

Challenges of globalization II

1. Does history follow some direction?

- Do societies become increasingly more connected? Socially and technologically more complex?
- Is nature progressively 'humanized' and eventually exterminated? Is there a globalization of environmental degradation and mass extinction?
- Tend political systems to become democratized and protect freedoms? Is there a tendency for societies to become more pacific (for violence to decline)?
- Do all societies eventually experience material and technological progress? Is there a tendency for standards of living to converge across societies (the convergence hypothesis).

2. Have the big historical events been accidental or necessary?

- The emergence of industrial capitalism and of modern economic growth (sustained increase in per capita income: the industrial revolution and the 'Rise of the West')
- The demographic transition (fall of the mortality rate while the fertility rate keeps high and an eventual fall of the fertility rate)
- The scientific revolution (the creation of the modern, experimental, technological science)
- The waves of democratization (19th century, inter-war Europe, post-1945 wave, end of 20th century) and the emergence of modern politics
- The rise of those in subordinate positions against the privileged: workers against employers (labour movement), women against men (feminism), slaves against masters (abolition), mass against elite (socialism), subjects against rulers (the rule of law)...

3. Does development and stability require regional/global leaders? Is that leadership necessarily temporary?

- Human revolution (origin of humanity): Africa
- Agrarian revolution and urban revolution: Middle East
- Industrial and scientific revolution: Europe (historical enigmas: why the puzzling rise of Europe to global power and the decline of China?)
- Space revolution (arrival to the Moon) and digital revolution: America
- In Europe, Italian city-states produced the Renaissance; Portugal and Spain led the process of global conquest; Holland created corporations and financial markets of a modern type; England developed the industrial revolution; the French Revolution established the basis of political rights and civil freedoms; the Enlightenment was also centered in France...

4. Is globalization (the network society) cyclical?

- What actually defines globalization? Its economic, political, technological, ecological, social, cultural... dimension?
- Is globalization a recent development or has it existed for millennia? Are there waves of globalization? Is globalization a temporary phase to be followed by a deglobalization phase?
- Is a Great Convergence (of the Rest towards the West) to follow the Great Divergence?

5. Are expanding societies/economies self-destructing?

- Does every expanding society necessarily cause an environmental deterioration that eventually leads to the society's collapse?
- Does every expanding society necessarily cause, and rely on, social inequality?

- Do societies either expand or enter into conflict?
- Is globalization possible without expanding (growing) economies?
- Does the development and survival of capitalism (and technological advanced societies) ultimately depend on the exhaustion of natural resources and the overexploitation of the ecological services (processes that purify water, break down pollutants, recycle nutrients)?
- Is economic growth only possible by destroying natural capital? Is then environmental collapse the final destination of global capitalism?

6. Is in the nature of globalization to be an asymmetric process, in which benefits and costs are not evenly or fairly distributed?

- Poverty has been and is still the rule, the normal state of affairs. Why?
<https://www.dosomething.org/us/facts/11-facts-about-global-poverty#>
- Is globalization consolidating the North-South divide (the rich-poor dichotomy, the centre-periphery division) created by the Great Divergence?
- Why are not all countries developed yet? Does globalization contribute to development and poverty alleviation?
- Globalization has also transformed the characteristics of work and employment: labour markets are increasingly segmented (between high-skilled and low-skilled workers), which contributes to income inequality, and, in general, jobs tend to be temporal rather than permanent (which increases social instability and makes the professional career and job security things of the past that are not likely to come back).
- Does sustained economic growth necessarily increase economic inequality?
- Is democracy incompatible with a sufficiently high degree of economic inequality? ["In a democratic society the existence of large centers of private power is dangerous to the continuing vitality of a free people." Louis Brandeis]

7. Is globalization a political project or an inevitable historical process?

- How replicable by the rest of societies are the beneficial outcomes achieved by some societies (prosperity and material wealth, social stability, democracy and accountable rulers, scientific and technological progress, social equality)?
- How different are the conditions and processes to achieve some desirable social outcome from the conditions and processes necessary to preserve the outcome? In particular, is igniting socio-economic development too different from maintaining and expanding it?
- To what extent do national policies consolidate or resist the globalization process? [Rodrik's trilemma]
- Is globalization ultimately a zero-sum game? [Political situations tend to be zero-sum: what a group gains another one must lose. The standard view of economic situations is that there is always room for win-win solution. If globalization is a political project, the political zero-sum logic perhaps will prevail.]

8. Is globalization a sustainable process?

- Are the current population levels sustainable? What is the population limit that the planet can sustain? Will the population boom created by the demographic transition be followed by a global population bust (Malthusian thesis of unsustainable overpopulation)?
- Is it globalization necessarily neoliberal and capitalist?
- How much environmental damage can the planet sustain (planetary boundaries)?

- How much social damage can a society sustain (rising social and economic inequality, fall of the middle classes)?
- What are chances of a peaceful transition of global hegemony (as with UK and US after World War I)? Is China's rise reinforce or slow down globalization?
- There is an ongoing global process of urbanization. Currently, more than 50% of the world population lives in cities and this proportion is increasing. Is global urbanization a big bubble?
- Is capitalism inherently unstable, self-destructive, or at least prone to crisis?
- Is unregulated global free enterprise socially, culturally and ecologically destructive?
- Endogenous X-events. The increasing complexity of a technologically advanced and globally integrated society makes it more vulnerable to the consequences of its own outcomes. Technologies alter the environment in unpredictable ways: it is unknown what effects on human health and the ecosystems will cause the genetically modified organisms and the synthetic toxins generated by production and consumption processes.

9. Can global finance be tamed or should it be left uncontrolled?

- Is financial activity essentially destabilizing? Are global financial crises inevitable? Increasingly more devastating in their effects?
- How dangerous is the excessive financialization of economic activity?
- How much power can big corporations obtain during the current digital revolution? How disruptive can the big four be? [By market capitalization, the five largest companies in 2006 were Exxon Mobil (\$540 b, in 2017 dollars), General Electric (463), Microsoft (355), Citigroup (331) and Bank of America (290). In April 2017: Apple (794), Alphabet (= Google, 593), Microsoft (506), Amazon (429), Facebook (414).]
- Will cryptocurrencies alter radically financial activity, the role of monetary policy and the national and international monetary systems?

10. Will globalization force the emergence of global governance or will it continue to be based on sovereign states?

- Modern national economies seem to reinforce three serious economic problems: technological unemployment, growing wealth/income inequality, and rising debt. Is viable a global economy suffering from these problems but that does not receive the support of a global government? [So far national welfare states appear to contain the effects of these three problems. Will they be strong enough to contain the problems at a global scale?]
- How likely is the creation of a global government to regulate global capitalism? Is it viable in the long run to handle global problems with national institutions?
- Without institutions of global governance, will the interaction of the major global powers be peaceful or will warfare ultimately settle disputes?
- Without institutions of global governance, is a necessity to have a global hegemon? Will that hegemon exploit its position of privilege to its own advantage or will it be concerned with preserving global stability?
- If global continuous growth is not possible, how will the global distribution problem be solved? How will the struggle for global hegemony be settled? Is a global balance of power possible and stable?
- Is global war the necessary outcome of the unfeasibility of continued global growth?

11. What is really known about large economies and their very long run?

- The Lucas paradox: investment funds do not appear to flow from richer to poorer regions (where investment returns are potentially higher), as predicted by convergence hypotheses.

- Kuznet's curve and Kuznet's waves: economic inequality oscillates with economic development. [The original Kuznet's curve held that inequality increases in the initial phases of economic development and decreases after some development threshold.]
- Environmental Kuznet's curve: is it true that, initially, development deteriorates the environment and, eventually, restores it?
- Moravec's paradox: it seems easier for machines to replicate certain sophisticated intellectual activities (mathematical calculations, for instance) but not simple sensory-motor activities (recognize objects, walk, seize objects). An economic implication of this paradox is that automatization has replaced human labour in production activities that are predictable (can be algorithmically performed), like manual work in a factory or administrative tasks, and, as a result, has segmented workers into two categories: (i) those handling innovative, creative, hard to algorithmically replicate intellectual activities (teach, do research, manage a firm, compose music, make political decisions), which tend to earn high incomes; and (ii) those doing comparatively unskilled non-intellectual jobs (guard labour, shop assistant, personal services, housekeeping).
- Rodrik's trilemma. The policies chosen by national governments must either be consistent with a globalized economy or satisfy the demands of the national population but not both (in general, integration in the world economy requires the adoption of policies that are unpopular and will not be supported by a majority of the citizens).
- Lee's hypothesis. Are nondemocratic governments more capable to deliver economic development?
- Jevons paradox. Technological improvements that reduce the need for some resource may eventually increase the use of that resource: new technologies aiming at reducing the consumption of some resource may backfire and generate the opposite result.
- Easterlin paradox. More wealth seems to lead to more happiness, but an increase in wealth does not appear to be correlated with an increase in happiness.
- The tragedy of the commons. Common resources that are freely available tend to be overexploited.
- 80/20 rule. In many cases approximately 80% of the effects (outcomes) stems from approximately 20% of the causes (inputs). [In many economies, a small percentage of the population owns a large fraction of the total wealth; 5% of the web sites attracts some 75% of visits; 1% of the movies accounts for 80% of the box office.]

12. To what extent does globalization contribute to make cultures more homogenous?

- Why does religion and non-scientific beliefs persist despite the overwhelming impact of scientific and technological progress in modern societies?
- Will democratization be just a failed experiment and autocracy will finally prevail?
- Is a big reactionary, revanchist response by the privileged to be expected? [‘The wolves rule, not the sheep.’] Will the elites eventually revolt to take control? Are not economic crisis (and the asymmetric effects of globalization) an opportunity/excuse for elites to invoke the necessity of stability (concentration of power to handle the problems) over accountability (distribution of power)?
- Will local cultures eventually revert the globalization process? How likely is that globalization will create a unique global culture? If several cultures eventually coexist, what will ensure that they do not clash?
- Will cultural groups turn their backs on each other (in a degrowth/deglobalization context because they will fight to preserve their share in the social wealth; in a growth/globalization context because benefits/costs may be unfairly distributed among the groups)?
- Will the interaction of globalization with local cultures produce a viable hybrid? Or will one replace the other?

- Why religions are not expected to disappear?
- For how long the 'us vs them' distinction?

13. Is everything a bubble?

- That is, no matter how far they develop, all social processes collapse and come to an end: population expansion, wealth increase, technological progress, material well-being.
- Is global capitalism just a gigantic Ponzi scheme? (Mitch Feierstein, 2012, *Planet Ponzi*) [A Ponzi scheme is an investment strategy in which an investor makes unproductive use of funds provided by other investors and the returns paid to those investors come from funds contributed by new investors.]
- If social development is, in the last instance, an elite project, for how long will the elites be interested in maintaining the social development project (welfare state)?

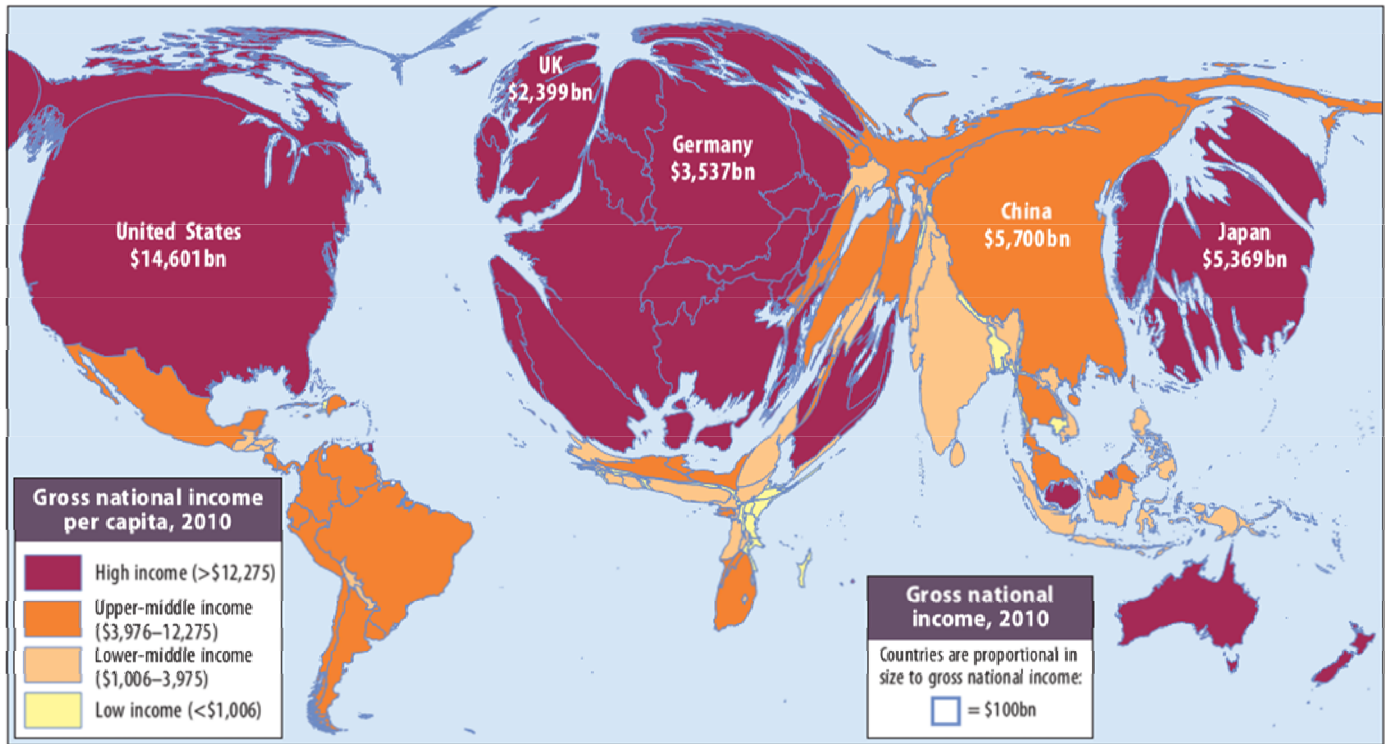
14. Is technology always the solution?

- If continual technological progress is possible, what ensures that its fruits will be accessible to all? If the singularity is reached (the merging of human and machine intelligence), what guarantees that its benefits and potentialities will be generally available? Will technological progress split humanity into two categories, those who can enjoy it and those who cannot?
- How dangerous are the unintended consequences of technological progress? Will technology eventually destabilize the planetary conditions making human life possible? Will some technological creation (artificial intelligence) replace humans?
- Is there a trade-off between the technological level of a society and its chances of survival?
- How likely is that the apparently beneficial outcomes of two hundred years of technological development constitute the rule for the future and not the exception? ['Extinction is the rule. Survival is the exception.' Carl Sagan]
- For how long will the problems and tensions created by a growing technologically advanced global society be solved democratically, at the domestic level?
- Are technologically advanced societies socially more unstable because these societies are less socially integrated (in general, people are more adrift and lonely)?
- Is there a sense in which moral progress is possible and exists?
- Is technological, material progress socially destabilizing without a parallel moral progress?
- Is civilization (technological, material progress) an amoral monster?
- Are there moral limits to technological change?
- Do innovation and leadership depend on the existence of psychopathic personalities?
- Does the principle of social proof, developed in technologically primitive societies, work for technologically advanced societies? [Principle of social proof: as a rule, an individual chooses what to do or believe on the basis of what the rest of individuals do or believe. Hence, an individual regards an action or belief as appropriate when others take that action or hold that belief: if many are doing something, it cannot be wrong to join them.]
- How dangerous is wishful thinking (unrealistically positive view of the future) for society?
- Who is right: techno-optimists (transhumanists) or techno-pessimists (anarcho-primitivists)?

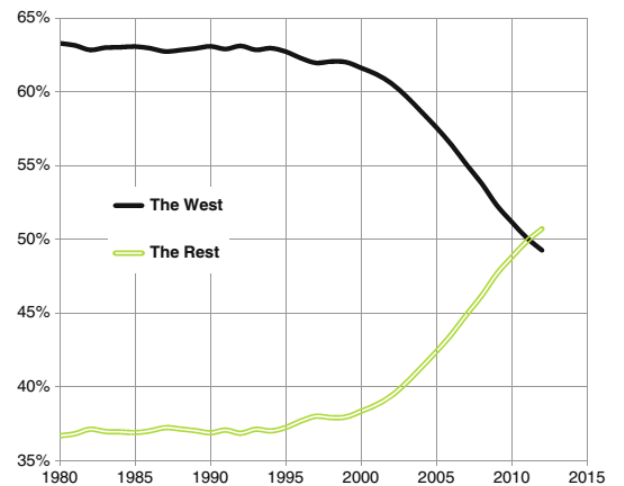
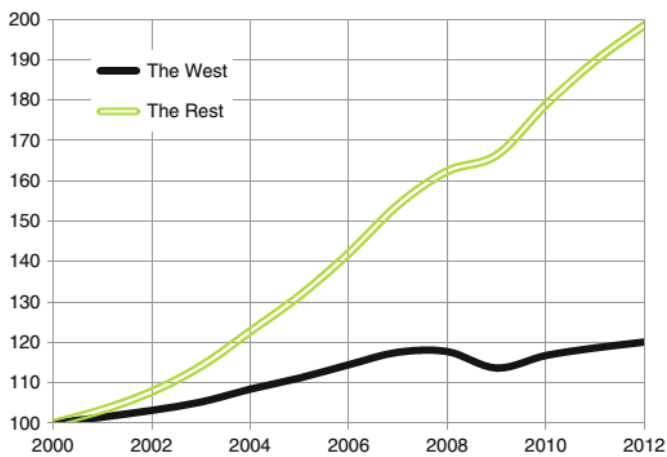
15. A global trolley problem. Is it preferable

(1) to save billions of poor people sacrificing a few millions of rich persons or

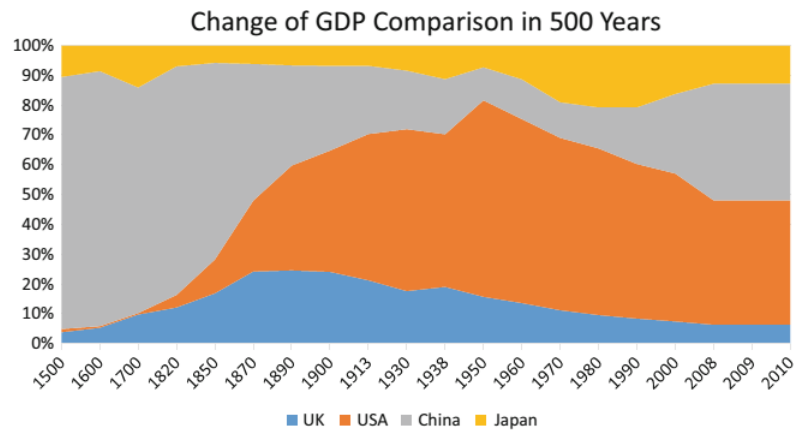
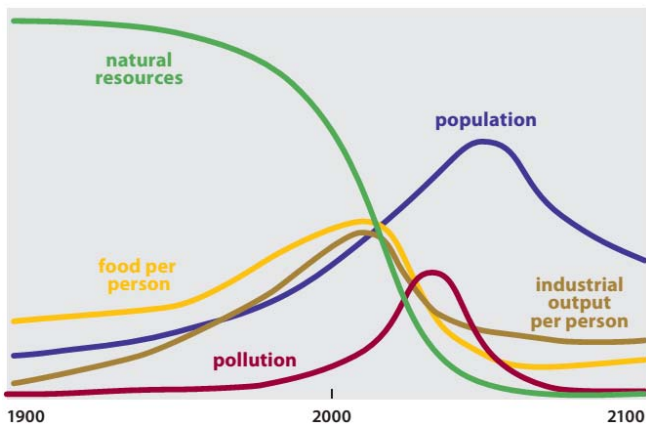
(2) to save the rich and let the poor starve and die?



Dicken, Peter (2015): *Global shift: Mapping the changing contours of the world economy*



Left: Relative GDP dynamics between West and Rest, 2000–2012 (2000 = level 100),
 Right: Share of the West and the Rest in global GDP, 1980–2012, Grinin and Korotayev (2015, p. 91)



Meadows, Donella; Jorgen Randers; Dennis Meadows (2005): *Limits to growth: The 30-year update*, Earthscan, London.
 Kai, Jin (2017): *Rising China in a changing world: Power transitions and global leadership*, Palgrave Macmillan, Singapore