“The year 1500 marks an important turning point in world history ... The European discoveries made the oceans of the earth into highways for their commerce ...” (William H. McNeill 1999, p. 295).
“[T]here was a single global world economy with a worldwide division of labor and multilateral trade from 1500 onward.” (Andre Gunder Frank 1998, p. 52).

Globalization was a defining term of the 1990s. Optimists argued that trade with the third world would keep American inflation low, despite ten years of high U.S growth rates, a belief that helped underpin the great bull market of the Clinton Presidency. Pessimists argued that globalization was boxing the world into a ‘global trap’, increasing inequality and undermining the ability of the state to deal with pressing social problems (Martin and Schumann 1997). While they might have disagreed about everything else, optimists and pessimists seemed to think that modern globalization was unprecedented.

Economic historians know better. Few of us would disagree with the statement that the world economy was in 1913 extremely well-integrated even by late 20 th century standards (O’Rourke and Williamson 1999a). World historians have gone much further. They argue that globalization is a phenomenon which stretches back several centuries, or even several millennia. According to Andre Gunder Frank, “there was a single global world economy with a worldwide division of labour and multilateral trade from 1500 onward” (Frank 1998, p. 52), while Jerry Bentley argues that even before 1500, “trade networks reached almost all regions of Eurasia and sub-Saharan Africa and large volumes of commerce encouraged specialization of agricultural and industrial production” (Bentley 1999, p. 7). Some attach globalization “big bang” significance to the dates 1492 (Christopher Colombus stumbles on the Americas in search of spices) and 1498 (Vasco da Gama makes an end run around Africa and snatches monopoly rents away from the Arab and Venetian spice traders), viewing the period after 1500 as inaugurating “a genuinely global epoch of world history” (Bentley 1996, pp. 768-9). Such scholars are on the side of Adam Smith who believed that these were “the two most important events in recorded history” (Tracy 1990, p. 3).

Not all world historians agree. One well-known scholar of the early modern world, James Tracy, expressed his skepticism with the 1490s big bang theory this way: “What remains ... in doubt is the contemporary impact or significance of these new configurations of long-distance trade,” and “it is far less clear what meaning the new connections had for those who lived in the sixteenth or even the seventeenth century” (Tracy 1990, pp. 2-3, emphasis added). Many economic historians now “argue that long-distance trade has been overemphasized by students of the early modern period[, that] the international economy was poorly integrated before 1800, [and] that if there was a transport revolution ... it happened ... in the nineteenth century” (Menard 1991, pp. 228 and 272). While Immanuel Wallerstein believes that “(i)t was in the sixteenth century that there came to be a European world-economy based upon the capitalist mode of production” (Wallerstein 1974, p. 67), he also believes that several parts of the world (India, Russia, the Ottoman Empire and West Africa) only became incorporated into this world economy some time between 1750 and 1850, as the trade in luxury goods which had linked these regions to the core was replaced by trade in bulk goods (Wallerstein 1989, Chapter 3).

Others think that globalization was a significant phenomenon long before 1500, including Frank himself (1998, pp. 328-9). Janet Abu-Lughod (1989, p. 8) describes “an international trade economy ... that stretched all the way from northwestern Europe to China” in the century between 1250 and 1350, based on the pax Mongolica which transformed Central Asia into “a ‘frictionless medium’ through which trade and exchange moved relatively freely” (Abu-Lughod 1993, p. 286). Frank and Barry Gills go further, arguing that “the existence of the same world system in which we live stretches back at least 5,000 years” (Frank and Gills 1993, p. 3).

So, is globalization 20, 200 or 2000 years old?

O’rourke, K. H., & Williamson, J. G. (2002). When did globalisation begin?. *European Review of Economic History*, 6(1), 23-50.