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Is this the end of globalization (as we know it)?

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ABSTRACT

According to different media and analysts, globalization could be in a phase of ‘slowbalization’, de-globalization or even secular stagnation. After surveying academic proposals for defining, classifying and measuring globalization, by means of the Elcano Global Presence Index, this paper explores to what extent globalization has stagnated and/or whether it has changed its nature. Our results show that globalization has slowed down, but not retrenched. However, economic globalization has lost traction (something that probably explains the general perception on de-globalization) while soft projection has become the main driver of globalization.

KEYWORDS

Globalization;
de-globalization; economic;
military; soft; Elcano Global
Presence Index

1. Introduction

The phenomenon of globalization became a hot topic for the media, academics and other analysts in the late 90s and in the 2000s. Then came the 2008 world financial and economic crisis – with a sudden halt in a series of international economic exchanges – and other political and social derivatives such as the return of the nation-state to political discourse and the construction of figurative or actual walls between countries. In this context, analyses on globalization are less numerous than they were a couple of decades ago. Moreover, more recent works on the phenomenon foresee a ‘secular stagnation’ (Summers, 2014) or the end of globalization (Altman, 2009; Postelnicu, Dinu, & Dabija, 2015). Another possibility that has been pointed out, however, is that this is the end of globalization but only as we knew it: among the tectonic changes in international relations over the past three decades is a new form of world economic, political and social system, with the possible appearance of a new type of globalization process.

A great number of studies on globalization have dealt with the concept itself: its definition and eventual measurement. Other works have debated the economic and social consequences of globalization. That is, whether globalization is good or bad (Bello, 2004; Chanda, 2008; Conley, 2002; Fine, 2004; Green & Griffith, 2002; Marber, 2005; Önis & Güven, 2011; Ravallion, 2003; Rupert, 2005).

It could be argued that a sharp limitation to the study of globalization is the very nature of the academic literature on international relations (IR). This field of knowledge studies the relations between states while globalization implies, on the one hand, a certain dilution between domestic and foreign relations and, on the other, that there can be non-statist forms of global relations, whether sub-national, supra-national or trans-national. There is an ‘inherent incompatibility

between the features of conventional IR theories and the concept and realities of globalization' (Kacowicz & Mitrani, 2016, p. 190). Also, the globalization process might be moulding states which are taken, by most traditional IR studies, to be stable actors (Hameiri & Jones, 2016).

The aim of this paper is twofold: it intends to assess to what extent the globalization process has stopped or even reverted and, also, to calibrate whether globalization has changed its nature. The empiric study of globalization is significant for a number of reasons. Compared to other journalistic approaches, an academic study of this sort can fill a vacuum in an academic realm dominated by more conceptual works. A clear understanding on the extent, nature and evolution of globalization is key for taking evidence-based policy decisions in the area of foreign and international affairs. This includes all types of levels (global and regional governance) and affects different global actors (traditional state actors but also private companies and civil society organizations).

The paper is structured as follows. The second section gathers the main debates on globalization's definitions and classifications. The third section surveys the main measurements of globalization. By means of the Elcano Global Presence Index, the fourth section assesses the expansion or contraction of globalization as well as the relative evolution of its economic, military and soft pillars. The final section presents conclusions.

2. First of all, what is globalization?

An extensive academic literature has provided a variety of definitions of globalization. There is no consensus on what the phenomenon exactly is and, therefore, diverse meanings, classifications and measures of globalization co-exist (Caselli, 2008; Figge & Martens, 2014; Keohane & Nye, 2000; Marber, 2005; Scholte, 2004). For instance, it is a 'label that is presently in vogue to account for peoples, activities, norms, ideas, goods, services, and currencies that are decreasingly confined to a particular geographic space and its local and established practices' (Rosenau, 1997, p. 247); a 'process of increasing interconnection and interdependence between societies' (Conley, 2002); and 'a type of interdependence with two particular features: it implies networks (and not simple bidirectionality) and it is global (and not regional) in essence' (Keohane & Nye, 2000).

Different definitions refer to different facets of globalization:¹ it 'is about the connections between different regions of the world – from the cultural to the criminal, the financial to the environmental – and the ways in which they change and increase over time' (Held, McGrew, Goldblatt, & Perraton, 1999); and 'the linkages [that] occur through flows and influences of capital and goods, information and ideas, and people and forces as well as environmentally and biologically relevant substance' (Keohane & Nye, 2000, p. 105). As for Marber (2005), interactions occur in the economic, political and cultural fields.

Although early studies on globalization focused on its economic facet only (Caselli, 2008; van Bergeik & Mensink, 1997), this, somewhat narrow, earlier view has diversified over the years. For instance, according to Keohane and Nye (2000), globalism has four dimensions: economic, military, environmental, and social and cultural; while Lee (2004) identifies four key spheres: production, governance, community and knowledge. According to Caselli (2008), there would now be a certain consensus that globalization has three distinct facets: the economic, the political and the cultural. However, to this, Figge and Martens (2014) add the environmental dimension. All these facets have been increasingly incorporated into academic proposals for measuring globalization and into indexes on globalization (see the following section and Table 1).

The difficulties in reaching a single definition of globalization have led to attempts to classify the different aspects of this very broad phenomenon. Sassen (2003) identifies two distinct sets of

Table 1. Dimensions and indicators in globalization indexes and measurement proposals.

Indicators/dimensions	Sources/indexes
<i>Economic dimension</i>	
Exports or trade	Sjolander (1996), Keohane and Nye (2000), Conley (2002), Kearny and Policy (2003), Ferguson (2005), Altman (2009) and Postelnicu et al. (2015) CSGR, DHL, Elcano Global Presence Index, KOF, MGI and NGI
Income payments and receipts	AT Kearney, CSGR, KOF and NGI
Capital flows	Keohane and Nye (2000), Conley (2002), Altman (2009) and Postelnicu et al. (2015) CSGR and MGI
Portfolio flows	Held et al. (1999) and Ougaard (2016) AT Kearney & Foreign Policy, CSGR, DHL, KOF and NGI
Foreign Direct Investment (FDI)	Sjolander (1996), Held et al. (1999), Conley (2002), Postelnicu et al. (2015) and Ougaard (2016) AT Kearney & Foreign Policy, CSGR, DHL, Elcano Global Presence Index, KOF, MGI and NGI
Other financial flows and reserves	KOF
<i>Human mobility</i>	
International migrants	Held et al. (1999), Keohane and Nye (2000), Conley (2002) and Altman (2009) CSGR, DHL, Elcano Global Presence Index, KOF, MGI and NGI
International remittances	Postelnicu et al. (2015) CSGR, KOF and NGI
International travel and tourism	Keohane and Nye (2000) AT Kearney & Foreign Policy, CSGR, DHL, Elcano Global Presence Index, KOF, MGI and NGI
International students	DHL, KOF and NGI
<i>Technology and information</i>	
International telephone traffic	AT Kearney & Foreign Policy, CSGR, DHL, KOF, MGI and NGI
Technological innovations	Sjolander (1996), Keohane and Nye (2000), Conley (2002) and Ferguson (2005) Elcano Global Presence Index, KOF and NGI
Long-distance flow of information and/or ideas	Sjolander (1996), Held et al. (1999), Keohane and Nye (2000) CSGR, Elcano Global Presence Index and KOF
Internet users and hosts and secure servers, Internet bandwidth	AT Kearney & Foreign Policy, CSGR, DHL, Elcano Global Presence Index, KOF, MGI and NGI
Digital flows: used cross-border bandwidth, social media, cross-border e-commerce	Manyika et al. (2016) Elcano Global Presence Index
Cultural dimension: trade in cultural goods and personal services, international trademarks, McDonalds, Ikea	CSGR, DHL, Elcano Global Presence Index, KOF and NGI
<i>Diplomatic effort</i>	
Number of international organizations of which a member	AT Kearney & Foreign Policy, CSGR, MGI and NGI
Participation in UN Security Council missions	AT Kearney & Foreign Policy
Foreign embassies hosted	AT Kearney & Foreign Policy, CSGR, KOF, MGI and NGI
International NGOs	KOF
Environmental agreements	NGI
<i>Military dimension</i>	
Long-distance networks of interdependence in which force and the threat or promise of the use of force are employed	Keohane and Nye (2000) MGI
UN peacekeeping missions	CSGR, Elcano Global Presence Index, KOF and NGI

(Continued)

Table 1. Continued.

Indicators/dimensions	Sources/indexes
<i>Environmental dimension</i>	
Environmental globalism: long-distance transport of materials in the atmosphere or oceans, or of biological substances (pathogens, generic materials) that affect human health	Keohane and Nye (2000)
Ecological footprint	MGI
Other environmental	Ougaard (2016) NGI

Source: the authors.

dynamics related to globalization. On the one hand, there is the one that involves the formation of explicitly global institutions and processes (from the WTO to new cosmopolitanism). On the other, there is a second set of processes that do not necessarily rise to the global level as such and, yet, are part of globalization. These are local in essence and involve transboundary networks (for instance, human rights and environmental organizations). Martens, Caselli, De Lombaerde, Figge, and Scholte (2014) classify globalization according to four different concepts: (1) internationalization, that is, transactions across country borders; (2) liberalization, in reference to the policies or efforts for globalization; (3) universalization or Westernization, which is the spread of certain objects and experiences; and (4) de-territorialisation, in reference to international connections with a significant autonomy from territorial locations.

Given our goal in this work, which is to track the globalization process in order to identify whether it has stagnated and whether it has an evolving nature, we will follow the interpretation of globalization of Martens et al. (2014) that refers to transactions across country frontiers. The other concepts of globalization defined above, such as building global institutions or transboundary networks, liberalization policies, universalization and de-territorialisation are extremely interesting from the conceptual and academic point of view. However, they pose measurement problems that existing indexes have not been able to address.

3. Measuring globalization: a tricky business

Different definitions of globalization obviously lead to different measurements and there is no best index, as noted by Caselli (2008). Given the lack of consensus on what globalization actually is, the co-existence of very different indexes is only natural.

A very comprehensive survey of globalization measurements and indexes is that of Martens et al. (2014). In a more recent article, Gygli, Haelg, Potrafke, and Sturm (2018) add some more. These are the AT Kearney/Foreign Policy Globalization Index (Kearny & Policy, 2003), the KOF Index of Globalization (Gygli et al., 2018), the index produced by the Centre for the Study of Globalization and Regionalization (CSGR) (Lockwood & Redoano, 2005), the Maastricht Globalization Index (MGI) (Figge & Martens, 2014), the New Globalization Index (NGI) (Vujakovic, 2010), the UNIDO Connectedness Index² and the DHL Connectedness Index (Ghemawat & Altman, 2016). Although these different measurements co-exist, probably the main reference in the field is the KOF Globalization Index, originally developed by Dreher (2006) and that had been applied by the mid-2010s in over 100 empirical studies on globalization (Potrafke, 2015) (see Table 1).

The Elcano Global Presence Index, first published in 2011 (Olivie & Molina, 2011), calculates the external projection of 120 countries (accounting for 99.5% of the world's GDP and 97.5% of its total

population) on economic, military and soft grounds (Table 2).³ In this respect, it is aligned with Keohane and Nye's (2000) definition of globalization detailed in the previous section. Capital and goods are part of the index's economic dimension, force is assessed in the military dimension, while information, ideas and people are part of the soft dimension. Therefore, it escapes the narrow, economic

Table 2. Variables, indicators, and sources of the Elcano Global Presence Index.

Variable	Indicator	Source
<i>Economic presence</i>		
Energy	Flow of exports of energy products (oil, refined products and gas) (SITC 3), in value	UNCTADStat
Primary goods	Flow of exports of primary goods (food, beverages, tobacco, agricultural commodities, non-ferrous metals, pearls, precious stones, and non-monetary gold), excluding oil (SITC 0 + 1 + 2 + 4 + 68 + 667 + 971), in value	
Manufactures	Flow of exports of manufactured goods (chemical products, machinery, transport equipment, other manufactured products) (SITC 5–8 minus 667 and 68), in value	
Services	Flow of exports of services in transport, construction, insurance, financial services, IT, the media, intellectual property, other business services, personal, cultural and leisure services, and public services, in value	
Investments	Stock of foreign direct investment abroad	
<i>Military presence</i>		
Troops	Number of military personnel deployed in international missions and bases overseas	IISS – The Military Balance Report
Military equipment	Weighted sum of aircraft carriers, big ships, destroyers, frigates, nuclear-powered submarines, amphibious ships, medium and heavy strategic aeroplanes, and air tankers	
<i>Soft presence</i>		
Migration	Estimated number of international immigrants in the country at mid-year	United Nations Population Division
Tourism	Thousands of arrivals of non-resident tourists at borders	United Nations World Tourism Organization (UNWTO) – Statistics Database
Sports	Weighted sum of points in the FIFA world ranking and medals won at summer Olympic Games	FIFA and IOC
Culture	Exports of audiovisual services (cinematographic productions, radio and television programs, and musical recordings)	WTO – International Trade Statistics
Information	Number of mentions in news of main international press agencies (Associated Press, Reuters, AFP, DPA, ITARTASS, EFE, ANSA, Xinhua) Internet bandwidth (Mbps)	Factiva database International Telecommunication Union
Technology	Foreign-oriented patents: number of inter-related patent applications filed in one or more foreign countries to protect the same invention	World Intellectual Property Organization (WIPO) – Statistics Database
Science	Number of articles, notes, and reviews published in the fields of the arts and humanities, social sciences, and sciences	Clarivate Analytics – Web of Science, Primary Collection
Education	Number of foreign students in tertiary education on national territory	UNESCO – Institute for Statistics, OECD – iLibrary
Development cooperation	Total gross flows of official development aid or comparable data	OECD and official national sources
<i>Scaling factors</i>		
Economy	Gross Domestic Product (GDP) at current prices in US\$	World Bank
Population	Number of inhabitants	World Bank

Source: Elcano Royal Institute, Elcano Global Presence Index.

approach to understanding the globalization process by including other significant facets suggested by academic literature. More precisely, this composite index gathers 16 indicators ranging from exports of goods and services to the presence of countries in media wires, troops deployed or development cooperation, covering all facets of global relations addressed by previous studies with the exception of the environmental aspect.

It could be said that there are intrinsic limitations to the measurement of globalization and that different indexes also show diverse weaknesses. In this respect, the downsides identified in Caselli's (2008) evaluation of two of the indexes described above (CSGR and AT Kearney & Foreign Policy) could well be extrapolated to more recent proposals.

The first downside is what has been called 'methodological nationalism', also pointed out by Sassen (2003). Attempts to measure globalization are anchored in country statistics that put the country or nation at the core of the process. This is a natural outcome of how information leverage is designed ('stat-istics' were initially built for helping states understand their own reality). However, it might prove a serious limitation when attempting to size up a phenomenon that is, at least partially, trans-national in nature (see Sassen's (2003) conceptualization of globalization in Section 2). It could be argued, however, that recent political developments in Russia, the US, China and Turkey prove the resilience of the nation-state as a key (and possibly central) stakeholder in global relations. Therefore, assessing the globalization process from the perspective of countries (that is, sticking to Martens et al. (2014) internationalization category) is still a relevant academic task.

A second downside can be that of data availability. This can pose a problem when identifying specific economic, military, cultural or social indicators for building a globalization index. Also, building, updating, refining and launching (on a regular basis) a composite index requires an effort that not all academic institutions, private companies or think tanks have the capacity and/or will to achieve. In this respect, an assessment of the evolution of globalization requires an analysis of a trend that should go back to the 90s, or at least the 2000s, and extend to the late 2010s. Of all the indexes surveyed in Table 1, only three comply: the KOF Globalization Index, that covers the period 1970–2018, the DHL Connectedness Index, for 2005–2018, and the Elcano Global Presence Index, for 1990–2018.

Moreover, a robust assessment of the globalization process requires that the index structure is aligned with a precise definition of globalization. In this vein, it could be said that some indexes might be measuring different categories of globalization at the same time. Following Martens et al.'s (2014) classification of globalization (in Section 2), a good number of indexes that calculate internationalization are also including variables on liberalization. This is the case for AT Kearney, NGI, MGI and KOF,⁴ that include diplomatic efforts and/or liberalization measures (input indicators) as part of measurements of globalization implicitly or explicitly defined as an internationalization process (the outcome). This, it could be argued, might add some confusion as to what precise phenomenon these measurements are sizing up. In the same vein, the Elcano Global Presence Index reflects globalization as an internationalization process, exclusively. Unlike the KOF index, variables reflecting efforts (liberalization) are not included. Moreover, as recommended by Caselli (2008), the index has been audited and backed by the Composite Indicators (COIN) team of the Joint Research Centre of the European Commission (Olivé & Gracia, 2017).

For all these reasons (ample coverage of different facets of globalization, alignment with one concept of globalization and data availability for a long period that includes the eruption of the latest globalization process), the Elcano Global Presence Index can add to the existing literature on globalization measurements by tracking to what extent the world has entered a de-globalization phase and/or whether the nature of the globalization process has evolved.

4. Trends in globalization

According to the Elcano Global Presence Index, we can differentiate three periods in the globalization process since 1990: (a) a first phase of de-globalization – between 1990 and 1995 – that coincided with the geopolitical reconfiguration of Europe, when aggregate global presence decreased at an average annual rate of -0.7% ; (b) a second phase of steady globalization that started in 1995 and ended in 2011, with a 43% increase for the entire period (an average annual rate of 2.7%); and (c) the current period, that started in 2012, with modest increases and decreases and that yields an average annual increase of less than 1% . It must be pointed out, however, that the aggregate value of the Index for 120 countries is now at 12,646 index value points in 2018, up from 12,199 points in 2017; the strongest annual increase since 2011 (Figure 1). In general terms, and for the entire period, these results are consistent with those of the MGI (Figge & Martens, 2014).

Therefore, according to these results, the world is not experiencing a process of de-globalization. Globalization has slowed down since the beginning of the decade but has retrenched in only two years (-0.7% in 2014 and -1.4% in 2015) and is now recovering.

Different variables and dimensions (economic, military and soft) have contributed differently to the speed of globalization over the years. Between 1990 and 2005, the main vector of globalization was the economic dimension, which grew at average annual rates of between 3.5% and 6% , a feature

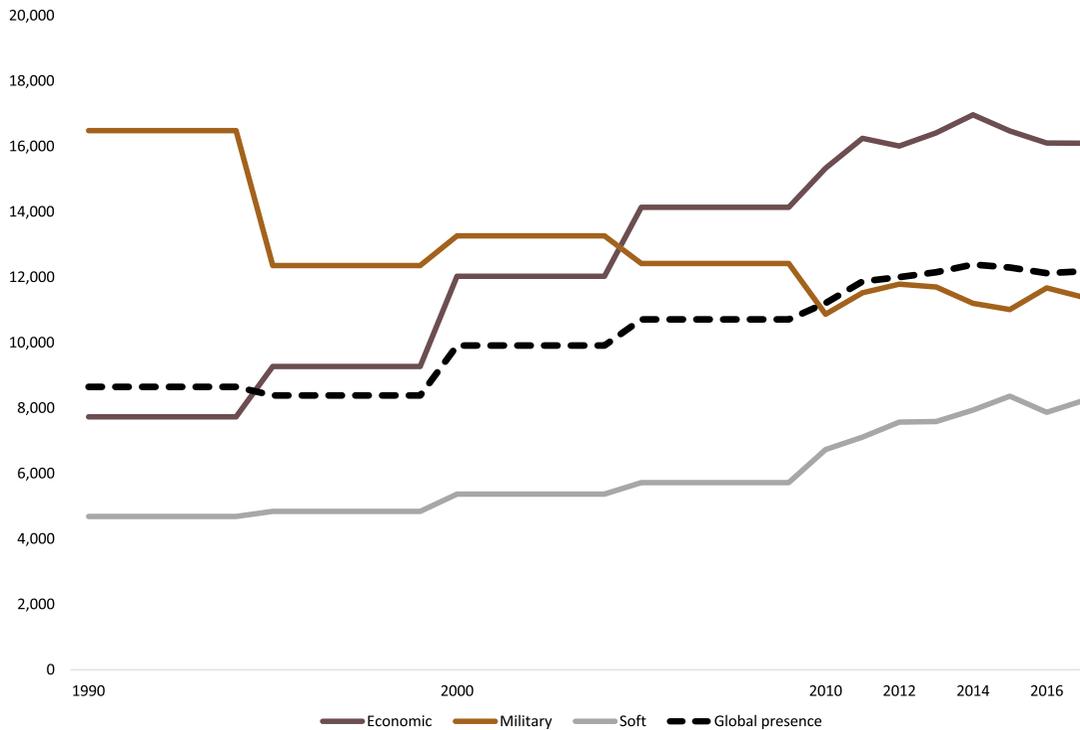


Figure 1. Global, economic, military and soft presence, 1990–2018 (in index value). Source: Elcano Royal Institute, Elcano Global Presence Index.

Notes: (a) the Elcano Global Presence Index time series include data for 1990, 1995, 2000, 2005, 2010 and annual data for the 2010–2018 period. The graph includes 1990 figures for the 1990–1994 period, 1995 data for the 1995–1999 period, 2000 data for the 2000–2004 period and 2005 data for the 2005–2009 period; and (b) dimensions are in absolute terms and, therefore, dimension weights for the calculation of the Elcano Global Presence Index are not applied.

consistent with previous studies on globalization. The soft dimension also contributed positively but modestly to the globalization process during that period, with growth rates of between 0.7% and 2.2%. Meanwhile, there was a certain de-globalization of the military, with negative growth rates during most of the period (Figure 2).

However, these trends have changed deeply in the mid-2000s. It is the soft dimension that now leads the globalization process, with average annual growth rates of between 3.6% and 5%. The economic dimension is now much less dynamic, with very low or negative growth rates in 2016 and 2017, and there is a certain recovery of the military sphere, with positive growth rates in 2015 and 2016.

In short, during the current period of slower globalization the nature of the process has also changed, as the soft dimension has replaced the economic one as the main driver. Also, the structural retrenchment of the military during the first two decades has now led to a modest but steady recovery of this dimension.

The evolution of globalization by dimensions can also mask distinct trends among variables within each of these dimensions. For instance, the overall dynamism of the economic dimension in the first period does not necessarily mean that international trade and international capital have behaved in a similar way. Indeed, the relative contributions of each of the five variables that define the economic dimension (trade in energy, primary goods, manufactures and services, and stocks of FDI) are strikingly different (Figure 3).

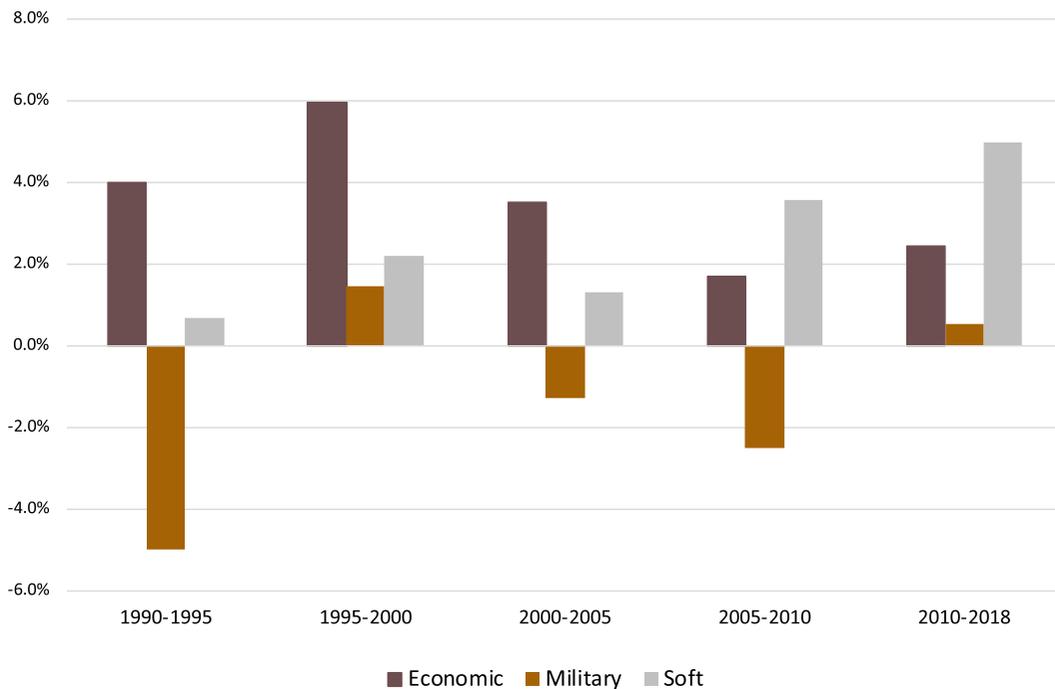


Figure 2. Average annual variations of global, economic, military and soft presence, 1990–2018 (in %). Source: Elcano Royal Institute, Elcano Global Presence Index.

Notes: (a) the Elcano Global Presence Index time series include data for 1990, 1995, 2000, 2005, 2010 and annual data for the 2010–2018 period. The graph includes 1990 figures for the 1990–1994 period, 1995 data for the 1995–1999 period, 2000 data for the 2000–2004 period and 2005 data for the 2005–2009 period.

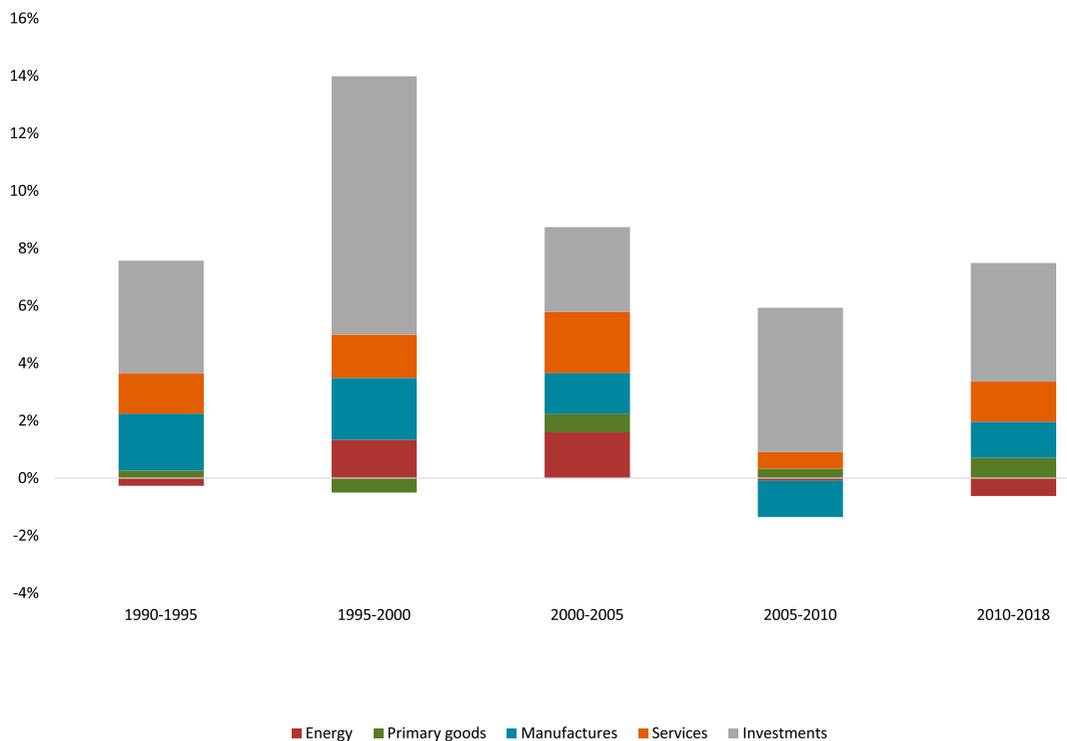


Figure 3. Contributions of economic variables to total global presence growth, 1990–2018 (in %). Source: Elcano Royal Institute, Elcano Global Presence Index.

The aim of the following sections is to understand to what extent different facets of global relations (variables, in the case of the Elcano Global Presence Index) have led the globalization process. This analysis of ‘drivers’ (similar to GDP-driver analyses) can be carried out through the observation of the variations of contributions of each individual variable to the growth of the global presence aggregate.⁵ It should be noted, however, that a driver losing strength (a negative variation from one period to another in Figures 3–5) can be compatible with an increase in the value of that indicator in absolute terms (a positive variation in Annex A). That is, there can be, for instance, a 15.2% increase in the world exchange of manufactures measured in US dollars between 2005 and 2010 (Annex A) and, in parallel, a negative contribution⁶ of the variable, of –1.3%, to global presence growth, and therefore to the globalization process (Figure 3).

4.1. FDI leads the economic globalization process

In general terms, during the entire 1990–2017 period, the main driver of economic globalization has been the increasing stock of world FDI, thus showing internationalization of production as a major feature of the contemporary process of globalization. The weight of this variable in aggregate global presence, which was at 11% in 1990, increased to over 26%. As for trade, its weight has been stable or even decreasing: exports of services, manufactures and energy have very slightly risen by 2.6, 0.7 and 0.6 pp between 1990 and 2017. As for primary goods, their weight in global presence as a whole has dropped from 4.3% in 1990–4.2% in 2018 (Table 3).

Table 3. Contributions of variables to global presence, 1990–2018 (in % and percentage points – pp).

Variables	1990	2018	Change 1990–2018
Energy	2.3	2.9	0.6 pp
Primary goods	4.3	4.2	–0.1 pp
Manufactures	10.4	11.0	0.7 pp
Services	8.7	11.3	2.6 pp
Investments	11.0	26.4	15.4 pp
<i>Economic dimension</i>	36.6	55.8	19.2 pp
Troops	14.0	7.5	–6.5 pp
Military equipment	29.8	12.8	–17.0 pp
<i>Military dimension</i>	43.8	20.3	–23.6 pp
Migration	2.9	2.7	–0.2 pp
Tourism	1.1	1.7	0.6 pp
Sports	1.0	1.1	0.0 pp
Culture	0.9	3.3	2.4 pp
Information	0.0	3.7	3.7 pp
Technology	9.0	3.9	–5.1 pp
Science	1.7	2.7	1.0 pp
Education	0.9	1.9	1.0 pp
Development cooperation	1.9	2.9	0.9 pp
<i>Soft dimension</i>	19.5	23.9	4.4 pp

Source: Elcano Royal Institute, Elcano Global Presence Index.

As shown in [Figure 3](#), this general trend is compatible with slightly different patterns by sub-periods. During the first half of the 90s, and coinciding with a reconfiguration of world relations due to the collapse of the Soviet bloc, the main drivers of economic globalization were the variables of manufactures

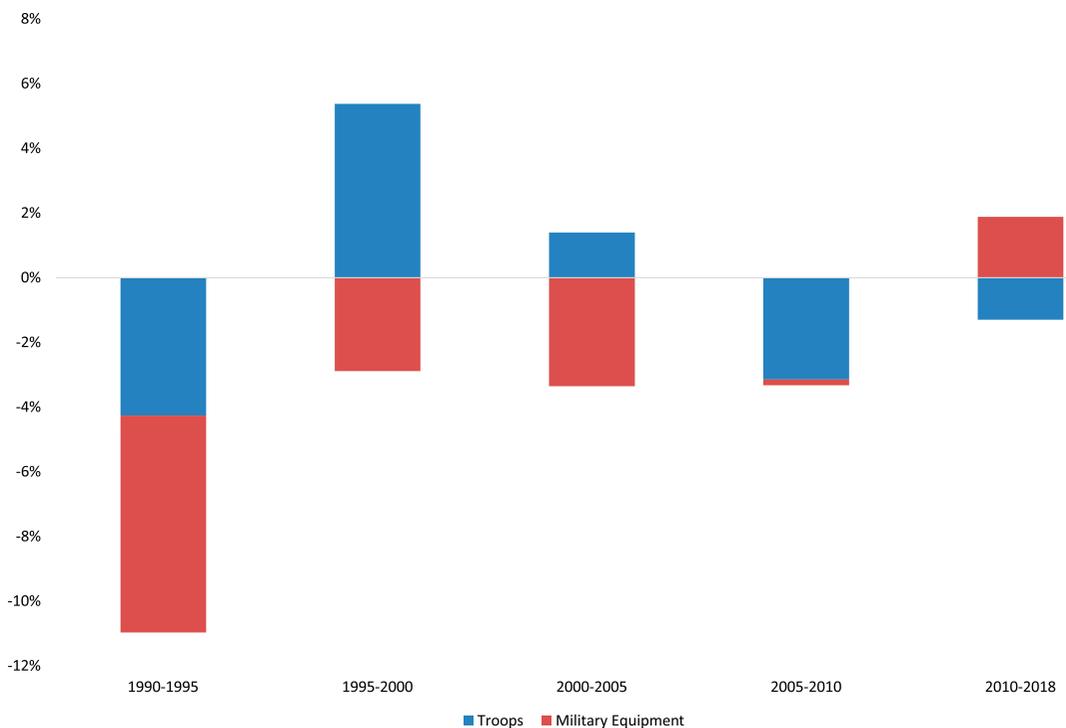


Figure 4. Contributions of military variables to total global presence growth, 1990–2018 (in %). Source: Elcano Royal Institute, Elcano Global Presence Index.

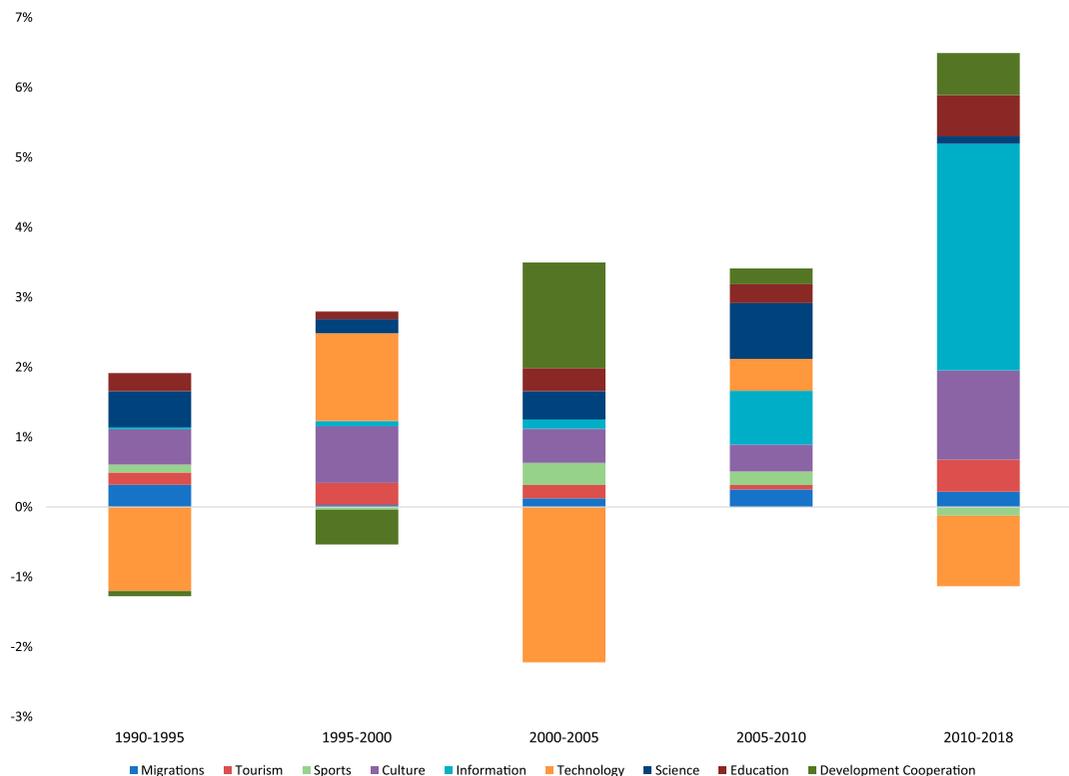


Figure 5. Contributions of soft variables to total global presence growth, 1990–2018 (in %). Source: Elcano Royal Institute, Elcano Global Presence Index.

and, especially, investments. The latter contributed 3.9% to globalization. It should be noted that a good number of regional integration processes consolidated during the period: the EU's Maastricht Treaty and the North American Free Trade Agreement (NAFTA) were signed in 1992. Also, that same year, the Association of South-East Asian Nations (ASEAN) agreed the adoption of a free-trade area. These trade and capital liberalization frameworks encouraged processes of productive relocation and the growth of regional trade. During these five years, primary goods barely drove the globalization process (with a 0.3% contribution to global presence growth) while energy's contribution was negative (−0.3%).

Then came a phase of very rapid economic globalization, between 1995 and 2000, where the main trigger was FDI, which contributed 9%. This trend is compatible with the structural reforms conducted during the early 90s in several regions (Latin America, Eastern Europe, North America and Africa) that often included processes of privatization and subsequent international capital flows. In this context, contributions of different sorts of trade seem far more modest. However, it should be noted that besides a reduction of 0.5% of the contribution of primary goods to globalization, energy, manufactures and services increased their contributions by 1.3%, 2.2% and 1.5%, respectively. This coincides with the creation of the World Trade Organization (WTO) in 1995 and the liberalization of trade in goods and, increasingly, in services.

The following phase, between 2000 and 2005, was of a more modest contribution of the economic dimension to the globalization process. Given the very nature of the privatization processes, the contribution of the investment variable to the aggregate global presence growth also slowed down, to

2.9% during these five years. Trade variables gained some strength: the contribution of services exports was at 2.1% for the period, followed by energy (1.6%), manufactures (1.4%) and primary goods (0.6%). Unlike in the two previous sub-periods, all economic variables increased their contributions to the globalization process.

The following sub-period includes the 2008 world economic recession, which particularly hit the economic dimension. As is well known, the crisis had a strong effect on world trade and, particularly, on manufactures. The proof is in a negative contribution of -1.3% to total globalization. Contributions of energy, primary goods and services were nil or under 1%, while that of investments skyrocketed to 5%.

As mentioned at the beginning of this section, on average, the contributions of economic variables to globalization in 2010–2018 were lower, or even negative, with a maximum 4.1% recorded by investments, followed by services (1.4%), manufactures (1.3%), primary goods (0.7%) and energy (-0.6%). The current context of trade protectionism might lead to a slowing down of the economic dimension due to the uncertainties associated with the confrontation between the US and China. However, it might also revitalize investment flows, seeking to avoid tariff measures.

Summing up, whether more or less dynamic, the economic dimension has always been driven by the variable of investments. This variable's behaviour is the result of very different economic and political phenomena over the past decades. During the 90s investments were driven by the reconfiguration of the productive capabilities within regional integration processes, and also by the expansion of privatization around the world. Moreover, investment data is increasingly conditioned by fiscal issues, as shown by the weight of countries considered tax havens in the global stock of FDI, or the recent rebound following Trump's tax reform. In short, the nature and speed of the globalization process are shaped by transformations of the institutional framework, especially when it encourages changes in the nature of the production process identifiable in trade and investment trends.

4.2. The military dimension: troops versus military equipment

It could be said that the evolution of the military dimension within the globalization process is relatively intuitive (Figure 4).

As shown in Figure 1, the military was the most important dimension in 1990, at the beginning of the period and by the end of the Cold War. Over 44% of globalization (3800 out of 8600 index value points) was occurring in this domain, above the weights of the economic and the soft realms, which were at 37% and at 19% that same year. However, as shown in Figures 2 and 3, the main trigger of post-Cold War globalization has been economic, with a clear decrease of the relative importance of the military presence. By 2018 the weight of this dimension over the aggregate global presence was at 20%, less than half that at the beginning of the period (Table 3).

This is also made evident in the evolution of the contributions of the military variables to the entire globalization process (Figure 4). For 20 years, between 1990 and 2010, the military capacities of countries (aircraft carriers, big ships, destroyers, frigates, nuclear-powered submarines, amphibious ships, medium and heavy strategic airplanes, and air tankers) have been recording a decreasing importance in their external projection and, therefore, in the globalization process. As expected, the decrease is stronger in the first 1990–1995 sub-period, when the Soviet military apparatus as well as a great deal of the US Cold War military infrastructure were dismantled. This strong negative contribution of -6.7% to globalization was followed by other negative contributions in the subsequent two sub-periods (-2.9% in 1995–2000 and -3.4% in 2000–2005). However, the trend seems to have reverted in the mid-2000s. Between 2005 and 2010 the contribution was at -0.2% and in 2010–

2018 there was, for the first time in the entire period, a positive record of 1.9%. This changing trend in military equipment is mainly linked to the increasing importance of the military machine in Asian countries such as China and Japan (that raise their contributions by 3 points each between 2000 and 2018), both of which aiming for a ‘military normalization’ at world standards. They are followed by South Korea (+1.5 points during the same period), India, Indonesia (+1 point each) and Australia (+0.8).

The number of troops deployed (military personnel on international missions and bases overseas) has decreased since the end of the Cold War, despite the sharp increase in African troops deployed internationally. Their weight was cut by half (from 14% to 7.5%) between 1990 and 2018 (Table 3). However, there are changing patterns in this variable’s contribution to global presence growth in different sub-periods. Although there was a significant negative contribution to globalization in the early 1990s (in line with the substantial decrease in military equipment), there was a substantial positive contribution of over 5% in the 1995–2000 phase. This higher number of troops deployed internationally, without a parallel increase in military capacities (Annex A), can be explained by international conflicts such as the Kosovo war. The Afghanistan and Iraq wars that followed the 9/11 terrorist attacks generated a significant increase in the number of troops deployed, which reached its second highest level since 1990. During the 2005–2010 period, the variable took a similar course to that of military equipment and then again in 2010–2018 it switched to the opposite trend, with a negative contribution of –1.3% over the latter period. This is also part of the wider phenomenon of ‘military normalization’ in certain emerging and major powers: the rising importance is not necessarily the result of countries engaging in armed conflict, peace-keeping missions or deploying military personal in military bases overseas but rather of countries aiming to acquire the military capacities to level the worldwide playing field.

4.3. *Towards a softer globalization*

The soft dimension is a highly diverse realm, with up to nine variables defining this pillar of the Elcano Global Presence Index. It could be argued that ‘traditional’ manifestations of soft international relations, such as culture or sports, co-exist with more recent instances at a world scale such as technology, information and science.

As mentioned above, the soft dimension is the most dynamic in the current phase of globalization, as shown in Figure 2. The average annual growth in this dimension for the 2010–2018 period is at 22%, compared with 9% in the economic dimension and –5% in the military one.

Not all variables define the soft dimension with similar shares. In 1990 this was mainly explained by technology (9% of total global presence), followed by migration (2.9%), development cooperation (1.9%), science (1.7%), tourism (1.1%), sports (1%), culture (0.9%) and education (0.9%). That is, in the early 90s, technology was by far the most important form of soft globalization (Table 3).

Over the past 28 years, some soft variables have gained weight in globalization and some have lost it. It is, in fact, the most important manifestation of soft globalization, technology, that has recorded the greatest loss. Technology now accounts for slightly less than 4% of global presence (down more than 5 pp) (see Table 3).

It should be pointed out that the weight of migration in the globalization process has hardly changed and, even, decreased mildly. This contrasts with the performance of international trade and capital (see Section 4.1), and these results weaken the argument that the current globalization process is a manifestation of pure economic liberalism, since while output (trade) and one of the two main

production resources or inputs (capital) have gone global, the other production resource (human capital) has not, or at least not to the same extent. This might be consistent with the aim of promoting investment and trade in the global South, therefore limiting the push factors of migration. In any case, the results for migration contrast with rising discourses in both America and Europe regarding the perils of booming flows of international migrants.

With the exception of sports, the other seven soft variables have increased their weight in the aggregate global presence between 1990 and 2018, although to different extents. The greatest increase is that of information (3.7 pp), followed by culture (2.4 pp), science (1.0 pp), education (1.0 pp), development cooperation (0.9 pp) and tourism (0.6 pp). That is, unlike in the economic dimension, there is no clear concentration of the soft globalization process in one single variable. Much to the contrary, the picture is balanced, with a good number of variables that all have an increasing role to play in contemporary international relations (Table 3). In this respect, it could be said that globalization has not only transformed its nature into a softer one but also into increasingly varied forms of soft projection.

The eruption of information flows at the world scale is actually a phenomenon that other studies are aiming to capture and explain. The revolution in information and communication technologies has created a new reality in terms of international interdependence. Although the phenomenon can be considered to be of a soft nature, it also transforms the nature of economic and military relations. As described earlier, this domain is now part of most globalization indexes. Although it adds positive but modest contributions to the globalization process over the 90s and 2000s (with records between 0.1% and 0.8%) it explains 3.2% of globalization between 2010 and 2018 (Figure 5).

Another significant change in the soft dimension is the role of culture. It gains some importance in the first 1990–1995 sub-period (with a 0.8% contribution), declines over the subsequent periods and then recovers substantially in the current phase (up to 1.3% between 2010 and 2018).

The contrary has happened with development cooperation. Pre-1990 international assistance was very much aligned with the dual-bloc dynamics. As a result, after the dissolution of the Soviet Union, aid participation in globalization dropped in the 90s. However, its contribution to globalization became positive in the early 2000s (1.5%, 0.2% and 0.6% in 2000–2005, 2005–2010 and 2010–2018). These figures can be explained by the adoption of the Millennium Development Goals agenda and also by the strengthening of aid programmes of the emerging powers (such as China or Brazil).

As for science and education, it is worth noting that, although at modest rates (between 0.1% and 0.8%, depending on the sub-period), their contribution to globalization has always been positive over the entire period. The situation is quite different for sports and tourism, as their relative contributions to total presence have been almost nil since 1990, although with the exception of tourism in the current phase of globalization.

5. Conclusions

The aim of this paper is to understand to what extent globalization has stopped and/or changed in nature. By means of the Elcano Global Presence Index, we can confirm that there is a certain slowing down in the globalization process – perhaps a ‘slowbalisation’, as *The Economist*⁷ put it – that has come hand in hand with a change in the triggers and leaders of the globalization process.

The globalization process expanded strongly during the 90s and the 2000s due to the economic domain, which became the defining feature of the contemporary process of globalization. However, this area has lost prominence more recently.

Since the fall of the Berlin Wall, the military aspect of globalization has strongly retrenched. Nevertheless, it has more recently gained some weight anew as the result of the increasing military capacity of Asian powers.

For its part, soft globalization has been gaining weight. With a strong setback in technology, increasing information flows but also culture, science, education, development cooperation and international tourism exchanges, now define the globalization process.

In short, there is no de-globalization process: the speed of globalization has slowed down and its nature has changed. Economic dynamism has given way to increasing and more varied forms of soft projection.

As already pointed out by Held et al. (1999) and Keohane and Nye (2000), it could be argued that globalization and regionalization are interlinked. If such is the case, the indexes surveyed in this paper and the results of the Elcano Global Presence Index could indeed be showing the combination of several regionalization processes, where intra-regional connections increase, rather than a 'truly' global process where extra-regional connections are being strengthened. Current measurements pose a serious limitation to differentiating these two processes as they do not break down the globalization of countries geographically (not, at least, for the entire country database). This is only a natural result of data availability, particularly for non-economic indicators, where most international and official databases fail to provide for bilateral exchanges. In any case, an attempt to geographically break down the Elcano Global Presence Index for some major world players could be a valuable input for this academic debate.

Notes

1. See Figge and Martens (2014) and Kacowicz and Mitrani (2016) for comprehensive surveys of globalization definitions.
2. This index is not described in Table 1 as it is made up of other composite indexes, most of which are already surveyed in this exercise.
3. This index was initially intended to explore the external projection of countries, both in volume and nature, as a tool for analysing them from the global governance and/or foreign policy perspectives. The index has been used in academic literature for exploring the projection, global or regional power of countries, their role in global governance and even development processes (see, for instance, Armijo, Mühlich, & Tirone, 2014; Christiansen, 2015; Cohen, 2005; Escribano, 2014; Fan & Shahani, 2014; Fenko & Pozgan, 2017; Jurkiewicz-Eckert, 2014; Malamud, Rodríguez, & César, 2014; Wojciuk, Michalek, & Stormowska, 2015; Zaheer, 2018; Zielinska, 2016).
However, given the high number of countries included in its calculation and, therefore, its high representativeness of the world economic, military and soft systems in terms of GDP and population it can now also be used to understand global trends such as, for instance, the globalization process itself (Olivie & Gracia, 2017, 2018). Moreover, selected indicators are unidirectional –reflecting only one direction of the globalization or externalisation process–, so that all 120 countries' global presences can be aggregated for obtaining a proxy of the globalization process, in its internationalization facet following Martens et al. (2014) category.
4. This feature is prevalent in the KOF Globalization Index despite its recent methodological update, where *de iure* and *de facto* indicators are separated in two distinct composite indicators. The reason is that indexes of diplomatic efforts are part of the *de facto* sub-index.
5. $\Delta C_{t,t-1}^i = W_{t-1}^i * VAR_{t,t-1}^i$; where $\Delta C_{t,t-1}^i$ is the variation of the contribution of variable *i* to aggregate global presence growth; W_{t-1}^i is the weight of variable *i* in aggregate global presence recorded the previous year, and $VAR_{t,t-1}^i$ the rate of change of variable *i*'s value.
6. In this paper, contributions therefore refer to the capacity of variables to drive global presence growth. For their part, weights are variables' proportions or shares in aggregate global presence.
7. 'Slowbalisation. The steam has gone out of globalisation', *The Economist*, 24/1/2019.

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Appendix

Annex A. Variation rates of the Elcano Global Presence Index’s individual indicator values in absolute terms, 1990–2017 (in %)

	1990–1995	1995–2000	2000–2005	2005–2010	2010–2018
Energy	11.7	77.3	118.2	25.6	11.5
Primary goods	31.9	–3.1	67.4	38.1	56.1
Manufactures	55.2	25.5	57.1	15.2	46.3
Services	49.4	25.4	70.9	34.3	49.7
Investments	75.1	81.9	60.8	60.5	57.9
Troops	–62.0	18.4	33.8	–24.3	–20.2
Military equipment	–13.7	–17.3	–3.2	–13.6	5.0
Migration	6.2	7.9	11.1	16.1	17.5
Tourism	22.3	30.7	20.1	7.8	44.5
Sports	16.7	3.6	41.4	22.0	–0.5
Culture	206.0	95.2	71.9	–1.4	36.3
Information	120.9	159.7	50.1	288.3	265.2
Technology	0.6	42.6	19.4	–4.2	20.3
Science	41.2	16.4	26.9	41.3	13.5
Education	37.9	16.7	41.8	24.0	49.1
Development cooperation	–0.5	–9.2	101.3	15.2	32.9

Source: Elcano Royal Institute, Elcano Global Presence Index.