

COMMENTARY

Globalization and Structural Shifts in the Developed World From Industrialized to De-industrialization to Post-industrial Economies

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Globalization has affected not only the foreign trade but also the structure of the developed world. It has generated several shifts in the organization, functioning and outcomes in these economies. These structural shifts have since long been penetrating through, with varying degrees, their economy, society and politics via several domestic and foreign channels. It is significant to examine these shifts given their structural nature and long-term implications for national as well as international standing. It is especially intriguing to connect a stage of industrial activity with the economy's global-interface and then examine the associated socio-economic-polity outcomes. This is particularly important in light of the growing populist social and political discourse in these nations.

In a globalized world, post-industrial economies have services as dominant sector not only because of increasing relative share of services in their output but also because industrial sector has generally moved to the southern global-manufacturing nations. Therefore, de-industrialization and post-industrialization phases are not a result of the natural economic progression, these are shaped by the conscious actions of the national and international players. Moreover, decline in the relative share of industrial sector to the total economy (as economic development reaches a maturity level) was what economic theory suggested, de-industrialization was not.

The structural shifts, under the industrial, de-industrialization and post-industrial phases of an open developed economy, relate to the evolution of several inter-related factors from one phase to another – like, manufacturing, employment, job-quality, retail structure, influence on consumer behavior, finance, consumption/saving, corporate power, foreign trade/capital, foreign influence, domestic policy-control, and others. However, evolving factors grouped under each industrial phase will be a mere simplification of a dynamic and progressing (continuing or even overlapping beyond one phase) economic construct to another level with regards to every activity involved in it. For instance, abundant job opportunities in industrialized economy turned into mass layoffs, job casualization and contractization in de-industrialization phase, and then to joblessness and gig employment in the post-industrial phase. So, it is the nature and form that largely characterize the next level will be mentioned in that particular industrial phase. Given below is a representative list of structural shifts depending on the global-penetration in the domestic economies of western capitalist economies:

Industrialized Economies

- Vibrant industrial sector
- Domestic manufacturing, Integrated factory floor
- Specialization-based foreign trade in goods
- Foreign capital outflows (aid flow)
- Democratic retail sector, Small retailers (Mom-&-Pop stores)
- Local stores being influencers/trend-setters (what to be produced)
- Relationship retailing
- Thriving local economies
- More jobs than workers
- Income-based consumption, high domestic savings
- Banking into basic intermediary functions
- Political control on domestic policy-making

De-industrialization

- Globalising economies
- Declining manufacturing
- Multinational corporations
- Foreign direct investments
- Foreign trade in goods and tasks (off-shore value-chains)
- Corporate Power
- Big retailers (Walmart-type)
- Neutral retailing
- Mass production
- Mass marketing
- Mass consumption, consumerism
- Mass lay-offs, job-uncertainty
- Domestic job casualization and contractization
- Financial liberalization
- Debt-financed consumption, declining savings
- Asset-bubbles
- Loosening control on domestic policy-making

Post-industrial Economies

- High global integration
- Global manufacturing
- (Near) foreign-manufacturing-dependency for durable/semi-durable goods
- Foreign capital reversal (inflows more than outflows as current account deficits),
- Nations' competition (nations competing with each other) vying corporations
- Rising nationalist (to acquire/innovate/lead) agendas on advanced technologies (techno-nationalism), techno-manufacturing, cyber, space type industries to own national control on the future
- Foreign interference through politics (like, donations, election influence), policy, investment, cyber etc. routes
- Bullying corporations
- Online retailers (Amazon)

- Digital retailing
- Influencer Marketing
- Short products life cycles
- Shifting online third-party selling to direct sellers (for example, Amazon has been approaching for quite some time now the small producers in China and facilitating them to sell directly on its platform)
- Developing online direct buying-selling is destructing most mid-level trading chains and related businesses
- Gig economy, precarious work, joblessness
- Anemic growth
- Post-industrial (struggling) economy
- Financialization of economies
- High (especially, household) debt levels
- Asset-economies
- Few domestic policy-options

There may be conflicting views over what is the cause/effect depending on who favours what; trade-favoring school might have different opinion than the anti-globalization school. These changes are for better or worse depends who is asked this question. A job-loser might have different opinion than a job-earner, and similarly a WTO official might have different evaluation than a local official of a (post-industrial) ghost town. However, there is definitely a social anxiety at large about the situation because it is the society that faces the harsh ground realities. People are uncertain about if they will have any work/earning, if they will be able to pay bills, if they will be able to see a doctor and buy medicines when they are ill, or what will happen when they have no work or when they are old. Perhaps current far-right and nationalist political rise in the developed countries is a result of those social insecurities and vulnerabilities.

Cheaper goods and services in exchange of income, employment and local/ domestic economies is obviously a questionable trade-off. The above discussion raises the instinctive questions: if it is too liberal a globalization; or if it is free market competing with aggressive mercantilism; or if fundamentals of capitalist model are flawed; or if it is too much reliance on the self-correction of the market system; or if it is developed countries' complacency and underestimation of competitors' capacity; or if it is the mismanagement and missed-realignment of the western economies in the evolving face of global competition. Whatever is the actual cause(s), the actual picture is worrisome and expressed simply as what is next?