

# Pros and cons of globalization politics essay



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The 19th century witnessed the advent of globalization in something approaching its modern form. Industrialization permitted the cheap production of household items using economies of scale, while rapid population growth created sustained demand for commodities and manufactures. Globalization in this period was decisively shaped by nineteenth-century imperialism. After the Opium Wars and the completion of the British conquest of India, the vast populations of these regions became ready consumers of European exports. Meanwhile, the conquest of new parts of the globe, notably sub-Saharan Africa, by the European powers yielded valuable natural resources such as rubber, diamonds and coal and helped fuel trade and investment between the European imperial powers, their colonies, and the United States. It was in this period that areas of sub-Saharan Africa and the Pacific islands were incorporated into the world system. The first phase of “modern globalization” began to break down at the beginning of the 20th century with the First World War. According to John Maynard Keynes “The inhabitant of London could order by telephone, sipping his morning tea, the various products of the whole earth, and reasonably expect their early delivery upon his doorstep. Militarism and imperialism of racial and cultural rivalries were little more than the amusements of his daily newspaper. What an extraordinary episode in the economic progress of man was that age which came to an end in August 1914”. The final death knell for this phase of globalization came during the gold standard crisis and Great Depression in the late 1920s and early 1930s. Globalization in the middle decades of the twentieth century was largely driven by the global expansion of multinational corporations based in the United States and the worldwide export of American culture through the new

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media of film, television and recorded music. Today, cross-border capital flows are more important than trade flows, and some transnational corporations now have budgets larger than the economies of many countries. But what is globalization by itself?

Imagine how life was twenty years ago. There were no cell phones, no computers, definitely no laptops. Therefore, there was limited communication not only between people from other countries, but also between people who lived on the opposite site of the same country. Instead of sending emails that only take a few seconds to receive, letters were sent and received within a few days or weeks.

In its simplest way we can describe globalization as elimination of borders such as each country becomes socially, politically and economically interdependent with one another. In ideal global community economic globalization will lead to emergence of global market place or single world market. Depending on the paradigm, globalization can have both positive and negative effects on participating nations.

On the positive side, globalization has resulted in increased access to more goods and consumers in many countries, reduced prices due to competition with local monopolies and increased food supply due to industrial agricultural in some countries. There is a worldwide market for the companies and for the customers there is a better access to products from different countries. For example, people are quite happy when they are able to purchase label products like Nike shoes, GAP clothes, Sony Play Stations, Apple devices, Toshiba computers for bargain prices. These are just a few items people from

first world enjoy purchasing for reasonable prices. The prices are kept low by the manufacturer because the items are produced in the third world countries where labor costs are minimal. Poor people in some countries have been able to buy cheaper imported goods rather than goods produced by local monopolies. Transnational companies provide third world regions technology and employment wages and as a result of financial investment the employed workers can afford food, cloth and a shelter for their families. In theory, the region should go on prosperity and eventually start importing goods and services created based on other countries in addition to exporting goods and services created on their own. A recent study by the London-based Center for Economic Policy Research reports that globalization increases economic growth and improved the incomes of both rich and poor people. The researchers claim that the number of people living in poverty today would be even greater without globalization. However, there is more inequality among and within countries today than in the past. Between 1870 and 1990, the gap in per capita income between rich and developing countries has grown fivefold.

Closely related to equality and wages, labor conditions is another area influenced by globalization. On the positive side, some workers in lesser developed countries have received more education and training from multinational companies due to globalization. Furthermore, there is some evidence that increased competition has resulted in upgrading educational systems to produce a more highly qualified workforce. The threat of job displacement is one of the most tangible concerns that critics have regarding globalization. Workers have more employment opportunities in some

countries, but they have less in others where certain industries and firms have been put out of business by global competitor. Some people have less choice about how they make their living as a result of globalization. In fact, globalization affects everyone; from the villager working in a third world transnational factory to the unemployed former factory worker in North America. These two types of individuals best represent people most affected by globalization. The third world factory workers may for the first time in their lives have a predictable and steady income to feed, clothe and shelter their families. In the past they may have been vulnerable to diseases and starvation. It also has significant impact on people in North America as many of manufacturing jobs were relocated offshore where labor cost and taxes were nominal. They not only have lost their jobs, but also their homes and their hopes. Increasing imports from low-wage countries are perceived by some as a threat to manufacturing jobs in industrialized countries, particularly in labor-intensive sectors.

The key question regarding globalization and governments is whether or not globalization threatens national sovereignty. Historically, governments played a major role in promoting their country's economic development and managing its economy. Today, however, some critics argue that government matters less and less in a global economy. On the positive side of the ledger, for some governments, globalization has resulted in expanded infrastructure, more jobs, and more economic development for their citizenry. Certain countries have benefited from the transfer of modern, more effective management techniques to their business sector. Furthermore, some observers believe that the increased interdependence of trading and

investment partners will draw countries closer together and serve as deterrent against war. On the negative side, international competitiveness has influenced public policy in some countries by encouraging government officials to lower labor standards. Because governments may view themselves in competition with others in a race to the bottom to attract investors to their country, foreign firms can have the upper hand in negotiations unless governments have something unique such as rare natural resources, highly trained people and a large market to offer. Singapore, for instance, invested heavily in education, attracting high-tech and professional industry rather than limiting its population to employment in low-wage factories.

Globalization may be a positive force for greater cross-cultural understanding via more cross-cultural exposure and closer cross-border ties. In the past thirty years we have been socially connected to the internet and have created global links between people and fields of education, medicine, science and technology, art, entertainment, trade, travel, business, politics. The list goes on and on. We surf the internet in search of movies, music and fashion. We can even go on online dating services that connect us up with the perfect guy or girl that we have been dreaming to meet. As Tomlinson stated, " A world of complex connectivity thus links the myriad small everyday actions of millions with the fates of distant, unknown others and even with the possible fate of the planet". According to Tomlinson increased connectivity of the world is as a double-edged sword that provides new and wider understanding at the same time that it takes away the securities of one's local world. Critics claim that globalization is creating a monoculture

that is rapidly spreading around the world. By this view, weakened cultural traditions combined with the importation of foreign media, stores, and goods encourage cultural homogenization. For instance, television has universally connected many cultures to one another. In fact, many non-western cultures have been influenced by the broad scale of exportation of western culture through music, television and the internet. Critics claim that globalization has irrevocably changed the social landscape of communities and constitutes a threat to national culture in various ways.

As what concerning environmental sustainability, positive side of globalization is that it caused some countries to make a narrower range of products more efficiently. In other words, it has given them a comparative advantage. It has been responsible for creating and exporting technologies that use fewer natural resources and result in less waste and pollution. Globalization has facilitated improved energy efficiency, reduced use of materials, metal recovery technologies. The industrial ecology movement has sought to improve environmental responsiveness at the same time that it reduces the global cost of production for corporations. On the negative side, because of globalization, harmful technologies and activities have also been exported. Although better technology is available, companies do not always use it because it may be expensive. Therefore, globalization is blamed as a source of pollution. Since environment is a heritage of all human beings and everyone is affected it becomes a global environmental problem.

How does globalization affect our life? Because of globalization we have a great number of choices as to what types of movies, food, cloth, technology and books we can purchase and what prices we pay for them. Our choices

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might become limited if we are not able to secure our jobs because of the negative economic impact of global shift in economic investment outside our country. Since globalization in some degree erases borders, we start to live in cultural diversity. Because some of our friends are foreigners, we are growing in understanding of their cultural heritage and experience some kind of social connection with their home cultures. We look around our house and see goods that have been manufactured all over the world – blankets from India, tea from Ceylon, cloth from China, Korea and France, furniture from Canada and so forth.

How does economic globalization be fully achieved? The realization of economic globalization can only be achieved through the progressive change of law and policies governing how countries exchange goods and services with one another. The North American trade agreement between USA, Canada and Mexico is a good example of this type of globalization political policy creation. The paradigm of past eras of protection resulted in policies that served as national interest of individual countries to preserve local jobs and produce markets. Tariffs, trade quotas, legislations were passed to assure imports could not have competitive pricing edge and gain significant market foothold within the country. Nationalism and its reluctant trade policy often restrained the flow of goods and services across borders. As time pasts, countries more often start to realize that in order to be competitive they must start to open their borders more widely.

In conclusion, the current debates raging on globalization and the explosion of publications on this topic reflect the importance this phenomenon has gained in recent years. We can picture globalization as a process that has

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resulted in both positive and negative consequences, both winners and losers. Given the complexity and scope of the topic, it is difficult to determine with precision whether some of the problems linked to globalization would exist independently and to what degree. Globalization in its current state often involves serious tradeoffs such as economic development and jobs at the cost of environmental degradation and weakened labor protection. Given the ever-evolving history of economic development, trade, and international relations, there is little reason to assume that globalization as we know it today is the final version. It is time to consider how we as future managers may contribute to globalization and whether we may take a strong leadership role in influencing the way people think about and practice global business in the future.