

# Globalization

What exactly is Globalization?

Simply put, **Globalization is the process of changing to an integrated world from an isolated one.**

Globalization can be summed up as a long-term change towards greater international cooperation in economics, politics, ideas, cultural values and the exchange of knowledge.

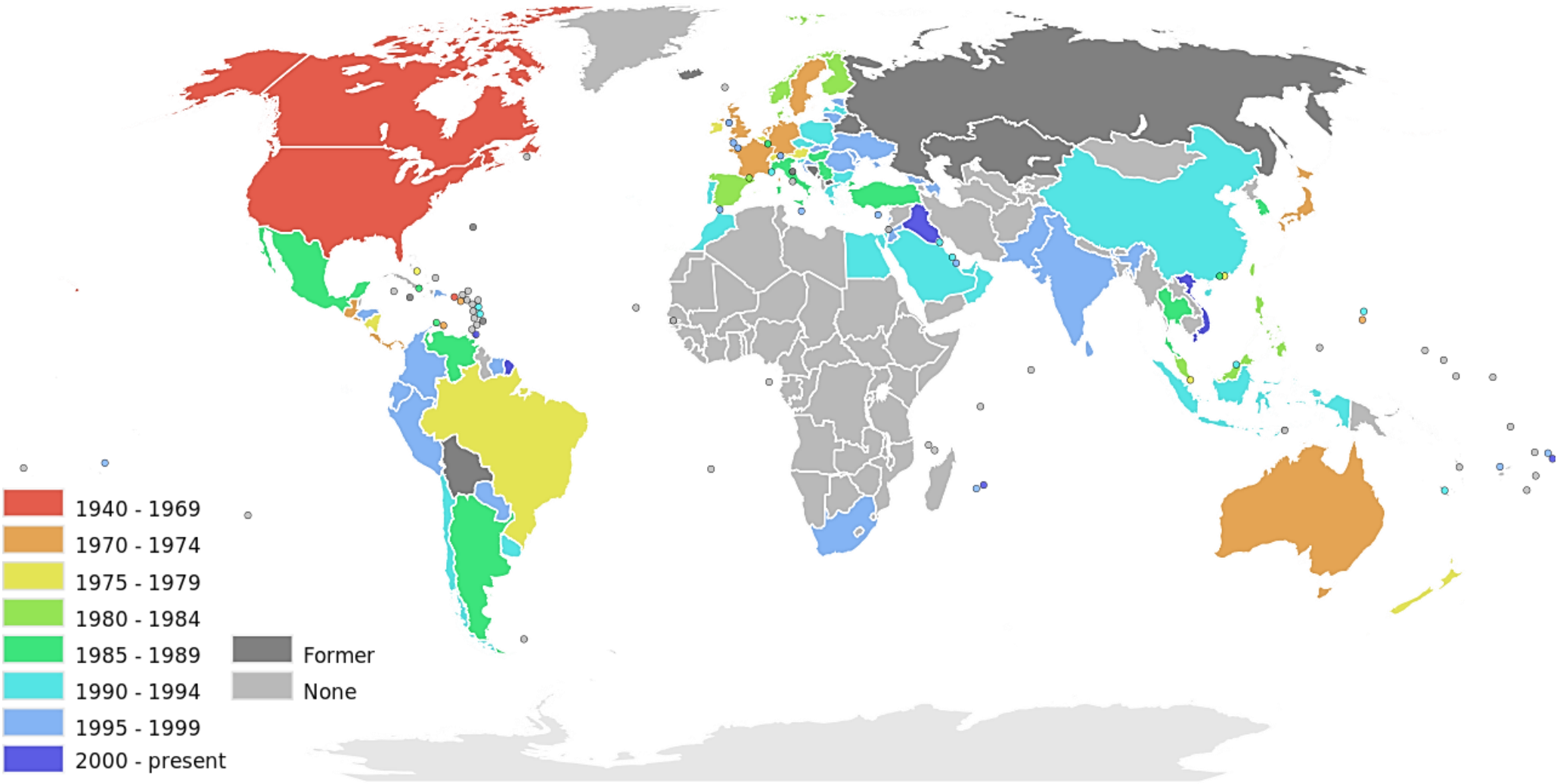
Common domains of globalization:

- Economic
- Cultural
- Political
- Environmental
- Technological
- Military

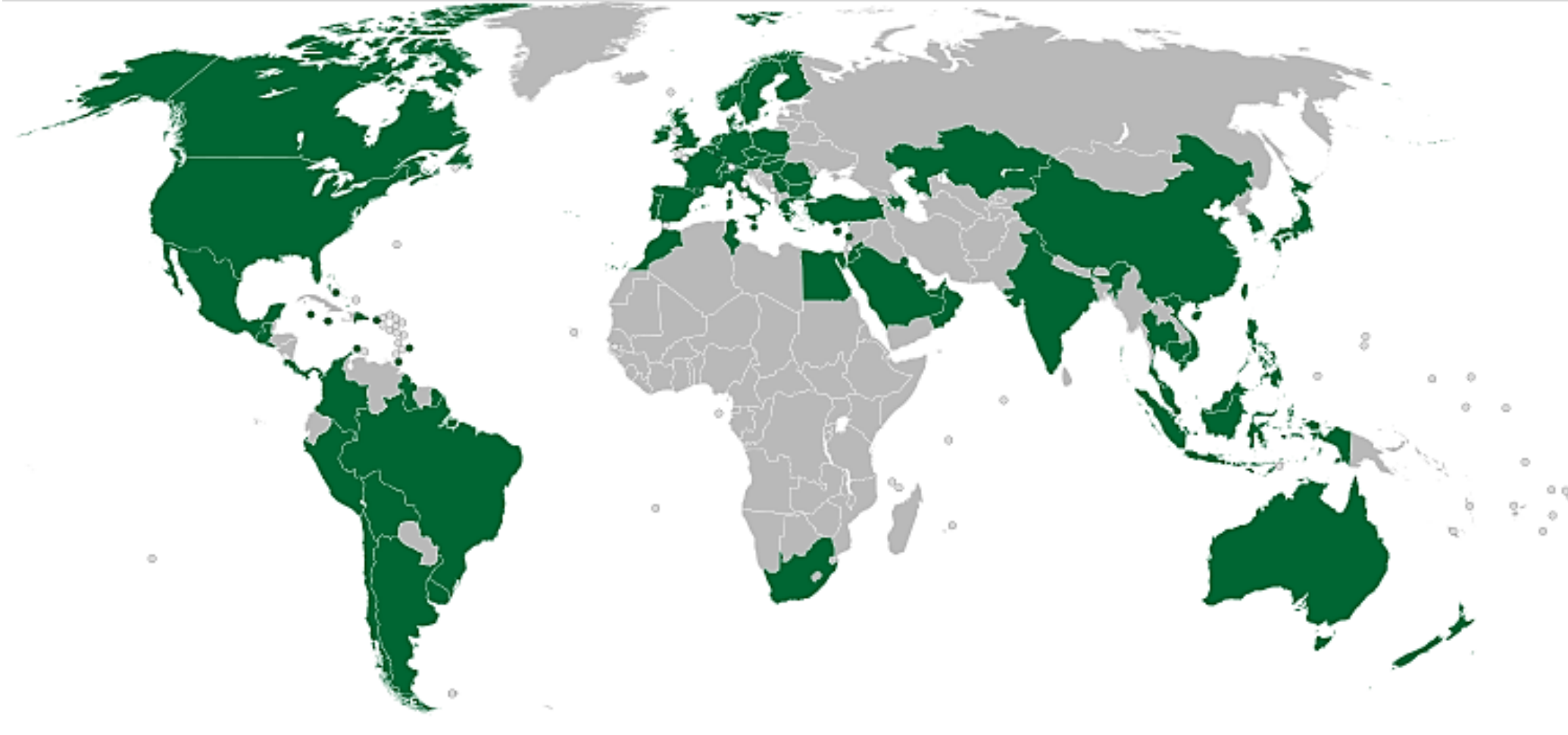
## Examples of Globalization

- Trading of commodities (coffee is originally from Ethiopia, avocados)
- Walmart (American company) has its manufacturing facilities in China (cheap labor, environmental regulations)
- Development of trade relationships between countries
- The spread of global financial systems and monetary exchanges (decline in one stock market has a ripple effect on others)
- Externally-sources spread or decline of faith
- Eateries from the west (McDonalds-120 countries, Starbucks-80) spreading around the globe
- Real-time views of events elsewhere in the world (social media)

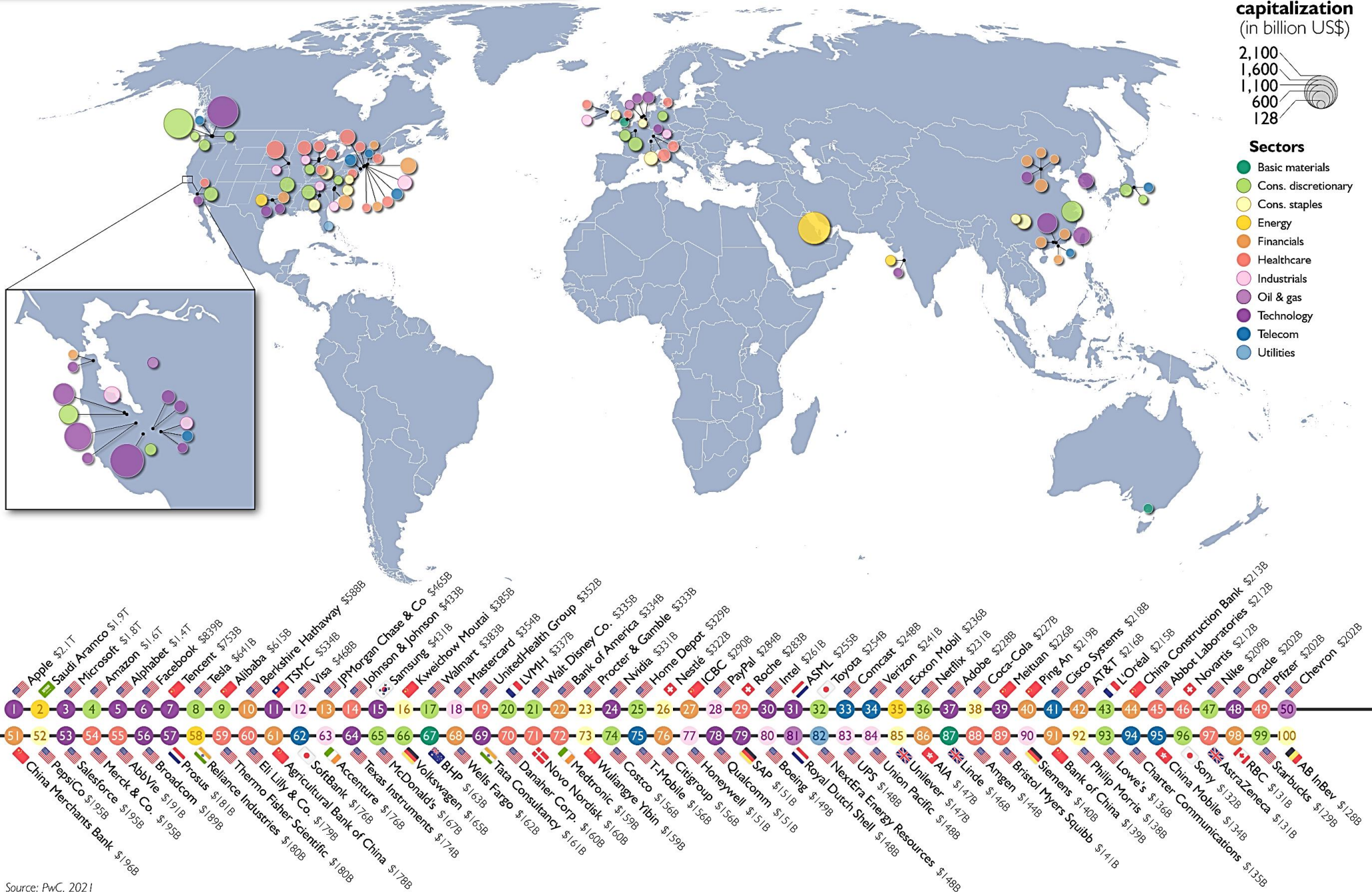
120 countries have a McDonalds  
(Russia lost 850 restaurants in Russia after the Ukraine war)



Over 80 countries have a Starbucks  
(Russia had 135 prior to the Ukraine invasion)



# 100 biggest companies



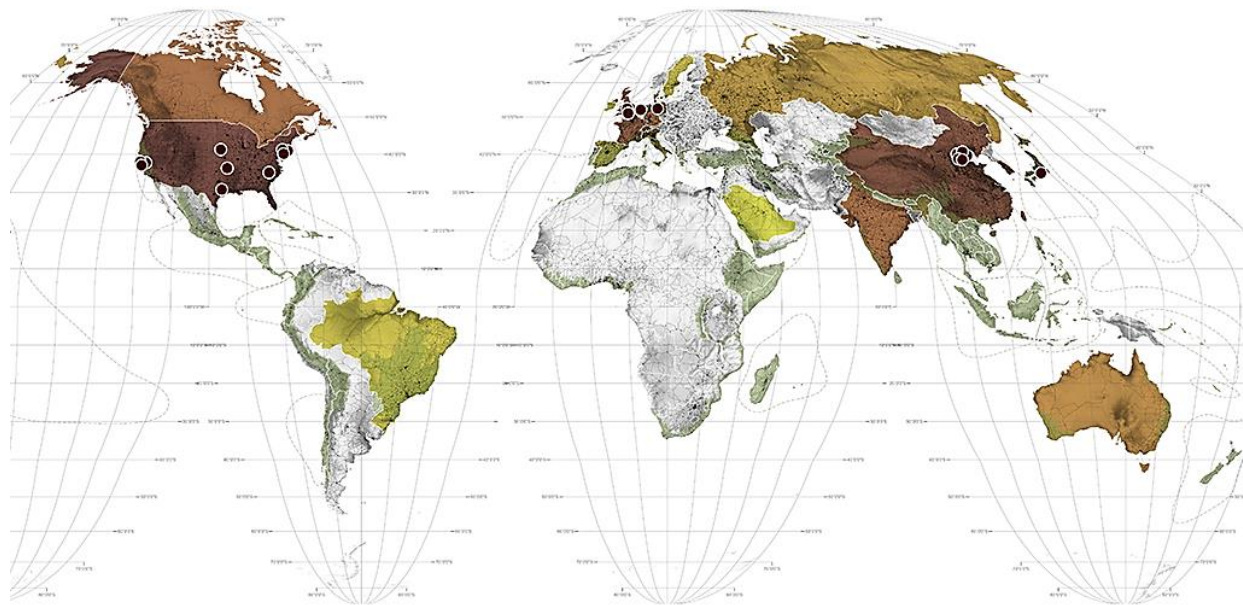
**TOP 20 WEALTHIEST MULTINATIONALS (2014)  
AND THEIR PLACE IN NEWSWEEK'S GREEN RANKINGS FOR 2016**

- |  |                              |
|--|------------------------------|
| 1. ICBC (Ind. & Commercial Bank of China), 382nd | 11. Royal Dutch Shell, 121st |
| 2. China Construction Bank, 420th                | 12. Toyota, 107th            |
| 3. Agriculture Bank of China, 487th              | 13. Bank of America, 273rd   |
| 4. JP Morgan Chase, 249th                        | 14. HSBC, (not in 500)       |
| 5. Berkshire Hathaway, 430th                     | 15. Apple, 26th              |
| 6. Exxon Mobile, 129th                           | 16. Citigroup, 231st         |
| 7. General Electric, 127th                       | 17. BP, 146th                |
| 8. Wells Fargo, 283rd                            | 18. Chevron, 257th           |
| 9. Bank of China, 423rd                          | 19. Volkswagon, 203rd        |
| 10. Petro China, 374th                           | 20. Walmart, 280th           |

**TOP 20 COUNTRIES WITH HEADQUARTERS OF THE 2000 WEALTHIEST  
MULTINATIONALS, FORBES GLOBAL 2000**



- |                             |                     |
|-----------------------------|---------------------|
| 1. United States of America | 11. Taiwan          |
| 2. Japan                    | 12. Australia       |
| 3. China                    | 13. Italy           |
| 4. United Kingdom           | 14. Russia          |
| 5. France                   | 15. The Netherlands |
| 6. South Korea              | 16. Spain           |
| 7. Canada                   | 17. Sweden          |
| 8. India                    | 18. Brazil          |
| 9. Germany                  | 19. Saudi Arabia    |
| 10. Switzerland             | 20. Ireland         |



**TOP 20 ON NEWSWEEK'S GREEN RANKINGS FOR 2016**

- |                                |                                    |
|--------------------------------|------------------------------------|
| 1. Shire PLC                   | 11. Biogen Inc.                    |
| 2. Reckitt Benckiser Group PLC | 12. Enbridge Inc.                  |
| 3. BT Group PLC                | 13. Ecolab Inc.                    |
| 4. Swisscom AG                 | 14. Airbus Group NV                |
| 5. Essilor international SA    | 15. Commonwealth Bank of Australia |
| 6. NIKE Inc.                   | 16. Metlife Inc.                   |
| 7. Unilever PLC                | 17. Oracle Corp.                   |
| 8. Sky PLC                     | 18. Koninklijke Phillips NV        |
| 9. Siemens AG                  | 19. Johnson and Johnson            |
| 10. Schneider Electric SE      | 20. Credit Agricole SA             |

# List of Pros of Globalization

## The Consumer and Economy Benefit

↳ Consumers are able to lower their costs and enjoy a much wider selection of products to choose from. Now that foreign companies can reach those who do not reside in their country, they are able to tap into markets that they were unable to reach before.

Increased opportunities

Increased competition

Spread of knowledge,  
culture and education

## Labor Can Move More Freely

↳ Workers can move from country to country with relative ease and market their skills, goods and services to the highest worldwide bidder. Countries no longer have to suffer with gaps in their labor structures. A nation that is struggling to produce doctors can simply import them from another country. Shortages of labor are no longer an issue on a local level. Thanks to the increased ease of communication and the reliability of the Internet, a person can be trained to work at a job in a foreign country without actually being present.

# List of Pros of Globalization

## Competition Between Countries Drives Prices Down

↳ The companies have greater access to more countries, which allows them to sell their goods and services to wholesale retailers all around the world.

There is now a worldwide market for companies and consumers who have access to products of different countries

## Spread of technology

There is cultural intermingling and each country is learning more about other cultures.

Transnational companies investing in and installing factories in other countries provide employment for the people in those countries, often getting them out of poverty

## Gives Other Nations Opportunity

↳ A nation the opportunity to hone in on their strengths, while ignoring their weaknesses. A country that is rich in oil, but possesses a scarcity of suitable farm land is free to focus on exporting their plentiful oil supply. Because they do not have to worry about importation restrictions, they can easily purchase wholesale amounts of fresh foods from other countries.

# List of Pros of Globalization

According to supporters, globalization and democracy should go hand in hand. It should be pure business with no colonialist designs.

Socially we have become more open and tolerant towards each other and people who live in the other part of the world are not considered aliens. True in many cases.

There is more influx of information between two countries, which do not have anything in common between them

Largescale immigration

## Free Trade

↪ Once upon a time, nations were not able to trade freely with one another, due to all of the barriers that stood in their way. Companies in varied nations across the world are now able to trade with another, thanks to reduction of restrictions on importing and exporting.

↪ With Free Trade, consumers have greater choice of goods and services and lower prices.

## List of Cons of Globalization

### Companies Seeking Personal Gain

↪ Larger companies have learned how to leverage globalization for their own personal gain. Companies now have the ability to trade with countries that they are not based in. This allows them to exploit certain tax loopholes and hide money in places like Ireland and Hong Kong. When this happens, the countries that they are based in lose out on billions of tax dollars. The consumer is then squeezed by increased taxes on their goods, services and property. A nation typically has zero control over larger corporations registering in other countries to avoid taxation.

### Strain Among Job Markets

↪ The free movement of labor also has its downsides. When workers can move freely from one nation to the next, countries that have a dearth of job opportunities often struggle. Skilled employees do not often stay in countries without a strong job market, which can cause a labor drain.

### Environmental degradation

↪ transatlantic shipping dumps into oceans, rainforests cut down, etc

Smaller countries vulnerable to economic exploitation by major business from large countries.

## List of Cons of Globalization

### Negative Impact on Environment

↪ The environment impact of globalization is considered to be negative by most experienced observers. The increased consumption of a wide variety of products leads to increased production which causes an uptick in pollution. Simply put, the environment is under added strain, which can have devastating long term effects on the planet's environmental stability.

Economic outsourcing

Globalization has led to exploitation of labor.

↪ Prisoners and child workers are used to work in inhumane conditions. Safety standards are ignored to produce cheap goods. There is also an increase in human trafficking

Building products overseas in countries like China puts our technologies at risk of being copied or stolen

### Leaving Developing Countries Behind

↪ Economists have argued that developing countries are at increased risk of being left behind.

↪ Globalization encourages free trade, which does not provide a developing nation with the protection that they need in order to grow.

## List of Cons of Globalization

The general complaint about globalization is that it has made the rich richer while making the non-rich poorer

Child labor, human trafficking, organ harvesting

The biggest problem for developed countries is that jobs are lost and transferred to lower cost countries

↳ Workers in developed countries like the US face pay-cut demands from employers who threaten to export jobs. This has created a culture of fear for many middle class workers who have little leverage in this global game

Smaller Countries Suffer the Most

↳ While there are a variety of benefits, countries have struggled with certain globalization concepts. Certain nations benefit greatly from the current landscape, as others suffer. Smaller, less developed countries do not typically benefit from the level playing field that globalization provides.

Multinational corporations are accused of social injustice, unfair working conditions (including slave labor wages, living and working conditions), as well as lack of concern for environment, mismanagement of natural resources, and ecological damage

## List of Cons of Globalization

Labor can move from country to country to market their skills.

True, but this can cause problems with the existing labor and downward pressure on wages.

Inequity

### Loss of Cultural Identity

↪ Greater cultural hegemony is benefitted, but countries are beginning to lose their identities due to immigration that is taking place on a progressively larger scale. As globalization becomes the new way of the world, more and more countries are at risk of losing their cultural identity.

↪ Consider: sushi available in Germany; Euro-Disney tourists outdraw the city of Paris

### Inability to Recoup Investment

↪ For countries that rely on public funding for their secondary educational system, this can be disastrous. Residents of the country utilize publicly funded colleges to bolster their skills for the job market, then take their talents to other countries. This leaves their home country with very little recourse to recoup their considerable investment.

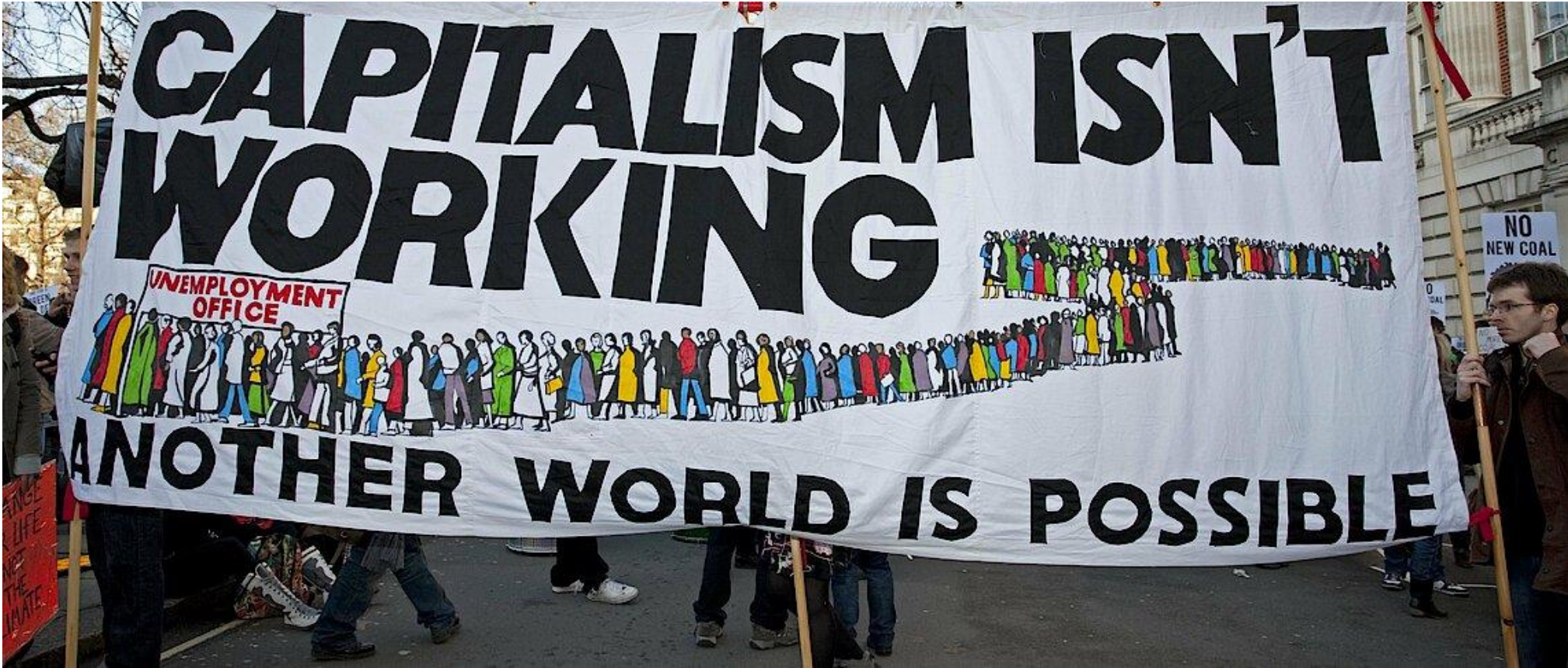
### Spread of diseases

↪ Some experts think that globalization is also leading to the incursion of communicable diseases. Deadly diseases like HIV/AIDS are being spread by travelers to the remotest corners of the globe

# Anti-Globalization Demonstration Sweden 1997



Anti-Globalization Demonstration  
Seattle and elsewhere



Question: When did anti-globalization become anti-capitalism?









WTO  
DESTROYS  
FORESTS

WTO:  
FIX IT...or  
NIX IT!

WORLD  
WORKERS

DON'T TRADE  
PROTECT THE WORLD

FIX IT  
NIX IT!

FIX IT!

WTO



THE RICH

GLOBALISATION

The migrant workers...



**GLOBAL  
FINANCIAL  
CRISIS**



USA

NO WORK

\$150  
SHOES



INDONESIA

LOTS OF WORK

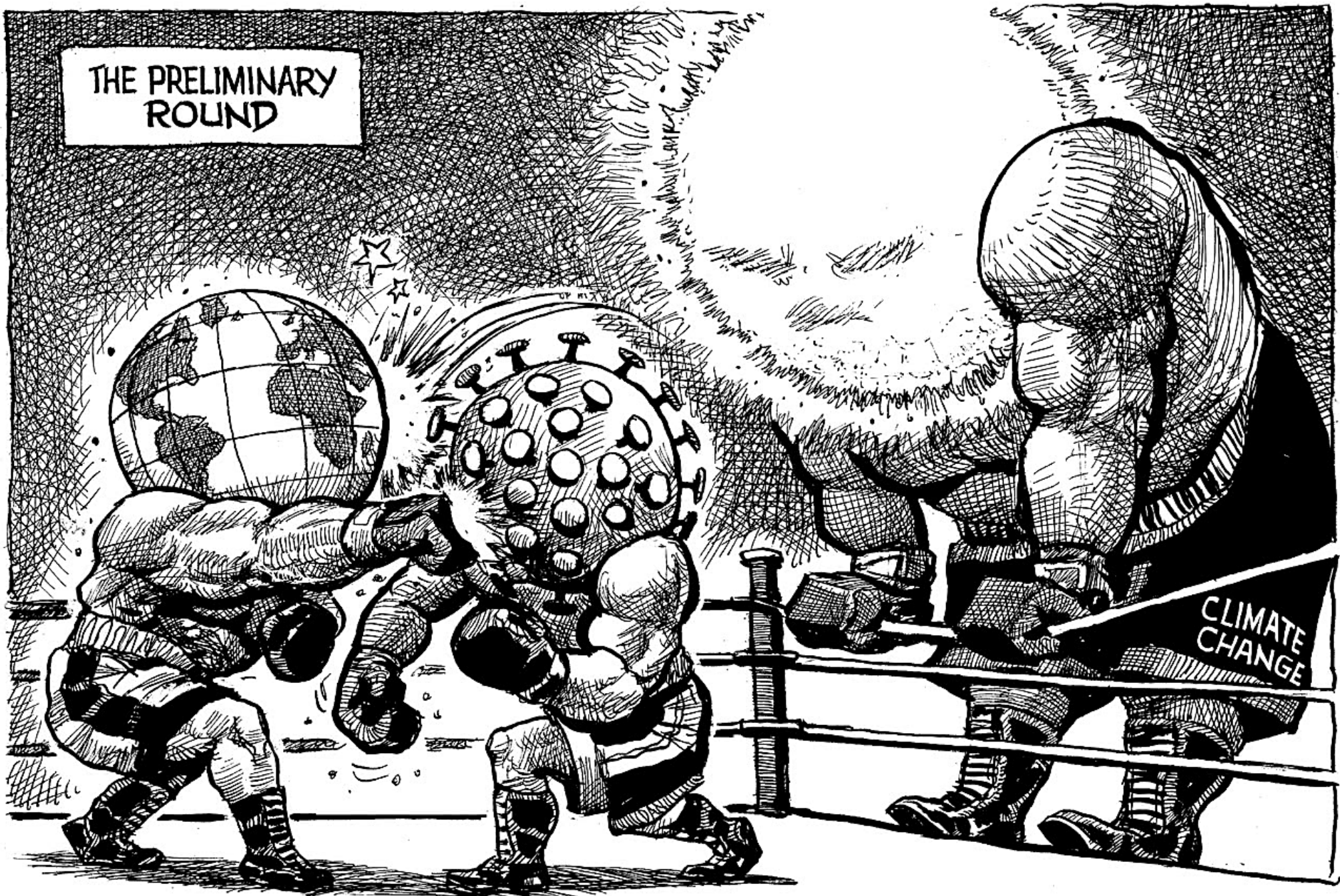
NO  
SHOES



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THE PRELIMINARY ROUND



## *International Studies - Globalization*

1. What products do you use which were not made in your country?
2. What movies, songs or books do you enjoy which were not produced in your country?
3. Can you think of ways that globalization has affected your life?
4. Generally speaking, do you think that globalization has improved people's lives?
5. What has American contributed to Globalization?
6. Hypothetical: A nation does not have a minimum wage. Is it ok for companies to hire there and pay pennies, or should there be considerations which should inform the amount they pay and the conditions in which they subject their workers?
7. How can trade improve the quality of life of people around the world?
8. Why do you think that human rights are not addressed in trade agreements? Is this the appropriate place to discuss human rights? Why or why not?
9. Should the US government protect American workers from losing their jobs to outsourcing? If so, then how?
10. Should the US sign trade deals in which US companies do not get increased market access? Explain your position.
11. Should the US change intellectual property rights that potentially limit access of poor people to technology, medicines, or other necessities at an affordable price?

12. How important is the Internet in influencing globalization?
13. What are the advantages and disadvantages of globalization?
14. To what extent is global poverty a harm inflicted by the global economy?
15. Is globalization a modern form of Empire?
16. Do well-off peoples have to give up advantages and luxuries for the benefit of the global poor?
17. Are there global moral duties which should guide interaction between countries and companies?
18. Which countries might like or dislike globalization the most?
19. How does US immigration relate to globalization?
20. Are undocumented workers the main cause of the downward wages shift in unskilled labor in the US?
21. Should the US increase visa's for skilled immigrants?
22. Should current undocumented workers receive a path to citizenship?
23. Is globalization a force for peace, or does it promise more opportunities for conflict as it brings people into closer interaction with one another?
24. Will political globalization inevitably follow economic globalization? What would political globalization look like?