Globalization, Localization, or Regionalization?

PAD 5805: Lecture 10

Overview

- Globalization
- Localization
- Regionalism
- Regional Innovation Systems
Globalization

- **Integration of National Economies:**
  International interdependence of economy (global capitalism)

- **Political:**
  Intensified interaction between countries, localities, and societies

- **Socio cultural:**
  Open, multipolar, multicultural society

- **Media:**
  Cross cultural linkages through media; internationalization of entertainment

- **Issues:**
  Housing; Environment; Technology

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Globalization waves

- **1870 - 1914: Rise of Global trade**
  - Triggered by lower transportation costs
  - Population migration based on labor requirements
  - Colonization

- **1914 - 1945: Retreat into nationalism**
  - Protectionism across independent countries (especially Latin America, Soviet Russia)
  - Anti-immigrant sentiments (including in U.S.)

- **1945 - 1980: Second Wave of Global trade**
  - Lifting of barriers (tariffs, customs duties)
  - Marginal participation by developing countries; rapid industrial growth of developed countries
  - Growing gap between developed and developing countries

- **1980 - now: Present Wave of Globalization**
  - Technology led globalization (ease of communications, movement of capital)
  - Information costs, rather than raw material costs
## Globalization process

- **Role of the State, Market, and the Third Sector [esp. International Organizations]**
  - Reduced role of the State to regulate MNCs (if regulations become stringent, corporations move)
  - State's activities increasingly complemented by International, National, Regional, and Local Third Sector Organizations (Non-government organizations; Community Based Organizations)
  - Increasing role of market

- **Ease of International Mobility and Exchange (Borderless World?)**
  - International migration
  - International flow of capital

- **Role of Technology [Communications, Information]**
  - Rise of Information Society
  - Digital Economy vs Manufacturing

## Globalization effects

- **Friedmann: World is flat**
  - Geography does not matter
  - Technologically connected world

- **International Division of Labor**

- **Footloose Multinational Corporations**

- **Global vulnerability (crisis in one country triggers crises in others)**

- **Global Competition (Cities as corporations)**

- **International Hierarchy of Cities**
Localism

- Florida: World is spiky
  - Place matters
  - Creative class clusters in specific places
- Sassen: National govts do not matter
  - Cities matter more than nations
- Resistance to globalization
  - Emphasis on local production
  - Local agriculture, local manufacturing
  - Ecological living: Reduce carbon footprint

Regionalism

- Regional governance/ collective action
  - Cooperation among local agencies
  - Importance of place and local government
  - Industry specific regional clusters
- Regional innovation system
Regional Innovation Systems

- Not a unified concept
- Four major themes:
  1. Institutions
     - Regional governance
     - Incentives for innovation
  2. Agglomeration of industrial clusters
     - Spatial spillovers due to proximity
     - Significance of infrastructure, markets, supply chain networks

Regional Innovation Systems

- Four major themes (continued):
  3. Social networks
     - Local and international networks
     - Formal/ informal networks between public, private, and third sector
  4. University/ research centers
     - Significance of universities as knowledge production centers [developmental role]
     - Labor production centers [generative role]
### RIS: Three contexts

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