WHAT IN THE WORLD IS GOING ON?

APPLIED CASE STUDY

Although the focus of Global Shift is on the present period of globalization, the book notes that it has been preceded by other periods which have certain things in common with it. In this case study, we will consider the period from 1880 to 1914, which sceptical internationalists argue constituted a more 'global' period than the present. As in the main text, globalization is defined as 'the qualitative transformation of economic relationships across geographical space', which enables the development of global production networks and reduces the constraints of physical geography on social and economic interaction.

Globalizing Technology

In technological terms, the end of the nineteenth century saw the development of steam ships which enabled the transportation of materials, goods and people around the world more rapidly and cheaply than before, paralleling developments in container shipping today (see Chapter 4). Similarly, the development of first the telegraph, then the telephone, allowed for rapid if not simultaneous communication across long distances; the first transatlantic telegraph cable was laid in 1866, and by 1894 a sophisticated network of such cables existed. The invention of the moving picture also formed the basis for what can be described as a new media sector, with a globalizing element as such pictures could be duplicated and sold worldwide with translated inter-titles, allowing people around the world all to view exactly the same entertainment.

While technology will be discussed in more detail in Chapter 4, it is worth noting here that the major difference comes with regard to the speed of transport and communication. Developments in aviation make transportation theoretically much faster, and telephony and the Internet allow communication in real time, which telegraphy does not; transatlantic telephone conversation was not possible until the 1920s, when it was radio based, and a transatlantic telephone cable would not be laid until 1956. This simultaneity has an even more dramatic impact on physical geography, allowing contact in real time between people in quite far-removed locations.

Migration

The development of such transportation and communications technology enabled a surge in labour migration (see Chapter 10). Foner's history of Italian labourers in New York during this period indicates that they made extensive use of transportation and communications technologies to keep in touch with their homeland (making repeated migratory trips rather than simply migrating to the adopted country for good), that they sent remittances home, encouraging the global circulation of capital, and adopted a global outlook. This is paralleled in Panayi's study of German elite migrants in the UK, who established themselves in the financial sector and became crucial to the development of a transnational financial system, while at the same time facing prejudice from local people who evoked discourses of racism and anti-Semitism to suggest that they were encouraging anarchism and 'stealing' local jobs, much as anti-Islamic discourses are used in the UK today to promote sentiment against modern labour migrants.

Today's labour migrants, however, are arguably more diverse, travel greater distances, and include a larger number of countries in their destinations ('following the jobs' rather than commuting between two locations). They have also been encouraged by the development of free trade areas and, in Europe, a single passport zone enabling the free movement of labour. They are also increasingly able to organize transnationally (see the case study for Chapter 14 on garment workers in Lesotho). Furthermore, today we have the development of 'outsourcing' jobs, in which, rather than recruiting migrant labour in a local community, companies may well take the jobs to the source of the labour.

Global Outlook

The late nineteenth century saw the rise of what is known as 'The Age of Empires', referring to the dominant form of global organization at the time. These empires were generally based around a European colonial nation (the UK, France, Portugal, and so forth, though the USA, towards the end of the period, began a

similar colonial process). Global networks of production and consumption were concentrated in these units, with colonies providing raw materials and the colonial nation providing processing labour, and the products being sold around the empire, in a kind of combination of modern global production networks and regionalism (as production and trade are concentrated within a specific group of countries). There was also a focus on reducing time and costs and sourcing cheap labour, as Mata's study of the Portuguese fish-canning industry around the turn of the twentieth century indicates.

Again, the main difference is in terms of the more diverse range of possibilities for modern-day networks. Whereas a colonial company was mostly limited in terms of its sourcing to countries within the empire, a modern multinational corporation (MNC) can theoretically source its raw materials and labour literally anywhere in the globe. Processing and, increasingly, services are also being outsourced to wherever the labour is cheapest, rather than necessarily following strict colonial lines. While, as the case study for Chapter 12 (Royal Dutch Shell) demonstrates, the old colonial connections often influence present-day economic systems, companies are less restricted by such connections.

Conclusions

While the sceptical internationalists are correct that the present period of globalization is not unique, there are some key differences between the previous period and this one. First, *simultaneity*, in that modern globalization allows simultaneous communication; second, *imperialism*, in that the earlier period was focused around empires while that of the present is focused around regions; and finally, *outsourcing*, in that modern corporations seek out the cheapest sources of labour worldwide rather than exploiting colonial ties or relying on migrant labour.

QUESTIONS

1. Were the late nineteenth and early twentieth centuries 'more global' than today? Why or why not?
2. How do developments in transportation and communication technologies encourage the rise of migration, and vice versa?
3. Compare and contrast the European Union of the early twenty-first century with the British Empire of the late nineteenth century.
4. In light of the globalized nature of society at the turn of the twentieth century, how important is simultaneity to global production networks?

FURTHER READING

Foner, Nancy (1997) What's new about transnationalism? New York immigrants today and at the turn of the century. *Diaspora*, 6 (3): 355–375.

Mata, Maria Eugenia (2009) Managerial strategies in canning industries: a case study of early twentieth century Portugal. *Business History*, 51 (1): 45–58.

Panayi, Panikos (1995) *German Immigrants in Britain During the Nineteenth Century, 1815–1914.* Oxford: Berg.

Williamson, Jeffrey G. (1996) Globalization, convergence and history. *Journal of Economic History*, 56 (2): 277–306.