**‘Glocalization’ in a post-COVID-19 world**

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***“Glocalization****, the simultaneous occurrence of both universalizing and particularizing tendencies in contemporary social, political, and economic systems.”* [1]

While the world is still reeling under the impact of the COVID-19 outbreak, we want to remain hopeful and share our thoughts about how to become more sustainable in a post-COVID-19 world. In our commentary, we identify glocalization of supply chains as an opportunity for a better future that arises out of the COVID-19 crisis.

There lies a trade-off between resilience and economic efficiency in the networks of global supply chains [2]. Building economic efficiency demands cost minimization, inventory reduction, and maximization of asset utilization [3]. Optimization of all these objectives in a global network results in a very few global supply chain hubs, which control most of the global movements of goods and materials. Relying only on such a few global supply chain hubs creates significant bottlenecks in the event of a global supply chain shock, like the ongoing COVID-19 crisis, and risks substantial disruptions to the global value chain network with potentially catastrophic consequences for the world economy.

Glocalization, instead, provides an opportunity for balancing the trade-off between economic efficiency and resilience in the global supply chains. This opportunity comes from the fact that as opposed to globalized, glocalized supply chains are operational at a global level but are more responsive to the needs and demands of the locality in which they operate. Glocalization leads to a more distributed production network providing redundancies and less dependency on the globally dominant supply chain hubs. Affording such flexibility essentially reduces the trade-off between efficiency and resilience by reducing the bottlenecks against the optimization of resource allocations. In the event of a global supply chain shock, a glocalized supply chain can respond faster to the changes in the local conditions and provide a buffer against a supply chain collapse. Enabling such local responsiveness on a global scale requires the capability to act upon a vast amount of real-time exchange of data. Developing such agility demands the deployment of sophisticated technologies such as Artificial Intelligence, Internet of Things, robotics, and 3D printing, thus also advancing further technological enhancement of the global supply chains.

There are broader implications for the glocalization of supply chains. Enabling glocalization of supply chains will require massive investments in improving the digital infrastructure of the world. In the aftermath of the COVID-19 outbreak, such investments may also help in avoiding a deep global recession. In the long term, investments in glocalization can significantly reduce the digital divide in our society. For example, if investments in technology and infrastructure are tightly linked to investments in education and training programs, bringing these technologies across the board will not only create a demand for high-speed internet in different regional and local markets but will also increase digital literacy and competencies among the local population. The long term benefit of the reduction of the digital divide for global corporations is also tremendous. It offers them a chance to develop new markets, create potential to hire from a new pool of digitally competent human resources, and develop opportunities for new business partnerships with a new breed of digitally competent entrepreneurs in diverse geographical regions. The positive benefits of glocalization in the local and regional economies can build greater trust and cooperation between the corporations and the communities in which they operate, which can also further enhance the reputations of global corporations.

We would like to end by highlighting the important role that global cooperation and partnerships need to play in making a move towards glocalization a success. Glocalization can only be successful if considered as a multi-stakeholder process, and thus implies different responsibilities and contributions from various stakeholders. It could mean for managers to develop and implement alternative (sustainability) strategies; for policymakers to provide appropriate (financial and legal) incentives; for entrepreneurs to grasp arising chances; and for all individuals to support transparent and democratic processes. We hope in a post-COVID-19 world, glocalization will be a bridge towards a more responsible and equitable world order.

[1] Blatter, J. (2013). Glocalization. Encyclopædia Britannica. Retrieved from <https://www.britannica.com/topic/glocalization>

[2] McKinnon, A. (2018). *Balancing Efficiency and Resilience in Multimodal Supply Chains*. International Transport Forum Discussion Papers, OECD Publishing, Paris. Retrieved from <https://www.itf-oecd.org/sites/default/files/docs/efficiency-resilience-multimodal-supply-chains_0.pdf>

# [3] Seric, A., Görg, H., Mösle, S., & Windisch, M. (April, 2020). *Managing COVID-19: How the pandemic disrupts global value chains*. Discussion articles, UNIDO's Department of Policy Research and Statistics. Retrieved from <https://iap.unido.org/articles/managing-covid-19-how-pandemic-disrupts-global-value-chains>