

Globalization Reflection Paper

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Globalization refers to the intensifying interconnectedness and interdependence of countries and people globally. Through the following paper, I will show that the iPhone is a beacon of globalization, both in its production and sale. I will achieve this by discussing the iPhone's global economic, political, cultural and social impact.

The iPhone, while conceptualised and designed in California, is truly global in its production. The OLED screen, for example, is sourced from South Korea, the camera and memory from Japan, the battery from Hong Kong, the A14 chip from Taiwan, the accelerometer from France and the gyroscope from Germany. All of these parts are then shipped to either the Philippines, Czech Republic, China, Thailand, Malaysia, India or Singapore where they are assembled. Finally, they are shipped or flown to Apple's Central Warehouse in Sacramento, California (Kelly School of Business, 2020). My particular iPhone 12 was flown from Apple's Central Warehouse in Sacramento to an Apple UK distribution centre and sold to me in London's Covent Garden Apple Store. The increasing use of global supply chains by transnational corporations like Apple represents what Anthony Giddens refers to as "the expansion of the global division of labour" (Giddens, 1991: 76). This is the idea that with modernisation in developed countries, comes the expansion of production in developing countries. This is because labor in developing countries is cheaper and thus TNCs will rationally use it to keep costs low. This has resulted in developed countries becoming less reliant on industry, and more reliant on the services sector.

Global supply chains expand social exchange by connecting individuals who would not have otherwise interacted. They also diminish the strength of political and geographical boundaries by making it harder for states to monitor and tax corporations. Crucially, however, they increase interdependence between countries. This is because they influence the performance of economies in multiple countries

simultaneously. Shocks to an economy in one state in which Apple operates can have subsequent effects on prices across all of the countries in which the iPhone is sold. Global supply chains also increase what Steger refers to as the “global imaginary”, this is the individual sense of connection to the world as a global citizen (Steger, 2020: 2). This is especially the case for those who work for TNCs across the world. They are aware of their position in a global network of offices, headquarters and warehouses. The iPhone’s global supply chain therefore is compatible with Steger’s definition of globalization. For Steger, “Globalization refers to the multidimensional and uneven intensification of social relations and consciousness across world-time and world-space” (Steger, 2020: 17).

As well as having the ability to bring individuals and countries around the world closer together, the iPhone’s global supply chain also has positive economic implications. Foreign direct investment from companies like Apple can contribute to the economies of developing countries by “generating employment, increasing exports, and growing tax revenue” (Saglam and Hankla as cited in Snarr and Snarr, 2021: 216). Foreign direct investment also brings competition to the domestic market, which can result in lower prices and higher quality goods for consumers. Furthermore, the countries in which Apple operate also benefit from the “spillover effect” (Saglam and Hankla, 2021: 216). This is where individuals who have worked for transnational corporations in their home country can bring their skills and expertise to other companies should they change jobs. This means that theoretically, the infrastructure and technology of countries where transnational corporations like Apple operate should improve over time.

While global supply chains intensify social connections across the world and can improve the economies of developing countries, their ability to diminish the power

of traditional borders can create problems. For one, global supply chains make the monitoring of working conditions significantly harder. Through the acquisition of essential raw materials from countries in the Global South, “there is a good chance that the international community is unknowingly contributing to a system responsible for massive human rights violations and environmental plunder” (Davenport et al as cited in Snarr and Snarr, 2021: 172). One country that is suffering from the uneven distributional effects of globalization is the Democratic Republic of Congo. “Approximately 70% of the world’s cobalt is produced in the Democratic Republic of Congo”, and the metal is essential in the production of the iPhone’s lithium-ion rechargeable battery (Cobalt Institute, 2023). Between ten and twenty per cent of the cobalt mined in Congo, however, “comes from artisanal and small-scale mining where independent miners use their own resources to extract the mineral” (Cobalt Institute, 2023). ASMs can be exploitative, dangerous and illegal. They often also go unregulated and unchecked. In many cases, they are established in areas with high socio-economic deprivation, as a ‘solution’ for those who have no other employment opportunities. Some theorists such as Siddharth Kara even compare the working conditions in the cobalt mines to slavery. “Imagine an entire population of people who cannot survive without scrounging in hazardous conditions for a dollar or two a day” (Kara, 2023). Therefore, the distributional effects caused by the acquisition of raw materials for the production of the iPhone represent the “uneven intensification of social relations” that result from increasing levels of globalization (Steger, 2020: 17).

Some journalists such as Ben Lovejoy argue that the iPhone’s supply chain is not global enough. This is because while the iPhone’s supply chain does span multiple countries, he asserts that production is heavily concentrated in China. “Around 80% of all iPhones are made in a single plant in Zhengzhou, aka iPhone city” (Lovejoy,

2022). This overdependence on China he says could have unintended consequences should tensions between the country and the U.S. amplify. In 2022, President Biden showed that he also shares this fear of overdependence on China, through an Executive Order. When it was signed, Biden said he hoped the CHIPS and Science Act would help to “build more resilient semiconductor supply chains” (White House, 2022). This fear is, however, justified. During the COVID-19 pandemic, for example, there were widescale supply chain issues caused by China’s zero-tolerance policy, and subsequent temporary factory and warehouse closures. Apple, however, is attempting to address this imbalance. According to a Reuters analysis of Apple’s supply chain, “in the five years to 2019, China was the primary location of 44% to 47% of its suppliers’ production sites, but that fell to 41% in 2020, and 36% in 2021” (Horwitz, 2022). This demonstrates Apple’s commitment to diversifying its supply chains, and thus its commitment to be a truly global company, without strong affiliation to any one single country.

As well as having a global economic impact, the iPhone also perpetuates globalization culturally. In the U.S., the iPhone’s place of conception, there were 124 million iPhone users in 2022. This amounts to 48% of all smartphone users in the U.S. (Statista, 2023). This picture of brand domination, however, is reflected across the globe. In Europe, iPhones make up 33% of all smartphones used and in Asia, 21% (Statista, 2023). Some journalists such as Seb Poole believe that the iPhone is not only the most popular smartphone in the world but also a status symbol (Poole, 2019). Research conducted by the National Bureau of Economic Research supports this position. The NBER tests yearly, the predictability of someone’s income bracket, based on their consumption of various products and brands. They found that “across all years in our data, no individual brand is as predictive of being high-income as

owning an Apple iPhone in 2016” (NBER, 2018). The iPhone today therefore serves globally as the product which is most recognisable as a symbol of wealth and affluence.

Furthermore, the iPhone is a proponent of globalization in its ability to compress time and space through applications such as FaceTime. Theorists such as Steger argue that through compressing time and space, the iPhone can diminish the perceived size and scale of our planet, and thus heighten our feeling of interconnectedness with others around the world. This is because FaceTime allows all iPhone users to have real-time face-to-face conversations over the Internet, which reduces the time and effort it takes for friends and family around the world to socialise. FaceTime is thus part of the “unprecedented development of horizontal networks of digital communication connecting the local and global” (Steger, 2020: 36) that has epitomised contemporary globalization. While mobile video calling did already exist when the iPhone was introduced, previous attempts were conducted over 3G rather than Wi-Fi (PCWorld, 2010). This meant that when FaceTime launched with the iPhone 4 in 2010, the experience was of better quality, more streamlined and seamless. These improvements enabled the iPhone to change the culture of how individuals communicate across the world, by making video calling widely popular. Furthermore, by making FaceTime exclusive to its products, Apple can use the application as another distinguishing factor between the iPhone and its competitors. Thus, FaceTime serves as another reason why people around the world want to join the exclusive club of iPhone owners, adding to the cultural mystique of the product. Therefore, the iPhone has a cultural impact globally, both by being a status symbol and through compressing world time and space.

The iPhone therefore is an example of a product deeply entwined with globalization. It influences global dynamics economically, politically, socially and culturally. At the core of this connection, is the iPhone's global supply chain, which fosters interdependence between nations and plays a pivotal role in shaping the evolving global division of labor. Furthermore, the iPhone is culturally significant. As well as having the ability to compress distance and time, the iPhone has become renowned as a symbol of wealth and affluence globally. Overall then, the iPhone stands as a beacon of globalization, weaving together economic, political, social and cultural elements into a singular global narrative.

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