

## Is Globalization Liberalization?

This paper is the outline that I used for my presentation entitled, “Is Globalization Liberalization?” This presentation was delivered at the IES Europe seminar in Leuven Belgium in July 2007.

### Economic History

What is it? Economic History is a discipline which has two major threads. These are:  
Understand Economics in History and add it to the historical record.  
Learn Economics and posit theories (ie Douglass North –Nobel Laureate)

### Why ask the question?

Many equate the two (globalization and liberalization)

Globalization seems correlated with economic growth and operates on a (-----) continuum

Those countries most globalized earn most and are best off

Liberalization is less clearly good but also operates on a (-----) continuum

Liberalization can be internal or international

### What is Globalization?

Increased flows of capital, people, goods, services, technology

How is it observable?

Look around you (give examples) clothes, tech, watch, food, ideas

Flights

Trade

Technology usage

Investment

Who is responsible for globalization? Governments? Individuals?

### What is Liberalization?

Market Liberalization is what we’re talking about.

Regional liberalization creates borders and lowers borders

- Private ownership of Businesses
- Freedom to contract and private property rights
- Lowered barriers to trade (including taxes and non-tariff barriers)

### Brief History of Globalization and Liberalization

Globalization

Medieval

Conquest

Slow local movement

Technological similarities

Early Modern Explorers – mercantilism

First globalization - distances

Big arbitrage

Post gold-standard

Shrinkage but with uneven tech growth

Post WWII

Huge increases in all aspects but uneven patterns of exchange  
Africa doesn't benefit much  
US-EU-Japan do

Liberalization

Peace v. wartime government control levels  
Liberalization as a policy mostly a post 1970s phenomenon  
Democracy is a difficulty to liberalism but not more than autocracy

What is the answer?

No- but it helps when it is not regional

Why?

Globalization is the result (flows)  
Liberalization is the domestic policy inward and outward

Liberalization can cause increases or decreases in globalization

Globalization can cause increases or decreases in liberalization

Market Liberalization Examples

- United States
- EU
- Russia

Global Integration Examples

- China
- USA
- WTO Countries
- Bad Example - Venezuela

Look at the trends of both globalization and liberalization-

US is still liberalizing in bilateral relations but slowing down in agriculture

Venezuela retreating from globalization by expropriating

Generally there is more liberalization and globalization is growing

### **Recommended Reading**

The Commanding Heights by Yergin and Stanislaw

Information from this book and the subsequent video series is available on

<http://www.pbs.org/wgbh/commandingheights/>

The Rise of the Western World by Douglass North and Robert Thomas