

Business and the world economy

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Key Characteristics of the modern Economy

1. Restless technological and social change. Result of capitalisms inherent dynamism.
2. Economic volatility. Capitalist dynamism is 'manic'.
3. Deepening connections ('globalisation'). The capitalist process is geographically promiscuous.
4. Unevenness. The world is not flat. It is unequal with chronic imbalances.
5. Insecurity. Disruption of lives due to capitalisms 'creative destruction'. Causing political 'blowback'.
6. Politics and Nation States were, and are still, important. Geopolitics persists....power matters.

Rise of the state

Dynamism, Technological and social change raises the overall state. E.g. Innovation can make processes more efficient. Table 3.9 illustrates total government expenditure as per cent of GDP, showing the rise of state. The technological dynamism is fueled by capitalism. Competition doesn't always need to create efficiency (e.g. having to advertise won't make the product better) When the iPhone came out, it changed everything in the phone industry and made Nokia obsolete. Also the advancement in technological progress fuels the overall dynamism of technology.

Globalisation, as great as it is is already old today. The interconnectiveness also causes many problems. Capitalism is naturally a wonderer, spreading. Thus, globalisation is elementary to globalism. This becomes clearer, when considering the interconnectiveness of capitalism and globalism. Even with new growth centers like China, there is constant concentration. e.g. African countries are unlike China and do things differently, the concentration of success is on e.g.

India. One place can be emerging really quickly and well while the next place stays in poverty. The gaps get bigger between the extremes. London for example has been getting more crowded every day. One street dead like a desert, the next street like a pisshole.

All the capitalism, economic volatility is great as a thing (making people rich etc.), but rather creates **Insecurity** (maybe working for uber in the future? - no ideas about stability of the future). There are great problems with stability in capitalism. Life isn't better with capitalism - Jobs satisfaction, status, quality of work isn't better nowadays for middle class people compared to e.g. ten years ago.

The big mighty Market of the world is frightening, nations and their states are the only force to withstand the power of the market. (Markets have swept away people lives and made them insecure)

Geopolitics and the implications for the global market inherits serious problems threatening capitalism and globalisation. A big reason for geopolitics is the want for sovereignty.

Globalisation Many texts just focus on 'globalisation' as the only or the main feature/trend – that's too narrow. 'Globalisation' is no longer the 'latest hot issue' **Blowback** Recent political trends (Trump, Brexit. The 'rise of populism', 'the return of geopolitics) is a backlash against several of my 'key features': Globalisation, Inequality, Volatility, Insecurity It also proves globalisation is not irreversible; and politics still matters 1990's rhetoric of a new liberal world order with all nations converging on American style capitalism and unified governance...is dead now. Geopolitical division and power plays, competition and alternative models of capitalism are the 'news' now. A more contemporaneous summary of the present conjuncture is not globalisation but a 'crisis of liberal globalism'