

The Benefits and Drawbacks of Globalization

Globalization is the flow of goods, services, capital, people, and ideas across international boundaries. Globalization leads to connections among people, companies, and governments worldwide. Globalization first arose in ancient times. It is a major global concern in modern times. Globalization has many positives and negatives. A full understanding of both helps individuals, institutions, and nations reach a happy medium.

Silk Road: Globalization Begins Early

Over two thousand years ago, a trade route developed connecting China with the Middle East and Europe. This "Silk Road" allowed for the spread of goods and ideas over the centuries. Marco Polo and other explorers followed it. The Silk Road also helped the spread of disease and was an important source of power and a target for conquest.

The Silk Road is an example of globalization. Globalization is the flow of goods, services, capital, people, and ideas across international boundaries. Globalization leads to connections among people, companies, and governments worldwide.

The history of the Silk Road shows that globalization can have positive and negative implications. Modern day realities including communications, transportation, and worldwide global corporations make globalization basically inevitable in the 21st Century. So, it is useful to understand the pros and cons. Let us check out some of both.

Pros of Globalization

[1] Economic Benefits

Globalization benefits the economy. It benefits not only companies but workers.

The traditional approach was mercantilism, which involved a country closely regulating the economy, and being concerned with its own profits.

The 18th Century economic theorist Adam Smith promoted a new approach: less government power over the economy and support of free trade. It is rather fitting that his classic book, *Wealth of Nations*, was published in 1776, the year the United States declared independence.

A worldwide influx of immigrants came to take part in the growing economy of the United States. Its goods went out to a range of nations. Goods also came from other nations, including consumer items like coffee and sugar, and minerals and oil necessary for business.

Globalization provides countries with a world supply and market for goods and services. Workers have more opportunities, including the ability to immigrate to improve their lives.

Globalization also allows for specialization. If a certain country, for instance, has coffee fields, it often makes economic sense to focus on growing coffee. They have what is known in economics as a "comparative advantage." But, this is only possible if global trade allows them to market their products and trade for the goods they need.

[2] Spread of Ideas

Globalization promotes the spread of ideas and knowledge.

Modern communication, including the Internet, provides an ability for people to access a range of knowledge and talk to people on the other side of the world at the touch of a button. People not only have the knowledge, but they have **diverse** knowledge and contacts.

The ability of globalization to promote the spread of ideas and knowledge, however, came even before the days of dial-up (also known as the "days of yore" to some younger readers). Writing and years later the printing press allowed for the spread of knowledge.

As did people themselves. Religion is a prime example. Trade routes and the free spread of ideas promoted multiple religions in ancient times, including Buddhism and Christianity. The Bible, for instance, talks about how Paul went on multiple missionary journeys assisted by easy travel during the golden age of the Roman Empire.

The alternative is suggested by the long-time policy of Japan to isolate itself. This might have benefited them to some degree, but eventually, Japan fell behind European powers. Japan quickly caught up by taking advantage of the open technological knowledge of the West.

Political ideas also spread thanks to globalization, including democracy, socialism, and communism. Globalization is akin to a worldwide First Amendment, promoting freedom of ideas.

[3] Global Cooperation

A major aim of diplomacy in the early years of the United States was to negotiate free trade agreements with nations. The agreements promoted not only trade but also peaceful relations.

Globalization leads to multinational connections. The benefits of international relations lead to peaceful cooperation on a global scale. The golden age of the Roman Empire was called "Pax Romana" (Roman Peace) for a reason. Peaceful cooperation with other nations (or other parts of your own, as seen by the formation and history of the United States) is ideal.

Globalization improves cooperation in various ways. Nations benefit from peaceful cooperation, including by using organizations like the United Nations. The global spread of people, services, and ideas improves understanding. If a multinational corporation has offices and markets in a range of countries, cooperation is likely in its self-interest alone.

Cons of Globalization

[1] Uneven Growth and Instability

Critics of free trade point out that the supposed benefits regularly do not equally benefit the people and world at large. There are the usual winners (the rich) and losers.

A major problem is the limits of global rules. Powerful multinational companies, for instance, can exploit third-world nations (often now called "developing" nations) with limited ability to check their control. Powerful countries and global organizations such as the United Nations might not have the self-interest or ability overall to stop them.

Globalization also can cause economic and social problems. An influx of immigrants can result in a period of instability. Immigrants have to adapt to their new environment. They might compete with the long-term residents for jobs and other resources.

Countries, including the United States, might wish to pass protectionist legislation to guard against this. A nation might want to protect domestic industries by taxing foreign goods (tariffs) or limiting how foreign companies can exploit their resources.

[2] Spread of Bad Goods and Ideas

Globalization does not play favorites when it comes to what is spread around. Like the theme song of the show, *The Facts of Life* says, you have the good and the bad.

The Neolithic Revolution was a defining moment in world history involving a major agricultural revolution and the growth of major cities and civilizations. It also brought some bad things, including major warfare, social divisions, and the development of slavery.

Globalization also brings with it a mixture of good and bad. The Silk Road helped spread Black Death. COVID-19 quickly spread worldwide. Disease is not the only thing spread by an interconnected world. World problems include terrorism, human trafficking, and illegal drugs. Environmental problems also increase, including the spread of global warming.

The spread of ideas including the hatred of ideologues. The global spread of knowledge means bad actors can obtain it as well. The Soviet Union obtained the ability to build an atomic bomb.

[3] Cultural Diversity Problems

Globalization can ironically lead to less diversity.

An interconnected world becomes a single community with its own beliefs and practices. Consider, for example, how the Roman Empire eventually had one official religion (Christianity).

There was a diverse range of beliefs, but the powers that be found it useful to unite the people under one faith. And, other faiths were suppressed.

Languages also die out, resulting in a major loss of culture and knowledge.

Multinationals or specific nations with a lot of power can play a major role here. The same can occur by market forces. Coca-Cola becomes a global drink. Other drinks start to be phased out.

There is also possibly the opposite problem. Local people and institutions might feel threatened that their traditions are being harmed by the influx of new ideas. They do not want diverse ideas and populations if "American" or "French" or "Chinese" values do not remain supreme.

This might be said to be a form of xenophobia (fear of foreigners). But, it is still a possible threat to globalization. The results can be major conflict. It is important to handle things carefully with understanding and respectful treatment of dissenters.

Final Thoughts

We can imagine some sort of dystopia future, a favorite of young adult fiction, but the real world will continue to be a global one. So, it's useful to find a balance.

A major role here will be treaties, institutions (United Nations), and regulating global powerful multinationals. We might be a long way from a world government, but globalization requires regulations and safeguards to address the dark side.

Globalization will continue to have pros and cons. Let us make sure the balance is a net positive.