

32.7 Beginning to Think Globally

In this chapter, you read about globalization and the making of the global sneaker. You learned that free trade plays a major role in the global economy. You read how shoe companies have been transformed into multinational corporations. In addition, you have seen how the production of global sneakers has increased the economic interdependence among several countries.

Globalization is changing the world. These changes may be either good or bad, depending on your point of view.

The Case for Globalization Globalization has benefits for both rich and poor countries. When companies in wealthy countries set up factories in poor countries, they create new jobs. The workers who fill these jobs often improve their standard of living, and the money they earn helps bring economic growth to their countries.

Companies that move production offshore do so to keep their costs low. Lower production costs help them keep their prices low as well. Low prices benefit consumers in both rich and poor countries. Many working people today can buy products that were once considered luxuries only the rich could afford.

Globalization has other benefits. Countries that trade with one another want to maintain good relations. As a result, conflict among nations may be diminished. In this way, economic interdependence may contribute to creating a more peaceful world.

A global society also brings the world's people together in ways that were never before possible. It gives us a glimpse into how people live and work in other lands. Furthermore, it allows us to share and exchange ideas, technology, music, and art across vast distances. As we learn more about one another, we can grow to understand and respect other ways of life.

Closed Factories, Lost Jobs

Globalization has brought new factories and jobs to developing countries. But as production has moved overseas, some U.S. factories have closed their doors. Factory closings are hard on workers who lose their jobs. Towns suffer as well from the loss of jobs and business.



The Case Against Globalization

Increased global trade can bring harm as well as good. Some developing countries lack laws to protect the environment. Factories that are set up in such countries often dump **toxic waste** into rivers and streams and release deadly fumes into the air. Such polluting practices would be illegal in **developed countries**.

Many poor countries also lack worker protection laws. Without such laws, factories can require workers to work long hours for low wages. For example, a sneaker factory worker in a developing country in Asia might earn just \$2 for a 12-hour workday. A factory might even hire children, who are paid even less. Factories that abuse workers are called **sweatshops**. Working conditions in sweatshops are often unsafe or unhealthy.

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