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# SYLLABUS

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Final Essay



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Challenges of Globalization

When given the timeline on the different eras of globalization, I noticed that the description of the yet to come period VI was filled with questions. I realized that different answers could be provided to these questions, according to different points of view, using the concepts learned in this course (or, at least, some ideas regarding the topic). Therefore, the contents of the subject could be arranged according to these questions.

Of course, an introduction is needed to provide a context to the main analysis. It would consist of general definitions, concepts and facts from the past and present of globalization.

## CHALLENGES OF GLOBALIZATION

### I) INTRODUCTORY CONCEPTS

- Dual nature: *as an outcome and as a process*
- Globalization 1.0, 2.0, 3.0
- Technology
- Engines: *gains from trade, economies of scale and economies of agglomeration*
- Global forces: *the fall of the soviet union, globalization, the rise of china, a global demographic shift*
- The elephant curve
- Drivers behind the globalization of labour markets
- The industrial revolutions: *currently in the 4th (industry 4.0, internet of things)*
- Main players in the world economy: *big states, large private financial institutions, industrial multinationals*

### II) WHAT ABOUT THE FUTURE?

#### 1. WILL CAPITALISM SURVIVE ITS SOURCES OF INSTABILITY (FINANCE, RESOURCE EXHAUSTION, CLIMATE CHANGE, POLLUTION, INEQUALITIES, DEPOPULATION)? WILL IT REINVENT ITSELF?

YES	<ul style="list-style-type: none"> <li>▪ Neoliberalism</li> <li>▪ Washington consensus</li> <li>▪ The augmented Washington Consensus</li> </ul>
NO	<ul style="list-style-type: none"> <li>▪ Paradox of neoliberalism</li> <li>▪ Crises of capitalism</li> <li>▪ Paradoxes of the free market</li> <li>▪ Yates' dilemma</li> <li>▪ Globalization and risk (<i>vulnerability</i>)</li> <li>▪ Corollary to Herman Daly's impossibility theorem</li> <li>▪ Calum Chace's economic singularity (<i>capitalism will get replaced</i>)</li> <li>▪ "Is globalized finance destroying the economy?"</li> </ul>
HOW TO REINVENT ITSELF?	Yunus' three zeroes: <i>seeking zero poverty, zero unemployment and zero net carbon emission</i>

#### 2. WHAT IS THE FUTURE OF THE WELFARE STATE?

IT'S IN RETREAT	<ul style="list-style-type: none"> <li>▪ "The world is broken"</li> </ul>
HOWEVER	<ul style="list-style-type: none"> <li>▪ Free trade myth</li> <li>▪ South Korea's success</li> </ul>

### 3. WILL EXCESSIVE INEQUALITY BE TAMED?

<b>NO</b>	<ul style="list-style-type: none"> <li>▪ Rise of the West/The Great Divergence</li> <li>▪ North-South divide</li> <li>▪ Asymmetry of globalization</li> <li>▪ Matthew effect</li> <li>▪ Piketty's <math>r &gt; g</math> theory of inequality</li> <li>▪ Poverty traps</li> <li>▪ Joining the rank of developed countries appears to be extremely difficult</li> <li>▪ The catch-up illusion</li> <li>▪ Lucas paradox</li> </ul>
<b>YES</b>	<ul style="list-style-type: none"> <li>▪ Convergence</li> <li>▪ Is the Great Convergence a necessary continuation of the Great Divergence?</li> <li>▪ Kuznets curve, Kuznets wave (<i>in the long run</i>)</li> <li>▪ The liberal, optimistic, convergent view of the future</li> <li>▪ Versions of convergence of GDP per capita</li> <li>▪ Thomas Friedman's Flat World</li> <li>▪ The paradox of power</li> </ul>
<b>HOW?</b>	<ul style="list-style-type: none"> <li>▪ Through the tax system</li> <li>▪ Race between technology and education (<i>education ahead of technology</i> → <i>decline in inequality between workers</i>)</li> </ul>

### 4. GLOBAL GOVERNANCE OR SOVEREIGN NATIONAL STATES?

<b>*</b>	<ul style="list-style-type: none"> <li>▪ Inherent tension between what's best for markets and what's best for states</li> <li>▪ Rodrik's trilemma</li> </ul>
<b>SOVEREIGN STATES</b>	<ul style="list-style-type: none"> <li>▪ Is globalization creating a multipolar world?</li> <li>▪ Ian Bremmer's G-Zero world (<i>4 scenarios</i>)</li> <li>▪ The alliance/convergence between political and economic elites favours the political status quo</li> </ul>
<b>GLOBAL GOVT.</b>	<ul style="list-style-type: none"> <li>▪ The paradox of our times</li> <li>▪ Global core problems in an increasingly interconnected world</li> </ul>

### 5. REVOLT OF THE ELITES OR GLOBAL TRIUMPH OF DEMOCRACY?

<b>*</b>	Conjecture: <i>no confluence between general population, political elite and the economic elite interests</i>
<b>PRO DEMOC.</b>	<ul style="list-style-type: none"> <li>▪ Paradoxical nature of democracy (<i>virtues</i>)</li> </ul>
<b>AGAINST DEMOC.</b>	<ul style="list-style-type: none"> <li>▪ Paradoxical nature of democracy (<i>its virtues also make them go wrong</i>)</li> <li>▪ Capitalism does not imply democratization</li> <li>▪ The Lee hypothesis</li> </ul>
<b>IDEALISTIC SOLUTION</b>	<ul style="list-style-type: none"> <li>▪ Cosmopolitanism: <i>as a solution to the tension between democracy and globalization</i></li> </ul>

### 6. THE END OF WAR?

<b>YES</b>	<ul style="list-style-type: none"> <li>▪ "The bright side of globalization" (<i>less wars in this last wave</i>)</li> <li>▪ Pinker's "What may be the most important thing that has ever happened in human history?" (<i>decline in violence, we are living the most peaceful era ever</i>)</li> <li>▪ Death of conflict</li> </ul>
<b>NO</b>	<ul style="list-style-type: none"> <li>▪ The Thucydides trap</li> <li>▪ Piketty's traumatic end to the Neoliberal Era</li> <li>▪ Tension belts</li> </ul>

### 7. WILL SOCIAL PACIFICATION BE REACHED? MAJOR SOCIAL CONFLICTS/TENSIONS ERADICATED?

<b>IDEAS</b>	<ul style="list-style-type: none"> <li>▪ The paradox of development</li> <li>▪ Technological progress as a social struggle</li> <li>▪ Does technology create social orders?</li> </ul>
<b>COMPLEXITY</b>	<ul style="list-style-type: none"> <li>▪ X events</li> <li>▪ Tainter’s theory of collapse</li> <li>▪ The price of progress</li> </ul>
*	The ultimate question: <i>the point is what is socially sustainable</i>

### 8. POPULATION BOMB: OVERPOPULATION/POPULATION COLLAPSE, OR UNDER CONTROL?

<b>COLLAPSE</b>	<ul style="list-style-type: none"> <li>▪ Malthusian view</li> <li>▪ Neo-Malthusian view</li> <li>▪ Meadow’s option 1: collapse</li> </ul>
<b>UNDER CONTROL</b>	<ul style="list-style-type: none"> <li>▪ Boserupian view</li> <li>▪ Meadow’s option 2: smooth adaptation</li> <li>▪ “More people, good” (<i>more people creates more problems but they are the means to solve them</i>)</li> </ul>

### 9. HOW WILL ENERGY SHORTAGES BE SOLVED?

<b>IDEAS</b>	<ul style="list-style-type: none"> <li>▪ Flat energy world (<i>if energy is concentrated rather than scarce, there is potential for the energy world to be flat</i>)</li> <li>▪ Global energy dilemma (<i>political obstacles for introduction of renewables</i>)</li> </ul>
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### 10. HOW SUSTAINABLE WILL GLOBAL ECONOMIC GROWTH BE?

*	<ul style="list-style-type: none"> <li>▪ Big threats to 21st century world economy (<i>scarcity and abundance</i>)</li> </ul>
<b>IMPOSSIBLE</b>	<ul style="list-style-type: none"> <li>▪ Herman Daly’s impossibility theorem</li> <li>▪ Bartlett’s Laws of Sustainability</li> </ul>
<b>COSTLY</b>	<ul style="list-style-type: none"> <li>▪ Increasing cost of sustaining growth</li> </ul>
<b>SUSTAIN-ABLE</b>	<ul style="list-style-type: none"> <li>▪ Evidence of apparent success in attaining sustainable growth – Meadows</li> </ul>

### 11. WILL HUMANS DESTABILIZE THE EARTH SYSTEM?

<b>YES</b>	<ul style="list-style-type: none"> <li>▪ The Anthropocene</li> <li>▪ Jevons paradox</li> <li>▪ Doomsters</li> <li>▪ Ozone depletion, The hockey stick curve, CO2 emissions, Ecological footprint</li> <li>▪ The Shock Doctrine</li> <li>▪ The Tragedy of the Commons</li> <li>▪ All pre-industrial societies were vulnerable to collapse (<i>Easter Island as a good example of collapse</i>)</li> <li>▪ The dominant economic views and theories were created in an “empty world”</li> </ul>
<b>NO</b>	<ul style="list-style-type: none"> <li>▪ Natural resources will progressively become less costly</li> <li>▪ Simon’s view (<i>no limits in the trend on a better life</i>)</li> <li>▪ Many societies have existed for thousands of years without signs of collapse (<i>Are technologically advanced societies immune to collapse?</i>)</li> <li>▪ Environmental Kuznet’s curve (<i>in the long term</i>)</li> </ul>
<b>OTHER</b>	<p>Meadow’s Dynamics of World3 scenarios</p> <p>Meadow’s three outlooks: optimism, cynicism or middle road</p>

## 12. MECHANIZATION AND AUTOMATION: THE RISE OF THE ROBOTS AND THE END OF WORK?

<b>YES</b>	<ul style="list-style-type: none"> <li>▪ Technological unemployment (<i>machines able to do any job people can but cheaper, faster and better</i>)</li> </ul>
<b>MIDDLE ROAD</b>	<ul style="list-style-type: none"> <li>▪ Skill-biased technical change (<i>favours employment of skilled workers, decrease employability of unskilled workers</i>)</li> </ul>
<b>NO</b>	<ul style="list-style-type: none"> <li>▪ Paradox of Harvey Brooks (<i>cost and risks assumed by few, advantages widespread</i>)</li> </ul>

## 13. WILL ARTIFICIAL INTELLIGENCE BE DANGEROUS?

*	Moravec's paradox ( <i>is it still relevant nowadays?</i> )
<b>YES</b>	<ul style="list-style-type: none"> <li>▪ Ambivalence of technology</li> <li>▪ Technology is essentially unpredictable</li> </ul>
<b>NO</b>	<ul style="list-style-type: none"> <li>▪ Technological singularity (<i>artificial general intelligence will solve every human problem</i>)</li> </ul>

## 14. WHAT OF SOCIAL, RELIGIOUS, LINGUISTIC, CULTURAL, IDEOLOGICAL GLOBALIZATION?

<b>IDEAS</b>	<ul style="list-style-type: none"> <li>▪ Mahbubani's Great Convergence</li> <li>▪ Globalization does not imply homogeneity, uniformity or cultural convergence (<i>local cultures are modified by contact with the rest of the world, but not necessarily uniformized</i>)</li> <li>▪ Why does religion (and superstitions) appear immune to the spread of material values and the exposition to scientific information?</li> </ul>
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## 15. CONQUEST OF SPACE OR TRAPPED ON EARTH?

*	<ul style="list-style-type: none"> <li>▪ Fermi paradox</li> <li>▪ Basic resolutions of the Fermi Paradox</li> </ul>
<b>WE AREN'T ALONE</b>	<ul style="list-style-type: none"> <li>▪ Resolutions 1 (<i>ETs are or have been here</i>) or 2 (<i>they exist but we haven't been able to gather evidence of their existence</i>)</li> </ul>
<b>WE ARE ALONE</b>	<ul style="list-style-type: none"> <li>▪ Resolution 3 (<i>we are essentially alone in the universe</i>)</li> <li>▪ Webb's resolution</li> </ul>

## 16. HAS GLOBALIZATION AN EXPIRATION DATE?

*	Challenges of globalization
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