

Globalization

It has become a truism to state that we now live in a global economy and participate in a global marketplace. As transportation and telecommunication systems improve, our world becomes ever more connected in economic, political, organizational, and personal terms. As one analyst summarized, "welcome to the new global economy: One guy sneezes, and someone else gets a cold" (Bremmer, 2012). The emergence of a global economy was facilitated by key political changes, such as the end of the cold war and the development of the European Union, and it has included the emergence of a variety of institutions to help regulate the global economy, such as the World Trade Organization and the International Monetary Fund. The **globalization** movement has led to practices such as **outsourcing**, in which businesses move manufacturing and service centers to countries where labor is cheap. In a global economy, many organizations have a multinational or international presence, with employees of a single organization found in many locations worldwide. Furthermore, in a global economy, businesses are no longer centered in a few Western nations but are also spread among nations throughout the developing world.

The complexity of these global interconnections became especially clear during the global recession that began in 2007. As one analytical website summarized: "A collapse of the US sub-prime mortgage market and the reversal of the housing boom in other industrialized economies ... had a ripple effect around the world" ("Global Financial Crisis," 2009). Though the United States began to emerge from its recession in 2012 and 2013, European nations took a different tack in responding to the crisis and continued to struggle during that period. And Bremmer (2012) notes that "the economy that should scare us the most right now is the Chinese one. The country is slowing down, and that's precisely because of the halting recovery and weakness in the U.S. and European systems, and the fact that the sputtering has been going on for some time."

Some commentators see globalization as a largely positive—and clearly unstoppable—development. For example, in *The World Is Flat* (2005), Thomas Friedman argues that the global economy offers exciting opportunities for entrepreneurs with the requisite skills. However, many others argue that globalization can lead to problems such as domestic job loss, the exploitation of workers in third-world nations, and environmental problems. Indeed, some scholars have raised important questions about the extent to which models of capitalism developed in the United States should be exported to nations with very different governmental and cultural systems (e.g., Whitley, 2009).

It becomes clear from all sides of the debate that our new world involves complex interconnections between business, political, and cultural systems, and these interconnections make it difficult to fully understand the ramifications of both globalization systems and the proposed means for making globalization "work" effectively. Joseph Stiglitz, who critiques economic institutions associated with globalization in his 2002 book *Globalization and Its Discontents*, noted in 2006 that there is at least hope for dealing with these complex problems. He argues that "while globalization's critics are correct in saying it has been used to push a particular set of values, this need not be so. Globalization does not have to be bad for