

# What is globalization

[Countries](#), [United States](#)



A. What is globalization, and what are some of the traditional international trade theories that support the concept of globalization? Globalization refers to the shift toward a more integrated and interdependent world economy. General Agreement on Tariffs and Trade (GATT) and its successor, the World Trade Organization (WTO); the International Monetary Fund (IMF) and its sister institution, the World Bank; and the United Nations (UN). (Hill, 2009) McDonalds would be a great example of international trade. There is a McDonalds in most foreign countries. Wal-Mart is also a company that performs business with the international world. Mercantilism, comparative and absolute advantage are all theories of international trade according to our text.

B. List the major drivers of globalization and give three examples of each. Two macro factors underlie the trend toward greater globalization. One major driver of globalization is inexpensive labor (cheap labor). This is when companies go to other countries that will work for less and produce their products there. This will bring more revenue to the company and will help that country's financial status. This happens in Iraq, contractors hire third country nationals to come and work on Military installations for little or nothing. These foreigners do it because it is more than what they could make in their own country. Another major driver of globalization is the cost of goods (raw goods). This will determine if it is cost productive to do business with that country. Look at American made cars and their production. Most of the parts that are on the cars come from all around the world. However the car is American because that is where it was manufactured. In order for a company to make a profit they must be able to buy the goods they need at a good price. Technology is also a driver of

globalization. The internet, eBay, Craig's list and MySpace all of these help with the globalization of technology. C. Explain at least four effects of globalization that impact your community and your organization. I would say the effects that mostly affect my community and organization is language, political, financial, technical, legal and ethical. (Financial is emergence of worldwide financial markets and better access to external financing for borrowers. As these worldwide structures grew more quickly than any transnational regulatory regime, the instability of the global financial infrastructure dramatically increased, as evidenced by the financial crises of late 2008. Political is some use " globalization" to mean the creation of a world government, or cartels of governments (e. g. WTO, World Bank, and IMF) which regulate the relationships among governments and guarantees the rights arising from social and economic globalization. [14] Politically, the United States has enjoyed a position of power among the world powers; in part because of its strong and wealthy economy. With the influence of globalization and with the help of The United States' own economy, the People's Republic of China has experienced some tremendous growth within the past decade. If China continues to grow at the rate projected by the trends, then it is very likely that in the next twenty years, there will be a major reallocation of power among the world leaders. China will have enough wealth, industry, and technology to rival the United States for the position of leading world power. Language - the most popular language is English. About 75% of the world's mail, telexes, and cables are in English. Approximately 60% of the world's radio programs are in English. About 90% of all Internet traffic uses English. Technical Development of a global telecommunications

infrastructure and greater transborder data flow, using such technologies as the Internet, communication satellites, submarine fiber optic cable, and wireless telephones Increase in the number of standards applied globally; e. g. copyright laws, patents and world trade agreements. Legal/Ethical The creation of the international criminal court and international justice movements. Crime importation and raising awareness of global crime-fighting efforts and cooperation). (Contributors, 2009) Bibliography Contributors, W. (2009). Globalization. Retrieved February 1, 2009, from Wikipedia, The Free Encyclopedia: <http://en.wikipedia.org/w/index.php?title=Globalization&oldid=268016195> Hill, C. (2009). International Business: Competing in the Global Marketplace. New York, NY: McGraw-Hill/Irwin.