

What is globalization?

According to the Government of Canada website <www.canadianeconomy.gc.ca>, the term *globalization* describes the increased movement of goods, services, technology, and money throughout the world. Although globalization is not new, its pace has increased with new technologies, especially in the area of telecommunications.



Throughout history there have often been periods of international trade, movement of people and goods between countries, and cultural exchange between countries. For example, there is the period of European colonization when England, France, Spain, Holland, and Portugal controlled trade, transportation, and lands across most continents. However, modern globalization has new characteristics:

Free Trade: There are agreements between and among many countries to reduce taxes or restrictions on trade across borders, so that goods, services, and money move more freely. For example, Canada, Mexico, and the United States have a free trade agreement.

Free Market: National governments are becoming less involved in controlling international trade.

International Trading Blocs: In order to sell more goods and buy goods at cheaper rates, countries enter into trade agreements with other countries to buy and sell as large blocs or groups (e.g., NAFTA, European Union...).

Multinational Corporations: Large companies, usually owned by people in the developed nations, operate in many countries at the same time, taking advantage of lower labour costs and other expenses in the less-developed nations.

Greater International Cultural Influence: Mass communications technologies (e.g., Internet, television, films, video, radio...) are breaking down borders and allowing for more cross-cultural communication and influence.

Increased international trade and tourism: Goods are being exchanged and people are travelling in ever-increasing numbers.

Greater Sharing of Information across Borders: Mass communications technologies are breaking down borders, and both print and electronic information is spreading far and wide.

Increased Immigration: This includes illegal immigration, and is a result of the expanding world transportation network.

Increasing International Standards: With increasing international communication, there is increased need for common regulations such as copyright agreements.

The Debate about Globalization

Supporters of globalization say that it is a positive trend for these reasons:

- It helps less-developed countries improve their economies by providing more jobs and more industrial development.
- It allows the sharing of new technologies (e.g., communications, medical treatments, agricultural methods) and knowledge (e.g., education, books, democratic government) across more nations of the world.
- It gives people in all parts of the world access to a greater variety of goods and services at reasonable prices.
- Through control of the world economy by international organizations such as the World Bank and the World Trade Organization, the richer countries will be forced to consider not only their own country's quality of life but also quality of life around the world, thus reducing poverty in less-developed countries.
- Because of greater worldwide communication and exchange, cultures will gain a better understanding of one another.

Opponents of globalization are concerned because they wonder:

- Who will control the international corporations? These companies exist to make a profit for their owners, not to enhance quality of life.
- What will happen to the minority cultures in the world? Will they disappear, since communications are more controlled by the cultures of the richest and most technologically advanced nations?
- How will we make sure that the less-powerful nations are getting a fair price for their services (e.g., labour) and their goods?
- How will we make sure that international corporations protect the environment when they operate in less-developed nations?

Sources:

Government of Canada, The Canadian Economy, Globalization:
<<http://canadianeconomy.gc.ca/english/economy/globalization.html>>

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