

Globalisation: A Conceptual Outlook

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1. Introduction

The process of globalisation is by no means new. It started a long time ago, although it has been taking different shapes and dimensions. One could clearly argue that slave trade was part of the process of globalisation; global movement of labour, though forced. Colonisation was also another form of globalisation. Many other processes of the past could be attributed to one or different form of globalisation. However, the term was popularised since the mid 1980s. It is now a catchword in the same way that a term such as “governance” has become.

No doubt the concept is quite important, as it affects virtually everybody, making it a subject of discussion and controversy. It is also a term that has not been understood or understood differently by different people. Others use the term globalisation synonymously with the term liberalisation. Of recent some individuals have been advocating that our government should resist and stop globalisation; it is likely that they refer to something else, not globalisation.

The objective of this short paper, therefore, is to define the concept of globalisation and its key components. The paper also discusses the different factors that are driving the globalisation process. It is the intention of this paper to facilitate the building of a common understanding of the concept of globalisation that will enable us as stakeholders to deliberate the key issues that the next paper will highlight in a more coherent manner.

2. What is Globalisation?

Globalisation is a multidimensional phenomenon, affecting economic, cultural, environmental, social and political aspects of life. Therefore, scholars in different fields have tended to define it according to their areas of specialization, or according to the matter they wish to investigate. The different definitions result into some of the confusion we have today on what exactly is meant by the term globalisation. Economists, for example, with a bias in trade issues may define globalisation as an increase in trade, facilitated by liberalisation, among other driving forces.

We would prefer to define globalisation as the process of increasing international integration in economic, political, social and cultural spheres, whereby actions beyond national

boundaries constrain and influence national outcomes. The interaction is seen in the form of increased flow of goods and services, increased flow of capital, increased cultural and political interactions, migration of people and many others.

As mentioned above, globalisation is by no means a new phenomenon. It has been taking place throughout recorded history. What is new though, and why the concept has evoked such interest of late, is that the speed with which it is proceeding is more rapid, and the scale is vast, literally affecting the lives of people all over the world¹ (Ajayi, 2001).

Globalisation as a process has been facilitated by a number of factors. These are the driving forces behind this process. The type and strength of these forces have changed and differed from time to time. Thus, currently the strong forces of globalisation are liberalisation, information technology advances and the disintegration of the Soviet Union. We discuss some of these immediately below.

3. The Forces Driving the Process of Globalisation

As pointed out earlier, the process of globalisation has been taking different shapes during different times in history. The reasons for the different shapes mainly lie in the driving forces of the process prevailing during that particular time. As a result people have tended to associate the process with the (prevailing) dominant driving force of the time while in reality the other driving forces are also at work. Below are some of the driving forces that are currently dominant:

(i) Technological advances

Technological advances have lowered the cost of transport and communication, enabling countries, companies, and individuals to transact easily and quickly around the world. Developments in information and communication technology have facilitated globalisation by cutting down the time and distance. Europe is only a few hours to reach

¹ It is common to hear such a phrase as “We are now living in a global village”. Such is the way perceptions are about the scale of globalisation - bringing down barriers among countries.

physically and a few minutes to communicate with. The costs have also been cut significantly.

The internet, for example, has provided an opportunity to gain access to knowledge and services, quickly and cheaply. And mobile phones have enabled most developing countries to bypass the poor landlines and infrastructure.

(ii) *Trade and investment liberalisation*

Countries have cut down trade barriers by undertaking trade liberalisation. This has facilitated globalisation. For example, reducing tariffs and duties help to increase the flow of goods and services across borders. Similarly, due to lower trade barriers and investment liberalisation, companies are more able to invest and set up production structures outside their territorial boundaries.

(iii) *The Disintegration of the Soviet Union (for lack of a better title)*

The disintegration of the Soviet Union allowed one of the two major blocs to take over world leadership. It opened room for one major power and one dominant ideological system. This has significantly influenced ongoing political and governance reforms

It is obvious that globalisation is here to stay. It should be noted that some of the driving forces are outside our control. Obviously as a country we can decide to stop liberalization. But this will not stop globalisation. However, we can influence how we participate. For example, by establishing appropriate institutional arrangements to support our liberalization.

4. *Components of Globalisation*

We have seen that globalisation is a multidimensional phenomenon. Although the economic phenomenon has received more attention, the cultural and social and political aspects are not insignificant. We would therefore like to elaborate a little further on the concept by identifying some of its main components. It is also important to discuss these different

components because in Tanzania, the various components have come at different times and impacted us differently. From the policy standpoint it would be useful to identify and support those that have produced positive results and influence change on those that have produced negative results. The components we discuss are hereunder grouped into economic, political, and cultural components.

4.1 Economic Aspects

Economic aspects of globalisation involve facilitation of foreign trade, that is, movement of goods and services, capital, technology and labour. Countries that are not fully participating in economic globalisation will not grow neither will they benefit from globalisation. It is only through participation that we can stimulate economic growth and human advancement. It is true however, that there are negative aspects associated with economic globalisation. Aspects such as unfavourable terms of trade require a solution. But staying out until that solution is found is definitely unwise.

For many years Tanzania has participated in the international trade, and exported products that it has comparative advantage in, that is, agricultural products. However, Tanzania has recently lagged in the production and export of some of its major traditional exports. Table 1 shows that in the 1990s, Tanzania's coffee production decreased between 1981 and 2000. Vietnam, on the other hand, increased its coffee production by more than 100 times during the same period (World Bank, 2002). Therefore, in spite of the declining terms of trade, it is likely that, different from Tanzania, in Vietnam globalization has stimulated economic growth and human advancement. This example suggests that Tanzanians need to increase productivity and production as the solution for declining terms of trade is being sought. Clearly, it is not a matter of deciding whether we are going to be globalized or not since it is an inevitable process. The issue is how we respond to the process and ensure that we derive benefits from it.

Table 1: Coffee production, 60 kg bags

	TANZANIA	VIETNAM
1981	957000	130000
1982	993000	153000
1983	838000	132000
1984	825000	230000
1985	832000	466000
1986	677000	523000
1987	772000	753000
1988	931000	1040000
1989	862000	1006000
1990	932000	1390000
1991	791000	1308000
1992	786000	2340000
1993	736000	3020000
1994	680000	3532000
1995	897000	3938000
1996	765000	5705000
1997	624000	6915000
1998	739000	6972000
1999	837000	11648000
2000	827000	14775000

Source: *International Coffee Organisation Website.*

Another aspect of economic integration is the increasing level of foreign investment, expanding media and information and communication technology. These have resulted in increased productivity and reduction of the labour productivity gap between the developed and developing countries. Countries that participate in the use of foreign investment, information and communication technology, and the expanding media become more aware and are able to use more advanced methods of production and knowledge sources, therefore increasing local labour productivity and become more competitive internationally. With the exception of the mining industry, Tanzania has not yet so far fully participated in the process. Therefore, the gap between Tanzania and participating countries will continue to widen.

4.2 Political/Governance Aspects

Governance refers to “the traditions and institutions that determine how authority is exercised in a particular country” (Kaufmann *et al*, 2000, p.1. It encompasses the following;

- The process by which a government is selected, held accountable, monitored and replaced
- The capacity of a government to manage resources efficiently and formulate, implement, and enforce sound policies and regulations, and
- The respect of citizens and the state for the institutions that govern economic and social interactions among them).

It is not easy to sum up the political dimensions of globalisation. Perhaps the most important political dimension is that globalisation seems to go hand in hand with the loss of national sovereignty. This is particularly true for small developing countries. Such a loss in sovereignty is manifested through external pressure to influence national economic and political processes. For example, donor countries may insist on plural democracy. It can also be seen that economic globalisation has an impact on political globalisation. By using information and communication technologies and the media, people have become more aware of what is happening elsewhere. They demand their rights to facilitate democratic advancement internally.

It should however be noted that political globalisation has also resulted into some negative aspects, such as when some external groups or foreign countries attempt to instil a prototype democracy and try to use economic muscles to superimpose it to the weaker members of the global village.

4.3 Cultural Aspects

Culture, defined in a broad sense, is cultivated behaviour. It is the totality of a person's learned, accumulated experience, which is socially transmitted. It can also be defined as a way of life of a group of people - the behaviours, beliefs, values, and symbols that they accept, and that are passed along by communication and imitation from one generation to the next.

One aspect of globalisation is the powerful cultural impact of international influences. These influences are both positive and negative. The positive aspects may include:

International cultural exchange - benefits accrue from cross-border exposure to differing religious and value systems, traditional cultures, to new ideas and to international cultural developments. For example, access to literature, movies, arts and sports from other cultures not only helps to understand other cultures, which enhances peaceful co-existence, but also it expands people's choices.

While access to movies and literature from other cultures is a positive thing, it must be stressed that it has some negative elements. These are;

The spread of pornography, especially paedophilic images

While it may be more positive to access with equal ease works of art and other forms of entertainment from Latin America, Asia, Europe, and other parts of Africa, the fact of the matter is that there is over-exposure of *western culture at the expense of the rest of the world*. The over-exposure may undermine people's confidence on themselves. For example, it is not pleasing to hear some of our youths feeling that blond hair and blue eyes are superior to black hair and other shades of eyes. It is equally outrageous to hear of black people craving for lighter skin. If one listens to the mushrooming FM radio stations, one gets the impression that speaking English is superior to speaking Swahili. Worst still, some presenters want to *speak with an American accent*.

Tourism is a fast-growing industry in Tanzania, and the income potential is welcome. However, it should be noted that some countries exposed to high levels of tourism have suffered from cultural and social pollution, for example through "sex tourism". The debasement of local crafts and social practices in response to the tourist market is a danger. Tourists in turn benefit insufficiently from the potential benefits of genuine cultural exchange. *In Tanzania, tourism is still in its infancy, but it is likely to have a strong cultural impact over the longer term*. It is therefore a matter of concern to explore how the cultural contact involved could be made as mutually beneficial as possible.

These negative aspects of cultural globalisation are due to the inequality in media development. For example, the development of local publishing in Tanzania is very limited, materials available in Kiswahili inadequate, a national film industry non-existent, and TV production capacity is totally inadequate. Because of such inadequacies, the rest of the world mainly views African countries as locations for wild animals, conflicts and disasters, natural and man-made. In turn, the exposure of Tanzanians to international cultural influences is heavily biased towards some of the less edifying aspects of Western mass-culture.

5. *Concluding Remarks*

This paper has argued that globalisation is unavoidable. It has been with us; it will continue to be with us. We have to live with it. We have to participate if we want to enhance our peoples well being.

The paper has also argued that globalization has produced both positive and negative impacts on Tanzania. Therefore it is important that the country can develop responses that aim to maximise the benefits and minimise the costs. Fortunately we can determine those areas of globalization that produce both impacts.

The paper has argued that the economic benefits of globalization can be maximized by getting more globalized. These benefits will be even higher if we can change the terms of trade in our favour. And this we can do by diversifying our exports away from traditional agricultural exports. The areas of political/governance and culture are similar. The point we are making is that the country has to develop strategies for addressing the various components of globalization because they differ in many respects – driving forces, impacts, etc.