

The Human Face of Poverty: Exploring Causes and Solutions

Lesson 1: Globalization

Standards Addressed by Lesson: **CIVICS** Standard 3.3 Students understand the domestic and foreign policy influence the United States has on other nations and how the actions of other nations influence politics and society of the United States. (b,c,d) **ECONOMICS** Standard 2.3 Students understand that government actions and policies, including taxes, spending, and regulations influence the operation of economies. (d) Standard 3.1 Students understand that the exchange of goods and services creates economic interdependence and change (a – d). (a,e) **HISTORY** Standard 4.2 Students understand how economic factors have influenced historical events. (d,e) Standard 4.3 Students understand the historical development and know the characteristics of various economic systems.

Objectives of Lesson:

To allow students to see the origin of the products they buy and how their consumption habits affect those who produce the products and also themselves as consumers.

Vocabulary:

Globalization, neoliberalism, imports/exports

Suggested Resources to Obtain:

- *Rethinking Globalization: Teaching for Justice in an Unjust World* (Bill Bigelow and Bill Peterson, Rethinking Schools Ltd., 2002)
- *No Logo* video by Naomi Klein (Available at <http://video.google.com/videoplay?docid=-8729144859101613213>)

Suggested Time:

Between 60 and 90 minutes

Materials Needed:

- Map of the world
- Actual products such as coffee, sugar, bananas, cell phone, walkman, stereo and corresponding props for each product
- Prop for oil and props for #1 energy consumer, food consumer, and trash producer
- Small post-it-notes
- Handouts of boy sleeping while sewing baseballs (from *Rethinking Globalization*, p. 1)
- Copies of Rosa Martinez clothing manufacturer advertisement (from *Rethinking Globalization* p. 110)
- Copies of ‘Two Young Women’ dialogue by Deidre Barry (from *Rethinking Globalization* p.152)

Attachments:

- A. Apparel Wages around the World
- B. Export Commodities by Country
- C. Top Five Exporters of Goods
- D. Summary of U.S. Imports
- E. Activity to Review Globalization Lesson

Lesson Outline

Introduction to Lesson:

Through a map activity and other exercises, this first lesson is intended to introduce students to the concept of globalization and the global economy. It is intended to have students understand that most of the clothes that we wear, the food we eat and the products we consume are not produced in the United States.

Icebreaker / Quick Activity to Assess Prior Learning: Go around and ask each student to share one thing that comes to mind when you say "globalization." If this is taught as an individual class, this is a good opportunity to have students say their name as well. Share the definition of economic globalization with them: *When all the economies are integrated and governed by a uniform set of rules that is usually set by a body outside of the country.*

Activities

Activity 1:

Globalization Map Exercise

- Distribute 2 post-its to each student
- Put different products on students' desks along with corresponding prop.
- Ask students to pair up and check each other's clothing tags and to write down on a post-it the country where each item was made. Have them put the post-its on the map.
 - *Question:* How much do you think a worker in a garment factory gets paid? (23 cents/hr in China, 37-50 cents/hr in Guatemala, 50-54 cents/hr in Mexico)
- Ask students to check where the electronic items were made and have them post the corresponding prop on the map.
- Ask students where they think the following items come from and have them post the corresponding prop for each one on the map:
 - Bananas (Top 5: Ecuador, Costa Rica, Colombia, Philippines, Guatemala; Others: Panama, Belize, Honduras)
 - *Question:* How much do you think a banana worker earns per day? (\$4.50/day in Guatemala)
 - Coffee (Top 5: Brazil, Colombia, Vietnam, Côte d'Ivoire, Mexico; Others: Guatemala, Costa Rica, Honduras, El Salvador, Uganda, Nicaragua)
 - *Question:* How much do you think a coffee picker earns per day? (\$2.84/day in Guatemala)
 - Sugar (Top 5: Brazil, European Union, Australia, Thailand, Cuba; Others: Guatemala, Belize, Costa Rica, El Salvador, Panama)
 - *Question:* How much do you think a sugarcane worker earns per day? (\$2.84/day in Guatemala)
 - Oil (Top 5: Canada, Venezuela, Saudi Arabia, Mexico, Nigeria; Others: Iran, Iraq, Saudi Arabia, Colombia)
- Ask students who they think are the #1 Waste Producer, Energy Consumer, and Food Consumer (U.S.). Have them post the corresponding props on the map.

Questions:

- What do you notice about this map? (Most products we consume come from outside the U.S.)
 - *Put up 20% - 85% prop which reflects that 20% of the world's population consumes 85% of its resources*
 - *Other interesting statistics:*
 - The richest 500 people have the same wealth as the poorest 50% of the population.
 - The richest 3 people have more wealth than the 48 poorest countries.
 - With what Europe spends on ice cream, there could be drinking water for the developing world.
 - For everyone in the world to have access to basic services (i.e. education, housing, food), \$44B/year would be needed – Europe spends \$50B/year on cigarettes, and the world spends \$780B/year on militaries.
- Why are most clothes produced outside of the U.S.? (cheap labor, lax environmental and labor standards)
- Who do you think controls coffee and banana plantation? (large landowners, foreign corporations)
 - *2% of population in Guatemala own 70% of the land*

Explain to the students that this map has come to function this way because of globalization and also the economic model called neoliberalism (if time permits and/or if grade level is appropriate, explore the Recipe for Neoliberalism in Lesson 2). Students should be able to see that globalization has interconnected our lives with the lives of others due to the products we buy. By the end of the activity, students should be aware that their consumption habits have an effect on the living/working conditions of people across the globe. End the activity by discussing with them their power as consumers, the fair trade movement and the Ethical Trade Action Group.

Activity 2:

No Logo Video

Explain to the students that they will be watching an 8-minute clip from the video *No Logo* based on the book by the same title by Canadian author Naomi Klein. The clip, *No Jobs: the Discarded Factory*, talks about the impact of globalization on jobs both in the United States and abroad. At the end of the clip, ask students the following questions:

- ◆ Do you agree with the point of view? Why or why not?
- ◆ Did you learn anything new?
- ◆ Was there information in the clip that surprised you?
- ◆ Was there anything that you disagreed with? Why?

Activity 3:

Using Photos as Triggers

Hand out to the students or show on an overhead the image of the young boy who has fallen asleep while sewing baseballs. Students should be allowed to discuss the photo in either small groups or with the whole class. To begin the discussion or to help students continue thinking

about their reaction to the photo, specific questions can be asked. (Handouts for Activities 3-5 are from *Rethinking Globalization*.)

- ♦ What do you see? What story does the photo tell?
- ♦ How does it make you feel?
- ♦ Does the photo make you think about anything from your own life and own experiences?
- ♦ Is this a problem and, if so, why do problems like this occur?
- ♦ Are we responsible?
- ♦ What can we do about it?

Students may see a progression in their thinking and discussion from personal reactions to the impact certain actions have on society. Once again, students should see that globalization has linked their lives to others such as the little boy along with other sweatshop workers.

Activity 4: Race to the Bottom Advertisement

Distribute the Rosa Martinez clothing manufacturer advertisement handout to students. Allow them to take some time to see the differences in the two ads because they are very similar. Elicit classroom discussion by asking students the following questions.

- ♦ What is different in each ad? (hourly wage has dropped significantly from one year to the next)
- ♦ Who benefits and who doesn't benefit? How and why?
- ♦ Who reaped the benefit in the reduction of Rosa's wages?

Ask students if they have heard of the concept "race to the bottom." If not, explain to them that it is a scenario where workers within a country or between countries are competing for progressively lower wages. This allows the corporation to maximize profit. Continue asking the following questions:

- ♦ How does the "race to the bottom" affect Rosa and the rest of the workers?
- ♦ Are the ads similar to ones you have seen in your own life?
- ♦ How can we help stop the "race to the bottom"?

Students should see by the end of the activity that Rosa is being marketed as a commodity and not treated as a human being. Point out that words and sayings such as "reliability" and "one of the best buys" are used in the ad just like an ad for a computer, sewing machine, or other commodities. Make sure to end the activity with students thinking of ways that the "race to the bottom" can be reversed. (This exercise may trigger discussion of how persons are commodified in other contexts.)

Activity 5: Two Young Women

Distribute the Two Young Women dialogue to each student and then ask for two female volunteers. Have them come to the front of the class. One student should read the bold lines and the other the non-bold lines. After the dialogue allow the two students to respond to what they felt while reading their part. Ask them to describe the feelings of their characters. Then open up the discussion to the rest of the class so they can respond to the dialogue. Direct the conversation so the students see how people who are connected to the same events, processes, or products experience these connections very differently.

Helpful Hints/ Comments from Previous Facilitators:

If this class is conducted at a Catholic school or at a PeaceJam conference, be sure to bring additional clothing items. Students wear uniforms at Catholic schools and often wear PeaceJam t-shirts at the conference so this ensures that not all of the clothing is from one country.

DJPC 2004

Attachment A: Apparel Wages around the World

Approximate hourly base wages, as reported to the National Labor Committee by workers in these countries.

UNITED STATES – \$8.42 (Bureau of Labor Statistics, January 1998)

Bangladesh – 9-20 cents

Burma – 4 cents

China – 23 cents (**Living wage: 87 cents an hour**)

Colombia – 70-80 cents

Dominican Republic – 69 cents

El Salvador – 59 cents (**Living wage: \$1.18 an hour**)

Guatemala – 37-50 cents

Haiti – 30 cents (**Living wage: 58 cents an hour**)

Honduras – 43 cents (**Living wage: 79 cents an hour**)

India – 20-30 cents

Indonesia – 10 cents

Malaysia – \$1.00 cents

Mexico – 50-54 cents

Nicaragua – 23 cents (**Living wage: 80 cents an hour**)

Pakistan – 20-26 cents

Peru – 90 cents

Philippines – 58-76 cents

Romania – 24 cents

Sri Lanka – 40 cents

Thailand – 78 cents

Source: UNITE! Stop Sweatshops Campaign
www.uniteunion.org/sweatshops/cando/cando.html

Attachment B: Export Commodities by Country

Belize: sugar, bananas, citrus, clothing, fish products, molasses, wood

Brazil: manufactures, iron ore, soybeans, footwear, coffee, autos

Burundi: coffee, tea, sugar, cotton, hides

Chile: copper, fish, fruits, paper and pulp, chemicals

Colombia: petroleum, coffee, coal, apparel, bananas, cut flowers (Two of Colombia's leading exports, oil and coffee, face an uncertain future; new exploration is needed to offset declining oil production, while coffee harvests and prices are depressed.)

Cook Islands: copra, papayas, fresh and canned citrus fruit, coffee; fish; pearls and pearl shells; clothing

Costa Rica: coffee, bananas, sugar; pineapples; textiles, electronic components, medical equipment

Côte D'Ivoire: cocoa 33%, coffee, timber, petroleum, cotton, bananas, pineapples, palm oil, cotton, fish (1999)

Ecuador: petroleum, bananas, shrimp, coffee, cocoa, cut flowers, fish

Egypt: crude oil and petroleum products, cotton, textiles, metal products, chemicals

El Salvador: offshore assembly exports, coffee, sugar, shrimp, textiles, chemicals, electricity

Guatemala: coffee, sugar, bananas, fruits and vegetables, cardamom, meat, apparel, petroleum, electricity

Haiti: manufactures, coffee, oils, cocoa

Honduras: coffee, bananas, shrimp, lobster, meat; zinc, lumber

Hong Kong: clothing, textiles, footwear, electrical appliances, watches and clocks, toys, plastics, precious stones

Iran: petroleum 85%, carpets, fruits and nuts, iron and steel, chemicals

Iraq: crude oil (Iraq's economy is dominated by the oil sector, which has traditionally provided about 95% of foreign exchange earnings.)

Jamaica: alumina, bauxite; sugar, bananas, rum

Mexico: manufactured goods, oil and oil products, silver, fruits, vegetables, coffee, cotton

Nicaragua: coffee, shrimp and lobster, cotton, tobacco, beef, sugar, bananas; gold

Panama: bananas, shrimp, sugar, coffee, clothing

Peru: fish and fish products, gold, copper, zinc, crude petroleum and byproducts, lead, coffee, sugar, cotton

Saint Lucia: bananas 41%, clothing, cocoa, vegetables, fruits, coconut oil

Saudi Arabia: petroleum and petroleum products 90% (Saudi Arabia has the largest reserves of petroleum in the world (26% of the proved reserves), ranks as the largest exporter of petroleum, and plays a leading role in OPEC.)

Sierra Leone: diamonds, rutile, cocoa, coffee, fish

Uganda: coffee, fish and fish products, tea; gold, cotton, flowers, horticultural products

Venezuela: petroleum, bauxite and aluminum, steel, chemicals, agricultural products, basic manufactures (The petroleum sector dominates the economy, accounting for roughly a third of GDP, around 80% of export earnings, and more than half of government operating revenues)

Vietnam: crude oil, marine products, rice, coffee, rubber, tea, garments, shoes

CIA World Factbook 2002, <http://www.cia.gov/cia/publications/factbook/> and <http://www.cia.gov/cia/publications/factbook/fields/2049.html>

Attachment C: Top Five Exporters of Goods

Coffee:

- 1.Brazil
- 2.Colombia
- 3.Vietnam
4. Côte D'Ivoire
- 5.Mexico

Bananas:

- 1.Ecuador
- 2.Costa Rica
- 3.Colombia
- 4.Philippines
- 5.Guatemala

Cocoa:

1. Côte D'Ivoire
- 2.Ghana
- 3.Indonesia
- 4.Nigeria
- 5.Cameroon

Sugar:

- 1.Brazil
- 2.EU
- 3.Australia
- 4.Thailand
- 5.Cuba

Tea:

- 1.Sri Lanka
- 2.Kenya
- 3.China
- 4.India
- 5.Indonesia

Petroleum:

- 1.Canada
- 2.Venezuela
- 3.Saudi Arabia
- 4.Mexico
- 5.Nigeria

CIA World Factbook 2002, <http://www.cia.gov/cia/publications/factbook/> and <http://www.cia.gov/cia/publications/factbook/fields/2049.html>

Attachment D: Summary of U.S. Imports of Selected Goods by Country of Origin

Bananas, Cocoa, Coffee, Petroleum, Sugar (April 2004)

Green Coffee Import: <http://www.fas.usda.gov/..http2/tropical/2000/03-00/cofgnimp.pdf>

The U.S. imported 20,558,998 - 60kg bags of green coffee beans in 2000.

Brazil: 4,658,881 **22.2%**

Colombia: 3,358,855 **16.3%**

Mexico: 3,182,401 **15.5%**

Guatemala: 2,147,500 **10.4%**

Vietnam: 1,247,079 **6.1%**

Soluble Coffee Imports: <http://www.fas.usda.gov/http/tropical/2001/03-01/cofslimp.pdf>

The U.S. imported 1,323,843 - 60kg bags of soluble coffee in 2000.

Brazil: 418,980 **31.6%**

Canada: 270,647 **20.5%**

Netherlands: 225,111 **17.0%**

Mexico: 224,288 **16.9%**

Colombia: 86,892 **6.6%**

Sugar Imports: <http://www.fas.usda.gov/http/sugar/2000/May/usimports.pdf>

U.S. imported 1,668,643 metric tons of sugar in FY 1999

Guatemala: 274,361 **16.5%**

Dominican Republic: 190,596 **11.4%**

Brazil: 180,203 **10.8%**

Philippines: 153,912 **9.2%**

Colombia: 99,240 **6%**

Petroleum Imports: http://www.eia.doe.gov/neic/rankings/totimportsby_country.htm

U.S. imported 9,140 thousand barrels of crude every day in 2002

Saudi Arabia: 1,519 **16.6%**

Mexico: 1,500 **16.4%**

Canada: 1,445 **15.8%**

Venezuela: 1,201 **13.1%**

Nigeria: 589 **6.4%**

Cocoa Imports: http://web.lexis-nexis.com/scholastic/document?_m=02129dcfc1738d27f3c64a60b05e6391&_ansset=B-WA-A-W-Y-MsSAYVW-UUA-AUYCWCUIAW-AUYWYBAZAW-BDCEUCVAA-Y-U&_docnum=3&wchp=dGLbVlz-zSkVk&_md5=a0f37f790135d134fd4ffdf4c2b4bb1

U.S. imported 434,105 metric tons of cocoa in 2001

Indonesia: 140,676 **32.2%**

Dominican Republic: 27,974 **6.5%**

Ecuador: 20,325 **4.6%**

Côte D'Ivoire: 191,720 **43.8%**

Ghana: 35,234 **8.1%**

Data on Environmental Impact: http://web.lexis-nexis.com/scholastic/document?_m=dafd9afa353a44abf39c40a6bf4f9fb0&_ansset=B-WA-A-W-V-MsSAYVW-UUW-AUYCWCCUBA-AUYWYBCYBA-BDZUYVDVA-V-U&_docnum=1&wchp=dGLbVlz-zSkVk&_md5=36d4c1ec8305199f343a74b03562cb14

Per Capita Municipal Waste Generation in kilograms per capita for 1998:

United States: 720

Australia: 690

Canada: 630

Japan: 400

Spain: 370

Mexico: 300

Ecological Footprint Data:
<http://www.ecouncil.ac.cr/rio/focus/report/english/footprint/ranking.htm>

Hectares of ecological capacity used per capita:

United States: 10.3

Canada: 7.7

Iceland: 7.4

Germany: 5.3

United Kingdom: 5.2

France: 4.1

Spain: 3.8

Brazil: 3.1

Mexico: 2.6
Costa Rica: 2.5
Colombia: 2.0
Peru: 1.6
Egypt: 1.2
India: .8
China: .8

WORLD AVERAGE USED 2.8
WORLD AVERAGE AVAILABLE 2.1

Mexican Foreign Debt \$150 Billion (2000)

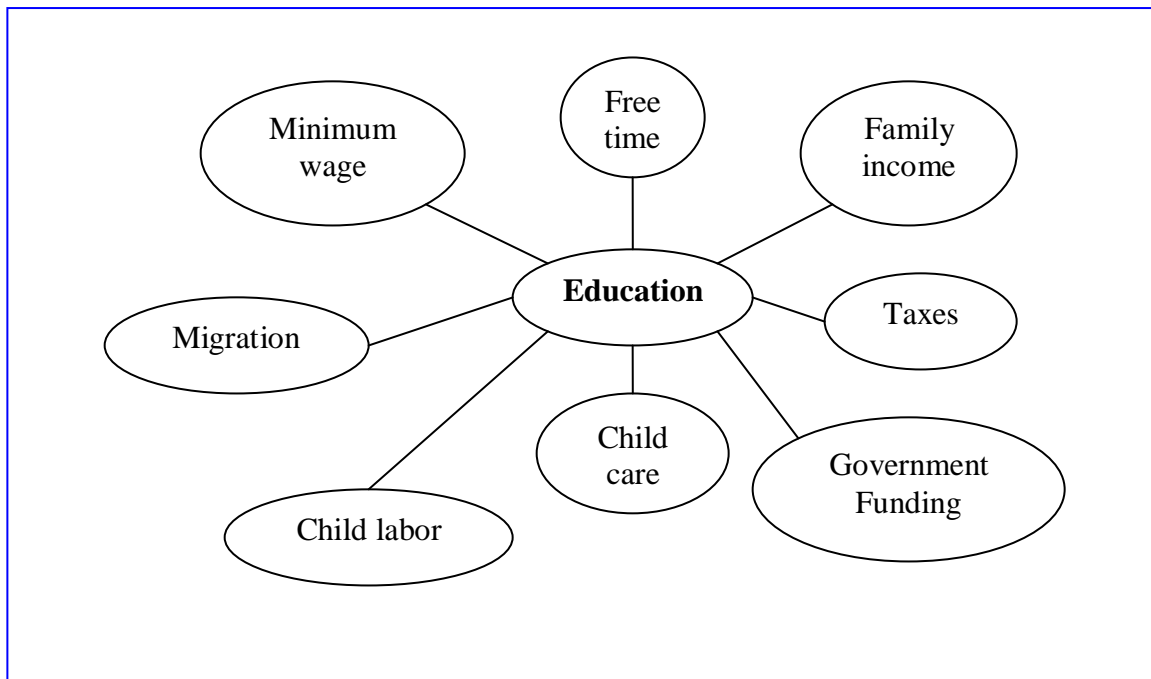
<http://www.cia.gov/cia/publications/factbook/geos/mx.html>

U.S. Foreign Debt \$862 Billion (2000)

<http://www.cia.gov/cia/publications/factbook/geos/us.html>

Attachment E: Activity for reviewing lesson on Globalization

- **Goal:** To create a “Web of Life” exploring various aspects of life and how the current model of globalization is affecting that area.
 - Have students brainstorm (either in large or small groups) aspects of life. These aspects could be things like: farmers, families, indigenous people, business, children, health, water, the environment, rural communities, sports, migration, education, etc.
 - Choose four to five of the most popular aspects, and break the class into a corresponding number of small groups. Give each small group an aspect, such as “children.” Have them write that word in the middle of a sheet of paper.
 - Next, their goal is to brainstorm and to make a “spider web” of how that topic is connected to other parts of life, in order to see how the areas impacted by globalization are intimately interconnected.
 - Then, once they have brainstormed impacts, have them share back with the large group (so the rest of the class can fill in any holes).



Attachment F: TEN CHAIRS OF INEQUALITY (developed by United for a Fair Economy)

- ♦ *Evident from the globalization map exercise that inequality between and among nations is becoming more pronounced but so is inequality within nations.*
 - ♦ *The processes that get labeled as globalization affect North Americans as well as those in the Third World.*
 - ♦ *U.S. has by far the highest poverty rate in the industrialized world and the most skewed distribution of wealth.*
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- Ask ten students to volunteer to line up in the front of the room, seated in their chairs and facing the rest of the class.
 - Explain that each chair represents 10% of the wealth of the U.S. and each occupant represents 10% of the population, thus when each chair is occupied by one student, the wealth is evenly distributed.
 - What is wealth? What you own – your stereo, your house, your car, savings like stocks and bonds, vacation homes, any companies you own, yachts, villas, private jet airplanes, etc., etc.
 - Ask students to estimate how much wealth an average family of 4 would have if the wealth were equally distributed in the U.S. - \$250,000.
 - Ask them what it would feel like if every family could have a \$100,000 home, a \$10,000 car and \$140,000 in savings.
 - Of course, we are nowhere near equal distribution: the poorest 20% are in debt, the next 30% average only \$5,000 in income.
 - Ask students at either end of the lineup which one wants to represent the richest 10% and experience being rich.
 - Have students speculate how many chairs belong to the richest student – (1998, the richest 10% owned 71% of the wealth, therefore about 7 chairs) – ask six students sitting nearest the richest student to give up their chairs and move to the poorer end of the lineup.
 - Tell the standing students to sit on the laps of the three students at the end.
 - Have the richest student relax, stretch out, lie down along the chairs.
 - The arm represents the wealthiest 1% of families and that share of wealth is equal to four chairs.
 - Ask the other nine students crowded around the three chairs what life is like at their end (Tired of working all the time, want a revolution (!), etc.)
 - Distribute the workers' stories (i.e. #1-5) to students crowded around the three chairs, go through their stories adding facts like over 40 million people in the U.S. don't have health insurance, most of the factory jobs have gone to other countries because of cheap labor, 10 million people in the U.S. are jobless.
 - Ask students if, in real life, they or people they know are crowded into the bottom one or two chairs and what that's like.
 - Give the student representing the richest 10% of the population, worker story #6 (CEO of Wal-Mart, explain that this scenario is for the richest 1% of the population).
 - What do those in power tell us to justify this inequality:
 - They work harder than we do.
 - It's our fault if we don't make it.

- Select one student to represent the poorest 10%, “Wouldn’t there be more money for the rest of you if he/she weren’t ripping off the system for welfare? Who do we blame for tough economic conditions – welfare moms, immigrants, gays & lesbians, bad schools?”
- Why don’t you nine students get organized and force redistribution of wealth?
 - Too busy working.
 - We can’t change things.
 - We don’t get along with each other.
- Ask students to describe the super rich 1%, how often do people move up the ladder?
- Where does wealth come from? Why does our system concentrate wealth in the hands of so few? What can we do about it?
- Let’s take a look at what is happening outside of the U.S. Ask for another student volunteer, give them worker story #7 and have the student stand somewhere near the ten chairs indicating that we are now in Mexico.

Workers’ Stories

1) I’m a hotel housekeeper in Chicago. I’ve had to cut my work schedule to four days a week following knee surgery. Things are rough from paycheck to paycheck. With the minimum wages I make, I can hardly afford medical bills plus food and the rent.

2) I’m a Navy veteran. I was a federal civil servant for 29 years, until the work I performed along with 404 federal workers at Fort McCoy, Wisconsin, was privatized in 2002. The contract went to a British-owned firm. Some workers were offered their jobs, but with lower wages and fewer benefits. The people who lose their jobs are the folks who were buying houses, boats and snowmobiles, putting money and taxes into the community, supporting the schools. These are people who have devoted the best years of their lives to public service. Now they’ve got to get a job at Wal-Mart where they are treated like second-class citizens.

3) My wife and I are holding off buying a home and having a child because of concern about the rising cost of health coverage and the uncertainty of future work. Everyone says you have to spend money to keep the economy moving, but we’re afraid to create a problem and lose everything we have.

4) I grew up in Galesburg, Illinois, and started working at the local Maytag refrigerator plant after graduating from high school 19 years ago. Now that Maytag has announced it’s closing the plant in a few years, my husband, also a Maytag assembler and machinist, and I have sold our home and are looking nationwide for manufacturing jobs to support our family of four teenagers. I’ve never lived anywhere but Galesburg- all my family is here. But we have no choice. We have to go wherever there is work, somewhere we can make a decent living.

5) I’m from Denver, Colorado. I lost my manufacturing job several months ago and have been unable to find a new one. I ask for money at 14th and Speer every day so I can buy something to eat. There were 9,725 other homeless people in Denver in 2003.

6) I’m the CEO of Wal-Mart. I made \$21.7 million this year. A worker in one of Wal-Mart’s garment factories in China have to work 48 hours a week for 37,869 years to make my salary.

7) I make clothing for American companies in a factory in Tehuacan, Mexico. We all work Monday to Friday from 8a.m. until 6 or 7 p.m. If they reject any of our work, we end up leaving after 8 p.m., sometimes not until 10. I only make \$28 dollars a week; the government says that a sufficient amount of food for my family costs about \$69 per week. My boss sometimes yells at me and shoves me and if we get to work five minutes late, they deduct 10 pesos from our pay. I always earn the same amount of money each week, even if I work until 10 p.m. or later. When people try to organize unions, they are fired. To make matters worse, we are only supposed to go to the bathroom once a day because the production supervisor gets mad if we go more and tells us that we're there to do work.

www.faireconomy.org

Attachment G: What is Globalization?

Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.

Globalization is not new, though. For thousands of years, people—and, later, corporations—have been buying from and selling to each other in lands at great distances, such as through the famed Silk Road across Central Asia that connected China and Europe during the Middle Ages. Likewise, for centuries, people and corporations have invested in enterprises in other countries. In fact, many of the features of the current wave of globalization are similar to those prevailing before the outbreak of the First World War in 1914. But policy and technological developments of the past few decades have spurred increases in cross-border trade, investment, and migration so large that many observers believe the world has entered a qualitatively new phase in its economic development. Since 1950, for example, the volume of world trade has increased by twenty times, and from just 1997 to 1999 flows of foreign investment nearly doubled, from \$468 billion to \$827 billion. Distinguishing this current wave of globalization from earlier ones, author Thomas Friedman has said that today globalization is “farther, faster, cheaper, and deeper.”

This current wave of globalization has been driven by policies that have opened economies domestically and internationally. In the years since the Second World War, and especially during the past two decades, many governments have adopted free-market economic systems, vastly increasing their own productive potential and creating myriad new opportunities for international trade and investment. Governments have also negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services, and investment. Taking advantage of new opportunities in foreign markets, corporations have built foreign factories and established production and marketing arrangements with foreign partners. A defining feature of globalization, therefore, is an international industrial and financial business structure.

Technology has been the other principal driver of globalization. Advances in information technology, in particular, have dramatically transformed economic life. Information technologies have given all sorts of individual economic actors—consumers, investors, businesses—valuable new tools for identifying and pursuing economic opportunities, including faster and more informed analysis of economic trends around the world, easy transfers of assets, and collaboration with far-flung partners.

Globalization is deeply controversial, however. Proponents of globalization argue that it allows poor countries and their citizens to develop economically and raise their standards of living, while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expense of local enterprises, local cultures, and common people. Resistance to globalization has therefore taken shape both at a popular and at a governmental level as people and governments try to manage the flow of capital, labor, goods, and ideas that constitute the current wave of globalization.

In order to find the right balance between benefits and costs associated with globalization, citizens of all nations need to understand how globalization works and the policy choices facing them and their societies.

From <http://www.globalization101.org/globalization/>