

Globalization



Globalization (or **globalisation**) describes the process by which regional economies, societies, and cultures have become integrated through a global network of political ideas through communication, transportation, and trade.

The term is most closely associated with the term economic globalization: the integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, the spread of technology, and military presence. However, globalization is usually recognized as being driven by a combination of economic, technological, sociocultural, political, and biological factors. The term can also refer to the transnational circulation of ideas, languages, or popular culture through acculturation. An aspect of the world which has gone through the process can be said to be **globalized**.

Definitions

- **According to the Oxford English Dictionary, the word 'globalization' was first employed in a publication entitled *Towards New Education* in 1952, to denote a holistic view of human experience in education. An early description of globalization was penned by the American entrepreneur-turned-minister Charles Taze Russell who coined the term 'corporate giants' in 1897, although it was not until the 1960s that the term began to be widely used by economists and other social scientists. The term has since then achieved widespread use in the mainstream press by the later half of the 1980s. Since its inception, the concept of globalization has inspired numerous 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.**
- **The United Nations ESCWA says globalization "is a widely-used term that can be defined in a number of different ways. When used in an economic context, it refers to the reduction and removal of barriers between national borders in order to facilitate the flow of goods, capital, services and labour... although considerable barriers remain to the flow of labor... Globalization is not a new phenomenon. It began towards the end of the nineteenth century, but it slowed down during the period from the start of the First World War until the third quarter of the twentieth century. This slowdown can be attributed to the inward-looking policies pursued by a number of countries in order to protect their respective industries... however, the pace of globalization picked up rapidly during the fourth quarter of the twentieth century..."**



- **HSBC**, the world's largest bank, operates across the globe. Shown here is the HSBC Global Technology Centre in Pune, India which develops software for the entire **HSBC** group.
- 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."

Effects summary

- **Industrial** - emergence of worldwide production markets and broader access to a range of foreign products for consumers and companies. Particularly movement of material and goods between and within national boundaries. International trade in manufactured goods increased more than 100 times (from \$95 billion to \$12 trillion) in the 50 years since 1955. China's trade with Africa rose sevenfold during 2000-07 alone.
- **Financial** - emergence of worldwide financial markets and better access to external financing for borrowers. 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. As these worldwide structures grew more quickly than any transnational regulatory regime, the instability of the global financial infrastructure dramatically increased, as evidenced by the Financial crisis of 2007–2010.



- As of 2005–2007, the Port of Shanghai holds the title as the World's busiest port.
- **Economic** - realization of a global common market, based on the freedom of exchange of goods and capital. The interconnectedness of these markets, however, meant that an economic collapse in one area could impact other areas [*citation needed*] With globalization, companies can produce goods and services in the lowest cost location. This may cause jobs to be moved to locations that have the lowest wages, least worker protection and lowest health benefits. For Industrial activities this may cause production to move to areas with the least pollution regulations or worker safety regulations.



- London is a city of considerable diversity. As of 2008, estimates were published that stated that approximately 30% of London's total population was from an ethnic minority group. The latest official figures show that in 2008, 590,000 people arrived to live in the UK whilst 427,000 left, meaning that net inward migration was 163,000.

- **Cultural** - growth of cross-cultural contacts; advent of new categories of consciousness and identities which embodies cultural diffusion, the desire to increase one's standard of living and enjoy foreign products and ideas, adopt new technology and practices, and participate in a "world culture". Some bemoan the resulting consumerism and loss of languages. Also see Transformation of culture.
 - Spreading of multiculturalism, and better individual access to cultural diversity (e.g. through the export of Hollywood). Some consider such "imported" culture a danger, since it may supplant the local culture, causing reduction in diversity or even assimilation. Others consider multiculturalism to promote peace and understanding between people. A third position that gained popularity is the notion that multiculturalism to a new form of monoculture in which no distinctions exist and everyone just shift between various lifestyles in terms of music, cloth and other aspects once more firmly attached to a single culture. Thus not mere cultural assimilation as mentioned above but the obliteration of culture as we know it today. In reality, as it happens in countries like the United Kingdom, Canada, Australia or New Zealand, people who always lived in their native countries maintain their cultures without feeling forced by any reason to accept another and are proud of it even when they're acceptive of immigrants, while people who are newly arrived simply keep their own culture or part of it despite some minimum amount of assimilation, although aspects of their culture often become a curiosity and a daily aspect of the lives of the people of the welcoming countries.
 - Greater international travel and tourism. WHO estimates that up to 500,000 people are on planes at any one time. In 2008, there were over 922 million international tourist arrivals, with a growth of 1.9% as compared to 2007.
 - Greater immigration, including illegal immigration. The IOM estimates there are more than 200 million migrants around the world today. Newly available data show that remittance flows to developing countries reached \$328 billion in 2008.
 - Spread of local consumer products (e.g., food) to other countries (often adapted to their culture).
 - Worldwide fads and pop culture such as Pokémon, Sudoku, Numa Numa, Origami, Idol series, YouTube, Orkut, Faceb
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Cultural effects



- **Globalization** has influenced the use of language across the world. This street in Hong Kong, a former British colony, shows various signs, a few of which incorporate both Chinese and British English.

Natural resources

- *Air*
- *Forests*
- *Minerals*
- *Food*
- *Health*

Air

The Worldwatch Institute said the booming economies of China and India are planetary powers that are shaping the global biosphere. In 2007, China overtook the United States as the world's biggest producer of CO₂. Only 1 percent of the country's 560 million city inhabitants (2007) breathe air deemed safe by the European Union.

Burning forest in Brazil. The removal of forest to make way for cattle ranching was the leading cause of deforestation in the Brazilian Amazon from the mid 1960s. Recently, soybeans have become one of the most important contributors to deforestation in the Brazilian Amazon.

Forests

A major source of deforestation is the logging industry, driven spectacularly by China and Japan. China and India are quickly becoming large oil consumers. China has seen oil consumption grow by 8% yearly since 2002, doubling from 1996–2006. *State of the World 2006* report said the two countries' high economic growth hid a reality of severe pollution. The report states:

The world's ecological capacity is simply insufficient to satisfy the ambitions of China, India, Japan, Europe and the United States as well as the aspirations of the rest of the world in a sustainable way

At present rates, tropical rainforests in Indonesia would be logged out in 10 years, Papua New Guinea in 13 to 16 years.

Minerals

Without more recycling, zinc could be used up by 2037, both indium and hafnium could run out by 2017, and terbium could be gone before 2012. It is said that if China and India were to consume as much resources per capita as United States or Japan in 2030 together they would require a full planet Earth to meet their needs. In the long-term these effects can lead to increased conflict over dwindling resources and in the worst case a Malthusian catastrophe.

Food

The head of the International Food Policy Research Institute, stated in 2008 that the gradual change in diet among newly prosperous populations is the most important factor underpinning the rise in global food prices. From 1950 to 1984, as the Green Revolution transformed agriculture around the world, grain production increased by over 250%. The world population has grown by about 4 billion since the beginning of the Green Revolution and most believe that, without the Revolution, there would be greater famine and malnutrition than the UN presently documents (approximately 850 million people suffering from chronic malnutrition in 2005).

It is becoming increasingly difficult to maintain food security in a world beset by a confluence of "peak" phenomena, namely peak oil, peak water, peak phosphorus, peak grain and peak fish. Growing populations, falling energy sources and food shortages will create the "perfect storm" by 2030, according to the UK government chief scientist. He said food reserves are at a 50-year low but the world requires 50% more energy, food and water by 2030. The world will have to produce 70% more food by 2050 to feed a projected extra 2.3 billion people and as incomes rise, the United Nations' Food and Agriculture Organisation (FAO) warned. Social scientists have warned of the possibility that global civilization is due for a period of contraction and economic re-localization, due to the decline in fossil fuels and resulting crisis in transportation and food production. One paper even suggested that the future might even bring about a restoration of sustainable local economic activities based on hunting and gathering, shifting horticulture, and pastoralism.

- In 2003, 29% of open sea fisheries were in a state of collapse. The journal *Science* published a four-year study in November 2006, which predicted that, at prevailing trends, the world would run out of wild-caught seafood in 2048.

Health

Further information: Globalization and disease

Globalization has also helped to spread some of the deadliest infectious diseases known to humans. Starting in Asia, the Black Death killed at least one-third of Europe's population in the 14th century. Even worse devastation was inflicted on the American supercontinent by European arrivals. 90% of the populations of the civilizations of the "New World" such as the Aztec, Maya, and Inca were killed by small pox brought by European colonization. Modern modes of transportation allow more people and products to travel around the world at a faster pace, but they also open the airways to the transcontinental movement of infectious disease vectors. One example of this occurring is AIDS/HIV. Due to immigration, approximately 500,000 people in the United States are believed to be infected with Chagas disease. In 2006, the tuberculosis (TB) rate among foreign-born persons in the United States was 9.5 times that of U.S.-born persons.

Measurement

- Goods and services, e.g., exports plus imports as a proportion of national income or per capita of population
- Labor/people, e.g., net migration rates; inward or outward migration flows, weighted by population
- Capital, e.g., inward or outward direct investment as a proportion of national income or per head of population
- Technology, e.g., international research & development flows; proportion of populations (and rates of change thereof) using particular inventions (especially 'factor-neutral' technological advances such as the telephone, motorcar, broadband)

The end