

A digital globe composed of glowing blue binary code (0s and 1s) and interconnected lines, set against a dark background. The globe is surrounded by a grid of light points and lines, suggesting a global network or data flow. The overall aesthetic is futuristic and technological.

Globalization : **good or bad?**

Victoria Yurlova

- Where globalization means, as it so often does, that the rich and powerful now have new means to further enrich and empower themselves at the cost of the poorer and weaker, we have a responsibility to protest in the name of universal freedom.

Nelson Mandela



It has been said that arguing against globalization is like arguing against the laws of gravity.

Kofi Annan

What is Globalization?

- ◆ The shift toward a more **integrated** and **interdependent** world economy
- ◆ Two components:
 - ◆ The globalization of **markets**
 - ◆ The globalization of **production**



Globalization of Production



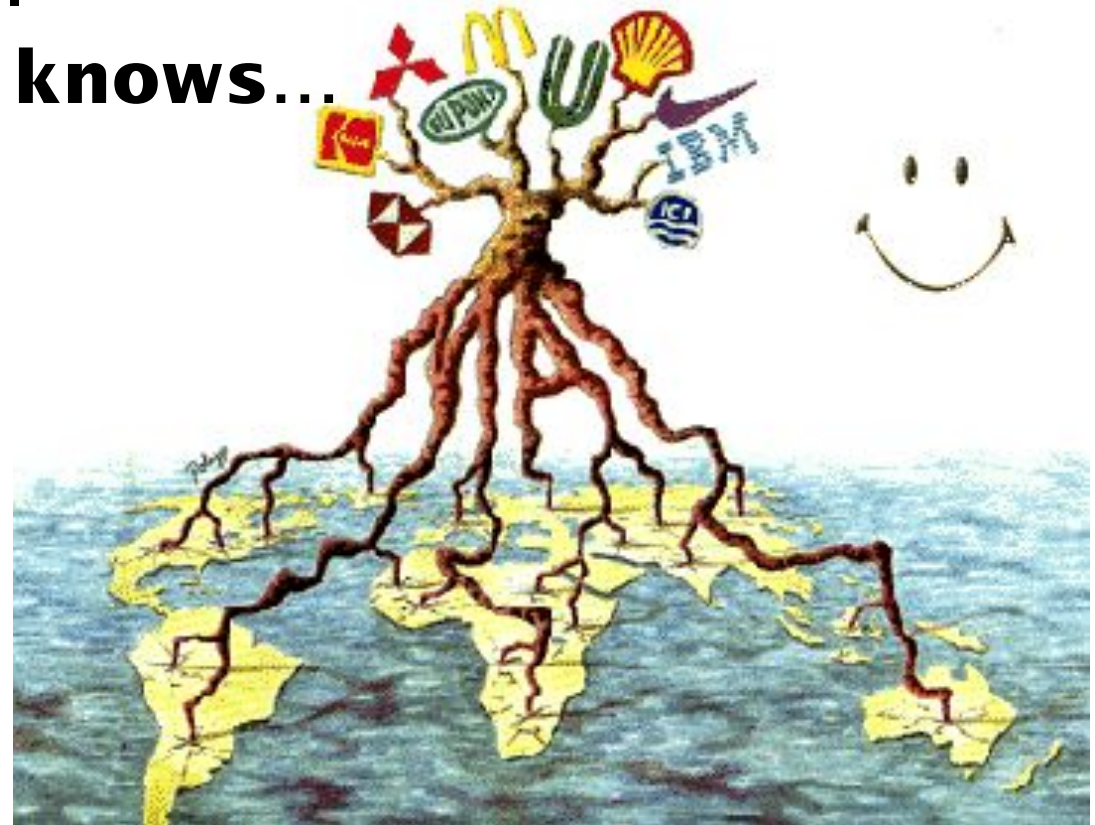
- ◆ **Vizio flat panel TV is**
 - ◆ designed in a small office in California
 - ◆ assembled in Mexico
 - ◆ From
 - ◆ panels made in South Korea
 - ◆ electronic components made in China
 - ◆ microprocessors made in the U.S.

Globalization of markets

- ◆ In the past, each country had **its own companies** in many industries and its own products.

Today everyone knows...

- Nintendo
- Starbucks
- Coca-Cola
- Ikea
- McDonald's
- Samsung



Drivers of Globalization

- Two factors underlie globalization
 - **“Decline in barriers** to the free flow of goods, services, and capital” that has occurred since the end of World War II
 - **Technological change**



Declining Trade and Investment

Barriers

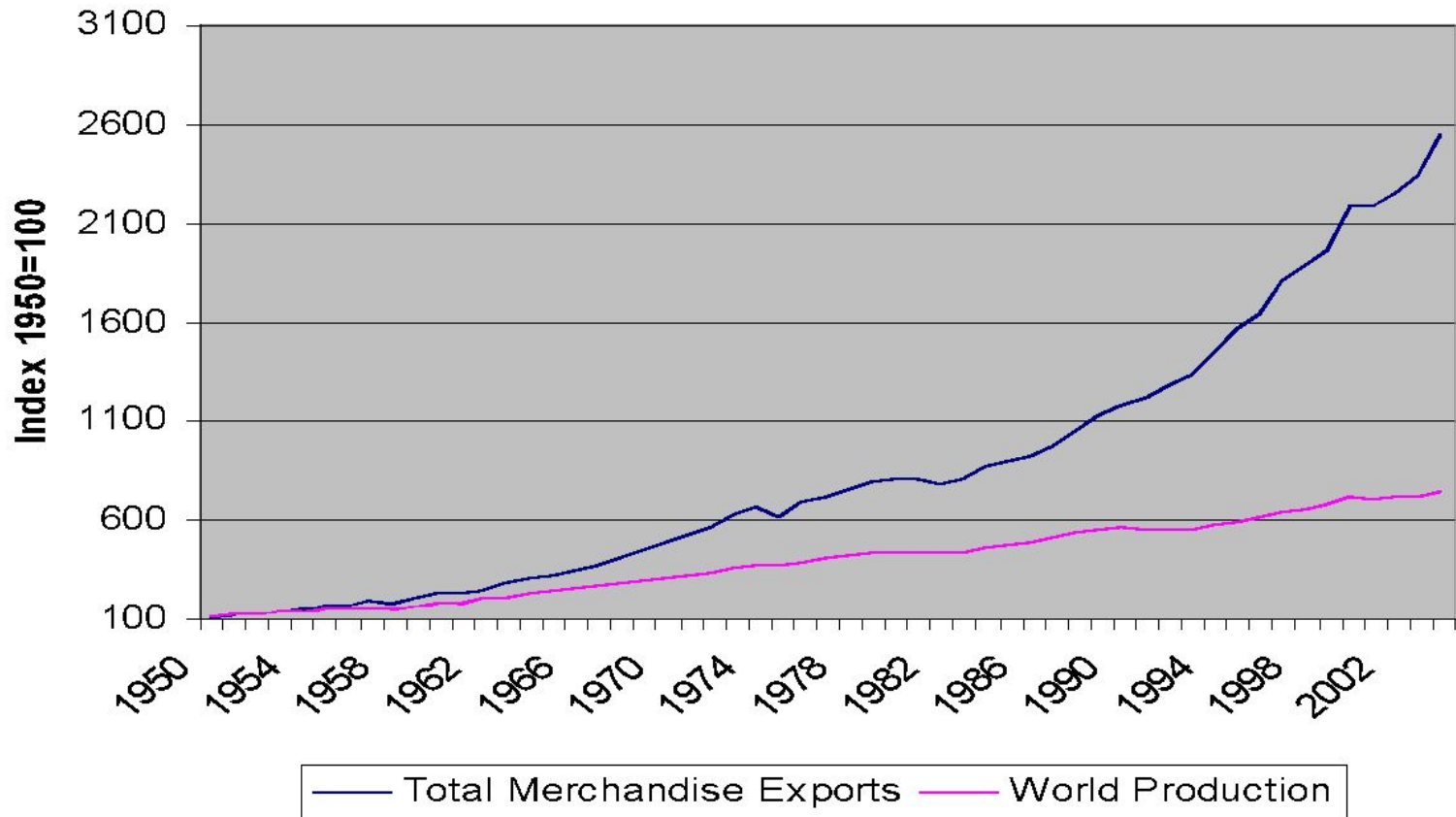
- During the 1920s and '30s, many of nations erected formidable barriers to international trade and foreign direct investment



- Advanced industrial nations of the West committed themselves after World War II to **removing barriers** to the free flow of goods, services, and capital between nations.

Affects of Lowering Trade Barriers

Figure 1.1: Volume of World Trade and World Production, 1950-2004



The Role of Technology

- ◆ Lowering of trade barriers made globalization possible.
- ◆ Technology has made it a **transforming movement.**



The Globalization Debate

◆ Pros

- ◆ Lower prices for goods and services
- ◆ Economic growth
- ◆ Increase in consumer income
- ◆ Creates jobs (for many)
- ◆ Countries specialize in production of goods and services that are produced most efficiently

◆ Cons

- ◆ Destroys manufacturing jobs in wealthy nations
- ◆ Wage rates of unskilled in advanced countries decline
- ◆ Companies move to countries with fewer labor and environment regulations
- ◆ Loss of sovereignty
- ◆ Homogenized cultures

We are living in America!





Thank you!