

How has Globalization Impacted the U.S. and its Citizens?

Globalization has greatly impacted the United States and American citizens. First and foremost, globalization has spread [American influence](#) throughout the world. Globalization has opened up more markets for the United States, which in effect helps American companies sell their products worldwide. There has been a rise of multinational corporations and their influence has greatly increased. Globalization also aids in the ability for American corporations to sell their products outside of the country and aids in keeping the nation “on top” or “near the top” economically. Globalization has increased the real-time communication abilities between international organizations and nations. This has allowed for a greater emphasis on international cooperation. The world has in a sense become “smaller” because the nations can in a sense communicate easily. This has impacted the United States in situations such as the 9/11 terrorist attacks as well as it has given the United States the ability to communicate with allies as well as enemies in time of peace, but also in time of conflict. Globalization also allows for cheaper products for Americans to purchase and lower prices. This is due to the cheaper labor that makes the product. These cheaper prices allow for the standard of living for Americans to increase. Though globalization has allowed for the ability for prices to be lower in the United States, there is also the drawback that many Americans have lost jobs to foreign workers who are willing to work for less and in worse conditions. The American work force now has to compete with foreign workers in companies and often is replaced by those who are willing to work for less. Another negative effect is that the United States now has a major trade deficit. Globalization has increased this deficit and the United States has to figure out a way to deal with this deficit if it is to stay the extremely powerful nation it is today.

Is Globalization “Good” for America?

There are certain aspects of globalization that can be of positive influence to American citizens as well as the United States in general. There are also however, negative effects that globalization presents to Americans. Globalization is not entirely good, yet not entirely evil.

First of all, one concern that arises with globalization when in relation to the well being of the United States, is that the free trade environment is letting good jobs drain from the United States economy. These jobs are being [outsourced](#) to countries like India, China and others where workers allow for much lower salaries. Globalization in general can create a loss of jobs to foreign workers if the outside supplier is more efficient. American workers are being thrown into a global labor pool. They have to compete against other workers who will work for less salary and this poses a problem for American workers. Also, globalization has increased the U.S. trade deficit, especially when concerning energy imports.

Another negative effect of globalization is the repercussions that occur from the spreading of our ideas and values. As the United States values and ideals permeate into foreign cultures, some may embrace the new ideals, whereas some cultures may abhor them. An example of this is the attack on the United States on September 11, 2001. The United States has spread its relations throughout the world and this can lead to many conflicts between nations and more war if the countries do not take well to the new American influence.

On the other hand, even though there are often more foreign jobs created for other nations because of globalization, expanding an overseas network usually means you have to hire more workers in the United States as well. These workers are often the IT, logistics, or management people and they work in the United States to aid the company that has expanded globally.

In addition to the hiring of IT and other workers, globalization can also be seen as a “good” thing for Americans because it often means lower prices. Globalization allows for higher productivity, which is good for the economy. This higher productivity is the only way to create a higher standard of living. Similarly, the [benefit of free-trade](#) is that the cheaper products allow families to provide for their family members. The families can concentrate on becoming good at their jobs in order to pay for what they buy. If globalization did not occur, there would be more expensive products in the United States because companies could not rely on the cheap labor.

All in all, globalization has both positive and negative effects on Americans and the United States.

Globalization brings a world of hurt to one corner of North Carolina

By Peter Whoriskey

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HICKORY, N.C. -- The expansion of global trade may enrich the United States, as economists say, but it has overwhelmed this manufacturing area beside the Blue Ridge Mountains.

The region has lost more of its jobs to international competition than just about anywhere else in the nation, according to federal trade-assistance statistics, as textile mills have closed, furniture factories have dwindled and even the fiber-optic plants have undergone mass layoffs. The unemployment rate is one of the highest in the nation -- about 15 percent.

"Our stitching was perfection," said Geraldine Ritch, 62, whose \$15 an hour job sewing leather in a furniture factory was cut last year. "So I never thought we'd lose our jobs to China. But we *did*. We did.

"Now what is everyone supposed to do?"

As the Obama administration defines its stance on foreign trade, it has been besieged by complaints about the legions in Hickory and elsewhere who have lost their jobs to overseas competition. The national unemployment rate surged to 10.2 percent in October, the highest level since 1983.

Officially, the remedy for these workers is Trade Adjustment Assistance, a long-standing federal retraining program that offers community-college tuition and extended unemployment benefits to tens of thousands of workers affected by foreign competition. Its budget has run about \$1 billion annually.

But as interviews with a few dozen people here show, much of the damage to the affected workers is not so easily mended.

Many workers are forced to forgo the training because they cannot afford to live on unemployment benefits long enough to get the training certificate or a degree. The average unemployment check is roughly \$300 a week, and many study without benefit of health insurance.

Ritch, for example, is enrolled in a class to learn how to work in a doctor's office, but she recently lost her home and her health insurance.

"I pray," she said.

Moreover, of those who manage to finish their retraining, a significant percentage do not find jobs. Of those who do, about half earn only a fraction of their former pay, a 2000 Government Accountability Office study found.

Ken Austin, 55, has twice lost jobs to foreign competition, one in textiles and one at a furniture company. Now he is enrolled in a two-year program that will teach him how to install heating and air-conditioning systems. When he finishes, he hopes to find a job earning about \$25,000, or about two-thirds what he made driving a forklift at a furniture company.

But like many trade-displaced workers, many of whom are older than 40, Austin is worried about getting a job at all. He worries that employers may prefer their entry-level workers to be young.

"I've got a lot of good left in me," he said.

Theory vs. reality

Economists say that free trade generally promotes U.S. economic growth and a higher standard of living. In addition, proponents of free trade say, the U.S. job losses will be overcome as businesses and workers shift into more profitable industries.

But here in Catawba County, the high unemployment rate has dampened confidence in such notions.

"The people in the think tanks keep saying we are going to become -- what's the term? -- an 'information and services' economy," said Allan Mackie, manager of the North Carolina Employment Security Commission office. "That doesn't seem to be working out too good."

"Ten years ago, every able person who wanted a job had a job," said Rep. Patrick T. McHenry (R-N.C.). "Our unemployment problem began when China entered the world market full force."

Even though Trade Adjustment Assistance is, as some of its conservative detractors note, a government program, it has the support of many in this conservative-leaning area.

Austin, a fan of conservative talkers Rush Limbaugh and Sean Hannity, put it this way:

"It's the government's way of apologizing for taking our jobs away. I'm not going to turn it down."

Created in 1962, Trade Adjustment Assistance was supposed to compensate workers hurt by the lowering of U.S. trade barriers.

The program, President John F. Kennedy said, "will not be a subsidy program of government paternalism" but rather "a program to afford time for American initiative, American adaptability and American resiliency to assert themselves."

Effects on workers

But while the assistance has been used to win passage for more international trade agreements, its effects on workers have been rarely studied.

The GAO analysis from 2000 found that 75 percent of displaced workers in TAA found jobs. Of those, only 56 percent earned 80 percent or more of their previous wage.

In 2002, Congress called for another impact analysis of the program. The report is two years away, a Labor Department spokesman said.

The inattention to the program's effectiveness is evidence, critics say, that its primary purpose is political and that its actual benefits for workers are an afterthought.

"For years, proponents of free trade made a lot of promises to workers that were hurt by trade, and those promises were forgotten by the time the trade agreements were signed," said Howard Rosen, executive director of the Trade Adjustment Assistance Coalition, a nonprofit group that assists workers and communities.

Rosen noted that this year's economic stimulus package expanded the program, significantly boosted funding and made it easier for workers to participate. But he called those changes just a start.

A hard-hit state

Since 2002, the Labor Department has certified more than 90,000 jobs in North Carolina as lost because of foreign competition -- more than in any other state.

Such a certification, made when federal investigators find that a job loss was caused by imports or the transfer of an American plant overseas, means that the affected worker is eligible for trade adjustment benefits.

In Hickory, the heart of the afflicted region, workers enrolled in programs at Catawba Valley Community College and Caldwell Community College and Technical Institute said they welcome the retraining opportunity.

They are taking courses in accounting, air conditioning, landscape design, nursing, medical technology and other fields in which there is perceived demand.

Some workers have prospered after the training, or expect to, though for now the recession has dulled their prospects. But the program has done little to mitigate the anger many feel for the North American Free Trade Agreement and other such pacts.

Thomas Stinnett, 43, was laid off from a truck factory earlier this year after the company started production in Saltillo, Mexico. He looked around for another job but was unwilling to work for half his old wages.

"At my age, I didn't want to go back to school," he said. "But I looked around and everything was \$8, \$9, \$10 an hour. I said, 'Hell, I'm worth more than that.' "

He's now in a two-year degree program and plans to get a job in law enforcement. Since the unemployment payments aren't enough to get by on, he told his wife, a stay-at-home mom, she'd have to get a job. She's managing a Subway sandwich shop.

"I wish they'd just flush the whole NAFTA idea and tell all the other countries the heck with you," he said.

The program pulls into school people who might otherwise have given up on their education, but for many, "it's not an easy transition," said Garrett Hinshaw, president of Catawba Valley Community College. "You're taking someone who has been working for 25 years and saying, 'You can't do that anymore.' "

Many left high school decades ago and must take remedial classes in English or algebra, extending the length of their studies. Others feel forced to make quick decisions about what their next career should be because of the program's time limits.

"You choose a field because you are desperate for a program," said Lisa Adams, 47, who lost her job at a fiber-optics plant and then earned an associate's degree in health-care management. "I thought I would go into nuclear medicine. But you're herded like cows. People are corralled into careers."

These days, she says, she gets up at 5 a.m. to search Web sites for jobs, then searches again in the afternoon and then again before she goes to bed. Her husband, also laid off from the fiber-optics plant because of foreign competition, is also enrolled in TAA classes.

"We don't want to lose our home," she said. "I'm just not seeing where the jobs are."

Globalization benefits North Carolina

Make no mistake — we are in a global economy. North Carolina is competing aggressively in the worldwide marketplace to create jobs and have businesses invest in our communities. We have made tremendous strides in attracting international investment to North Carolina and have boosted exports to near peak levels, but there is still more work to do. The bottom line is that it means jobs.

In 2010, North Carolina ranked fourth in the United States in the number of jobs created as a result of foreign direct investment. By population, we are the 10th-largest state.

Attracting international investment is a critical component of the state's economic-development strategy. Nearly 25% of the projects announced in North Carolina last year involved an international company either relocating to or expanding in the state. During the last 10 years, international investment and job creation have accounted for 15% of all investment and jobs in North Carolina — amounting to more than \$9 billion and 40,000 jobs.

North Carolina is home to more than 3,600 international firms and manufacturing facilities from 39 countries. About 950 of those companies have a presence in the Charlotte region.

This kind of success doesn't happen overnight. I love country music. My hero, Johnny Cash, had the secret to economic development. In his hit song in the '70s, he built a Cadillac "one piece at a time" over many years. There is no magic formula and there is no quick fix, but you can have a long-term strategy for success.

Gov. Perdue is as aggressive as it comes in economic development. This administration's vision and the state's overall commitment to creating a highly competitive business climate have made us attractive to globally competitive businesses.

In recent economic-development missions in Asia and Europe, we have focused on high-growth opportunities for North Carolina. Our aggressive recruitment of the energy, life-sciences, pharmaceutical, aerospace, advanced-manufacturing, automotive and technology sectors will further diversify our economy and create high-quality, well-paying jobs for our people.

International firms are attracted to North Carolina for many reasons. First and foremost is our tremendously skilled, talented and knowledgeable work force. Our workers are some of the most productive in the nation.

Next, we have a world-class education system. North Carolina's community college system is the best in America in providing customized-training programs so that we can match a person's skills with the needs of a business.

Our university system is one of the best in the country. Our K-12 system offers educational opportunities, such as foreign languages, that are attractive to international firms wishing to expand in the United States.

In addition, we have a low cost of doing business, and North Carolina has a tremendous quality of life.

One of the quickest ways to improve our economy is by increasing our exports. The N.C. Department of Commerce provides many companies with avenues into new international markets.

Eighty-five percent of the nearly 8,300 North Carolina businesses that sell their products overseas are small and midsize companies. Exports support 347,000 jobs in North Carolina and contribute more than \$30 billion to the state's economy.

This is further evidence that this state is competing in the global marketplace. These efforts are reliant on a consistent and strong international presence by North Carolina.

The kind of success North Carolina has obtained in attracting international investment and increasing exports takes tremendous teamwork and collaboration at the local, state and federal levels.

Most importantly, it takes a dedicated partnership with the private sector. Once we have foreign companies in North Carolina, we need to keep them. This administration has committed itself to what we call "after care" of these companies.

There is no better way to foster future investments than the firsthand testimony of businesses that are successful in your state. Our commitment is to work aggressively to ensure that all businesses thrive in North Carolina.