

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 20 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 also have 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 analyses 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.

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. Globalization101.org tries to provide an accurate analysis of the issues and controversies regarding globalization, without the slogans or ideological biases generally found in discussions of the topics. We welcome you to our website.

To read this page in Spanish, click [here](#).

Source: <https://www.globalization101.org/what-is-globalization/> [retrieved on 22.12.2020]



Reading:

1. Which concept is the text about?
2. Is globalization a new phenomenon?
3. When did the current wave of globalization start? What is it due to?
4. What are the arguments of proponents and opponents of globalization?
5. Which kind of information does this website claim to provide?

Speaking:

What do you think about globalization? For you, to what extent is it a good or a bad thing?

Translating:

Please translate the whole text and share your work in class.

