

## Globalization Is Bad for the U.S.

By Musafir

Regardless of the evils or benefits of globalization, consider its effect on the U.S. economy. American companies *have* benefited from globalization, but it has devastated the people of the U.S. American companies moved most manufacturing and IT jobs to foreign countries to cut costs. Service and technical jobs are undergoing a large exodus to foreign labor too. This is now called outsourcing and off shoring.

Supposedly, this “frees up” Americans to be innovators, designers, and custodians of new technologies and concepts. That argument is unconvincing, several friends and a family member have been out of work for a long time. These jobs are also being done by qualified professionals in other countries. IBM has shifted its R&D to the Indian and other Asian countries, so have General Motors, Sysco and others. Basic research – the backbone of the American progress – and ingenuity are shifting to foreign countries and universities.

Politicians and CEOs lament that Americans are not opting for higher education, especially in science and engineering. The fact remains that even higher education related jobs such as medicine and research and development are successfully being done in other countries. In greater numbers, Americans with college degrees are unable to find work, while the same degrees in other countries are in demand.

We should not be against globalization, but should be prudent so that the U.S. does not fall further behind. Something needs to be done before more Americans leave for better opportunities in foreign lands and the American economy permanently stagnates.

A dominant, superior U.S. no longer exists, still more powerful than others. But for some years, that energy has dissipated. Asian, Latin American and European nations are also playing a role in the United States’ productive core. The world’s greatest exporter has become its greatest importer. The leading creditor has become the a debtor. A significant percent of shares, corporate bonds and government bonds are held by foreigners. U.S. industry has shrunken in half – 17 percent of GDP, compared to 26 percent in Europe.

Every important national economy in the world now exports products to the United States without purchasing an equivalent amount in return. The U.S. trade deficit with China was \$200 billion in 2005; \$80 billion with Japan; and over \$120 billion with Europe. The U.S. can’t even achieve a trade surplus with Ukraine and Russia. Every day, container-laden ships arrive in the U.S., unload and return home empty.

Those looking for something good to say about the superpower won’t find it in the trade balance. Instead, it’s the top products of a developed national economy that the U.S. is importing from everywhere in the world – cars, computers, TV sets, game consoles – without being able to sell as many of its own products on the world market. It is time to rethink globalization.

## Globalization Is Good for All

By Bala Prasad

Mention globalization and what springs to mind is an auto supply company in Mexico, software outsourcing in India, or toy manufacturing in China. But the truth remains different.

Globalization results from many converging factors, including trade agreements, shifts to service and technology based economies, and the increasing availability of a skilled work force world-wide, together with significant improvements in infrastructure. This has resulted in health care products, and technological advances – in addition to fields to be developed and marketed by other countries. They must have a sound product at competitive prices to stay in the game, helping people around the world.

Here in America, a great jump forward in American car quality resulted from global competition. The less well-to-do travel all around the world for medical treatment, not just for price but for quality of treatment. Parts for Boeing are manufactured all over the world, as are drugs for well known drug companies.

Confronting global challenges in the 21st century, the interaction of all the stakeholders – meaning all the residents on the planet, beacons the best future. We are transforming from a world of nation-states, akin to being in the middle of a rainstorm. While we cannot have a clear view until the storm has passed, try hard we must.

All peoples are united by their energy needs and the impact of global warming. World security and a safe food and water supply are of concern to all. However, what is good for one country is not necessarily good for another. There has to be a desire to do what will do the most good for most people. Global communities have to be created and re-created as needed, for the betterment of a common future and brighter destiny.

No country can afford isolation. America, the superpower, cannot effectively manage the threat of homeland security single handedly. To minimize and resolve these threats, a concerted effort on the part of the entire global community is needed. Countries like Bangladesh, who lose thousands of lives almost every year to the ravages of flooding, cannot confront this calamity. Our futures are now so intertwined that calamity befalling one group – whether man-made or natural – makes us all vulnerable to some extent. For example, the Middle East. Quality of life for Israelis is as good as western Europe, but as long as they are surrounded by poor countries, a long term peace will remain elusive. If Darfur had been surrounded by viable countries, the panoramic view of human misery unleashed by one group on another perhaps would not have continued.

Globalization is good for America – good for the world. We all must hang together the rising tide is raising all ships – big and small. Join in, enjoy the ride, a better and brighter future awaits.