Globalization is not a new concept. In past people use to travel to other places for gaining control on others lands, for finding out the better living style, for finding out the new places and to earn profits by selling in different regions. These activities were carried out even thousands of years before. But it is said that the earliest form of Globalization was started from Greek, Roman, Egyptian, and Babylonian Empires. In the regime of Mongols, the famous Silk Road connected the Central Asia and Europe. Statistics indicates that Globalization is expanding very rapidly World Wide. Data gathered from WTO shows that economy of the world is expanding since 1950. Till 2004, the volume of merchandise traded has expanded about 7.5 times (Farrell, 2007). Globalization is a contested concept that refers to contraction of time and space. According to another definition “globalization is the deteriorating or exclusion of state-enforced restrictions on exchanges across borders and the increasingly incorporated and complex global system of production and exchange that has emerged as a result.



Source: <https://openi.nlm.nih.gov/imgs>

From the diagram it is clear that globalization can be traced back in 1139 when monarchs ruled the country. It has come a long way and revolutionized the economy. Modernisation that we see today is a result of Globalisation. Certain issues which arose during different eras were solved by joining hands with different nations.

According to conventional view, Economic improvement refers to the Economic System that might be a mean to increase the absolute size of, for instance, capital or annual production regardless to the size of population but in the modern sense, economic development is used in relation to the movement in real income per head and to potential in this respect (Robbins, 1968). Economic Development comes into different steps. Economic Development comes into five steps that are as follow:

**Customary Stage** : In this kind of stages is exchanged as in barter system. Agriculture is considered the prominent sector and resources are regulated through the different ways of production.

**Transitional Stage** :In this stage surplus production is generated. So transport infrastructure get advance and trading activates boost up.

**Take Off Stage**: In this stage industrialization sector start growing. And at the same time political and social institutions are get strengthen.

**Drive to Maturity Stage**: At this stage investment opportunities are increased along with technological advancements.

**High Mass Consumption Stage**- At these stage industries is more convincing and customer focused. Before the Globalization phase USA was foremost in MNCs. But after the extension of globalization trend, many different nations entered in the race of MNCs. In 1973 share of US in MNCs was about 48.5% and in 2002 it was 28%.

By the development of technologies specifically related to Telecom as internet, telephones, wireless technologies, undersea fibers, a global technological infrastructure has been developed so information can be moved more smoothly across the borders. Laws as regards Copyrights, patents and international agreements can be easily applied. Through information technology, awareness and application of criminal laws have become easier. Frauds in International Trade and in society can be easily detected.

### **Industrial Revolution and Globalisation**

The expansion of international trade took place at about the same time the technology in the manufacturing sector reached a stage of development high enough to allow the economy to transit from stagnation to dynamic growth. Trade specialization played a significant role in supporting the industrial revolution as it allowed the economy to shift resources to the production of manufactured goods without facing a shortage of food and raw material.

Trade liberalization and innovations in transportation technology in the mid-19th century allowed the integration of markets and strong growth in international exchange. Technical growth in manufacturing accelerated approximately forty years earlier, although many studies set it at different dates (in general, in the late 18th century). The movement of factors



of production from a stagnant to a dynamic sector is required for the economy to take advantage of the faster productivity advance in the manufacturing sector and, as a consequence, to experience a higher increase in wages, a decrease in rents and a boost of the wage/rent ratio as observed in this period.

However, most explanations of the Industrial Revolution tend to emphasize factors internal to the British or Western Europe economies.

### Conclusion

The modernization that we see today has led to the increase in globalization. Globalization has its own pros and cons and has taken us a long way which has been resultant in the growth of the country. Though lot of research and investigation has been done yet it is difficult to characterize globalization and when it started. There are various studies which has defined Globalisation as a short term process whereas historians believe it as a long term process. But in order to get closer to the understanding of our world and its past, it has become important to study the history of Globalisation.

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