

produced continued conflicts, despite U.S. and other Western efforts to broker peaceful solutions through negotiations. U.S.-supplied Israeli forces were proving superior, with Palestinian fatalities outstripping Israeli deaths by a 3-to-1 margin. The Arab and Islamic peoples around the world rallied around the Palestinian cause. The historic bonds of language, culture, and religion are not easy to erase, and the United States' backing of Israel was perceived, rightly or wrongly, as anti-Arab and anti-Islam. Yasser Arafat's death in 2004 sparked a reorganization of the Palestinian Authority's political structure. The Authority's 2006 election of Hamas brought adverse reactions from the West due to the party's non-recognition of the state of Israel. More recently, the 2006 kidnappings of Israelis by Palestinian and Lebanese militants prompted significant military reprisals from Israel.

The Globalization Era

The era of globalization has its roots in the 1980s and 1990s, decades of tumultuous change in the world economy. The fall of communism over this period gave capitalism a virtual monopoly of world economic philosophies. The economic liberalizations occurring in Latin America, Eastern Europe, and Asia were testament to the new era of global capitalism. The parallel spread of democracies brought new economic and political empowerment to increasing numbers of nations. International commerce was extending its influence across the world. The forces of globalization, aided by the World Trade Organization, had expanded international trade from \$2 trillion in 1980 to \$4 trillion in 1994, and to over \$10 trillion in 2005. Foreign direct investments in factories, plants, and machinery, barely half a trillion dollars in 1980, had risen to over \$2.5 trillion in 1995 and to \$12 trillion in 2006, as international corporations spread their commercial tentacles into all corners of the globe. This had been foreseen in 1983, when Harvard Business Professor Theodore Levitt had noted, "A powerful force drives the world towards a converging commonality, and that force is technology. It has proletarianized communication, transport, and travel. It has made isolated places and impoverished peoples eager for modernity's allurements" (p. 92).

But not everyone has been eager to sample "modernity's allurements." Indeed, many societies shied away from the conveniences and comforts of modernization. They viewed new products, technologies and lifestyles as form of cultural imperialism. Westernization, with its emphasis on the accumulation of material possessions and competitive lifestyles, became anathema to peoples steeped in religious philosophies and traditional lifestyles. Preserving national cultures became difficult in the face of competitive political democracies and market forces of capitalism. Institutions such as the extended family and traditional social class systems came under pressure as countries industrialized. Most important for religion-based societies (such as the Islamic nations), industrialization and modernization were perceived as distracting individuals away from spiritual ideals and toward commercial pursuits. Historically, the Christian religions had been able to reconcile religious and commercial goals with, for example, the Protestant work ethic. However, for many religions and peoples of the world, the spiritual and commercial paths were irreconcilable. For one to gain, the other must lose. Movements against modernization and Westernization, featuring groups such as the al Qaeda movement, became prominent as opposition mounted to the globalization movement.

The importance of religion in the world is undeniable. Islam has over 1 billion followers, as does Hinduism. A further 1 billion people (mainly in Asia and Mainland China), have had their lives shaped by Buddhism and Confucianism. The West's understanding of these religions and philosophies tends to be minimal, yet they are pervasive influences on their followers' lives. The influence of Protestantism and Catholicism on daily lives in the West is not extensive, and this has caused many to underestimate religious influences in other societies. For example, in agricultural societies, religion and benevolent deities are key factors where crops and climates are crucial in communities' fights for survival.

Then there are the modernization and Westernization forces that increasingly intrude into traditional societies. Leading the cultural intrusions into foreign lifestyles have been two major forces: international corporations and global media. U.S. companies occupy 5 of the top 10 positions in corporate rankings by assets worldwide, and 12 of the top 50. They are often the most visible of the world's leading corporations, accounting for about two-thirds of global brands. The top 100 control over \$2 trillion in assets globally. Yet this only represents one-eighth of all foreign-based assets worldwide. The influence of these companies on the global cultural landscape has been enormous, as have the effects of capitalist-inspired profit motives, efficiency orientations, and management and marketing methods that affect national lifestyles, especially in developing countries.

Global media have revolutionized the transfers of cultural images between countries through television, radio, and the Internet. The BBC, Vivendi, and Bertelsmann media corporations have carried European values and lifestyles into foreign markets. U.S. media influences include Disney, MTV, CNN, Cartoon networks and, of course, Hollywood. Many of these target and influence youth audiences worldwide, pulling them away from national cultures and toward Western lifestyles. As they do, they leave lasting impressions of the United States and North America.

The impacts of modern products, media, and technologies have not been positive for many peoples, with the result that many groups have coalesced under the anti-global banner. The religious right in the United States actively campaigns against mass media focuses on violence, crime, and sex. Attacks against McDonald's in France, India, and other parts of the world are signals of an underlying resistance to Western and, in particular, U.S. intrusions into national cultures. Canadian restrictions on U.S. media activities within their national borders have occurred because of fears of cultural imperialism. The 1999 protest against the WTO, known as the "Battle in Seattle," and other protest movements against the World Bank and the IMF demonstrate that not everyone in the developed world is enamored with global capitalism. Finally, there are many peoples in the developing world, and in Islamic countries in particular, that link Western influences with crime, immorality, and sex, and are anxious to keep such influences out of their lives. The United States, as the world leader of capitalism and Westernization, has become the lightning rod for the evils of the world, and is known in some strict Islamic societies as "the Great Satan."

Modernization through globalization may be inevitable, but how countries and companies use their influence in the world is controllable. The forces of modernization must be tempered by sensitivities to national cultures that have been built up over hundreds or thousands of years. This requires knowledge and understanding of world cultures, especially in the front lines of international business practice. Businesspeople ignorant of world cultures and business practices risk not only losing contracts and sales, but also compromising the integrity of the country they represent.

Questions for Discussion

1. How do other countries view the USA (positives and negatives)? How do you think those views were formed?
2. What do you think are the differences between modernization and Westernization?
3. What do you think caused the September 11, 2001, bombings? Why?
4. How much international business should students have as part of their business education? Put a percentage on the extent of international business content and justify it.