

What is globalization?

By National Geographic Society on 09.14.17

Word Count **1,889**

Level **MAX**



A car-free zone with many American fast-food restaurants in Guangzhou, China. Globalization is often associated with "Americanization," or the exporting of American brands and consumer goods. American fast-food restaurants like McDonald's and KFC are now common sights throughout the world, including China. Photo by: David Chen/Wikimedia

Globalization is the connection of different parts of the world, resulting in the expansion of international cultural, economic and political activities. As people, ideas, knowledge and goods move more easily around the globe, the experiences of people around the world become more similar.

Globalization In History

Globalization has a long history. Ancient Greek culture, for instance, spread across much of southwestern Asia, northern Africa and southern Europe. The globalization of Greek culture came with the conqueror Alexander the Great. In fact, there are cities named for Alexander in Iraq (Iskandariya), Egypt (Alexandria) and Turkey (Alexandria Troas).

The Silk Road, a trade route between China and the Mediterranean Sea, promoted the exchange of ideas and knowledge, along with trade goods and foods such as silk, spices, porcelain and other treasures from the East.

When Europeans began establishing colonies overseas, globalization grew. Many early European explorers were eager to bring the Christian religion to the regions they visited. The globalization of Christianity spread from Europe to Latin America through Christian missionaries working with the local populations.

Globalization was accelerated in the 19th century with the Industrial Revolution, as mechanical mills and factories became more common. Many companies used raw materials from distant lands. They also sold their goods in other countries.

Britain's colony in India, for instance, supplied cotton to British merchants and traders. Madras, a light cotton cloth, was made in the city of Madras (now called Chennai), a major port in India. Eventually, madras cloth was no longer manufactured in Madras at all — the Indian labor force supplied the raw material, cotton. Factories in the county of Lancashire, England, created madras cloth. British factories made fabric and other goods from the cotton. British manufacturers could then sell their finished goods, such as clothing and blankets, to buyers all over the world — the United States, Brazil, Australia, even India.

Globalization sped up dramatically in the 20th century with the proliferation of air travel, the expansion of free trade and the dawn of the Information Age. Miles of fiber-optic cable now connect the continents, allowing people around the world to communicate instantly through the borderless World Wide Web.



Communication

Modern communication has played a large role in cultural globalization. Today, news and information zip instantly around the world on the Internet. People can read information about foreign countries as easily as they read about their local news. Through globalization, people may become aware of incidents very quickly. In seconds, people are able to respond to natural disasters that happen thousands of miles away.

Many people access information through improved and new technology, such as cell phones. About 70 percent of the people in the world now use cell phones. A farmer in Nigeria can easily talk to his cousin who moved to New York City, New York. The success of global news networks like CNN has also contributed to globalization. People all over the world can see the same news 24 hours a day.

Travel

Increased international travel has also helped globalization. Each year, millions of people move from one country to another in search of work. Sometimes, these migrant workers travel a short distance, such as between the Mexican state of Sonora and the U.S. state of California. Sometimes, migrant workers travel many thousands of miles. Migrant workers from the Philippines, for instance, may travel to Europe, Australia or North America to find better-paying jobs.



People do not travel just for work, of course. Millions of people take vacations to foreign countries. Most of these international tourists are from developed countries. Many are most comfortable with goods and services that resemble what they have at home. In this way, globalization encourages countries around the world to provide typical Western services. The facilities of a Holiday Inn hotel, for instance, are very similar, whether the location is Bangor, Maine, or Bangkok, Thailand.

Travel and tourism have made people more familiar with other cultures. Travelers are exposed to new ideas about food, which may change what they buy at the store at home. They are exposed to ideas about goods and services, which may increase demand for a specific product that may not be available at home. They are exposed to new ideas, which may influence how they vote. In this way, globalization influences trade, taste and culture.

Popular Culture

Popular culture has also become more globalized. People in the United States enjoy listening to South African music and reading Japanese comic books. American soap operas are popular in Israel.

India, for instance, has a thriving film industry, nicknamed "Bollywood." Bollywood movies are popular both in India and with the huge population of Indians living abroad. In fact, some Bollywood movies do much better in the United States or the United Kingdom than they do in India.

Clothing styles have also become more uniform as a result of globalization. National and regional costumes have become rarer as globalization has increased. In most parts of the world, professionals such as bankers wear suits, and jeans and T-shirts are common for young people.

There has also been an increasing exchange of foods across the globe. People in England eat Indian curry, while people in Peru enjoy Japanese sushi. Meanwhile, American fast-food chains have become common throughout the world. McDonald's has more than 31,000 restaurants in 118 countries. And people all across the world are eating more meat and sugary foods, like those sold in fast-food restaurants.

The worldwide expansion of McDonald's has become a symbol of globalization. Some menu items, such as the Big Mac, are the same all over the world. Other menu items are specific to that region. McDonald's in Japan features a green-tea flavored milkshake. At McDonald's in Uruguay, a "McHuevo" is a burger topped with a fried egg. Globalization has brought McDonald's to billions of consumers worldwide.

Economy

The international economy has also become more globalized in recent decades. International trade is vital to the economies of most countries around the world. American software companies, such as Microsoft, rely on international trade to make large profits. The economy of the country of Saudi Arabia is almost entirely dependent on oil exports.

To increase trade, many countries have created free-trade agreements with other countries. Under free-trade agreements, countries agree to remove trade barriers. For example, they may stop charging tariffs, or taxes, on imports. In 1994, the United States, Mexico and Canada signed the North American Free Trade Agreement (NAFTA), which eventually ended all tariffs on trade goods among the three nations. This allowed globalization of goods and services, as well as people and ideas, between these three countries.

Most large corporations operate in many countries around the world. HSBC, the world's largest bank, has offices in 88 different countries. Originally, HSBC stood for Hongkong Shanghai Banking Corporation, which was founded in 1865 to promote trade between China and the United Kingdom. Today, HSBC has its headquarters in London, England.

Economic globalization has allowed many corporations based in the West to move factories and jobs to less-economically developed countries, a process called outsourcing. The corporation can pay lower wages, because the standard of living in less-developed countries is much lower. Laws protecting the environment and workers' safety are less widespread in developing countries, which also lowers costs for the corporation. Often, this results in lower costs for consumers, too.



Economic markets are global. People and organizations invest in companies all over the globe. Because of this, economic downturns in one country are repeated in other countries. The financial crisis that began in the United States in 2006 quickly spread around the world. The way globalization allowed this situation to spread led to the nation of Iceland nearly going bankrupt, for example.

Politics

Cultural and economic globalization have caused countries to become more connected politically. Countries frequently cooperate to enact trade agreements. They work together to open their borders to allow the movement of money and people needed to keep economic globalization working.

Because people, money and computerized information move so easily around the globe, countries are increasingly working together to fight crime. The idea of maintaining international law has also grown. In 2002, the International Criminal Court was established. This court, which handles cases such as war crimes, has a global reach, although not all countries have accepted it.

Many problems facing the world today cross national borders, so countries must work together to solve them. Efforts to confront problems such as global climate change must involve many different countries. In 2009, representatives from 170 countries gathered at a conference in Copenhagen, Denmark, to discuss climate change. Other international issues include terrorism, drug trafficking and immigration.

The process of globalization is very controversial. Many people say globalization will help people communicate. Aid agencies can respond more quickly to a natural disaster. Advanced medicines are more easily and widely available to people who may not have been able to afford them. Jobs available through globalization have lifted many people out of poverty, and globalization has increased the number of students studying abroad.

Not everyone says that globalization is good, however. Some people worry that Western culture will destroy local cultures around the world. They fear that everyone will end up eating hamburgers and watching Hollywood movies. Others point out that people tend to adopt some aspects of other cultures without giving up their own. Ironically, modern technology is often used to preserve and spread traditional beliefs and customs.

Opponents to globalization blame free trade for unfair working conditions. They also say that outsourcing has caused wealthy countries to lose too many jobs. Supporters of globalization say that factory workers in poor countries are making much better wages than they would at other jobs available to them. They also argue that free trade has lowered prices in wealthier countries and improved the economy of poorer countries.

Fast Facts:

Battle In Seattle

The 1999 meeting of the World Trade Organization (WTO) was held in Seattle, Washington, and was protested by thousands of people opposed to globalization. The protests turned violent and hundreds of people were arrested. Many were injured in confrontations with police, and many buildings were damaged. The incident is sometimes called "the Battle in Seattle."

Powerful Peppers

Food has long been an important part of globalization. Today, foods in Korea and many parts of China are often spicy due to the use of chili peppers. This was not the case before the 1600s. The fiery chili pepper is native to the Western Hemisphere. Explorer Christopher Columbus first brought chilies to Europe in 1493, and from there they spread across Asia.

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Quiz

1 The author creates a tone of inevitability in the article.

Which selection from the article BEST reflects that tone?

- (A) The Silk Road, a trade route between China and the Mediterranean Sea, promoted the exchange of ideas and knowledge, along with trade goods and foods such as silk, spices, porcelain and other treasures from the East.
- (B) British manufacturers could then sell their finished goods, such as clothing and blankets, to buyers all over the world — the United States, Brazil, Australia, even India.
- (C) Globalization sped up dramatically in the 20th century with the proliferation of air travel, the expansion of free trade and the dawn of the Information Age.
- (D) In 1994, the United States, Mexico and Canada signed the North American Free Trade Agreement (NAFTA), which eventually ended all tariffs on trade goods among the three nations.

2 Read the selection from the section "Politics."

Some people worry that Western culture will destroy local cultures around the world. They fear that everyone will end up eating hamburgers and watching Hollywood movies.

What does the verb "destroy" convey in the selection above?

- (A) the sense that Hollywood overpowers all other forms of entertainment
- (B) the sense that McDonald's has forced local restaurants to close
- (C) the sense that globalization attacks specific countries
- (D) the sense that globalization is harmful to diversity

- 3 How is this article organized? What is the MOST LIKELY reason the author chose this organizational structure?
- (A) by compare and contrast; to highlight the different ways globalization affects various countries
 - (B) by chronological order; to present a clear historical timeline of the evolution of globalization
 - (C) by cause and effect; to explain how globalization developed and how it impacts the world
 - (D) by problem and solution; to describe why globalization is harmful and how countries are working to reverse it
- 4 Which of the following provides the BEST analysis of the article's conclusion?
- (A) It effectively summarizes the key economic accomplishments of globalization.
 - (B) It effectively contrasts two opposing views on the process and outcomes of globalization.
 - (C) It effectively explains how globalization encourages collaborative problem solving.
 - (D) It effectively describes how life is different in a globalized society.