TBRP Perspectives

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Late Globalization: What and/or Who is Late?

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Summary

When Romeo Turcan and I started exploring the concept(s) of "late globalization", it became clear to us that the qualifier "late" can have many variations, depending on what aspect/entity is late, and what the 'lateness' is in relation to (and equally, what is 'early' and early in relation to what?). One very macro and historically elongated sense of "late" was discussed in my TBRP Perspectives titled "Late Globalization Flavors and Stripes: Culture Theory Aspects". In that essay the perspective discussed was of globalization as a long process that has been happening for over two millennia. We are well past the early, growth, and mature phases of globalization – and now have entered the "late" phase of globalization. This long historical view has its value in terms of providing stage-setting overall context; but its usefulness is limited when – in the contemporary world – nations, sectors, industries, companies, specific individual or institutional actors are grappling with practical aspects of late globalization affecting their situations, fortunes, and prospects. So, in this essay, I want to turn to some of the possible ways in which the notions of late globalization play out in the contemporary, current-history sense. Via TBRP Perspectives and in our work at TBRP, we will continue to explore the various aspects of 'late' in late globalization; and will keep the readers informed as we discover new aspects, ideas, and connections.

Keywords

Late globalization; Earlier globaliser; Later globaliser

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So, in this perspective, I want to turn to some of the possible ways in which the notions of late globalization play out in the contemporary, current-history sense.

First, a few words on the distinction between globalization and internationalization that Romeo Turcan has proposed in some of his writings. Globalization is often an outside-in process: strong external forces (generally a giant global corporation) motivate a supplier firm to go international, to support the global giant's operations and strategic goals. Internationalization, by contrast, is inside-out: forces inside the nation motivate (sometimes compel) a firm to go to foreign markets.

For this note, let us focus on globalization in time frames that can be considered "recent" by historical standards – the past couple of centuries. In terms of late globalization, in such time frames, at the most macro level, the entity of interest is the nation. Some nations – UK, France, USA, Japan – globalized early (although in case of Japan, after Meiji Restoration, the internal compulsions to internationalize were extremely strong – so internationalization occurred in first few decades and then globalization processes took hold). If we look at the post-World War II period, most of the so-called developing and emerging nations were late globalizers. Import-substituting industrialization was a key goal of developing nations, and of the nations in the Soviet bloc. Internationalization of firms from such nations was slow, and globalization practically non-existent for many decades. Then, going with the 'outside-in' idea of globalization, some nations enacted policies to ease and accelerate the globalization of their firms. Comparing China and India, for instance, China started these processes in 1971 and was an ‘early globalizer’ compared to India, a ‘late globalizer’ that opened the doors to outside-in forces and processes only in 1991.

At a somewhat less macro level of analysis, we can look at industries. Some industries – many consumer goods, computers – are early globalizers. The footprint of major companies in these industries becomes global relatively early in the life of such industries. Other industries – cars or even more so, steel – are late globalizers.

Next, we can turn to companies within an industry. In soft drinks, Coca-Cola was an early globalizer on its own and, during the Second World War, the decision to “follow the troops wherever they are” (a decision encouraged by the U.S. government and military), made the bottling and distribution of Coca-Cola extremely global. By contrast, PepsiCo was – in relative terms – a late globalizer.

The qualifiers early-late can also be applied to the functions or aspects of the business of a company. A company can be early or late in terms of globalizing its market-seeking, manufacturing, distribution channel development, supply chain development, talent recruiting and management composition, etc.

The act of being late in whatever aspect of globalization – whether it is deliberate, serendipitous, or for other reasons – often means many opportunities were grabbed by the early globalizers and are thus scarce or closed for the late globalizer. There may be benefits to lateness also – the timing of a late globalizer may correspond so well with some external events that the late globalizer can grab a very large share of opportunities. For example, the massive needs to reprogram computers for “Y2K” century-end date change arose precisely when India’s software industry was beginning to globalize; allowing India to develop a very large and world-class software service sector in a relatively short time. Other similar possibilities could arise: U.S. policy changes are creating outside-in pressures for Cuba (the nation, some of its industries, its companies and individuals) to globalize, and there are prospects for Cuba to avoid some of the mistakes of early globalizing Caribbean nations.

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