

Effects of globalization on the u. s. economy

[Economics](#), [Globalization](#)



American economy has seen a vast change in the 21st century with the globalization which has opened the global markets making goods easily accessible. US companies have turned to the global market in search of cheaper goods as the cost of production and labor is much less. This expansion into the global market is aided by eliminating trade restrictions and has revolutionized the American markets. These goods are not only profitable to the importer but affordable as well to the public. Globalization with all its advantages also has its own drawback which can be seen in the current economy crisis which almost crippled the American Economy.

The increased dependency imports almost crippled the situation as the US had to share the decline of the global market while enjoying the benefits of being one of the biggest players in the market. What effect has it had on U. S. producers of goods Since globalization has made goods attractive with reduced costs the increase in imports has impacted the small retailers, who look for quality goods which can compete with the lowered price. In addition to this outsourcing of jobs to countries with lower paid labor has brought down the national income to a large extent.

This has resulted in an artificially escalated increase of imported goods in comparison to the domestic production with few exceptions where the goods are still manufactured in the US with minimum competition from the global market. What effect has it had on goods produced in other countries? Globalization has had positive effects with competition keeping the trade business at its best. The consumer is benefitted with a choice of quality goods at a lowered cost as the developing countries are forced to keep the standards while maintaining the affordable trend in the market.

Ethnocentricity and its implication on globalization Consumers being swayed by ethnic attachments have influenced the market to a certain extent. It signifies why the buyer tend to reject foreign goods and are threatened by losing their identity and jobs to foreign competition. They are however also convinced of the quality and affordability being aware of the advanced technology being used in the global markets. This makes the overall attitude favorable in terms of the foreign market thus making ethnocentricity insignificant in the vast globalization impact. Works Cited Ronald Smith. March 21st, 2009.

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