

11.1: Introduction

In this chapter, we will look at how the Internet has opened the world to globalization. We will look at where it began and fast forward to where we are today. We will review the influences of man, machine, and technology enabling globalization. It is now just as simple to communicate with someone on the other side of the world as to talk to someone next door. In this chapter, we will look at the implications of globalization and its impact on the world.

What Is Globalization?

Globalization is found in economics and refers to the integration of goods, services, and culture among the people and nations of the world. Globalization has accelerated since the turn of the 18th century due to mass improvements in transportation and technology. Globalization has its roots as far back as an exploration of finding the New World. Globalization creates world markets. Places once limited to only providing goods and services to the immediate area now have open access to other countries worldwide. The expansion of global markets has increased economic activities in the exchange of goods, services, and funds, which has created global markets that are now readily feasible. Today, people's ease of connectivity has accelerated the speed of globalization. People no longer have to sail for a year to share goods or services.



Fig. 11.1 Globalization in Handshake, Hands, Laptop, Monitor.

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The Internet has connected nations. From its initial beginnings in the United States in the 1970s to the development of the World Wide Web, it has crept into home use with the introduction of the personal computer in the 1980s. The 90s then introduced social networks and e-commerce of today; the Internet has continued to increase the integration between countries, making globalization a fact of life for citizens worldwide. The Internet is truly a worldwide phenomenon. By Q2 of 2022, approximately 5.4 billion people, or more than half of the world's population, use the Internet. The growth from 2000 to 2023 is about 1392%! For more details and to explore each region interactively, please view the data at internetworldstats.com.

WORLD INTERNET USAGE AND POPULATION STATISTICS 2023 Year Estimates						
World Regions	Population (2022 Est.)	Population % of World	Internet Users 31 Dec 2021	Penetration Rate (% Pop.)	Growth 2000-2023	Internet World %
Africa	1,394,588,547	17.6 %	601,940,784	43.2 %	13,233 %	11.2 %
Asia	4,352,169,960	54.9 %	2,916,890,209	67.0 %	2,452 %	54.2 %
Europe	837,472,045	10.6 %	747,214,734	89.2 %	611 %	13.9 %
Latin America / Carib.	664,099,841	8.4 %	534,526,057	80.5 %	2,858 %	9.9 %
North America	372,555,585	4.7 %	347,916,694	93.4 %	222 %	6.5 %
Middle East	268,302,801	3.4 %	206,760,743	77.1 %	6,194 %	3.8 %
Oceania / Australia	43,602,955	0.5 %	30,549,185	70.1 %	301 %	0.6 %
WORLD TOTAL	7,932,791,734	100.0 %	5,385,798,406	67.9 %	1,392 %	100.0 %
NOTES: (1) Internet Usage and World Population Statistics estimates are for June 30, 2022. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the United Nations Population Division . (4) Internet usage information comes from data published by Nielsen Online , by the International Telecommunications Union , by GfK , by local ICT Regulators and other reliable sources. (5) For definitions, navigation help and disclaimers, please refer to the Website Surfing Guide . (6) The information from this website may be cited, giving the due credit to www.internetworldstats.com . Copyright © 2022, Miniwatts Marketing Group. All rights reserved worldwide.						

Fig 11.2 - World Internet Usage and Population Statistics. Source: <https://internetworldstats.com/stats.htm>

The Network Society

1996 social-sciences researcher Manuel Castells published *The Rise of the Network Society*. He identified new ways to organize economic activity around the networks the latest telecommunication technologies provided. This unique, global economic activity was different from the past because "it is an economy with the capacity to work as a unit in real-time on a planetary scale." (Castells, 2000) We are now in this network society where we are all connected on a global scale.

The World Is Flat

In Thomas Friedman's seminal book, *The World Is Flat* (Friedman, 2005), he unpacks the personal computer, the Internet, and communication software's impact on business, specifically globalization. He begins the book by defining the three eras of globalization:

- "Globalization 1.0" occurred from 1492 until about 1800. In this era, globalization was centered around countries. It was about how much horsepower, wind, and steam power a country had and how creatively it was deployed. The world shrank from size "large" to size "medium."
- "Globalization 2.0" occurred from about 1800 until 2000, interrupted only by the two World Wars. In this era, the dynamic force driving change was multinational companies. The world shrank from size "medium" to size "small."
- "Globalization 3.0" is our current era, beginning in the year 2000. The convergence of the personal computer, fiber-optic Internet connections, and software has created a "flat-world platform" that allows small groups and even individuals to go global. The world has shrunk from size "small" to size "tiny."

According to Friedman (2005), this third era of globalization was brought about, in many respects, by information technology. Some of the specific technologies he lists include:

- The graphical user interface for the personal computer was popularized in the late 1980s. Before the graphical user interface, using a computer was relatively complex. By making the personal computer something that anyone could use, it became commonplace very quickly. Friedman points out that this digital storage of content made people much more productive and, as the Internet evolved, made it simpler to communicate content worldwide.
- The build-out of the Internet infrastructure during the dot-com boom during the late 1990s. During the late 1990s, telecommunications companies laid thousands of miles of fiber-optic cable worldwide, turning network communications into a commodity. At the same time, the Internet protocols, such as SMTP (e-mail), HTML (web pages), and TCP/IP (network communications), became standards that were available for free and used by everyone.

- The introduction of software to automate and integrate business processes. As the Internet continued to grow and become the dominant form of communication, it became essential to build on the standards developed earlier so that the websites and applications running on the Internet would work well together. Friedman calls this "workflow software," which allows people to work together more efficiently and allows different software packages and databases to integrate easily. Examples include payment-processing systems and shipping calculators.

These three technologies came together in the late 1990s to create a "platform for global collaboration." Once these technologies were in place, they continued to evolve. Friedman also points out a couple more technologies that have contributed to the flat-world platform – the open-source movement (see Chapter 10) and the advent of mobile technologies.

✓ Example - Expedia 11.1.1

Expedia's travel booking company provides an example of a business that expanded globally thanks to the Internet and information systems.

Solution

Founded in 1996 just as the Internet was gaining mainstream traction, Expedia leveraged the connectivity of the Web to allow travelers to easily search for and book flights, hotels, rental cars, and more.

Given the Internet's borderless nature, Expedia could instantly provide booking services worldwide. Today, it operates local sites in over 70 countries and has grown into one of the largest online travel agencies.

The World Is Flat was published in 2005. Since then, we have seen even more growth in information technologies contributing to global collaborations. We will discuss current and future trends in chapter 13.

References

Castells, Manuel (2000). The Rise of the Network Society (2nd ed.). Blackwell Publishers, Inc., Cambridge, MA, USA.

Friedman, T. L. (2005). The world is flat: A brief history of the twenty-first century. New York: Farrar, Straus, and Giroux.

Q2 2022 Internet usage. Retrieved August 1, 2023, from [internetworldstats.com](https://www.internetworldstats.com).

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