Globalization and the Geography of Networks

Chapter 14

What is Globalization, and What Role do Networks Play in Globalization?

What are the Goals of Globalization?

Depends on who you ask:

World Economic Forum – an annual meeting held in Davos, Switzerland. Participants typically:
- champion free trade
- represent large corporations

World Social Forum

Goal of the World Social Forum:

Find alternatives to the decisions being made at the World Economic Forum.

Participants are a network of anti-globalizationists.

What is Globalization?

| A set of processes that are:	A set of outcomes that are:

- increasing interactions
- deepening relationships
- heightening interdependence
 	
    without regard to
    country borders.
	- unevenly distributed
	- varying across scales
	- differently manifested
	
	    throughout the world.

Globalization

Geographer Andrew Kirby explains that with globalization, we are living "not so much in a world without boundaries, or in a world without geography – but more literally, in a world, as opposed to a neighborhood or a region."

Networks

- Manuel Castells defines networks as "a set of interconnected nodes" without a center.

  – Time-Space Compression
  – Global Cities

World Cities most Connected to New York City
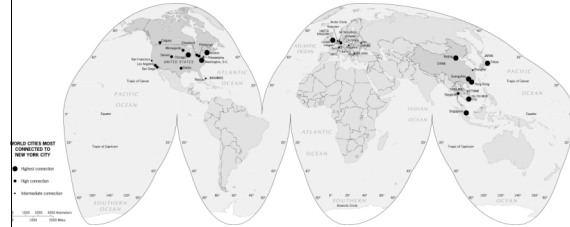
This map shows the 30 world cities that are the most connected to New York City, as measured by flows in the service economy.

Key Question:

At What Scales do Networks Operate in the Globalized World?

Networks in Development

- Nongovernmental Organizations (NGOs) have created a web of global development networks.

  – Participatory Development – idea that locals should be engaged in deciding what development means for them and how to achieve it.
    - Gets back to "What is development and how do we measure it?"

Networks in Development

Local Currencies

A network of people exchanging services and products through a currency that holds meaning and value only to those participating in the network.
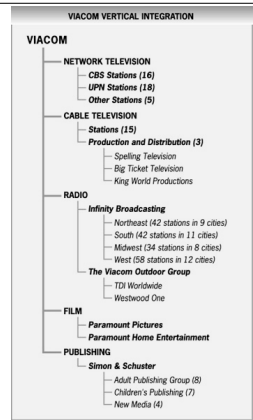
In Argentina (right), 5,000 different local currencies and barter clubs exist.

Networks in Media

- Vertical integration – a corporation that has ownership in a variety of points along the production and consumption of a commodity chain.

  – eg. Media Companies
    Goal is synergy, the cross promotion of vertically integrated goods.

Networks in Media

VIACOM VERTICAL INTEGRATION

VIACOM
- **NETWORK TELEVISION**
  - *CBS Stations (16)*
  - *UPN Stations (18)*
  - *Other Stations (5)*
- **CABLE TELEVISION**
  - *Stations (15)*
  - *Production and Distribution (3)*
    - *Spelling Television*
    - *Big Ticket Television*
    - *King World Productions*
- **RADIO**
  - *Infinity Broadcasting*
    - *Northeast (42 stations in 9 cities)*
    - *South (42 stations in 11 cities)*
    - *Midwest (34 stations in 8 cities)*
    - *West (58 stations in 12 cities)*
  - *The Viacom Outdoor Group*
    - *TDI Worldwide*
    - *Westwood One*
- **FILM**
  - *Paramount Pictures*
  - *Paramount Home Entertainment*
- **PUBLISHING**
  - *Simon & Schuster*
    - *Adult Publishing Group (8)*
    - *Children's Publishing (7)*
    - *New Media (4)*

Networks in Media

Gatekeepers:

People or corporations who control access to information.

How does vertical integration of Media affect the number of gatekeepers?

How do weblogs affect the number of gatekeepers?

Networks of Retail Corporations

- **Horizontal integration** – ownership by the same firm of a number of companies that exist at the same point on a commodity chain.

  - eg.   The Gap (Banana Republic, Old Navy)

    Global retail corporations have more connections to the local around the world than global manufacturing corporations. Retail stores create a local presence.

Key Question:

How have Identities Changed in the Globalized World?

Identities in a Globalized World

- Identity – how we make sense of ourselves
  - We have identities at different scales.
  - Globalized networks interlink us with flows of information and global interaction.
  - In a globalized world, a growing number of people are "making sense of themselves" within the context of the globe.

Personal Connectedness

- When a tragedy occurs somewhere in the world, people have the desire to:
  - personalize it.
  - localize it.

  In the process of personalizing and localizing a tragedy, a new global awareness can be created.

Personal Connectedness

• When a death or tragedy happens, how do people choose a local space in which to express a personal and/or global sorrow?

   – Short term = spontaneous shrines
   – Longer term = permanent memorials

"By allowing individuals to share loss, tragedy, and sorrow with others, these places can sometimes allow people to build community and a sense of common purpose."   - Ken Foote

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SURFBOARD MANUFACTURING

History of surfboard manufacturing

Early Hawaiian surfboards – solid wood

- Olo (O-lo), 18'-24' long, reserved for Hawaiian royalty (Wiliwili); Bishop museum Olos 15.5' long, 160 lbs.
- Kiko'o (key-CO-coo), mid-range between Olo and Alaia (Koa)
- Alaia (ah-LAI-ah), 8' or longer, maneuverable (Koa)
- Paipo (pipe-oh) 2'-4', bodyboard (Koa)
- Shapers used bone, stone, corral in

Redwood / Pine – solid wood

- Early expansion to mainland U.S. and Australia
- Use locally available wood

History of surfboard manufacturing

<u>Tom Blake</u> – hollow board (1926), later developed first keel/fin (1935), California locus of innovations

- 1932- Commercial board manufacturing
- Thomas Rogers Company, 1932-39 (Venice, CA) – shipped to markets in California, Canada, and Florida
- Robert Mitchell Manufacturing Company, 1934-39 (Cincinnati, OH) – furniture company, boards crafted like fine furniture, shipped to east coast and Hawaii.
- LA Ladder Company 1940-42 (Catalina Equipment Company 1946- early 50s, Redondo Beach, CA) – large output but eventually suffered from poor quality materials.


Olo replica (Redwood)

Blake hollowboards

Alaia replicas (Pine, Redwood)
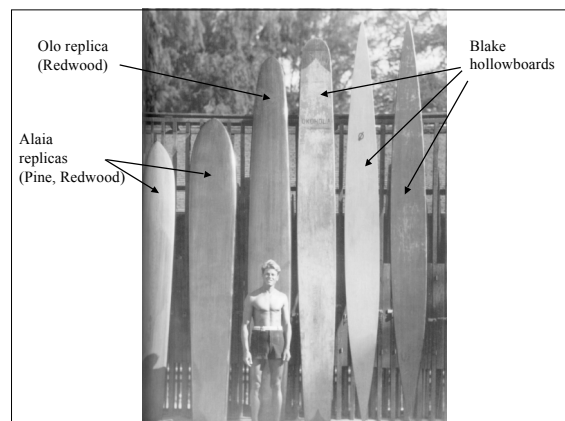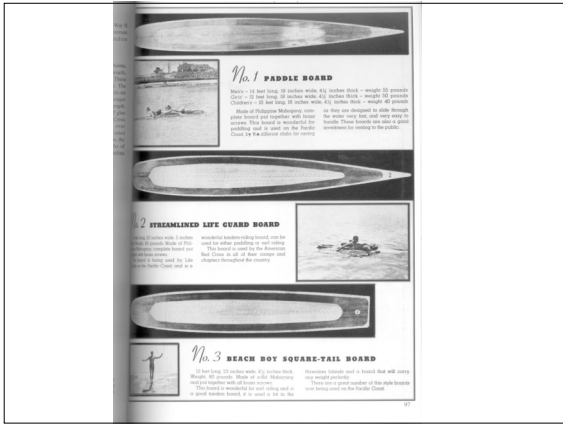
History of surfboard manufacturing

<u>Hot-Curl boards</u> (1934) "going 'slide ass'", tapered tail, v-bottom.

<u>Bob Simmons</u> (late 1940s, died 1954 surfing Windansea, San Diego) fiberglass technology and board shapes, 'hydrodynamic planning hulls', sandwich boards, balsa boards.

<u>"Malibu" boards</u> (mid-1950s) Kivlin and Quigg, start off shaping for Simmons; adapt designs to solid balsa boards. Velzy, Jacobs (Hermosa), and many others continue design refinements to balsa.

Simmon's style "Sandwich Board"
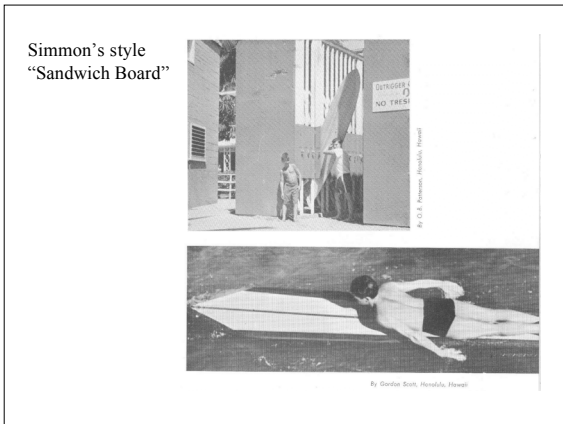
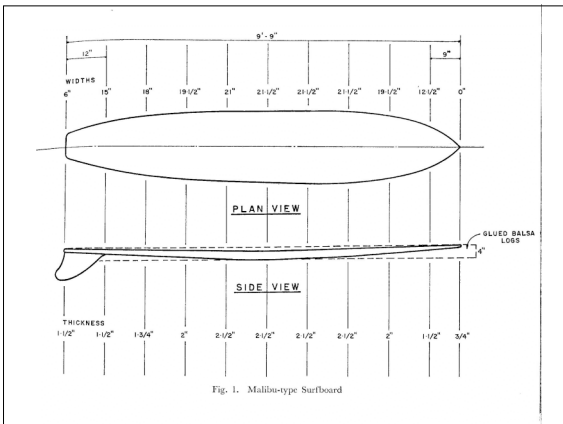History of surfboard manufacturing

<u>Hobie</u> (1954-1958) – develops foam surfboard technology (Gordon Clark, Reynolds Yater). Harold Walker and later Greg Noll start "blowing" there own foam blanks.

- mid-1960s, Noll has 20,000 sq. ft. factory in Hermosa Beach

- Production of 200 boards per week.

<u>Hobie to present</u> – further design and materials refinements of the foam board (twin fins, tri-fins), epoxy / EPS boards.

"For years, balsa-wood boards were the thing. In the early fifties, Velzy joined up with another surfer named Hap Jacobs to make boards under the label of Velzy and Jacobs. I was fifteen and making my own boards. Hobie Alter was starting to make boards in Dana Point…There were a lot of juys up and down the coast by then who were making their own boards in their backyards, but those that I've named were among those who actually set up shop." Noll, p.96.

I'll never forget cutting into my first foam blank. It smelled so strange. Balsa wood has a good smell to it. Foam dust didn't have the soft feel of balsa dust either. Foam dust was raspy, scratchy. Made you want to wash up all the time." (Noll p. 98)
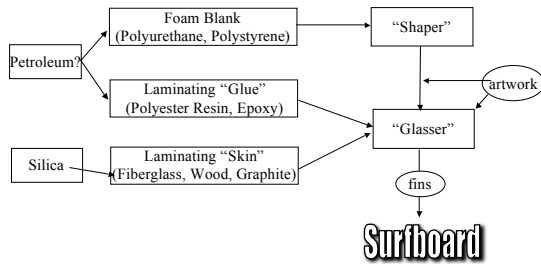

Fig. 1. Malibu-type Surfboard
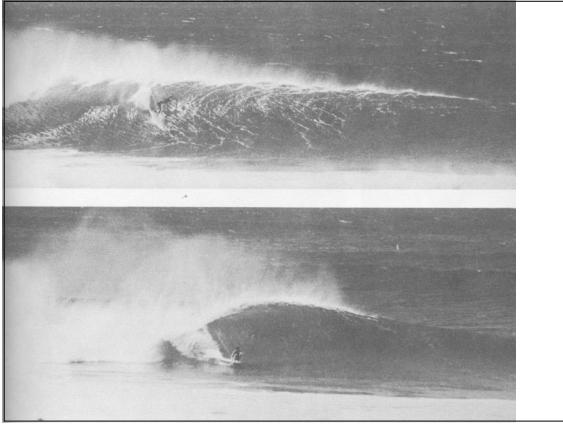
Economic organization of surfboard manufacturing

• Scale:
  ▪ 20,000,000 surfers worldwide (Finnegan 2006)
  ▪ $5 B (assuming surfers buy a $500 board every 2 years)
  ▪ $200,000,000 global surfboard blank industry (Dawson 2006)
    ~ 2% NAICS 326150 Urethane and other foam products

Economic organization of surfboard manufacturing

Economic organization of surfboard manufacturing

Materials:
  TDI: Toluene Diisocynate
  MDI: Methylene-bisphenyl-diisocyanate
  EPS: Expanded Polystyrene (beads)
  XEPS: Extruded Polystyrene (planks?)
  Resins

Machinery ("Capital"):
  CAD/CAM: Computer aided design and manufacturing, examples -- DSD (Digital Surfboard Design), CNC (Computer numerical control), KKL (Kahuna Kalai Ltd.). Hand planers, sanders, other hand tools.

Labor: semi-skilled/skilled shapers & glassers,

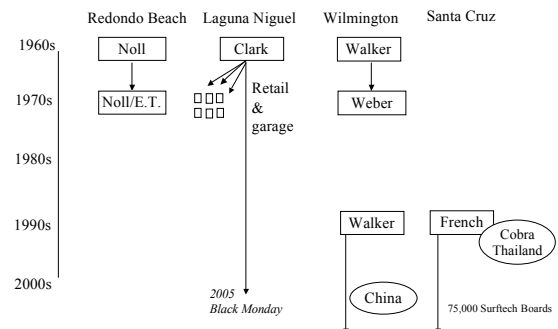## Economic organization of surfboard manufacturing

Vertical integration (disintegration): Combining industry segments along value-chain (raw materials, intermediate product, shipping, finished product)

Horizontal integration (disintegration): Classic mergers within the same industry segment (example: one airline buys another airline)

Spatial integration (disintegration): Spatial organization of industry can form tight complexes or expand globally.

Spatial organization of surfboard manufacturing

Pre-modern history: 1936 first commercial production of fiberglass, 1940 first commercial production of rigid polyurethane foam.

Spatial organization of surfboard manufacturing

1960-1980s
    Blanks: Single technology, near monopoly, few production sites

    Shaping: Surfer/Shaper pairing, Local market shapers (Bark), relatively easy market entry.   Master-apprentice training.

    Glassing: Under same roof? One glasser for several shapers? Artwork, design element.

1990-2000s
    Blanks: Multiple technology, multiple locations

    Shaping: Difficult entry. Capital-intensive, large scale.

    Glassing: Nuisance/hazardous zoning, concentration, vertical integration.

Spatial organization of surfboard manufacturing

The future??

▪ California as innovation hub (materials, process, design)

▪ Mass production offshore especially in components where materials are hazardous / environmentally regulated
    • Environmental implications?
    • Labor implications?
    • Cultural implication?

▪ Product cycle theory

Environmental impacts: What's in a surfboard?

• Toxic chemicals
    - Regulation / Mitigation

• Polyester resins
    -Federal hazardous air pollutant
    -Respiratory, skin, and eye irritant
    -Not classified human carcinogenicity

• Toluene Diisocyanate (polyurethane foam)
    - "Reasonably anticipated to be a human carcinogen"
    - Spleen, liver, ovaries, pancreas, …

• Recycling??

Discussion

• Trade-offs
    - Culture of industry (Garage) versus Single Producer
    - California production versus off-shore production
    - The Price Signal