

Globalization: benefits and drawbacks



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Critical Thinking Assignment #2: Globalization Countries engage in international trade for the following reasons, a lack of raw materials and natural resources such as coal, gas, steel, lumber, and oil to fuel industry and development, processed foods and crops not able to grow or be produced in some climates, finished products, specially products exclusive to there countries of origin, inexpensive labor, and need of land. Japan is a perfect example of the need for importing goods and exporting products. Because it is an island with few natural resources Japan imports massive amounts of fuel and raw materials much of which goes into industry. Then take the raw materials and turn them into finished products.

Japan builds and exports goods for many companies like Toyota, Honda, Nissan, Suzuki Mitsubishi, Yamaha, Kawasaki, Mazda, Hitachi, and Subaru and many others. The United States is also a good example of international trade. The U. S. exports raw material and parts and imports assembled goods. Wealthy countries do this with poorer countries because the cost of labor is so low.

The North American Free Trade Agreement (NAFTA) was created on January 4, 1994 it is a treaty that presides over all of North America. Mexico, Canada, and the United States NAFTA was engineered to promote better trade between the three countries. NAFTA reduced the amount of taxes placed on traded goods which has lead to Mexico and Canada buying more American goods. Over the years NAFTA has had additional treaties added to it like the North American Agreement for Economic Cooperation (NAAEC) the North American Agreement for Labor Cooperation (NAALC) and the Security and Prosperity Partnership of North America (NASPP). Many democrats and

republicans don't like NAFTA because it removed import taxes, by doing this it has brought a lot of cheap foreign goods and has led to the outsourcing of American jobs.

“ The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business. Republicans and democrats that oppose the World Trade Organization usually believe that the WTO is, if not directly responsible, than in some way contributes to the following issues of concern: The WTO is partial to serving the interests of multinational corporations, and the WTO's actions do not support good labor and human rights. Also, not enacting stricter pollution prevention rules, the WTO is hurting the environment.

The WTO undermines local development and penalizes poor countries. The WTO is bad for health by not applying safe food standards to goods being traded. Globalization is the act of bringing all the nations in the globe together in trade and adding to the global economy by using cheap foreign labor, free trade, and increasing the flow of money in the global market. I found this definition online and It does a good job of putting globalization in perspective.

In terms of the products we buy and the things we do. It refers to Princess Diana's death and how goods come to arrive in the market place. A question was posted on//home. earthlink.

net/ asking; " What is the truest definition of Globalization? " this was the response " An English princess with an Egyptian boyfriend crashes in a French tunnel, driving a German car with a Dutch engine, driven by a Belgian who was drunk on Scottish whiskey, followed closely by Italian Paparazzi, on Japanese motorcycles, treated by an American doctor, using Brazilian medicines! And this is sent to you by an American, using Bill Gates' technology which he enjoyed stealing from the Japanese. And you are probably reading this on one of the IBM clones that use Taiwanese-made chips, and Korean-made monitors, assembled by Bangladeshi workers in a Singapore plant, transported by lorries driven by Indians, hijacked by Indonesians, unloaded by Sicilian longshoremen, trucked by Mexican illegal aliens, and finally sold to you". Outsourcing is the act of getting goods or services from an outside provider. This term is usually applied off shore outsourcing which is the actions of companies when hiring employees in foreign countries to do work for lower wages than the companies native employees. The most common jobs outsourced are manufacturing and call/tech support centers.

I think outsourcing is good for the large corporations and good for the consumer but terrible for the worker. In my opinion outsourcing is good and bad. I understand that its cheaper to send jobs over seas I also understand its necessary. However if large companies would give the majority of there to their native countries we the economy and the working class would be better of.

In my mind the easiest solution would be for the heads of companies to become more patriotic and realize hat if outsourcing on such a large scale

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continues the U. S. is not going to be the super power much longer and some of products made elsewhere. But somehow I doubt that will happen because patriotism is not an existing form of currency. I think outsourcing is inevitable because the main goal of a business is to make a profit. If a company can get the goods or services they need at a quality that meets their standards for less, upon sale of this product or utilization of this service they employer make a larger profit.

If you look at the label on an any manufactured product around you does it say Made in America? Probably not. " Data from Forrester Research, a leading IT consulting organization, lends support to Bhagwati's findings with estimates that 400, 000 U. S. jobs had moved abroad by 2003 and that the total would hit 3. 3 million by 2015.

That's just over 200, 000 jobs lost each year to global outsourcing, a trivial problem in the context of the normal churn of the U. S. economy, where about 7 million jobs were gained and lost in each of the last four quarters. Through globalization one day earth will not just be a planet but a country witch is a good thing but the road there will be long and hard. " The greatest beneficiaries of outsourcing jobs to India are the IT companies getting cheap labor for there call centers and tech help hot lines. Second It benefits the Indiana employees giving them well paying comfortable jobs causing them to have spending money and as a result boosting their economy.

It hurts the Indian citizens in the country and farmland because there not getting higher paying jobs so they get increasingly poorer. Globalization is bringing social change to India. The video gave the impression that that

younger Indians are becoming more Americanized. I think for the most part that's a good thing because it will hopefully bring a higher level of civil equality. But it would be sad to see them forget aspects of their culture.

There are some American traits I hope they don't adopt which is mainly materialism. Maybe they'll keep the good and lose the bad. The only thing Walmart and stores like it are good for is their employees. Walmart causes outsourcing by bullying companies into selling their goods for the lowest price possible. Because of this the same companies must find cheaper labor and the most effective way of accomplishing that is by outsourcing. Now that it's cheaper to make the companies' products by outsourcing they can afford to sell to Walmart until they want it even cheaper.

This process loses American manufacturing jobs and it reduces the quality of goods. In conclusion Walmart and stores like it are bad for America.

Reference Page Online: www.wisegeek.com www.socialized.com

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Other: American Government Continuity and Change videos in class

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