

What is Globalization?

Economic "globalization" is a historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. The term sometimes also refers to the movement of people (labor) and knowledge (technology) across international borders. There are also broader cultural, political and environmental dimensions of globalization that are not covered here.

At its most basic, there is nothing mysterious about globalization. The term has come into common usage since the 1980s, reflecting technological advances that have made it easier and quicker to complete international transactions—both trade and financial flows. It refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity—village markets, urban industries, or financial centers.

From the IMF site: <http://www.imf.org/external/np/exr/ib/2000/041200.htm#II>, 10/1/04.

Summarize in your own words:

Levi's Last US Workers Mourn Loss of Good Jobs

By Ralph Blumenthal

[New York Times](#)

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Jeans maker's transfer of work abroad leaves them fearing job hunt

Clara Flores once thought she had the job of a lifetime, even, perhaps, the most solid job in America. She made blue jeans. Not just any blue jeans. Levi's. "It was the original," Flores said. "Wherever you went, it was the same Levi's blue jeans."

The \$4.2 billion company was founded 150 years ago by Levi Strauss, a Bavarian immigrant who settled in San Francisco to outfit the gold miners. It has turned out more than 3.5 billion pairs of the sturdy denim jeans with their trademark rivets at the seams and little red pocket tab, becoming an American icon.

But by the end of the year, the last pair of Levi's made in America will roll off the sewing and finishing lines at the factory in San Antonio, another casualty of the shrinking homegrown apparel industry that since 1995 has halved its domestic work force in favor of cheaper foreign labor. It will be a setback, too, for San Antonio, home to the Alamo. The city draws a throng of tourists but suffers from a string of factory closings, although Toyota is building an \$800 million plant to open in 2006.

Levi Strauss & Co.'s last three Canadian plants will close in March, the company said last month. That's part of a restructuring that will cut the company's payroll to 9,750 by next year -- the peak was 37,000 in 1996 -- and leave none of its jeans production in North America. The work will be contracted to suppliers in 50 countries, from the Caribbean to Latin America and Asia. Competitors, with few exceptions, have shifted their manufacturing to those regions or made jeans there all along.

Philip A. Marineau, who left PepsiCo in 1999 to lead family-owned Levi Strauss Co. as president and chief executive, said he saw little symbolism in the company's shutdown of production in the United States. "Consumers are used to buying products from all over the world," Marineau said from company headquarters in San Francisco. "The issue is not where they're made. For most people, that's not gut-wrenching anymore."

But it is for employees such as Flores, 54, an \$18-an-hour hem sewer and president of the local of the apparel workers' union, Unite. Flores, who has worked for the company for 24 years, will soon join 819 fellow employees in San Antonio in lining up for severance benefits and possibly retraining classes and grants to start their own businesses.

Workers said the company had a progressive record on providing for its laid-off employees. But Flores noted the workers' four weeks of annual paid vacation and their family medical and dental benefits that cost them only \$24 a week. She asked: "Where are we ever going to find something like this?"

1. What happened to Levi's jobs and employees in the US?
2. Why do you think Levi's decided to shut down their manufacturing plants in the US?
3. How does this case fit your definition of globalization? Relate it to the definition your group created.