Q3(b)

What is globalisation? Why is there an intense debate about globalisation and its consequences?

UPSC Civil Services Mains 2021 · PSIR GS 2 · 15 marks · Comparative Politics

Comparative Politics: Nature and major approaches; political economy and political sociology perspectives; limitations of the comparative method.

Core demand of the question

- What is globalisation? Discuss the debate on its consequences
- Write at 15-mark length

Revision summary

Globalisation is denser cross-border economic and social connection.

Wallerstein reads it as world-economy deepening.

Bhagwati and institutionalists stress gains and rules.

Stiglitz and dependency stress crises and unequal rules.

Political backlash and shared sovereignty are part of the consequence set.

Introduction

Globalisation is the thickening of cross-border flows of goods, capital, people, data, and rules. The debate is not whether borders still exist. It is who gains, who is exposed, and whether the State remains the master of the process.

Body

What it is

- Intensity and speed of interconnection, not the first caravan in history.
- Production chains, finance, and digital platforms sit beside older trade.
- Immanuel Wallerstein would say it is the latest deepening of a capitalist world-economy, not a sudden flat world.

Consequences: the optimistic case

- Growth through trade, technology diffusion, and poverty reduction in export platforms, as Jagdish Bhagwati-style liberals argue.
- Absolute gains and regimes, in Robert Keohane's institutionalist language, can make openness self-reinforcing.
- Diasporas and ideas widen choice.

Consequences: the critical case

- Uneven development, footloose capital, and a race on labour and tax.
- Joseph Stiglitz stressed crises from premature financial opening.

- Cultural homogenisation and a democratic deficit in treaty bodies.
- Dependency and world-system writers treat "win-win" as ideology of the core.

Political consequences

- Sovereignty becomes shared with investors and dispute panels.
- Populist backlash is a domestic consequence, not only a Southern complaint.
- Climate and pandemic show that flows carry harm as well as goods.

A working judgment

- Globalisation is structured, not neutral. Consequences depend on position in Wallerstein's hierarchy and on domestic institutions that Huntington would call the capacity to absorb mobilisation.

Flow diagram

Globalisation -> Flows trade capital data

Flows trade capital data -> Liberal growth regimes

Flows trade capital data -> Critical hierarchy crises

Liberal growth regimes -> Debate on consequences

Critical hierarchy crises -> Debate on consequences

Conclusion

Globalisation is intensified interdependence of markets, rules, and communication. Liberals count growth and regimes. Critics count hierarchy, volatility, and lost policy space. Both describe real slices. The debate is about distribution and control, not about whether ships move.

Facts & figures

Wallerstein
Globalisation as expansion and integration of a historical capitalist world-system.

Keohane
After Hegemony and regime theory: cooperation can continue through institutions even without a single master.

Stiglitz
Globalisation and its discontents: sequencing, finance, and Fund programmes as sources of harm.

Bhagwati
Defence of economic globalisation as growth-enhancing when paired with domestic policy.