

1. Introduction to Globalization and the World Economy

Globalization

History of Globalization

- The term "**globalization**" has been used in the social sciences since the 1960s; however, the term did not achieve widespread use until the later half of the 1980s.
- Since its popularization by economists and journalists in the 1980s and 1990s, the concept of globalization has inspired numerous competing definitions and interpretations.
- A.G. Hopkins, ed. "Globalization in World History." Norton. (2004). p. 4

Definition of Globalization

- **Globalization** or (**globalisation**) is the process by which the people of the world are unified into a single society and function together. Globalization is often used to refer to economic globalization: the integration of national economies into the international economy through [trade](#), [foreign direct investment](#), capital flows, [migration](#), and the spread of technology
- Economic globalization "pertains to deeper integration and more rapid interaction of economies through production, trade, and (unregulated) financial transactions by banks and multinational corporations, with an increased role for the World Bank and the International Monetary Fund, as well as the more recent World Trade Organization"
- Worldwide [movement](#) toward [economic](#), [financial](#), [trade](#), and [communications integration](#).
- Globalization implies [opening](#) out beyond [local](#) and nationalistic [perspectives](#) to a broader outlook of an interconnected and inter-dependent world with [free transfer](#) of capital, goods, and [services](#) across national frontiers. However, it does not include unhindered movement of [labor](#) and, as suggested by some [economists](#), may hurt smaller or fragile [economies](#) if applied indiscriminately
- The process of greater interdependence among countries and their citizens. It consists of increased integration of product and resource markets across nations via trade, immigration and foreign investment-that is via international flows of goods and services, of people and of investment such as equipment, factories, stocks and bonds. It also includes non economic elements such as culture and the environment. (Carbaugh, 2007:2).