What is Globalization?

* Is it the integration of economic, political, and cultural systems across the globe?
* Or is it the dominance of developed countries in decision-making, at the expense of poorer, less powerful nations? Is [globalization](http://www.globalization101.org/) a force for economic growth, prosperity, and democratic freedom?
* Or is it a force for environmental devastation, exploitation of the developing world, and suppression of human rights?
* Does globalization only benefit the rich or can the poor take advantage of it to improve their well-being?

Globalization is

* Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by [information technology](http://www.globalization101.org/category/issues-in-depth/technology/).
* This process has effects on the environment, on [culture](http://www.globalization101.org/category/issues-in-depth/culture/), on political systems, on [economic development](http://www.globalization101.org/category/issues-in-depth/development/) and prosperity, and on [human physical well-being](http://www.globalization101.org/category/issues-in-depth/health/) in societies around the world.

Pros and Cons of Globalization

The globalization of the production and distribution of goods and services is a welcome development for many people in that it offers them access to products that they would not otherwise have. However, some are concerned that the changes brought about by globalization threaten the viability of locally made products and the people who produce them. For example, the new availability of foreign foods in a market—often at cheaper prices—can displace local farmers who have traditionally earned a living by working their small plots of family-owned land and selling their goods locally.

Globalization, of course, does more than simply increase the availability of foreign-made consumer products and disrupt traditional producers. It is also increasing international trade in cultural products and services, such as movies, music, and publications. The expansion of trade in cultural products is increasing the exposure of all societies to foreign cultures. And the exposure to foreign cultural goods frequently brings about changes in local cultures, values, and traditions. Although there is no consensus on the consequences of globalization on national cultures, many people believe that a people’s exposure to foreign culture can undermine their own cultural identity.

Proponents of globalization argue that it allows poor countries and their citizens to develop economically and raise their standards of living, while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expense of local enterprises, local cultures, and common people. Resistance to globalization has therefore taken shape both at a popular and at a governmental level as people and governments try

to manage the flow of capital, labor, goods, and ideas that constitute the current wave of globalization.

To find the right balance between benefits and costs associated with globalization, citizens of all nations need to understand how globalization works and the policy choices facing them and their societies.

The Austrian economist Joseph Schumpeter famously characterized capitalism as a process of “creative destruction.” While this phenomenon may help propel economic development, many people around the world are coming to question the impact that the worldwide expansion of the capitalist model is having on the most precious aspects of their identity. For many people, their own cultural values are too important to put a price tag on, and no destruction can be considered “creative.”

On the other hand, globalization can also be a profoundly enriching process, opening minds to new ideas and experiences, and strengthening the finest universal values of humanity. Many policy makers have not yet considered how the protection of local or indigenous cultural values conflicts with the forces of globalization. Many of the questions raised pertaining to cultural issues are new—and some of the ways that cultural issues are approached may be of questionable merit.