

Understanding the phenomena of globalization

[Economics](#), [Globalization](#)



Throughout history books examples of early globalization can be found. One example dates back to the Middle Ages when the Silk Road was used as a trade route from China to Europe. Another example of early globalization was the Triangle Trade Route which was used to exchange goods to and from Europe, Africa, and the Americas. These early examples paved the road for globalization as we understand it today. Over the years trade has continued to grow to every part of the world.

In recent years the growth of globalization has been phenomenal.

Technological advancements have played a key role in the expansion of globalization. The internet allows for trade to occur across the world in a matter of seconds. Technology has connected people in recent years like never before. Another improvement that has had a positive impact on globalization is better and faster methods of transportation. The planes and ships built today are quicker and larger than the ones used in the past and make trade even easier. One final reason globalization has grown so much recently is the policies countries have put in place to promote cross-border trade, and investments.

Even though globalization continues to expand not all effects of recent globalization have been positive in the United States. Because of increased competition some corporations that began in the United States have moved to other countries. One example is Burger King. In 2014 they moved their headquarters to Canada. The dog food company Purina, which was established in 1894 in Saint Louis, merged with Nestle which then moved its headquarters to Switzerland in 2001. Another example is Fruit of the Loom which moved to the Cayman Islands. These are just of the few of the many

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companies that have moved out of the United States for many reasons. Some of those reasons include cheap labor and avoiding high taxes.

Some companies have chosen to move factory jobs that were based in the United States to Mexico in recent years. The global economy is making it harder for some companies to keep jobs based in the United States. There are many reasons businesses say they leave to set up factories in Mexico. One reason was in order to remain competitive they needed to lower production costs. Factories based in Mexico can pay lower wages and still be close to the United States.

A branch of Nabisco which had been making oreo cookies in Chicago, Illinois since 1953 closed in 2016 and relocated to Mexico. Chowchilla brake parts also chose to relocate to Mexico. When questioned about why the move was necessary company representative were quoted as saying, " There's no way that U. S. workers are going to work for \$3. 50 or \$4. 00 an hour, and that's the reality of the situation."

So what happens to the towns that are left behind? The loss of a corporation can also have a huge impact on the place that suddenly loses a business that has been based in an area for many years. Unemployment rises due to the amount of people suddenly left without a way to earn a living for themselves and their families.

The loss of a corporation can also have a huge impact on the place that suddenly loses a business that has been based in an area for many years. One example of the devastating effect the loss of industry can have on a town is Bruceton, Tennessee. In the 1990's jobs began leaving as layoffs rose

and factories closed to go elsewhere. The Henry Siegal company had three large factories based here that produced jeans and suits.

In 2000 the last of the factories closed its doors for good. Since then the entire town has struggled for survival. The factories remain empty and abandoned as they fall apart. Businesses located downtown began to close. The bank, supermarket and clothing store that once were located downtown are no gone and a parking lot has taken their place. It looks like a ghost-town now just like so many other small rural towns across the country today.

However some towns have made it through these tough times by reinventing themselves. Cleveland and Pittsburgh who once led the way in manufacturing have now begun to fill the gaps in their economy that the loss of industry has left behind with successful robotics and biotechnology facilities that have provided much needed jobs to these areas. Towns are now faced with finding alternatives to working in factories to earn a living. Finding alternatives help to lower the high rates of unemployment that occurs when these industries leave.

When companies move overseas from the United States the country that the corporations move to also experience some changes.

The culture of a place can be impacted by the company moving in. Many times corporations that move overseas bring with them many new jobs. This can lay a huge role in the culture of an area. More jobs lead to more income which can impact life for people living here. Usually when corporations move some employees move with the company as well. These people will bring with them aspects of their own culture such as food and clothing that can spread

to others living here. The spread and integration of cultures often occurs when companies move to different parts of the world.

Many people believe the world has entered a new phase in its economic development. For example from just 1997 to 1999 flows of foreign investment has nearly doubled from, \$468 billion to \$827 billion. Many observers have seen this and say that globalization is now "faster, cheaper, farther, and deeper".

Globalization today has been driven by policies that have opened economies domestically and internationally. During the past two decades many governments have adopted free-market economic systems, increasing their own productive potential and creating new opportunities for international trade and investment. Governments have also negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services, and investments.

Globalization is puzzling at times but it is also fascinating to see how it has changed and expanded over time. There was a time when people believed the world was flat and a lot smaller than it actually is. Today we can communicate with people all over the world with the click of a button and we can travel anywhere in the world. It is hard to imagine how globalization will continue to expand in the future, but with advancements in technology there are so many possibilities for the future. The world is more connected than ever before. There are opportunities for globalization continue to improve the world market.