

The positive and negative effects of globalisation on china essay



The combination method of local economics, civilisation and sophistication through the worldwide system of communication, transportation and trade is known as globalisation. The combination of the local economy to the foreign economy through different activities such as international trade, investment, international migration and the expansion of new innovation which are related to economic globalisation. It is commonly known as the integration of local economy, new technology, the tradition of the people and political factors to the foreign countries. Globalisation has influenced the different countries depending on their level of achievement and their expose to the movement of the global economy (Milward, 2003).

Globalisation is a multi-dimensional process approach from view-point of the distinct disciplines. Economists give emphasis on the increase of global trade, flow of international capital and the liberal governance of the international companies. Political scientists observe globalisation as a procedure which tends to demoralise the nation and rise of the new government. Similarly, socialists inspect globalisation as the spread of a multi-culture and the supervision of the mass-media by large firms (Wall et al., 2010).

However, it is the process of becoming the whole world into the single market. Moreover, the goods and service, capital and manpower are taken from the whole world. China will be the next economic supreme power. Many economists predicted that in some years China will counterpart the Japanese and US economy. China is success to take the advantages of raised globalisation to extend its fast growth of economy and development. (Yao & Yueh, 2006).

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China has also experienced the difficulties of economic integration. Because of the economic integration, China got the achievement of being the next supreme economic power. Globalisation has become very good for Chinese people to increase their annual income and better lifestyle. Globalisation in China has resulted in major economic development, attributed by maximised distribution of capital, technology, information, services and the opportunities as well as challenges presented by globalisation in the world today. Main Body Globalisation is the core idea for the financial improvement in China, faced by the open movement and maximised the distribution of capital, information and technology.

It is predictable consequence of the development of science and revolt of information tools since the decade of 1980. In the present context of financial globalisation no one can progress in separation. China also has got so much knowledge from her past; separation gives backwardness in every sector of development. Development and prosperity in every sector is obtained by open policy (www.

chinese-embassy.org.uk). The impact of information revolution varies in different industries. The information technology has changed in a large scale in industrial sector of the developed industrial countries. The burst of some companies such as computer, software, communications and some financial services gives huge amount of new product and efficiency but other industries are in their constant position.

In economic sector, China is a new advanced machine for the world, while the global prosperous also preparing some remarkable chances for china and

even Asia. As the President of China Jintao H. (2005) points out that in the time of 26 years the GDP of China upturned from \$147. 3 billion to \$1. 6494 trillion which is overall 9. 4% increased per year.

Similarly, its international trade increased from \$20. 6 billion to \$1. 1548 trillion of overall increase of more than 16%per year. Likewise international exchange rose from \$167 million to \$609. 0 billion. The figure of poor in rural area has dropped from 250 million to 26 million.

The life standard of Chinese people improved rapidly and national power of china has remarkably upturned. At the present time most of the power nations invested in more than 400 firms and above 700 of R&D centres in China ([www. theglobalist. com](http://www.theglobalist.com)). The structure and central process of the industrial sector of the country is diversified. There was no any main trouble in the central system at the reform period at the time of 1980s, separated from topographical division of industrial arrangement (Huchet, 1993).

In spite of liberal vanishing of the strategy, the central government maintained its regulations on the main national owned companies. Local government was also the de facto owners of the national and some joint small scale corporation in the series of different governmental decentralisation process. Because of the inspiring fiscal policy, these business got advantages from the decentralised banking system and upgrading policy for the community leaders according to their ability to develop the local economy. As a result, at the end of 1980s, there was some distinction among companies in their regulation process like large government enterprises run from the central government and the small and

medium level business in city area are monitored by the local government. Since the late of 1980s, the second stage of diversity, straight connected to the progress of competition in Chinese firms.

Because of great competition in some companies like light industry, food production and textiles, forced them to apply reforms to change the market. The rise of the great competition in the mid of 1990s has forced to the rise of some new Chinese group companies with complicated regulation arrangements. The Public sector financial companies such as trade, transportation, finance and state group companies are fully supported and controlled by the central government. The joint ventures capital is regulated by international companies and small groups are controlled by the main owners. At the early of 2000, there were more than 21, 000 large state-owned companies straight controlled by the central government (Huchet et al., 2007).

These enterprises got approach to all source of financing which were supported by the government authorities. They had benefit from political connections to reach the state commercial banks to get the different types of credits. In this situation, China's entry into the WTO with secured sectors like automobiles, steel industries, machineries and telecommunications, enforce a greater control on these firms in order to face the competition with multinational companies. However, there were a lot of restrictions to the opening-up sectors in the protocol accepted by China for its succession into WTO.

So, this could have conflicted result for these Chinese firms. The massive process of trying to win in there market and privatisation have remarkably progressed the process of corporate governance of these companies and firms. Overall, China's entry into WTO was the positive impact on their system of governance for increment of the opportunities for collaborations with international groups and increasing potentiality to compete in local market. The influence of globalisation on different countries in their development stages are not the same.

The profit from the globalisation is not properly shared out for different nations. The developed nations got advantages in different ways such as capital, technology, human resources and administrative process. These countries are the most dividend of the globalisation. Conversely, the developing countries are in opposite position of getting the benefits from this. They may get some foreign investment, modern technology but extremely susceptible to the bad influence of the globalisation and deficiency of the capacity to decrease the risk appears with globalisation.

In the recent years, the economic security for the underdeveloped nations is on the edge of being freeze out by globalisation. So, while taking part in globalisation process, the developing nations should be attentive and try to feat to get the advantages and keep away the risk and hazard. They should increase the strength of regional cooperation and minimise the difficulties and risks (Snowdon, 2007). In the past two decades, China supposed an annual average growth rate of 9.

31% (www. tradingeconomics. com). At present, China is one of the supreme trading nations in the earth.

According to World Bank's Development Indicator, the overall life expectancy of China is approached to 73. 1 years in 2008, which is near to that of developed nations. China has run in its own unique roadmap of socialism so that the above desired result was obtained in the short duration of time. In a speech by Dr. Chen J.

(2003), China is systematically opening for developed as well as developing countries in the field of economic and social development. Opening-up proceed gradually from four main economic zones to the World Trade Organisation through coastal cities and capital cities. China paid focus on international cooperation and competition during opening-up interval and got advantages from cheap labours to inter foreign investments and technology to boost up the economy. On the contrary, in an article by Nolan & Zhang (2002) in ' World Development' focused that there are challenges for Chinese policy-makers from the international business and high-economic countries.

Because of lack of privatisation, Chinese firms are unable to take part on the ' global-level playing field'. Furthermore, there is competitive struggle between firms and customers in the market level and also no perfect competition between small firms but competition between large and oligopolistic firms. China is aware about the future of regional cooperation for recovering the risk-opposition capability. Developing countries are facing the problem from the weak economic condition and it is difficult to resist the risk

of globalisation. So, increasing the power of regional financial cooperation, they can get benefit from this. In the present context, regional and sub-regional cooperation such as South Asian Association for Regional Cooperation (SAARC); are growing day after day.

In this situation, China has also signed The Framework Agreement of ' Association of Southeast Asian Nations' (ASEAN) on 4th November 2002 with viewing on the establishment of free trade zone with the eleven countries of south east Asia by 2010 (Dr. Chen, J. 2003). After that, China has made its own unique policy and achieved a good progress in different fields.

According to the World Bank's report on China Quarterly Update 2010, China's economic growth is rapidly growing during the global crisis periods also.

The growth is 9. 6% in the third quarter of 2010. The export part is very strong and the domestic demand is also very high. Conversely, the import is slow down and the external surplus is rising.

On the other hand, there is an impact on cultural convergence by the globalisation. One of the reasons of globalisation of trade is cultural convergence also. The advanced communication system and rising of international travelling have guided to increasing uniformity of overseas market. Similarly, the advanced technology increased the extent of global media and decreased the cost of communication for Chinese people. As a result, their tests were conversing and create the global market for standard product.

The changing of daily lifestyle and following the western culture are the main impact on Culture. As an example; now a day's, Chinese people are celebrating their birth day as similar to the European style. Most of the children are unknown about their traditional style. China plays the role of attracting foreign investment for so many years and now China itself invested overseas, on the quest of new opportunities, markets and raw materials for its financial developments.

One of the important overseas businessperson from Shanghai is Jacob Wood who had passed more than 30 years in an African business empire ' Golden Gate Group'. This group consists of some standard hotels, restaurants, construction and real estate business. It gives job for over 20, 000 people on the majority of Nigerians (www. npr.

org). On the other side, China has given largest growing market for the world. In the coming one decade the import of China will be over \$2 trillion from other country. On the contrary, millions of customers are benefiting from the cheap and top class Chinese product.

(Dr. Chen J. 2003). Conclusion China has obtained some positive as well as negative experience in her long history by the globalisation.

The revolution on information technology provided a good opportunity to introduce China into the global market. Now, China exports the product in most of the developed countries as well as developing countries. In every part of the world, we can easily get the Chinese product. China has just come into sight onto the global market as a main economic dividend after the time of entry into the WTO in 2001.

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Many economists predicted that China will be the next economic supreme power and she will overtake the US and Japanese economy very soon. China achieves very much progressed in industrial sector by applying her own unique roadmap. This is the main factor to increase the overall growth of the country. China is successes to meet the life expectancy near to that of developed country. On the other hand, China faced the challenges from the multinational company and high economic countries in the policy-making.

But also China is success to implement her own socialism which is the milestone to increase economic growth in global crisis time also which provides the opportunity to introduce China with the investment in foreign countries.