What is globalization?

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A street in Guangzhou, China, with many American fast-food restaurants. In many countries, globalization leads to "Americanization." This means having American companies and goods. Over time, this makes other cultures more American. Photo by: David Chen/Wikimedia.

Globalization is when different parts of the world connect. People, ideas, knowledge and goods move more easily around the world, and people start to have more in common.

Globalization In History

Globalization has a long history. For example, thousands of years ago, Greek culture spread across Asia, Africa and Europe.

Another example is the Silk Road, a trade route between China and the Mediterranean. The Mediterranean is the area around the Mediterranean Sea in Europe. The Silk Road helped the spread of ideas and knowledge, along with silk, spices and other goods.

When Europeans started setting up colonies in other continents, globalization grew. They took over many countries in the world so they could get their goods. Many early-European explorers also brought the Christian religion to new areas.

Globalization sped up 200 years ago with the Industrial Revolution. During the Industrial Revolution, farmers moved to the cities to work in factories. Many companies used raw materials, like metals, from distant lands. They also sold their goods in other countries.

For example, Madras was a cotton cloth made in the Indian city of Madras. After India became a British colony, the British did not buy the cloth from India. They only took the cotton and made the cloth themselves in English factories. They then sold it all over the world.

Globalization sped up even more 100 years ago, thanks to new technology.



Communication

Globalization depends on how people communicate. News and information zip instantly around the world on the Internet. People can read news about other countries as easily as they read about their local news.

About 7 out of every 10 people in the world now use cellphones. A farmer in Nigeria can easily talk to his cousin in New York City, New York. Nigeria is a country in Africa.

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Travel



International travel has also created more globalization. Each year, millions of people move from one country to another to find better-paying jobs.

People do not travel just for work, of course. Millions of people take vacations to foreign countries.

Travelers are able to see new ideas, goods and services. 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.

People also wear similar clothes because of globalization. National and local costumes have become rarer.

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

Economy

The economy has also become more globalized. Trade across the world is very important for most companies. American companies, like Microsoft, Apple and Google, make a lot of money from people around the world. The economy of the country of Saudi Arabia relies on exporting oil.

To have more trade, many countries have created free-trade agreements. A free-trade agreement is when countries try to make trade easier between them. For example, they may stop charging taxes every time someone sells a good to another country.



Globalization has allowed many companies to move factories and jobs to poorer countries. This is called outsourcing. People make less money because the company can pay lower wages. The company makes more money this way and goods may cost less.

People and organizations are connected to companies and banks all over the globe. Because of this, when something bad happens to a big company or bank, it's also bad for the world. This is called a financial crisis.

Politics

Still, globalization can be very good. Many world problems can only be faced if countries work together. For example, climate change is a problem that involves many different countries. Climate change means that the planet is warming up because of gases from cars and factories.

Many people say globalization will help people communicate. People are able to use medicines they can't find in their country. Also, companies are bringing new jobs to poor countries.

But not everyone thinks that globalization is good. Some people are worried that American culture will destroy local cultures around the world. They fear that everyone will end up eating hamburgers and watching Hollywood movies.

Some say free trade causes unfair working conditions. People might get new jobs, but those jobs probably aren't very good ones. Also, when companies bring jobs to poor countries, they take away jobs from rich ones.

People who like globalization say that workers in poor countries are better off this way. They actually make more money than in other jobs. They also say that free trade has made prices cheaper in rich countries. It's a win for everybody.

Fast Facts:

Battle In Seattle

In 1999, a meeting was held at the World Trade Organization (WTO) in Seattle, Washington. At the WTO, government officials from around the world come together to make decisions about trade. When governments make trade easier around the world, it helps globalization. Thousands of people who were against globalization came to Seattle to protest. The protests became violent and hundreds of people were arrested. Many were hurt by police, and buildings were damaged. This event is sometimes called "the Battle in Seattle."

Powerful Peppers

Globalization happens through food, too. Many foods in Korea and China today are spicy because of chili peppers. Before the 1600s, Korea and China did not have chili peppers, though. The fiery chili pepper came from the Americas. The explorer Christopher Columbus first brought chilies to Europe in 1493, and from there they spread across Asia.

URL: https://www.nationalgeographic.org/encyclopedia/globalization/

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Quiz

1 Read the following paragraph from the section "Economy."

The economy has also become more globalized. Trade across the world is very important for most companies. American companies, like Microsoft, Apple and Google, make a lot of money from people around the world. The economy of the country of Saudi Arabia relies on exporting oil.

What is the meaning of the word "exporting" as it is used in the paragraph above?

- (A) moving jobs
- (B) producing a lot of something
- (C) charging taxes
- (D) selling to another country
- 2 The word "influence" is essential to understanding what globalization is.

Which sentence from the article BEST explains what "influence" means?

- (A) Another example is the Silk Road, a trade route between China and the Mediterranean.
- (B) They took over many countries in the world so they could get their goods.
- (C) Each year, millions of people move from one country to another to find betterpaying jobs.
- (D) More and more, people eat foods from different parts of the globe.

3 Read the article's introduction and the final section.

What is the connection between those two sections?

- (A) The introduction describes how ideas are spread between countries, while the conclusion explains how globalization will destroy culture.
- (B) The introduction explains how globalization affects people, while the conclusion defines how globalization helps climate change.
- (C) The introduction defines globalization, while the conclusion highlights some of the pros and cons of globalization.
- (D) The introduction explains how globalization works, while the conclusion explains how free trade helps globalization.
- 4 This article is organized using cause and effect.

Why do you think the author chose to organize the information this way?

- (A) to describe how the economy is different now than it was 200 years ago
- (B) to explain why globalization exists and how it impacts people
- (C) to present clearly the historical events that led to globalization
- (D) to highlight the relationship between globalization and travel