Globalization I - The Upside: Crash Course World History #41

Crash Course: World History
https://youtube.com/watch?v=5SnR-e0S6Ic
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=====Introduction (0:00)=====

Hi, I'm John Green. This is Crash Course World History and today is the penultimate episode of Crash Course. We're gonna talk about globalization.

This was going to be the last episode, but I just can't quit you, World Historians. So, today we're going to talk about globalization, and in doing so, we're going to talk about why we study history at all.

Past John: Ooh ooh, Mr. Green!

Present John: Yes, Me from the Past?

Past John: We study history to get a good grade to go to a good college to get a good job--

Present John: --so you can make more money than you would otherwise make and be a slightly larger cog among the seven billion gears that turn the planet's economic engine, right?

And that's fine, but if that's why you really study history, then you need to understand all the ways that the t-shirt you're wearing is both the cause and result of your ambition. This t-shirt contains the global economy: its efficiency, its massive surplus, its hyperconnectedness, and its unsustainability. This t-shirt tells one story of globalization. So let's follow it.

[Intro music plays]

=====The Interdependence of Global Trade (0:54)=====

So, globalization is a cultural phenomenon. It's reflected in contemporary artwork and population migration and linguistic changes, but we're going to focus, as we so often have during Crash Course, on trade.

So the world today, as symbolized by our international felt melange, experiences widespread global economic interdependence. Now, of course economic interdependence and the accompanying cultural borrowing are nothing new. You'll remember that we found trade documents from the Indus Valley civilization all the way in Mesopotamia.

But for a few reasons, the scale of this trade has increased dramatically:

1. Multinational corporations have global reach and increasing power.

2. Travel and shipping are cheap and safe. It took about two months to cross the Atlantic in 1800. Today it takes about five hours by plane, and less than a week by ship.

3. Governments have decreased tariffs and regulations on international trade, leading to what is sometimes called euphemistically "free trade." To which I say, if this trade is so free, how come BBC America is in the premium tier of my cable package?

=====The Role of Government (1:51)=====

To understand the role that governments play in international trade, let's look again at this t-shirt. This t-shirt, like most t-shirts made in the world, contains 100% American cotton. And that's not because the U.S. makes the best cotton or the most efficient cotton, it's because the U.S. government subsidizes cotton production. And that's what makes this cotton cheaper than cotton of similar quality from Brazil or India. But in the last 30 years, the US's share of cotton exports has gone down as Brazil, India, and Africa's cotton exports go up. And that trend will likely continue as the US moves away from its expensive cotton subsidies. In fact, these days it's already possible to find t-shirts with Brazilian, Indian, or Ugandan cotton, or a mixture of cottons from all around the world.

But because the American government doesn't subsidize industry in the way it does agricultural production, the actual spinning and weaving of the cotton takes place in lower wage countries: Mexico, Guatemala, Vietnam, China, India, China, China, sometimes even China. And then the finished shirts, called blanks, are usually sent to Europe or the United States for screen printing, and then sold.

You would think the most expensive part of this process is the part where we ship this across the Pacific Ocean, turn it into this, and then ship it back across the Pacific Ocean, but you'd be wrong. Wholesale t-shirt blanks can cost as little as $3; the expense is in the printing, the retail side of things, and paying the designer at Thought Bubble who was tasked with the difficult job of creating a Mongol who is at once cute and terrifying.

So contemporary global trade is pretty anarchic and unregulated, at least by international institutions and national governments. Much of this has to do with academic economists, mostly in the U.S. and Europe who have argued with great success that governmental regulation diminishes prosperity by limiting growth. Now, some nations-- in Latin America, the Caribbean, and Africa-- haven't been particularly keen to pursue free trade but they've been bullied into it by larger economies with whom they desperately need to trade.

So in the past 30 years, we've seen all these emerging markets lowering their tariffs, getting rid of regulation, and privatizing formerly state-run businesses. And they often do that to appease the International Monetary Fund, which offers low interest loans to developing world economies with the motto: Many Strings Attached.

Now, whether these decreased regulations have been a net positive for these developing world economies is a subject of much debate, and we will wade into it but not until next week.

=====The Nature of Global Trade (4:00)=====

First, we need to understand more about the nature of this trade. So you'll remember from the Industrial Revolution episode that industrial western powers produced most of the manufactured goods, which were then sold in international markets, but you'll also remember that domestic consumption was extremely important. I mean, almost all early Model T's were built by Americans, and bought by Americans.

But since the 1960s, and especially today, former non-industrialized parts of the world had been manufacturing consumer goods-- for domestic markets, yes, but primarily for foreign ones. This t-shirt, made in China and the Dominican Republic before being imported to Mexico and then to the United States, is a primary example of what I'm talking about, but so is the computer that you're watching me on. Your computer was probably manufactured in China, but with parts from all over the world, especially Taiwan, Japan and South Korea.

And this international manufacturing is always finding, like, new

markets too. Like, Brazil, for instance, has a huge technology sector. They make iPads there, actually. Sorry, I'm trying to play Angry Birds. But, what all these countries have in common is that while there is a domestic market for things like iPads and t-shirts, the foreign markets are much, much bigger. Oh, it's time for the Open Letter?

=====Open Letter (5:07)=====

An open letter to Cookie Monster. But first, let's see what's in the secret compartment today. Oh, it's a cookie dough flavored Balance Bar. For people who love cookies and pretending to be healthy.

Dear Cookie Monster,

Here's the thing, man. You don't have a stomach. That's why when you put a cookie in your mouth, it crumbles up and then it just falls out of your mouth. But here's what fascinates me, Cookie Monster. I believe you when you say you love cookies. It doesn't matter that you can't actually eat cookies because where you would have a stomach, you instead have someone's arm. And that, Cookie Monster, is what makes you a beautiful symbol for contemporary consumption. You just keep eating. Even though you can't eat. Cookie Monster, you are the best and the worst of us.

Best wishes,
John Green

=====Advantages of Globalization (5:49)=====

So, although die-hard Marxists might still resist this, by 2012 it's become pretty obvious that global capitalism has been good for a lot of people. It's certainly increased worldwide economic output. And while American autoworkers may suffer job loss, moving manufacturing jobs from high wage to lower wage countries allows a greater number of people to live better than they did when the First and Second Worlds monopolized manufacturing. And while I don't want to conflate correlation and causation, some 600 million people have emerged from poverty in the last 30 years, at least according to the World Bank's definition of poverty, which is living on less than $1.25 a day.

Americans can argue about whether absurdly inexpensive clothes, shoes and televisions are worth the domestic economic and social dislocation, but for the Vietnamese worker stitching a pair of sneakers, that job represents an opportunity for a longer, healthier and more secure life than she would have had if those shoes were made in the U.S.A.

=====Disadvantages of Globalization (6:40)=====

But, before we jump on the celebratory globalization bandwagon, let's acknowledge that this brave new world has some side effects. For instance, it maybe hasn't been so good for families, it definitely has not been good for the environment, and also there's a chance that globalization will spark, like, the end of the human species. But, we're gonna talk about all that next week. For today, let's bring on the bandwagon and ride straight for the Thought Bubble.

=====Thought Bubble (7:04)=====

So these days, people move more than they ever have. 21% of people living in Canada were born somewhere else, as was an astonishing 69% of Kuwait's current population.

Migration has become easier because:

1. Air travel is pretty cheap, especially if you only take a few plane trips in your life, and

2. It's relatively easy and inexpensive to stay in touch with relatives living far away thanks to Skype, mobile phones, and inexpensive calling cards. Also

3. Even with increased industrialization in the developing world, economic opportunities are often much better in wealthy countries. Remittances-- money sent home by people working abroad-- are now a huge driver of economic growth in the developing world. Like, in Tajikistan, for instance, remittances are 35% of the country's total gross domestic product.

With all these people moving around the world, it's not surprising that globalization also means cultural blending. When people move, they don't just give up their literary, culinary, artistic, and musical traditions. Globalized culture is a bit of a paradox, though, because some people see culture today as increasingly Americanized, right? Like, FRIENDS is currently broadcast in over 100 countries; you can find Diet Coke for sale deep in the jungles of Madagascar; the NBA is huge in China. There are fewer languages spoken today, and probably less cultural diversity.

But on the other hand, an individual's access to diverse cultural experience has never been greater. Bollywood movies, Swedish hip hop, Brazilian soap operas, highlights from Congolese football matches, these are all available to us. Culinary cultural fusion is all the rage; more novels are translated from languages than ever before, although few are actually read; and in the surest sign of cultural globalization, football, the world's game, has finally reached America, where broadcasts of the greatest collective enterprise humanity has ever known, Liverpool Football Club, got record ratings in 2012. Thanks, Thought Bubble.

Hey, one last request: Could you put me in a Liverpool jersey? On the pitch at Anfield? Raising the premier league trophy? WITH STEVEN GERRARD HUGGING ME? YES, JUST LIKE THAT. OH, THOUGHT BUBBLE I LOVE YOU SO MUCH.

=====How globalization has changed us (9:06)=====

Okay, so this all brings us to how globalization has changed us, and whether it's for the better. Assuming you make the minimum wage here in the United States, this t-shirt, purchased at your friendly neighborhood e-tailer dftba.com, will cost you about three hours' worth of work-- and yes, that does include shipping. By the time it arrives at your door, the cotton within that t-shirt will have traveled by truck, train, ship, possibly even airplane if you opt for priority shipping. And it will probably have traveled further than Magellan did during his famous circumnavigation of the globe. You get all that for THREE HOURS of work; by contrast, a far less comfortable garment several hundred years ago would have cost you ten times as much work.

But these improvements have been accompanied by change so radical that we struggle to contextualize it. Like, the human population of our planet over time looks like this. Dang. Like, in 1800, there were a billion human beings on this planet. And that

was more than had ever been seen before.

And we live more than twice as long on average as humans did just two centuries ago, largely due to improved health care for women in childbirth and their infants, but also thanks to antibiotics and the second agricultural revolution that began in the 1950s, the so-called “green revolution” that saw increased use of chemical fertilizers lead to dramatically higher crop yields.

Of course, these gains haven’t been evenly distributed around the world, but chances are if you’re watching this, you A. survived childbirth and B. feel reasonably confident that your children will as well. That’s a new feeling for humans. And as a parent, I can assure you, it’s a miracle, and one to be celebrated.

=====Conclusion (10:38)=====

We study history so that we can understand these changes, and so that we can remember both what we’ve gained and lost in getting to where we are. Next week, our last week, we’ll look at the many facets of globalization that aren’t causes for celebration. But for today, let’s just pause to consider how we got from here to here, how the relentless and unquenchable ambition of humans led to a world where the entire contents of the Library of Alexandria would fit on my iPhone along with recordings of everything Mozart ever composed. In such a world, it’s easy to feel that we are big and powerful, maybe even invincible. It’s easy to feel that... and also dangerous. Thanks for watching I’ll see you next week.

=====Outro (11:18)=====

Crash Course is produced and directed by Stan Muller. Our script supervisor is Meredith Danko. Associate producer, Danica Johnson. And the show is written by my high school history teacher, Raoul Meyer, and myself. Our graphics team is Thought Bubble.

Last week’s phrase of the week was “Crush Those Rebels.” If you want to suggest future phrases of the week or guess at this week’s, you can do so in comments where you can also ask questions about today’s video that will be answered by our team of historians.

Thanks for watching Crash Course and as we say in my hometown, Don't Forget To Be Awesome.