# Globalization

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**Globalization** (or **Globalisation**) refers to the increasingly global relationships of culture, people and economic activity. Most often, it refers to economics: the global distribution of the production of goods and services, through reduction of barriers to international trade such as tariffs, export fees, and import quotas. Globalization contributes to economic growth in developed and developing countries through increased specialization and the principle of comparative advantage. The term can also refer to the transnational circulation of ideas, languages, and popular culture.

The term was first employed in a publication entitled *Towards New Education* in 1930, to denote a holistic view of human experience in education. In the 1960s the term began to be used by economists and other social scientists. The term reached the mainstream press in the later half of the 1980s. Since its inception, the concept of globalization has inspired competing definitions and interpretations, with antecedents dating back to the great movements of trade and empire across Asia and the Indian Ocean from the 15th century onwards.

Manufactured goods exports soared, dominated by developed countries and NIEs. Commodity exports, such as food and raw materials were often produced by developing countries: commodities' share of total exports declined over the period.Capital and investment movements. Migration and movement of people: In the period between 1965–90, the proportion of the labor forces migrating approximately doubled. Most migration occurred between developing countries.Dissemination of knowledge (and technology): Information and technology exchange is an integral aspect of globalization.

Charles Taze Russell coined the related term 'corporate giants' in 1897, to describe the largely national trusts and other large enterprises of the time. Tom G. Palmer of the Cato Institute defines globalization as "the diminution or elimination of state-enforced restrictions on exchanges across borders and the increasingly integrated and complex global system of production and exchange that has emerged as a result." In 2000 the IMF identified four basic aspects of globalization: Trade and transactions: Developing countries increased their share of world trade, from 19 percent in 1971 to 29 percent in 1999.

# Institutionalization

Institutions including the International Bank for Reconstruction and Development (the World Bank), International Monetary Fund (IMF) and the World Trade Organization (WTO) laid the foundations of the explosive growth of the phenomena in the post-Cold War era. Multiple rounds of trade opening simplified and lowered trade barriers. Initially, the General Agreement on Tariffs and Trade (GATT), led to a series of agreements to remove trade restrictions. GATT's successor was the World Trade Organization (WTO), which created an institution to manage the trading system.

By the early part of the 21st century more than $1.5 trillion in national currencies were traded daily to support the expanded levels of trade and investment . Although there are obvious problems with overly rapid development, globalization is a very positive force that lifts countries out of poverty. The costs and benefits of globalization have not been equally distributed across regions and nations. For example, manufacturing employment in the Midwestern section of the United States declined while growing exponentially in developing countries. This resulted in growing income inequality in rich countries.

This trend seems to be greater in the United States, where it started to rise in the late 1970s, accelerating in the 21st century; it has now reached a level comparable with that found in many developing countries. Consumer goods exports such as televisions, radios, bicycles, and textiles into the United States, Europe, and Japan fueled the economic expansion of Asian tiger economies. China exports were worth 157.5 Billion USD in October 2011.

# Political

Globalization seeks to reduce the importance of nation states. Sub-state and supra-state institutions such as the European Union, the WTO, the G8 or the International Criminal Court, replace national functions with international agreement. Some observers attribute the relative decline in US power to globalization, particularly due to the country's high trade deficit. This led to a global power shift towards Asian states, particularly China, that unleashed market forces and achieved tremendous growth rates. As of 2011, China was on track to overtake the United States by 2025.

# Cultural

Japanese McDonald's fast food as evidence of corporate globalization and the integration of the same into different cultures.

Conversi claimed in 2010 that globalization was predominantly driven by the outward flow of culture and economic activity from the United States and was better understood as Americanization. For example, the two most successful global food/beverage outlets are American companies, McDonald's and Starbucks, are often cited as examples of globalization, with over 32,000 and 18,000 locations operating worldwide, respectively as of 2008.

# Public opinion and Opposition

There is little common ground between proponents and opponents of globalization. While Many in the Third World see globalization as a positive force that lifts countries out of poverty, The Opponents consider governments as agents of neo-colonialism that are subservient to multinational corporations. Much of this criticism comes from the middle class; The majority of books, newspaper articles and press releases in this framerepresent the neo-liberal view of globalization. Supporters claim that free trade increases economic prosperity as well as opportunity, especially among developing nations, enhances civil liberties and leads to a more efficient allocation of resources.

Economic theories of comparative advantage suggest that free trade leads to a more efficient allocation of resources, with all countries involved in the trade benefiting. In general, this leads to lower prices, more employment, higher output and a higher standard of living. Libertarians claim that higher degrees of political and economic freedom in the form of democracy and capitalism in the developed world are ends in themselves and also produce higher levels of material wealth. They see globalization as the beneficial spread of liberty and capitalism. The establishment of the WTO in 1995 led to an anti-globalization movement that was primarily concerned with the negative impact of globalization in developing countries.

Their concerns ranged from environmental issues to issues like democracy, national sovereignty and the worker exploitation.Opponents in developed countries were disproportionately middle-class and college-educated. This contrasted sharply with the situation in developing countries, where the anti-globalization movement was more successful in enlisting a broader group, including millions of workers and farmers. Critiques of economic globalization typically look at both the damage to the planet as well as the human costs.

They point to a "multitude of interconnected fatal consequences–social disintegration, a breakdown of democracy, more rapid and extensive deterioration of the environment, the spread of new diseases, increasing poverty and alienation"which they claim are the unintended consequences of globalization.Critics argue that globalization results in:

**Poorer countries suffering disadvantages**: While it is true that free trade encourages globalization among countries, some countries try to protect their domestic suppliers. The main export of poorer countries is usually agricultural goods. Larger countries often subsidise their farmers (e.g., the EU's Common Agricultural Policy), which lowers the market price for foreign crops.

**The shift to outsourcing**: Globalization allowed corporations to move manufacturing and service jobs from high cost locations, creating economic opportunities with the most competitive wages and worker benefits.

**Weak labor unions**: The surplus in cheap labor coupled with an ever growing number of companies in transition weakened labor unions in high-cost areas. Unions lose their effectiveness and workers their enthusiasm for unions when membership begins to decline.

**An increase in exploitation of child labor**: Countries with weak protections for children are vulnerable to infestation by rogue companies and criminal gangs who exploit them. Examples include quarrying, salvage, and farm work as well as trafficking, bondage, forced labor, prostitution and pornography. Critics charged that globalization developed according to corporate interests. They advocated global institutions and policies that they believe better addressed the moral claims of poor and working classes as well as environmental concerns. Critics included church groups, national liberation factions, peasant unionists, intellectuals, artists, protectionists, anarchists, those in support of relocalization (e.g., consumption of nearby production) and others.

Some were reformist, (arguing for a more moderate form of capitalism) while others were revolutionary (power shift from private to public control) or reactionary (public to private). Some opponents of globalization see the phenomenon as the promotion of corporatist interests. They also claim that the increasing autonomy and strength of corporate entities shapes the political policy of countries.