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### Interdependence Day

Globalization, a massive force that drives international markets in the current day, has affected thousands of years in history. This controversial force, whether good or bad, has and continues to change the rules of the world. Increasing connections, the spreading of culture, and rising international trade represent only some of what globalization can accomplish. However, from job loss to pollution to cracking culture, globalization does not always affect humans positively. From the thousands of protesters at the World Trade Organization to the leagues of economists rallying the president, globalization and free trade represent to some a promise of growth and a better life. To others, it means a harsher, poorer life. Including rich, poor, developing, and developed, globalization touches all people. But does it help us or hurt those it serves? It definitely does both. But which effect eclipses the other and comes out stronger? In the long run, which has a better effect, a global world, or one closed off from changing forces? That remains a hotly contested question. Various viewpoints include its positive economic outcomes for both developed and developing nations rebutted by arguments of increased pollution and domestic job loss. Two case studies, one of McDonalds in Hong Kong and the other of Latin American corruption, explain the negative effects of cultural globalization. An advantageous argument returns to discuss the positive social effects of globalization. The final consists of an argument for the spreading of democracy and freedom.

No one person can do everything, and the same holds true for nations as well. For starters, not every nation has enough of every natural resource. The United States does not have enough oil to survive efficiently. Sure, if necessary its officials could end the dependency on oil, but this represents an enormous cost to the current industries. Alternative fuels cost too much but the same holds true for manufacturing. The United States only has a certain amount of workers and a certain amount of land. Distributing that land to make the most goods as possible for society provides the best economic action. Of course they cannot make everything equally well. The United States needs to make trade-offs and produce more of some things than others. This decreases total output. Consider, for a minute, a smaller scale. What if each state could not trade with one another? Where would cotton or computers come from? In every state a computer factory would rise. Currently, a few, well-equipped, very efficient factories make most computer parts. If every state required a factory, many more resources would get consumed to produce the same amount of products. Sure the factory owners would grow wealthier, but at the expense of everyone else. In addition, the cotton plants would have lower yields in countries to the north because of the colder weather. In total, production goes down. In fact, since the Constitution banned trade barriers between states, one of the largest free-trade areas has emerged (McConnell and Brue 780). Economists cite this as a leading factor in the United State's development (McConnell and Brue 780). This represents an example of how free trade plays out. Specialization solves the problem of inefficiencies. For example, Pennsylvania can produce large amounts of coal and agricultural goods. They trade those items for cotton and computers, which other states produce well. In total, with the same about of input, more cotton, coal, computers, and agricultural goods get produced each year. This same pattern holds true between nations as well. The Japanese can produce televisions more efficiently than the United States can. However,

America does not come out worse off because its citizens can produce medicines extremely well, comparatively, due to their highly trained workforce. Thus America can trade medicine for televisions. This represents the most efficient use of the scarce resources which exist in the world. Wal-Mart represents another example of the power of maximum efficiency. Wal-Mart, the world's largest retailer and domestic private employer, achieves the lowest price possible through massive operations around the world (Wal-Mart Facts). They show success because of the principle of economies of scale. They use technology and specialization to remove as much waste from their operation as possible. Consumers must like this efficient, low-cost process because more than one-third of the United State's population visits a Wal-Mart every week (Zimmerman and Hudson). Most do not concern themselves that most production comes from China and other foreign factories. Yes, some people do raise concerns about Wal-Mart's effect on local communities and global industries; however, low prices usually draw people in, and in fact, represent a positive net effect.

And indeed, global trade helps everyone. By buying goods from China, the United States puts its currency into the hands of foreigners. What do these foreigners to do with these American dollars? They can either buy exports, thus bringing the money back to the domestic industries, or invest it, again bringing dollars back. They also can trade the dollars in the foreign exchange market, but someone must buy them. They too must invest and purchase American goods. Money loses value during inflation making it foolish to lock money in a vault. Therefore it must go elsewhere to investment and eventually brought back to America.

Many who fear Wal-Mart and global competition try to lobby governments to pass trade barriers. In addition, workers about to lose their jobs try to install trade barriers very vocally. The rest of America usually supports the politicians unaware of the benefits trade can have. Trade

barriers include both quotas and tariffs. Both harm consumers, foreign markets, and even domestic production. They artificially increase prices by reducing the number of producers able to sell a product in a certain region (McConnell and Brue 85). This shows very similar tendencies to installing monopolies, at least among domestic producers. Throughout history, evidence has shown that monopolies represent a detriment to society as a whole. They allow a smaller subset of producers to artificially raise prices (McConnell and Brue 85). Monopolies do not find themselves governed by market principles, and therefore do not operate for the good of consumers or the economy as a whole (McConnell and Brue 85). Throughout history, starting with the Sherman Act of 1890, the United States has tried to regulate or break monopolies (McConnell and Brue 85). Thus, regulations actually trying to create monopolies or monopoly-like situations with domestic producers represent poor ideas for the macro society. Thus, globalization serves to increase competition, granting the most efficient operation of business. This trims the excess fat from supply chains, providing for lower prices, which as shown above with Wal-Mart, get demanded by consumers.

In addition, protective tariffs reduce innovation. Once a producer has a monopoly they no longer need to innovate to stay competitive. Their products will continue to sell regardless of their quality and features. Without the drive for innovation, little advancement will get funding. This dearth of innovation hurts future industries. Over time some jobs get replaced by other jobs. Farming once employed many people in America. In the present day, very few people have careers as farmers. Does this mean suffering? Of course not! Americans have a higher standard of living than ever. Increasingly, Americans perform less manual labor in their jobs. What happened? New technologies brought around new industries which brought new, higher skilled jobs. Twenty years ago, very few people dreamed of working as computer programmers. Today,

many find employment in computer-related fields. The same patterns occur during globalization. Yes some will lose their jobs, but the increased competition creates more new technologies which have the potential to employ the workers that lost their jobs. Thus the benefit of new, higher skilled jobs reduces the pain of losing lower-skilled jobs to foreign nations in the long-run. Many countries depend on global trade for both imports and exports, including the United States. The United States has and continues to benefit from exporting their goods (McConnell and Brue 102). Many agricultural goods get sent out of the United States to nations which do not have as much fertile land. America also sells automobiles, airplanes, and coal to nations around the world. In fact, 42 percent of their exports go to developing nations, helping to improve their lives through products not essential and luxury (McConnell and Brue 103). Thus America relies, both consumers and exporters, on free global trade. This trade will come along with globalization and must receive wide encouragement. Nevertheless, enacting regulations and protectionist policies to protect domestic markets only encourages protectionist policies against exports. Enacting these policies will only start a downward spiral, plunging the world into the past by restricting globalization. This hurts the many United States businesses which export goods from the United States. In addition, America exports services. In 1996, service exports exceeded service imports by 80 billion dollars (McConnell and Brue 765). When tourists and foreign students come to the United States, America actually exports services to them whenever they spend money. When a tourist comes from another nation, they bring foreign currency and trading it for things from the United States like meals and hotel rooms (Roberts 82). In addition students coming for education in the United States bring a lot of money with them to spend both on tuition and living expenses (Roberts 82). Without global trade countries do not need dollars to spend on "exports".

The Earth has suffered plenty from the industrialization of the world. A breaking ozone layer, a lack of clean air and water, contaminated food and rain just names a few. Modernized countries like the United States and Britain, along with oncoming China, cause the planet to evolve into stages of decay and filth. Globalization can bring this issue to every country in the world. The ideal solution provides equal countries but how could America, Britain, and other advanced countries ever accept lower standards of living simply for the benefit of the environment or other countries globally? Bringing economies to the global scale means increasing the power of the lower countries to have the ability to do so and compete accordingly. Though specialization gives poorer economies an advantage, it fails to mention the amount of consumption they gain from it, and what they have to do in order to compete. No living human can reject marginal amounts of wealth, so at the prospect of greater wealth people do almost anything. For example, CBS News talks about how some of Bangladesh's citizens must break their backs to tear apart ships so industrialized countries can use the steel and excess parts (Gavshon). They have to expand their production to a product the advanced countries do not want to produce but still demand. They must accept socially unacceptable jobs without any ecological law in order to reap anything close to a profit (Gavshon). Thus, globalization creates a harsher life for them and poor environmental health. Not only that, but increased globalization means countries of the world consume more. As previously stated, humans cannot reject a greater abundance of goods and will thus consume as much as possible. If every country consumes as much as the highest classes of the world, the world will undoubtedly not live to see the next Y2K. The Living Planet Report makes an interesting prediction: "even optimistic United Nations projections with moderate increases in population, food and fiber consumption, and CO2 emissions suggest that by 2050 humanity will demand resources at double the rate at which the

Earth can generate them.” That sort of availability does not exist. Globalization brings economies to a level of consumption that cannot meet the demands of society. Therefore, globalization hurts the welfare of the world.

Argentina, Peru, Brazil, and Colombia all appeared to blossom at a time, but globalization caused all these countries to wilt (Hilton 1). Thanks to globalization, many Latin American countries have developed into a total mess. Now, Argentina’s former president, Menem faces criminal charges, unemployment has reached 18 percent, the country has plunged into bankruptcy, and owes 90 billion pounds externally (Hilton 1). Brazil has reached 20 percent inflation, Peru’s president Alberto Fujimori’s government collapsed in a corruption scandal, and Colombia now houses the latest arena for America’s military (Hilton 1). Most countries in Latin America have pursued economic liberalism for the past 15 years, but with little progress (Hilton 1). Cancun, Mexico holds the most unequal distribution of wealth and income in the world (Hilton 1). Due to this, Cancun has suffered with an increase of daily criminal violence, continuing drug-related problems, and official corruption (Hilton 1). Throughout Latin America, the poor and impoverished middle-classes (teachers and health workers) have lost their jobs, and articulate the opposition to economic liberalism (Hilton 1). Venezuela seems fine now, but President Hugo Chavez aspires to introduce a Cuban-style society to the country (Hilton 1). Globalization has guided Latin America into chaos, without any seemingly hopes of helping Latin America out of its current state. According to the International Labour Organization (ILO), globalization has changed the social structures of society in Latin America, but has not contributed in correcting the social inequalities (Gonzalez 1). Neoliberal-inspired structural reforms have developed into a widespread movement (Gonzalez 1). Although globalization did produce benefits in Latin America, these benefits resulted in serious social repercussions

(Gonzalez 1). The ILO also states that the benefits reflected and reproduced the inequalities existing in the region (Gonzalez 1). Even though globalization may have somewhat helped Latin America as a whole, the original social inequality issue still remains, new problems emerge, and globalization has yet to solve the Neoliberal movement. Also, existing differences between countries such as wages and labor regulations, could start the expansion of unfair practices towards workers (Gonzalez 1). Globalization may increase Latin America's per capita or human development index, but since the original problems still remain the same, the country's progression will not increase as much as it can. "Situations are thus created in which there are further limits to pay raises as developing economies pursue ways to compete internationally and succumb to internal pressures for greater flexibility in the workforce" (Gonzalez 1). The effects of globalization have failed to create enough jobs to match the expanding workforce in Latin America (Gonzalez 1). This limited workforce causes companies attempting to expand their organization and franchise internationally to crumble internally because the company lacks workers at the heart of the company. While globalization tries to benefit Latin America, social inequalities and other original problems create a great imbalance, erasing globalization's benefits.

Globalization does not kill culture, but it spreads it. All across America, ethnic restaurants serve food from and inspired by the rest of the world. Walking into any American city, one would see restaurants serving food from almost every country in the world. A partial list includes Mexican, French, Chinese, Thai restaurants, but the list goes on and on. These restaurants source some of their food from other nations, supporting global trade. But also, perhaps more importantly, American consumers find themselves exposed to different cultures. Cultures never stand still. Things change, and true, change can get accelerated through foreign



influence, but this represents a positive force. America exemplifies a prime example of mixed culture. Almost all of its citizens either immigrated to the United States, or have ancestors who did. The ancestors brought with them many traditions and beliefs that continue on. And, as the culture evolved over time, so has others. People must wish for the culture to evolve. People can, and do, resist change, but they often represent the minority. Most do in fact embrace change, making it a viable occurrence. Take for instance the McDonald's in Hong Kong. No one finds themselves forced to eat there. But people do. And they do so in large numbers. The restaurants attract thousands of people and evolve into "hang-out" places for retirees and teens, similar to Wawa in the United States (Watson 5). In addition, rewards for good behavior often include a meal at McDonald's (Watson 4). In addition, the threat of withholding visits deters children from disobeying their parents (Watson 4). In fact, Chinese often regard McDonald's as comfort and local food (Watson 6). One eight-year-old Korean arrived in America and exclaimed, "Look! They have our kind of food here" after seeing a McDonald's (Watson 3). Lastly, a simple fact remains; these restaurants must make money in order for them to continue operating. If people do not like McDonald's, the stores would fold from lack of business. And, in fact, McDonald's has changed local culture. But they have changed it for the better. Many local restaurants have adopted McDonald's ways (Watson 6). Some local Chinese chains feature employees wearing bright colored uniforms, and clean toilets (Watson 6). Customers now line up orderly instead of attempting to shove their money into the face of the person running the cash register (Watson 5). McDonald's keeps children away from bad influences like drugs and alcohol (Watson 5).

But also, globalization has ended negative cultural practices. After the British arrived, sati, the practice of ritual suicide by widows onto their husband's funeral pyre, declined ("Woman commits 'sati' in UP village" 2). The process rarely ever occurs today after Lord

William Bentinck outlawed it in the 1800s ("Woman commits 'sati' in UP village" 2). Foreign imperialism made the first attempt to try and reduce this horrific culture. As the global world gains popularity, human rights violations go down (Uy). Industrialization nations usually follow democratic policies with clean records. Stable economies, into one which investors want to invest, without a government committed to ending such violent practices rarely occurs. In addition, women have increased equality with globalization. They represent a large potential workforce which increases production at a necessary degree to increase the standard of living. In the United States, increases in the amount of people willing to work have amounted to a third of growth (McConnell and Brue 374). Not only do immigrants help grow the workforce, but in the 50s, 60s, and 70s, women joining the regular workforce contributed to the economic growth (McConnell and Brue 374). Prior to this, discrimination and domestic duties kept women in the house. New technologies permitted millions of women to spend less time cooking and more time producing goods and services. This goes to show what happens when discrimination gets removed. Discrimination, whether against women, foreigners, or people of color, hurts the economy by reducing the amount of labor available (McConnell and Brue 749). This increases the cost of labor while decreasing productions; both propel the economy backwards. That explains why many nations find themselves forced to reduce discrimination against women. Societies which discriminate against women include many Muslim-ruled nations. Afghanistan, under the Taliban, had a horrible record against the treatment of women. All of this made Afghanistan one of the world's least developed countries according to a United Nations study conducted in February 2005 (CBC). Only five sub-Saharan Africa nations manage to surpass it for dishonor of the lowest position in the development index (CBC). In Afghanistan, one hundred forty-two out of every one thousand babies died before age one and every thirty minutes

another woman dies in pregnancy (CBC). All of this contributes to the very low life-expectancy of forty-two and one half years (CBC). Discrimination will never help a nation advance. Hopefully, globalization can pressure strict Muslim and other religious societies to ease and remove discrimination against women. This pressure to change culture could positively affect the lives of many women, along with the entire population of the Earth.

Globalization has good effects on countries around the world by promoting freedom and democracy between nations and the world. Introducing countries into trade and communication with others inevitably boosts the economy and friendliness between each of them. Though there remain many who say that globalization hurts poor people around the world, it in fact helps the poor in some nations. Bangladesh has a booming textile industry and India has its information technology. The people in these two poor countries now have to live a better life and have more freedoms than they previously had due to the new income of money. Spreading new trade and commerce to poorer nations will help with their situations and promote peace between them and other more prosperous nations around the world. Since open trade came about in the eastern European nations after the fall of the Soviet Union, this shows that globalization can promote democracy and peace between nations around the world. China, for example, greatly enlarges its power in the world. The trade and communication brought about by globalization contributes as one factor in its growth. The American superstore, Wal-Mart has countless suppliers in China, and many products say "Made in China." Each of these products requires the employment of a Chinese person. Yes, these workers do work for lower wages than a worker would in the United States. However, comparative to other jobs, they make more money than ever before, or else they would not take the job. The United States would find extreme difficulty going to war against China. Disrupting trade would have an immense impact on them and their allies'

economies. America would lose a lot in a war against any of their major trading partners. In addition, this war could have a domino effect and break up peaceful relations with the rest of the world, possibly starting another world war. Since World War 2, economies have recovered and surpassed the pre-war levels. In the past 30 years, and for the foreseeable future, major economic powers will not go to war against each other. They have realized the devastation it would cause all over the world. Most of the ongoing armed conflicts involve either tribes or gangs ravaging war-torn counties, or religious extremists bent on ideological supremacy. The superpowers of the world have learned to grow tolerant of different religions, genders, and backgrounds in order to increase domestic production. Only areas torn with corruption or obsessed about religious principles continue to actively, aggressively fight. Economically advanced nations try to cool the fighting, but do not try to aggressively expand.

Society tends to favor economic progress because the idea portrays that it will make everyone happier. The term “globalization” gets frequently tossed around when discussing this desire for increased wealth. Does it hurt us? Can it help us? Will it make me richer? People ask these questions when dealing with this economic force in hopes to find another way to achieve economic prosperity. Theodore Levitt discovered this force as a trade and industry power that increases economic interdependence of countries worldwide to increase the amount of goods available to the consumer (McConnell and Brue 90). Prices get lowered, people get happy. Such transactions include the expansion of industrial, financial, political, informational/technological, and cultural commerce. However, much conflict arouses from the topic. The greatest advantage to globalization consists of the economic argument. Prices are lowered through the efforts of specialization, and competition prevails, perhaps taking business away from less efficient domestic producers. The economic argument gets countered by the argument of increased

pollution resulting from laxer safety and pollution safeguards. Cultural globalization has an aura of welcoming because positive culture spreads (i.e. democracy and freedom) but so does the negative culture along with that. In addition, some customs end, ones which society now sees as cruel. Many issues and arguments spawn from this one topic and arguments frequent politics and newspapers enough to make the topic one of the most controversial of the modern day. But that stems from the fact that no one can answer the question. Each argument has its own pros and cons. "If the benefits exceed the cost?" remains a question which must hold consideration with one's personal beliefs and views on the world. From a macroeconomic outlook, globalization squarely exists as a positive force. But, culturally, the question does not resolve itself as clearly. However, the question will remain controversial for a long time with the answers possibly never emerging.

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