

Understanding globalization process essay sample

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



Globalization is the process by which all people and communities come to experience an increasingly common economic, social and cultural environment and resource utilization (Kirkbride, 2001). In this modern world, businesses operate in a single market because of globalization and therefore using the same resources in their operations is no longer a problem since the world is becoming one. The people of the world, societies and economies are integrating as the distances are shrinking and fast means of communications are making the movement of people, goods, capital, information and knowledge much easier (Scholte, 2000).

The geographical boundaries are no obstacle. With this, the capability to influence each other is also increasing. As the globalization encompasses all spheres of life, politics, economics, technology, education, media and culture so is its capability to influence human life. The economy, however, occupies the most significant position in these areas. Even in global institutions like United Nations, World Bank and International Monetary Fund (IMF) role of a particular country and power to make and influence decisions depends upon the financial contribution that country makes (Stiglitz, 2002).

However, the concept has given rise to the competition, crime, anti-national activities, terrorism etc. Therefore, this paper focuses much on a discussion about the strategic themes that guide the concept of globalization. Firstly, economic theme guides this concept of globalization strategically in various ways. Globalization is something that does not operate in a silo and without economic factors globalization would not exist.

However, economic integration is concerned with the removal of trade barriers or impediments between at least two participating nations and the establishment of cooperation and coordination between them. Economic integration helps direct the world toward globalization which actually helps also developing economies to gain muscles (Anderson & Barnum, 2001). This economic theme guides the concept in the way that, countries of the world subscribe to the rules and procedures of the World Trade Organization (WTO) that oversees the terms and conditions of trade between countries.

There are other world bodies like the UN and several arbitration bodies where countries agree in principle to observe the policies of free trade and non-discriminatory trade policies when they open up their economies (World Bank, 2015). Additionally, the World Bank, argues that poor people are often excluded from globalization induced opportunities " by a lack of productive assets, weak infrastructure, poor education and ill-health;" effectively leaving these marginalized groups in a poverty trap which is the case in Malawi.

Economic globalization is the increase in economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, services, technology, and capital. According to the World Bank, (2015) the globalization of business is centered on the shrinking of international trade regulations as well as tariffs, taxes, and other impediments that overwhelms global trade. Economic globalization leads to the emergence of a global marketplace or a single world market and it

comprises the globalization of production, markets, competition, technology, and corporations and industries.

Current globalization trends can be largely accounted for, by developed economies integrating with less developed economies by means of foreign direct investment, the reduction of trade barriers as well as other economic reforms and in many cases, immigration (Singer, 2004). In addition, this strategic theme that guides globalization fuels the global markets which are becoming more competitive due to free trade and fair trade among countries.

The theme guiding globalization involves country combination, where the member nations remove all trade impediments among themselves but retain their freedom concerning their policy making regarding non-member countries (Manfred, 2009). The Economic Community of West African States (ECOWAS) and the North American Free Trade Agreement (NAFTA) are examples of this form. Further, the economic theme encourages more on Foreign Direct Investments since countries join economically while contributing more to the gross domestic product in the host country and improving living standards of citizens.

The above forms reflect economic integration between or among nations within a region. Global economic integration also occurs through multilateral cooperation in which participating nations are bound by rules, principles, or responsibilities stipulated in commonly agreed upon agreements (Consulting, 2015). On the other hand, political theme also guides the concept of globalization in this strategic and modernized world. It is government leaders

who make decisions either to go globally or not due to national relationships which are politically driven.

So therefore, political union requires the participating nations to become literally one nation in both an economic and political sense (Singer, 2004). This union involves the establishment of a common parliament and other political institutions. According to Manfred (2009), who popularized the term "flat world", arguing that "globalized trade, outsourcing, supply-chaining, and political forces had permanently changed the world, for better and worse".

He emphasized that the pace of globalization is quickening and that its impact on business operations and practice continues to grow. In addition, Varghese (2008) discusses a number of factors that can affect a country's ability to enter the world market, including government corruption; legal and social disparities based on gender, ethnicity, or caste; diseases such as AIDS and malaria; lack of infrastructure (including transportation, communications, health, and trade); unstable political landscapes; protectionism; and geographic barriers.

He argued that, although there are obvious problems with overly rapid development, globalization is a very positive force that lifts countries out of poverty by causing a virtuous economic cycle associated with faster economic growth. On the political dimension of globalization, social movements and governance and reform affects countries which can globally stand and perform (Varghese, 2008). The other theme guiding globalization strategically is the cultural theme. Through the process of globalization

different cultures interact and therefore, this theme contributes much to the global village.

Cultural globalization refers to the transmission of ideas, meanings, and values around the world in such a way as to extend and intensify social relations. This process is marked by the common consumption of cultures that have been diffused by the Internet, popular culture media, and international travel. This has added to processes of commodity exchange and colonization which have a longer history of carrying cultural meaning around the globe. According to Shaw and Galobardes (2007), the circulation of cultures enables individuals to partake in extended social relations that cross national and regional borders.

The creation and expansion of such social relations is not merely observed on a material level. Cultural globalization involves the formation of shared norms and knowledge with which people associate their individual and collective cultural identities. It brings increasing interconnectedness among different populations and cultures. Cross-cultural communication is a field of study that looks at how people from differing cultural backgrounds communicate, in similar and different ways among themselves, and how they try to communicate across cultures (Fotopoulos, 2001).

Cultural diffusion is the spread of cultural items such as ideas, styles, religions, technologies, languages etc. Cultural globalization has increased cross-cultural contacts, but may be accompanied by a decrease in the uniqueness of once-isolated communities. Globalization has expanded recreational opportunities by spreading pop culture, particularly via the

Internet and satellite television. Religions were among the earliest cultural elements to globalize, being spread by force, migration, evangelists, imperialists, and traders.

Christianity, Islam, Buddhism, and more recently sects such as Mormonism are among those religions which have taken root and influenced endemic cultures in places far from their origins (Fotopoulos, 2001). The term globalization implies transformation. Cultural practices including traditional music can be lost or turned into a fusion of traditions. However, music has an important role in economic and cultural development during globalization. Music genres such as jazz and reggae began locally and later became international phenomena.

Globalization gave support to the world music phenomenon by allowing music from developing countries to reach broader audiences. Though the term "World Music" was originally intended for ethnic-specific music, globalization is now expanding its scope such that the term often includes hybrid subgenres such as "world fusion", "global fusion", "ethnic fusion", and world beat (Shaw & Galobardes, 2007). Some critics of globalization argue that it harms the diversity of cultures. As a dominating country's culture is introduced into a receiving country through globalization, it can become a threat to the diversity of local culture.

Manfred (2009) argues that, globalization may ultimately lead to Westernization or Americanization of culture, where the dominating cultural concepts of economically and politically powerful Western countries spread and cause harm to local cultures. Globalization is a diverse phenomenon

which relates to a multilateral political world and to the increase of cultural objects and markets between countries. The Indian experience particularly reveals the plurality of the impact of cultural globalization. Transculturalism is defined as " seeing oneself in the other".

Trans cultural is in turn described as " extending through all human cultures" or " involving, encompassing, or combining elements of more than one culture," (Manfred, 2009). The last theme that guides the concept of globalization strategically is the environmental and technological theme. An essential aspect of environmental theme is resource availability and utilization, where businesses tend to know resources they possess, how the resources are used and how they are controlled. The environmental theme covers physical resources such as land, plant and machinery, financial resources and human resources.

On the technological dimension in the global aspect, transportation technology improved travel time and costs decreased dramatically between the 18th and early 20th century (Needle, 2009). For example, travel across the Atlantic Ocean used to take up to 5 weeks in the 18th century, but around the time of the 20th century it took a mere 8 days. Today, modern business operations are eased because of globalization which is strategically guided by the discussed themes above and the aviation has made long-distance transportation quick and affordable.

In addition, the environmental theme guides the concept of globalization in a strategic way, as countries do go global to access some resources in other countries. In this case, businesses plan strategically for raw materials which

are available in other countries or move to where there is cheap labour. For example, Apple moved its production to China where there is cheap labour and raw materials hence, increasing globalization and economic integration. Environmental cooperation, one of the biggest successes of environmental cooperation has been the agreement to reduce chlorofluorocarbon (CFC) emissions, in order to stop ozone depletion.

The most recent debate around nuclear energy and the non-alternative coal-burning power plants constitutes one more consensus on what not to do (Swain, French, & Barnes, 2004). In conclusion, globalization being the coming together of different economies while interacting and experiencing the same market forces, has brought many advantages, such as increased control of the supply chain, market growth, cost reduction etc. In the modern business operations, businesses tend to enjoy economies of scale because globalization acts as a magnet attracting countries towards global village.

Therefore, the above discussed themes help to guide the concept of globalization hence, growing the world economy and improving living standards of developing economies.

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