

Globalization history
can be traced to
hellenistic age
economics essay



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Globalization refers to integration of regional societies, cultures and economies through reduction of state enforced limitations on exchanges between different countries thereby enhancing a global network of trade and communication. While globalization is driven by interaction of different, economies, technology, political factors and social cultures, the term is in most cases used to refer to economic globalization where different countries economies become integrated into an international economy through a globe spanning network of trade, migration, foreign trade investments, technology and capital flows. Globalization also involves transnational exchange of ideas, languages and acculturation (Amin, 2004).

Globalization history can be traced from the Hellenistic age and the rise of cosmopolitan when commercialized urban centres of Greek culture like Athens, Antioch and Alexandria enhanced a widespread of trade and commercial links. Globalization continued with the colonization of Americas by Europeans which initiated the Columbian exchange enhancing a wide spread of crops, trade and human populations and migration. Globalization however got its modern form in 19th century shaped by imperialism when industrialization brought about economies of scale which made cheap production which was sustained by increased population demand. It's argued that the forces of globalization enhanced the world war (Barkema & Drogendijk, 2007).

Globalization as used by different economists and social scientists can be traced back in 1960s and has inspired diverse and numerous definitions and understanding. Globalization and internationalization are interchangeably used; the only distinction in the usage of the two terms is that

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internationalization is more focused on international relations, trade and treaties which are driven by labour and capital mobility. Globalization as used in economic context refers to reduction and elimination of barriers between different countries economies in away that flow of goods and services capital and labour is facilitated. Some of the things that slowdown globalization include countries political and capital policies which are inward looking and focused to protection of countries industries (Wood, 1998). To enhance globalization microeconomics processes need to be focused on economic policies, political subjectivity, capital and other different dynamics and domains so as to denationalize what has been made national.

Globalization is seen as a way of flattening the world into global system of trade, supply chain and outsourcing and this has greatly and permanently changed countries economies, political forces both in a good and a bad way. The rate of globalization is increasing and continues to have a rising impact on business practice and commercial organization, giving a neo-liberal kind of international economic systems (Beall, 2004).

Rapid expansion of transnational corporations in U. S and Europe has given rise to systematic trend of economies growth and die dynamics which are the main drives of the quickening globalization which has stand the counter tendency changes and forces that emanate from trade union actions and political activities. Globalization has become an irreversible phenomenon whose long history in market economic systems has given rise to transnational elites and political globalization which has phased out the traditional form of powerful-nation states, globalization has given rise to cultural and ideological homogenization worldwide coupled with significant <https://assignbuster.com/globalization-history-can-be-traced-to-hellenistic-age-economics-essay/>

inventions. Globalization has largely been driven by political planning which has seen a breakdown of trade borders and increasing interdependence of states through international commerce and trade and the establishment of international institutions to manage the globalization process. These institutions include the World Bank (formerly known as bank for International Reconstruction and Development), World Trade Organization and International Monetary Fund. Advanced Technology has greatly reduced the trade and negotiation cost through agreed trade tariffs which have seen the possibility of free trade among different countries (Ostry, 1998). Some of the actions involved in the General Agreement on Trade Tariffs include elimination of trade tariffs creating free trade zones, lowering the transportation costs and enhancing containerization which has made Ocean shipping in different countries possible, introduction of harmonized trade subsidies globally which has attracted different corporations in the international market. Increased restrictions in the harmonized intellectual property laws have also seen a great breakthrough for free trade such that intellectual properties and patents are recognized across states. Trade treaties enhanced by the WTO like the Uruguay Round which has introduced a uniform trading platform, other multilateral and bilateral agreements on trade like North America Free Trade Agreement (NAFTA) have greatly reduced the trade tariffs and barriers and enhanced free trade and given a rise in world exports and the total gross world product (Lazear, 1999).

Advanced communication technology; mobile phone and other computer software technology spread among countries which have made communication cheap and possible among countries, and worldwide

marketing has greatly driven cultural globalization with western American culture dominating most regions in expense of the traditional diversity. The contrasting trend led by movements in protest to globalization has not given any fruits in its defence for local individuality uniqueness and identity (Yeung, 2002).

According to Rothstein (2005), various economic characteristics of globalization like capital, labour, technology and exports and imports, we can easily measure globalization if we take it as economic globalization. Exports and imports can be determined as a proportion gross national income while labour can be determined as net migration rates flow; weighted by population inward and outward flow. Inward and outward capital flow can be determined through investment as a proportion of per capital income while technology can be measured in terms of worldwide research as well as development flows and the rates of change noted through inventions that has given new products in telephone, motor vehicle and broadband industries (Knaude, 2001).

However globalization is not economic phenomenon only and therefore requires a multivariate approach in taking its measurement. Swiss index has taken into consideration three key dimensions of globalization as political, economic and cultural effects taking some sub-indices like economic flows and restrictions, personal contact data, information flow and cultural proximity data which are available on annual basis. According to the Swiss index, Belgium is the most globalized country worldwide followed by Austria and Sweden while United Kingdom comes fourth followed by Netherlands

(Agell, 1999). The Index has shown that Haiti is the least globalized countries followed by Myanmar and Burundi.

Globalization has given forth to good and bad aspects which have affected countries in different ways. Movement of production materials and manufactured goods has given rise to emergence of worldwide markets and given consumers and firms a broader access to foreign products. The trade between China and Africa particularly has rise seven times fro the period between 2000 and 2007. Emergence of international financial markets has given customers worldwide access to external finance. This has however grown fast than the transnational regulatory regime and given rise to instability in the worldwide financial infrastructure as evidenced by the current financial crisis (Mishkin, 2009). Realization of a worldwide market where goods and capital are free exchange has a great economic realization while its interconnectedness would give great effects in case of one economy collapsing. For instance, every worldwide IT company has established its market in India, if India's economy collapses this would have the adverse effects spread amongst many other economies (Buckley & Ghauri, 2004).

Globalization has greatly affected the health systems on a global scale where health has became a trade commodity especially in developing nations following the structural adjustment programs which have seen the health sector privatized and the health policy largely fragmented due to various private interests which have focused on partnerships as a way to fight the various problems instead of a comprehensive health strategy. Health policy has greatly been affected by the global trade and economy driven by the technological advancement which has given innovative medical care trade. <https://assignbuster.com/globalization-history-can-be-traced-to-hellenistic-age-economics-essay/>

At time the global priorities have run over the nation health care priorities making the health infrastructure more valuable to public the privatized form of health care which largely focuses on the wealthy (Dunning, 1998).

Globalization has led to creation of governments with relaxed relationships and guaranteed social and economic rights. United State has over time taken a powerful position following its strong and wealthy economy. The republic of China has experienced rapid growth following globalization and with support from the United States. Economists have projected that if China's growth is maintained at that rate, this would bring a great change world wide in the next twenty years since it will mean power reallocation among world leaders with China being one of the wealthy and industrialized nations and this will rival the United States worldwide powerful position (Jones, 2008).

Increased Informational flow between different geographical locations has brought technological change with the introduction of fibre optic communications and improved accessibility via telephone and Internet facility. Globalization has also increased competition due to worldwide market which has challenged different companies and industries to improve their products and skilfully use technology. Globalization has brought various ecological changes and environmental challenges due to cross boundary pollution of water and air and the overfishing of oceans as well as spread species which are invasive. This can be faced out through international cooperation, but it's noted that most factories run their plants in developing nations where environmental regulations are lenient. As such globalization and free trade has largely increased pollution in these countries and

deteriorated people's standard of living. The world ecological capacity has <https://assignbuster.com/globalization-history-can-be-traced-to-hellenistic-age-economics-essay/>

proved insufficient to handle the ambitions of China, U. S, and Europe among other countries sustainably. Also globalization would bring about depletion of resources like zinc, terbium and indium, if U. S, China and India continue with the current consumption this would lead to conflict over diminishing natural-resources (Casson, 1996).

One classic cultural aspect of globalization is food consumption whereby people in China can be consuming American food while those in Africa can be consuming Italian meals. McDonalds is one of the American food companies with a global network of 31, 000 locations worldwide and has had great cultural influence globally. In addition to international travel, migration and tourism internet has broken down cultural borders worldwide through enabling interaction and communication among people from different state, thus sharing different lifestyles and cultures even beyond the language barriers by use of photo sharing websites. Globalization has led to spread of multiculturalism where some local cultures have been assimilated and others have been supplanted (Taylor, 2008).

Globalization has however faced significant opposition internationally arguing that it has lowered the quality of life and increased the environmental degradation by reducing the competitiveness of some countries industries, and perhaps agriculture in nations that have not yet adapted to the changes brought by globalization (Daryl, 2009). The flow of information, products and people across countries has led to spread of deadliest diseases like HIV/Aids which still remain a top cause of death especially in Asia and Africa while the infectious disease actually began in America. Also, globalization played vital role in the recent bird flue which <https://assignbuster.com/globalization-history-can-be-traced-to-hellenistic-age-economics-essay/>

spread to different nations and killed several. Other diseases whose spread has been fuelled by globalization include the chagas disease and tuberculosis (Bernstein & Cashore, 2000).

Globalization has created opportunities in developed and rich nation's thereby driving talent from poor countries which has led to brain drains. This has cost Africa continent approximately \$4. 1 billion expatriate professionals yearly. Globalization negative economic liberalization effects are also manifested by the global financial crisis which has been as a result of interconnected states forming global economic system such as the crumple of subprime financial or mortgage market in U. S. The flow of products like televisions, textiles and others in the U. S have fueled expansion of Asian economies but has as well raised great criticism against Chinese textile products in Europe as well as in African countries (Levy-Livermore, 1999). For instance, the influx of Chinese textile goods in South Africa has led to loss of jobs by textile workers in that industry.

Different studies show that, globalization has not fought Income disparity and food insecurity such that the three richest people worldwide owns more financial assets than what 10% of the poorest world population possess. For example, in sub-Saharan basin Africa communities continue to live in extreme poverty with studies indicating that almost half of children population in India is undernourished. Globalization opens door for a poor country to reach international market, and as such large corporations have taken advantage of such economies to facilitate export poverty such that they invest in these nations due to low wage rates and if the countries labour laws are changed in favour of employees the corporations close down and <https://assignbuster.com/globalization-history-can-be-traced-to-hellenistic-age-economics-essay/>

relocate to other countries with conservative economic policies (Zander & Mathews, 2007).

In conclusion, critics argue that globalization has led most poor countries suffer disadvantages since their exports are mainly agricultural products and they are unable to offer their producers subsidies which are enjoyed in the developed nations thereby lowering the prices for poor producers.

Globalization also leads to exploitation of workers who are impoverished in these poor countries through cheap labour and weak labour unions (Taylor, 2008). Globalization is mediated depending of corporate interests which results to alternative institutional policies that address moral claims for both the poor and working population and environmental concerns in an equitable way.