

Political, economical, social effects of globalization

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



Globalization has been the main theme of most news articles, magazines and even to most policies that exist in many countries around the globe today. Globalization transforms various things and ideas in order to come up with a new set of products and services that will meet the present demand of the market.

With the increasing knowledge of many scholars regarding the effects of globalization to political, social, and economic status of different nations across the globe, it would be extraordinary on observing how people from different walks of life react to the benefits and losses that globalization has been offering to the international community.

Though, many still believe that there are far more losers than gainers with the existence of globalization in the international community, the fact that the said global phenomenon continues to become prevalent even to the developing countries nowadays serves as the evidence that globalization is indeed having enough influence to penetrate even the most conservative countries with respect to embracing global changes and pressures.

Globalization has profound both negative and positive effects to the field of politics, society, and economics and since these three fields signify the entire sectors of a nation/country it would be necessary and beneficial for a given government to determine the effects of globalization on their country. This global phenomenon has been the source of down turns and competitive advantages of different countries around the globe which can be seen to many developed and developing countries of different regions around the globe.

With the inability to determine the kind of effect that globalization is providing into a given country, there is a great possibility that either this country would be able to fully utilize their potential gains to its optimal level or this country would just let globalization to destroy the stability of its various vital sectors. Therefore, it would be very important to pinpoint the effects of globalization to the said identified three fields above in order for a given country to determine how they will use globalization in order to attain impressive political, social, and economic stability in the present and coming years.

At the end of this paper, expect a set of alternatives wherein countries can utilize globalization into their major source of competitive advantage and ways in order to protect their interest on the negative effects of globalization into the various sectors of a given country. Effects of Globalization to Political Stability Globalization has been being associated with democracy for many political analysts say that in order to attain the optimal benefits of globalization one must first embrace democracy (Hewa & Stapleton 2005: 1-2).

With the launching of Bush administration's "Freedom Agenda", which main objective is to democratically transform Arabic countries through encouraging most Arabic countries to open their market [globalization] and with the opening of their market to international trading comes democratization according to the speech made by Bush during the G8 Summit at Prague last 2007 (Burnett 2007: 1) & (Yerkes 2006: 1), presently the Middle East is becoming a democratic region as many countries are

starting to open their market into the international market and embrace the idealism behind globalization.

In this regard, it is clear that globalization provides enough force for most of the Arabic countries like Egypt, Iraq, Lebanon, and Pakistan to accept democracy and become one of the United States to promote democracy around the international community. Another effect of globalization's rise would be the relaxation of some of the "serious" international policies of different countries to give way on the entry of globalization into their doors. Globalization has been greatly associated with international trading and most countries concentrates on regulating their trading volume with other countries for the past years.

Globalization promotes free market principle wherein there would be as much as possible less government interference that will happen in the market and this can only be achieved through the relaxation of some of the current government policies that impedes the existence of free market system in the international market. At the end of the day, by the time those "serious" government policies pertaining to international trading is already relaxed, then that is the only time wherein gains from globalization can be realized.

The only thing that makes this scenario negative to some countries is that only the developed countries receives the highest benefits from the relaxation of government policies of the trading countries while developing countries are being left with fewer gains relative to the developed countries. This is the main reason why many are opposing to globalization since they

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believe that this will only make rich countries richer while poor countries poorer considering that most of the benefits will still fall under the sides of rich/developed countries in the international market.

Furthermore, globalization is said to be deteriorating the autonomy of many countries around the globe as pressures coming from the external market continues to leave no room for less influential countries to oppose the demands of developed countries when it comes to shaping the formers international trading policies (Sarget 2003: 3) & (Held & McGrew 2000: 13). Like for instance, the United States, for many years, has been keeping its hands to the policy making decisions of most developing countries like the Philippines which at first seems beneficial to both countries.

But through close analysis one can see clearly that United States already stands into the sovereignty of the Philippines while at the same time receives most of the benefits from the said trading partnership. In this regard, globalization serves as a tool in order for developed countries to easily hold on and gets into the sovereignty of developing countries like for the case of the Philippines wherein they left with no choice but grant the demands of the United States in exchange for a small amount of gain even if it will cost their sovereignty or autonomy.

Based from the identified effects of globalization above, it is therefore clear that globalization only benefits developed countries more while leaving developing countries with less gains. Both developed and developing countries gain from the advent of globalization although it also led for the

developed countries to get into the way of developing countries and become more powerful in the international community compared.

Effects of Globalization to Social Stability. It was identified above that only the developed countries benefits more from the advent of globalization in the international community as compared to the developing countries. In response to this inequality, various groups, organizations of the society have been organizing mass demonstrations in order to condemn the said inequality when it comes to the distribution of gains from the advent of globalization plus the interference of most developed countries to the sovereignty of many developing countries.

Pro and anti-globalization groups have been on conflict which created various social conflicts between both parties. It has been identified that the rise of globalization led for many countries to suffer from the lose of nationhood as many of its sector starts experiencing instability like geographical political instability, rise of “ trans-border” ethnic and religious identities to name a few.

With this differences, political instability and conflict of various communities and civic groups within and outside the territorial boundaries of many countries around the globe caused by globalization was identified as one of the many reasons whycold warexists between many countries nowadays and from the past and one possible example to this would be the cold war between Yugoslavia and Soviet Union. The big question now would be if whether democracy, which is caused by globalization, could solve the

internal stability that reigns on many countries nowadays (Raghavan 1997: 1).

Another social effect of globalization would be the down turn of the labor union in many countries like the case of the United States. During the 1970s when the presence of globalization starts to exist in the market system of United States, there was a pressure for the economy of the United States to recover after World War II thereby leading for the rise of the private sector and rise of the free market system on the domestic market of United States.

In this regard, most of the federal laws and regulations supported the interest of private sector leaving labor union with less bargaining power and support from the government in the form of government policies. Labor union membership in the United States during that time starts to deteriorate as the working class begins to lose their trust regarding the power of labor unions to protect the interest of its members.

Actually, it was not only the membership of labor union that was affected, even the number of labor union on the domestic market of United States begins to decline resulting to rampant injustices coming from the members of the private sector (DeLong 1999: 1). Wages of the workers were cut at least twice a year plus different kinds of harassment were just some of the injustices that American workers experienced with the birth of globalization in United States.

Countless mass demonstrations were held by the remaining labor unions during that time in order to show their opposition on the rise of private

sectors power backed up by government policies due to globalization. It took years before this social conflict between the private sector and labor union community to settle down by the time the federal government starts shifting their support from the private sector going to the labor union during the early 1990's (Rodrick 1997: 4-5).

Therefore, globalization does not only disrupt the sovereignty of many nations, but also provides internal instabilities even on developed countries like the case of United States which causes social conflicts between different social class, civic groups to name a few. Effects of Globalization to Economic Stability Despite of the fact that globalization only led developing countries to lose their grip on their autonomy/sovereignty, globalization still provide enough room for the improvement of their economic growth (Hoang & Liao 2002: 2).

Globalization, as what have already discussed earlier, provides an avenue towards the attainment of greater gains from international trading.

International trading has been the main source of wealth and influences of many countries in the international community since the higher a country's role on the international market, the greater is the probability that it can influence the supply or prices of goods in the global market.

Globalization provides enough avenue towards the influx of foreign investment from developed to developing countries which offers additional job opportunities to the workers of the latter while giving competitive advantages to the former. In this regard, both of the trading countries benefits from this kind of market set up.

With the improvement of number of job opportunities for developing countries, households will now receive higher income, and with higher household income comes higher domestic activities awaits local investors (Goldberg & Pavcnik 2006: 1). In the end, developing countries become self sustainable by using the foreign investments in order to improve the welfare condition of every households of a given country plus their trade balance which is one of the main economic indicator of how well a country is performing in the international market.

Look at the case of China, with its cheap and abundant supply of laborers for many multinational companies from different countries have given the said country impressive economic growth for the past years during the time globalization forced many multinational companies to operate internationally and outsourced some of their products to other countries (Hoang & Liao 2002: 18-19). With this, China presently becomes one of the top performing countries around the globe in terms of volume of exports plus large foreign reserves generated from their surpluses from their trade balance.

Many countries are becoming dependent on the products and laborers of China such as the United States despite of the fact that the former is still being considered by many countries as a developing one. Furthermore, globalization provides enough pressure for different industries of various countries to become innovative in developing new products to supply the growing needs of man kind.

The development of new product provides competitive advantage for a given country since the latter can monopolize the production of that particular

product which in the end would grant the country on issue higher income and influence in the international market. For instance, the innovations of Microsoft on its software in the market provides enough room for the United States to have more influence in the international market since they have the competitive advantage in producing software for personal computers present in the market.

Globalization dictated to many consumers in the international market that computers nowadays are already necessity and one must have a personal computer with software from Microsoft. With this booming demand for Microsoft's software, United States starts experiencing improvement on their income, trade balance and bargaining power with other countries. In other words, through globalization, the booming of the IT industry in the United States would not be as high as it is today and the federal government will not be able to charge Microsoft with higher tax if the latter's products did not successfully penetrated its target market.

At the end of the day, it is therefore clear that globalization serves as a tool in order for both developing and developed countries to mutually gain from its existence in the global community through the improvement of country's trade balance, job opportunities, per capita income and domestic consumption. Effects of Globalization on Technology Technology serves as the main driving forces of many globalization processes especially in the field of international trading.

Many countries spent billions of dollars just to invest on technologically advanced machineries and equipment that will further increase their

production level and efficiency (Rand. org 2008: 1). Technology, aside from capital and labor, is among the main factors of production in today's market system as well as the source of competitive advantages of many countries in overcutting the performance of their competitors in the international market.

The know-how of technology of a given country could contribute for the attainment of impressive growth like for the case of Japan who presently leads the production of various lines of appliances, automobiles, mobile phones to name a few. Japan has been known for its ability to surpass the technology of many top nations in the international market. Despite the fact that it is still being considered among the developing countries, still, Japan has been able to compete at par with top developed countries like United States, United Kingdom to name a few.

In this regard, considering the case of Japan, it is therefore clear that globalization has been forcing the development of technology beyond its limits in order to suffice the growing needs and demand of the international community when it comes to machineries and gadgets that would make their everyday living easier and more comfortable.

Effects of Globalization on Culture. With the increasing integration and linkages/connectivity between various region and countries of the international community, there has been a transfer of cultural influences between those countries that interact with one another (Tomlinson 2006: 2-3). Like for instance, with the improvement of the trading condition between the Philippines and United States, the former starts to imitate Western style of living after becoming familiar with the customers, preferences, tastes, and

behavior of American through the transfer of products between the ports of the said two countries.

Asians has been known for their ability to imitate Western style of living through consuming imported products from western countries. With globalization, the entry of western products will now be much greater as compared before leading for countries in Asia to become more familiar and exposed to western products. At the end of the day, the transfer of customs, style of living, and product preferences will serve as the main tool of globalization to culturally link different countries.

By exposing each trading country's product to one another would provide enough roads for one country to influence one another like for the case of United States and Asian countries like the Philippines and Japan. Conclusion Though globalization has negative effects being imposed to both developing and developed countries, at the end of the day when we add all of the benefits and loses caused by globalization, the result would provide a positive answer; meaning the global community did gain from the advent of globalization in the international market.

As for the developing countries, they must tried to find other ways in order to attract more foreign investment without sacrificing their sovereignty like providing incentives instead of restructuring their current policies based from the demands of developed countries. On the other hand, developed countries must watch out for the internal conflicts that globalization might bring into their territory as different social class fight and struggle with one another for dominancy.