

Globalization process

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



Globalization is the process which unites nations, societies and traditions through a worldwide system of communication, transportation and trade. Globalization is usually used as an easy way of spreading the technologies, production, and communication across the globe. It also involves the flow of thoughts and technologies. Due to globalization, regions are coming closer to each other. Globalization is not only modernization but it is the amplification of global social affairs which connect different locations in such a manner that local activities are bent by activities happening miles away (Steger, 2010).

Thus, globalization has very strong economic, governmental, educational and social dimensions. According to 'Malcolm Waters' in his book 'Globalization', globalization is defined as, "the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. This is a dialectical process because such local happenings may move in an obverse direction from the very distanced relations that shape them.

Local transformation is as much a part of globalization as the lateral extension of social connections across time and space" (Waters, 2001, pg. 5). Globalisation is the way by which people, companies and government of different nations integrate and interact with each other. The process of globalisation has effects on the cultures, atmosphere, governmental systems, economic developments, wealth and on individual's physical comfort in nations all around the globe.

Globalisation is the process by which normal life around the globe is noticeable by calibration of communication, transportation, financial activity,

Ecological and social interdependence. Globalisation has many positive effects opening up gaps of opportunities and economic prosperity to the developing countries but globalisation also has a harmful side with negative effects. In this assignment, I will discuss few positive and negative effects of globalisation.

According to researchers and intellectuals, modern age led to the foundation of globalisation but most scholars say that globalisation is not new and its origin can be traced back to the early civilization. For centuries, people have been trading to each other at great distances. Third millennium B. C. was the ancient form of globalisation. At that time the trade link was among Sumerian civilization and Indus valley civilization. After that era, there were many events where trade connections were made connecting several countries like, Greece, Egypt, Roman Empire, India, etc.

The attractiveness of the trade links led to the expansion of different trade routes. In 19th century, industrial revolution took place which was a significant time in the record of globalisation (Boudreaux, 2008). This was the period when Muslim dealers and Jewish started going to different locations all around the globe to sell a variety of products which led to the combination of thoughts and customs. This revolution led to improved trade and business dealings. Due to enhanced goods and colonization, many nations all around the world became the customer of European market.

However, the period of pre globalisation came to an end after World War 1. The effects of conflict were very adverse which led to the Great Depression. The time between 1850's and 1940's witnessed the acceleration of worldwide set of connections and cultural flows, dominated by European

powers. By the mid of the nineteenth century quick developments in communication and transportation technologies like, radio, telephones, railways, shipping, telegraphy, etc took place. Globalisation has a comparatively new thought and idea that the world has been implementing.

There are many positive effects of globalisation which are very advantageous for everybody in all countries. Globalisation has been the most successful affluence and anti-poverty movement in modern history. Following mentioned are some of the positive effects of globalisation on so various demographic segments of society. The most noticeable positive effect of globalisation is the improved and better quality of goods due to global competition. 'Customer is the king' approach to production has led to the improved quality of goods and services.

Because Domestic companies have to struggle out foreign competition, they are bound to lift their standards and customer satisfaction levels to survive in the market (Stiglitz, 2007). When an international brand comes in a new country, it comes in travelling on some goodwill and concern which it has to survive up to. This establishes competition and 'survival of the fittest' situation in the market. Due to globalisation, various companies have entered into the developing countries and therefore generated employment for the citizens.

This factor has given an opportunity to invest in the rising market and tap up the talent available there. Globalisation increases job opportunities as new firms start functioning in different countries; hence it increases living standards of people (Suarez & Qin, 2004). Usually there is a lack of capital in developing countries which obstructs the growth of domestic companies and

so employment. In such cases globalisation plays an important role in obtaining profitable employment opportunities. Globalisation greatly affects the global economy and the impact of foreign trade on economy is very immense.

Comparative benefit has always been a factor even in the history. Trade has been institutionalised due to globalisation (Bhagwati, 2007). Globalisation has improved free trade among nations and has improved liquidity of capital permitting investors in established countries to invest in undeveloped countries. It brings foreign exchange to the countries due to the increase in foreign trade. Globalisation is very favourable for the 3rd world countries as it results in economic development. It also improves the global economy by increasing GDP.

Trade between nation's increases as it provides freedom to the global marketing exchange of goods and capitals. Established countries can invest in developing countries and positive competition increases hence, improving businesses. It has been asserted that globalisation increases the productivity and living standard of people. With the manifold positive effects, globalisation also has its negative side. Few of its negative effects are listed below. The most significant negative effect of globalisation is the disappearance of several cultures.

The cultures of the countries that are economically powerful are more dominant than others. There is a great risk of spoiling of the cultural values of developing countries due to overseas investments and foreign citizens working from developing countries, changing the attitude, lifestyle and mind-set of the existing developing nations due to foreigners (Stilitz, 2003). Since

international community is growing, more population have become unaware of social, moral and ethical values which are diverse in defining group. Hence, globalisation damages small cultures which are in danger of being destroyed.

In order to save the cultures, small nations and developing countries should promote their cultural values and standards. Such nations should keep practicing their culture, so that young generation will be aware of all the customs and traditions. For instance, in developing country like ' India', many foreign companies and organizations operates and foreign trade is very immense, but the cultural values and tradition of people living there are still the same as Indians promote and practice their culture in every walk of life.

Due to globalisation, more and more companies invest on developing nations, which economically is very beneficial for the countries but significantly affects environment by polluting it and escaping easily from weak developing countries regulatory rules and regulations. Many products and manufactured goods produced by various companies are not eco-friendly and thus, increase pollution. It also increase the risk of transporting diseases like Swine flu, Bird flu etc. unintentionally between countries as individuals from all around the world travel more often after globalisation.

Many international powerful committees should be made in order to control and alert such companies and corporations who are responsible for polluting the environment and if they do not take action, then such corporations should be banned. This will help in decreasing the production of non eco-friendly products by creating awareness at the educational level and

informing individuals with their negative effect. In today's world, most of the corporations are aware of this negative effect and therefore, manufacture eco-friendly products which are healthy and recyclable.

The last major negative effect of globalisation is the complexity of competition. Due to globalisation, international trade between the nations has started to remove limits. This condition of companies has resulted in steady competition with the national competitor, as well as the international competitors. Thus, businesses want more thorough and demanding competitive environment in order to continue stability and progress. Expansion of monopole corporations and channel between manufacture expenses are the chief effects of this tough competition in businesses (Eriksen, 2007).

Developing and small nations choose to use overseas resources for their development, but instead, it disposes the equality and stability. Small corporations should focus on research and development. They should lower the manufacturing cost and should improve the quality of the manufacturing product, by using local goods hence, saving the cost of trade. Being a local company, they can understand the market better than the foreign companies. By doing this local companies in developing countries will be able to gain most of the market share and will be able to compete with the foreign companies.

In the conclusion, it can be said that globalisation develops better relations among nations and helps in eliminating negative perceptions for the people. Global problems and issues can be solved by discussions. Foreign trade and tourism leads to social benefits which increases migration between the

countries and provide chances to live and earn abroad. This results in the decline of cultural barriers and helps in improving the relationships among nations. But with all the positive effects it also has its share of disadvantages and is sometimes unfavourable for the countries that are undeveloped and weak.