



SECOND GLOBALIZATION

A presentation made by Cecilia Blanco, Diego Ricondo and Ángela Espeso.



INTRODUCTION

Since about 1980 there has been unprecedented global economic integration. Globalization has happened before, but not like this. Economic integration occurs through trade, migration, and capital flows.

World trade is measured relative to world income. Capital flows are proxied by the stock of foreign capital in developing countries relative to their GDP. Migration is proxied by the number of immigrants to the United States.

Historically, before about 1870 none of these flows was sufficiently large to warrant the term globalization.



TIMELINE

Globalization is defined as the process by which businesses or other organizations develop international influence or start operating on an international scale.

Here is a small timeline about what important changes happened during this third process of globalization:



Globalization is extremely important to the adoption of technology for many reasons including price availability and continuous advancements, but we should also understand what technology even is technology is defined as the application of scientific knowledge for practical purposes.

The foreign debt crisis was officially unleashed in 1982, when the Mexican government declared a moratorium on its payments, a decision also followed by other countries.

The first smartphone was announced in 1992 at a price of \$1,100. It was 8 inches tall and over a pound in weight. Its biggest selling point was email access. When you look at what you can get now for \$1000 in a smart phone you realize we have come a long way near 26 years.

In 1999, the Eurozone was implemented. The eurozone is a monetary union of 19 member states of the European Union that have adopted the euro as their primary currency and sole legal tender.

The Great Recession was a period of marked general decline observed in national economies globally that occurred between 2007 and 2009. The scale and timing of the recession varied from country to country.

TECHNOLOGY

Did you know that 92% of the world's currency is digital and doesn't actually exist physically?

This is just one example of how important new technology and the increasing digital world is being affected by humankind for many of us access to the Internet a reliable power grid and the cars we drive are simple things that we find necessary for life as we know it but we often fail to realize that most of these technologies are not produced or maintained in the United States to discover how these things are made and developed we must understand the basic idea of globalization



The main aspect of electronic technology that is affected by globalization is price most cars that are available for purchase now have integrated Bluetooth GPS and touchscreens for our convenience computers and smartphones have become cheaper and cheaper while being more powerful than ever.

The world labor wages, raw material prices and shipping raised all drop making low price electronics available.

Without these options our lives would be very different, globalization also benefits technology by allowing greater availability of advanced technology everywhere again price is a major factor in availability

EURO ZONE

The Euro Zone was the set of states which were members of the European Union who adopted the euro as the official currency.

On the euro side, the European Central Bank keeps interest rates higher than justified by unemployment in order to maintain credibility and investor "confidence" in the euro.

The introduction of the euro is the most important event for the global financial markets since the United States abandoned the gold backing for the dollar in 1971.

As a result:
Unemployment continues to be high in Europe,
The Euro stagnates at par with U.S. dollar, or below,
The European trade surplus with United States grows,
European investment in United States is strong as European firms move to take advantage of growing U.S. market,
Social welfare erodes as slow growth reduces revenues and governments attempt to stimulate private sector growth by further reducing the public sector

MONEY

Introduction to the US Dollars:

Near the 1940 USA became the leader of the monetary basis, so the dollar, which is the official currency of this country, became the most used full currency around the world.

This helped the dollar to become a biggest and powerful currency.

- The start of using new monetary ways and how the transport evolved and the new facilities to import and export.

- Since the World War II the United States economy suffered an important increase, the new facilities, the export and import, their production of new technological empires. All these factors helped the country.

- Their colonies in Africa helped them to increase their monetary power, because they started founding the natural gas, the petrol, gold and precious metals.

INTRODUCTION OF DOLLAR

The U.S. dollar has special advantages, it cannot operate outside economic laws forever. The dollar can maintain its value, and the U.S. economy can grow at a healthy rate and run large trade deficits for only so long. There are few things that economists can be certain about, but one of them is that the dollar must decline relative to the other major currencies of the world or America will face an economic slowdown. America's chronic trade deficits and its rising debt guarantee it.

RESULTS:

- The size of the U.S. market and its ability to grow larger, which gives people confidence that they will always be able to buy with dollars valuable things that America produces.
- Faith, based on U.S. political stability and on the relative transparency of American political and financial institutions, that there will always be a U.S. government willing and able to redeem its dollar-denominated securities.
- A large enough supply of dollars in the world so that one can always buy and sell them. In part, there are so many dollars available because the United States has been running trade deficits for so long.



¡THANKS!