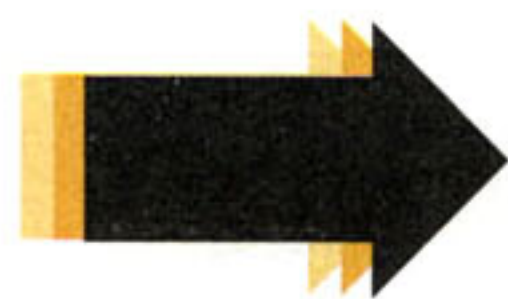


Globalization



and You

Your generation will have to compete for jobs with people all over the world. Will you be ready?

by Sean Price

Allie Wilborn, 16, was in eighth grade when her father first announced that his job might be in trouble. He works as a salesman at a sock-making company in Fort Payne, Alabama. Allie's father told the family that they would have to spend less and save more. "[He] told us to be ready for anything that could happen," Allie recalls.

Such uncertainty has become normal in Fort Payne. Two years ago, more than 7,300 of the town's 15,000 people worked in sock mills. Today, the number of jobs in Fort Payne's sock industry is 5,500 and falling. What happened? The short answer is globalization.

A Smaller World

Steven J. Davis, an economist at the University of Chicago, says that the term *globalization* describes several worldwide trends. "They are technological changes, mostly," Davis told *JS*. "But to some extent,

[globalization] also means reductions in trade barriers that make the world a smaller place, in economic terms."

Some of the greatest technological leaps have occurred in communications. Thanks to the Internet, e-mail, and cell phones, business people in Los Angeles can exchange ideas with their counterparts in Hong Kong quickly and inexpensively. Companies such as FedEx have lowered the cost and quickened the pace of transporting goods. Products have also become lighter. "It's a lot easier to ship a laptop PC than it is [an old-fashioned] supercomputer," Davis says.

The world is smaller politically,

too. A decade ago, the United States and other wealthy countries formed the World Trade Organization (WTO). Among other objectives, the WTO encourages countries to drop trade barriers, including **tariffs** and **quotas**.

Countries that once lagged far behind the West, notably China and India, have become economic powers. Cheap labor has been key to their success. Chinese sock workers will accept 50 cents an hour, far below the \$12 to \$15 per hour that many U.S. workers expect. Such competition is forcing Fort Payne factories to shut down or relocate overseas.

Not Measuring Up

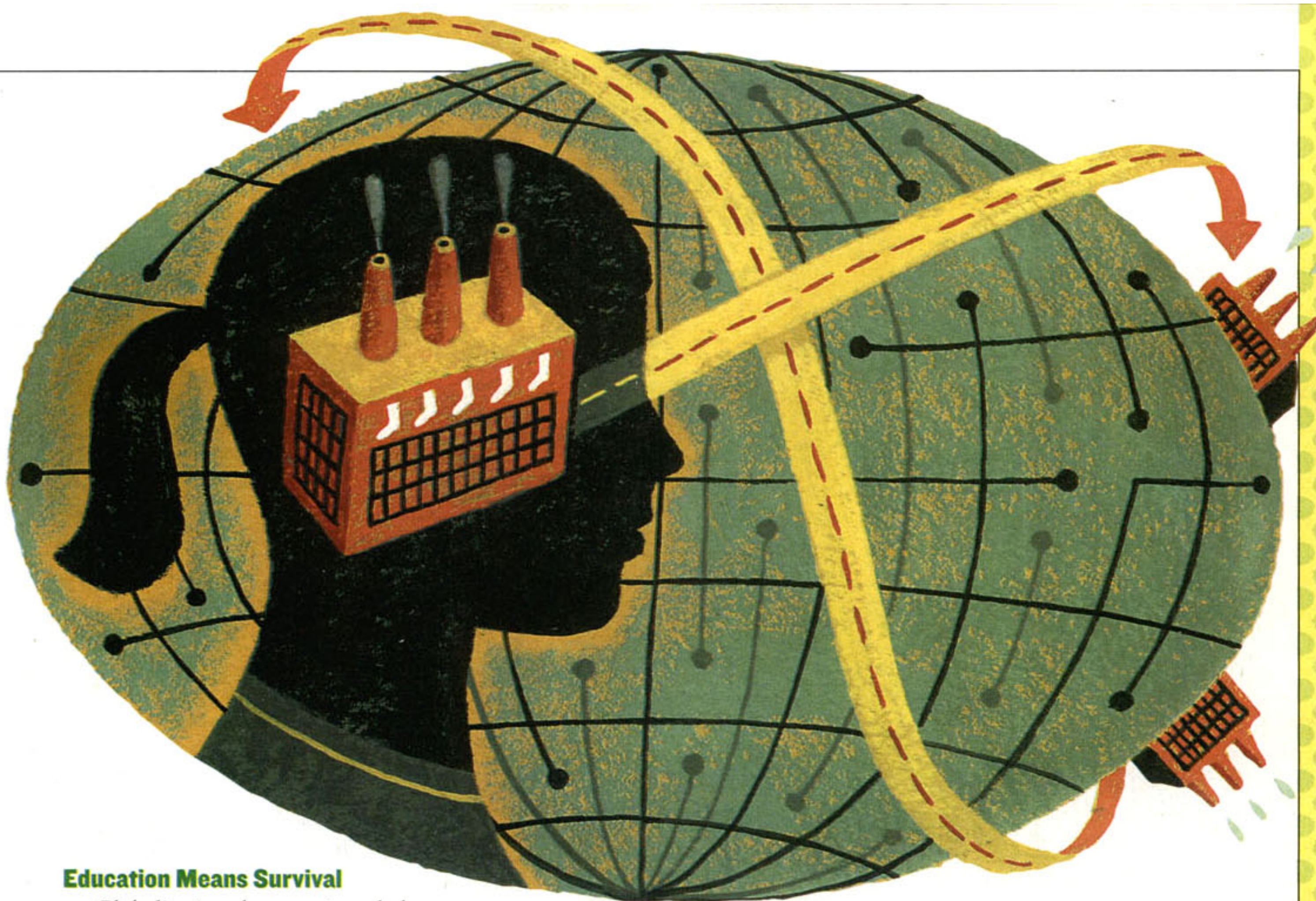
A recent three-year study by an international educational organization found that 15-year-olds in the U.S. lag behind many of their peers in other countries in math and science skills. Here are the top 5 finishers in the math and science tests, which were taken by more than 23 million students in 41 industrial countries. The U.S. ranks are shown for comparison.

Math	Science
1. Hong Kong (China)	1. Finland
2. Finland	2. Japan
3. South Korea	3. Hong Kong (China)
4. Netherlands	4. South Korea
5. Liechtenstein	5. Liechtenstein
28. United States	22. United States

Words to Know

- **quota**: a limited number or share, as of imported products.
- **tariffs**: government taxes on imports or exports.

SOURCE: ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT'S PROGRAM FOR INTERNATIONAL STUDENT ASSESSMENT (PISA), 2003



Education Means Survival

Globalization does not just challenge sock makers, says *New York Times* columnist Thomas L. Friedman. It is affecting even high-tech jobs in the U.S. In his book *The World Is Flat*, Friedman points out that Bangalore, India, alone has 160,000 high-tech jobs. Well-educated Indians there earn \$5,000 a year at computer call centers for such U.S. companies as Dell and International Business Machines (IBM). The same job in the U.S. pays an average of \$25,000.

Last May, IBM announced that it was cutting as many as 13,000 jobs in the U.S. and Western Europe, while creating 14,000 in India. Robert W. Moffat, an IBM senior vice president, told *The New York Times* that saving money was not the biggest issue. "It's mostly about skills," he said.

Friedman echoes Moffat's reasoning. "Compared with young Indians and Chinese," he writes, "too many Americans have become lazy." The

U.S. educational system, he adds, is failing. High schools produce too few graduates with basic science and math skills. U.S. colleges produce too few engineers and scientists. "In the international competition to have the biggest and best supply of [skilled] workers," Friedman says, "America is falling behind." (See the table on p. 6.)

Critics of **outsourcing** (sending jobs overseas) say that corporate greed is to blame for the loss of jobs. Marcus Courtney, president of the Washington Alliance of Technical Workers, says that companies like IBM want to continually lower costs for their own profits: "The winners are the richest corporations in the world, and American workers lose."

Despite complaints from workers in Fort Payne and other U.S. cities, global competition is here to stay. Davis says that a good education and flexibility are key to maintaining a

competitive advantage. "You have to be ready to do more than one thing in your life in terms of work activity," he says. "Most of us will."

That is one reason why Allie Wilborn, who still worries about the loss of jobs in her hometown, is keeping up with her studies. As Friedman observes, "In a flat world, every individual is going to have to run a little faster if he or she wants to advance his or her standard of living." **JS**

Your Turn

THINK ABOUT IT

1. What are some of the causes of globalization?
2. What does Thomas Friedman mean when he says that "too many Americans have become lazy"? Do you agree or disagree with him? Explain.

LESSON PLANS

NEWS SPECIAL Globalization and You, pp. 6-7

■ OBJECTIVE

Students should understand

- how advances in technology and reductions in trade barriers have widened competition for jobs from the U.S. to the rest of the world.

■ TEACHING STRATEGY

After students have read the article, have them debate or discuss outsourcing from various points of view: a U.S. worker who has spent his or her entire career at a company that is moving elsewhere; a worker in India making very little money but with a family to support; a business owner weighing responsibility to his or her employees while being forced to cut costs or go out of business; a business owner motivated solely by profit.

■ BACKGROUND

Besides technological advances and lower labor costs, other factors induce some U.S. corporations to outsource jobs to other countries. These include lower standards for working conditions and less-strict antipollution measures.

■ CRITICAL THINKING

MAKING CONNECTIONS: *What factors or changes have made it easier for companies to hire people anywhere in the world?* (The Internet, e-mail, and cell phones have made communication easier and faster; lighter products have made shipping from one place to another less expensive; young people in other countries have become more skilled in math and science.)

FORMING AND SUPPORTING AN OPINION: *Is it possible to conduct global business in a way that benefits business owners, U.S. workers, and workers in developing countries? If so, how? If not, why not?* (Answers will vary.)

■ ACTIVITY

FOOD FOR THOUGHT: Discuss with students: Why do they think Thomas L. Friedman called his book *The World Is Flat*? Do they know a related expression, "leveling the playing field"? Do they agree that young Americans are falling behind young Chinese and Indians because they're not as well educated in math and science? Have them give reasons to support their answers.

STANDARDS

SOCIAL STUDIES, GRADES 5-8

- Global connections/production, distribution, and consumption: How changes in technology and other factors are shifting economic power to countries that once lagged far behind the U.S., particularly in the means of production and the distribution of jobs.

RESOURCES

PRINT

- Frost, Randall, *The Globalization of Trade* (Smart Apple Media, 2004). Grades 6 & up.
- Hibbert, Adam, *Globalization* (Raintree, 2005). Grades 6 & up.

WEB SITES

- Globalization-related graphs www.globalpolicy.org/globaliz/charts/index.htm
- World Bank globalization video worldbank.org/economicpolicy/globalization (Scroll down to video link.)

WORLD China Surges Ahead, pp. 8-11

■ OBJECTIVES

Students should understand

- why Chinese students spend so much time studying.
- how China is developing into a major political and economic world power.

■ TEACHING STRATEGY

Before students read the article, discuss: "Does what happens in a country half a world away matter to the lives of people in the U.S.? Why might U.S. leaders want to maintain good relations with China?" After they read the article, ask the same questions. Have their viewpoints changed?

■ BACKGROUND

In 1949, Communist Party leaders took control of China, and former leaders fled to the island of Taiwan. The U.S. and other countries recognized Taiwan as the legitimate government of China. Mainland China became a closed nation as well as a shunned one. Then, in 1970-1971, U.S. President Richard M.

Nixon began easing trade restrictions and opened travel between the countries. In 1971, the United Nations voted to admit the People's Republic of China in place of Taiwan.

■ CRITICAL THINKING

RECALLING DETAILS: *The U.S. wants China's help in persuading which country not to build nuclear weapons?* (North Korea)

CAUSE AND EFFECT: *When China's Communist government collectivized farms, what happened to food production?* (Food production dropped, and a famine killed at least 20 million people.)

■ ACTIVITY

USING RESEARCH MATERIALS: Organize a time line of China's most significant national leaders and social movements since Mao Zedong. Have students, individually or in small groups, research and present reports on such subjects as Mao, the Great Leap Forward, the Cultural Revolution, Deng Xiaoping, and the Gang of Four.

STANDARDS

SOCIAL STUDIES, GRADES 5-8

- Global connections: Why China's government, economy, and relations with neighboring countries matter to the U.S.
- Individuals, groups, and institutions: How changes in China's Communist government have affected the lives of the country's people.

RESOURCES

PRINT

- Chen, Da, *China's Son: Growing Up in the Cultural Revolution* (Random House, 2003). Grades 6 & up.
- Jiang, Ji-li, *Red Scarf Girl: A Memoir of the Cultural Revolution* (HarperCollins, 1998). Grades 6 & up.

WEB SITES

- China—Quick Facts china.org.cn/e-changshi/index.htm
- China in Brief 2005 china.org.cn