

Example of is
globalization
ultimately positive,
negative or in
between research ...

[Business](#), [Company](#)



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Introduction

Different authors define globalization in various ways. Nonetheless, globalization can be basically defined as the change process that seeks to transform local transactions into worldwide transactions. , asserts that globalization depends on three main forces. These include integration of financial markets, human migration, and international trade which is characterized by flow of capital. Further, there are three aspects of globalization which include markets, production, and finance. In regard to markets, goods and services offered by one company can be found all over the world. For instance, goods produced by Apple Inc. And Samsung can be found all over the world. Globalization has thus resulted into the establishment of multinational companies with branches all over the world. Likewise, with regard to finance, globalization has enhanced financial trading through the forex market. As such, traders are able to obtain real time financial information. Moreover, traders are able to purchase capital stocks offered by any company around the world. Lastly, globalization has enabled

production to take place in different places other than from a company's headquarters. Increased integration and globalization at large enables companies to save costs through production of goods from countries which offer cheap labour and materials. From the above assertions, it is clear that the world is currently viewed as one global market in which buyers and sellers are able to interact freely. Nonetheless, it is essential to note that globalization has various impacts on the economic, political, and social structures of individual countries. It is on this background that this paper seeks to discuss the effects of globalization. This paper will give an insight as to whether globalization is ultimately positive, negative, or in between.

Positive Effects of Globalization

Positive effects of globalization can be divided into political, economic, or social effects. Under this section, this paper seeks to discuss all the positive effects that result from globalization. Firstly, globalization leads to increased sales due to increased number of consumers. This in turn leads to increased profits and an overall improved financial performance. Companies seek to market their goods and services with an aim of attracting more consumers. This is made possible through globalization which enhances establishment of branches throughout the world. Secondly, globalization has enhanced the world economy through sharing of knowledge, expertise, and technology. This has facilitated innovation throughout the world. Through globalization, citizens from one country are able to seek jobs in other countries. Additionally, companies and various governments are able to seek expertise from other countries. This enhances quality and sharing of knowledge across

continents. It is through this process that companies are also able to reduce production costs while still maintaining a high level of quality production. For instance, most companies including Samsung and Hp have resorted to producing their products from China. This is due to the availability of cheap labour which in turn results into reduced costs of production. Consequently, the Chinese government has benefited a lot through such arrangements. This is because its citizens are employed thus reduced unemployment rate. Moreover, companies pay taxes which are usually considered as the main source of revenue within a country. Thirdly, globalization leads to improved social welfare among the population. This is because globalization facilitates outsourcing and increases job opportunities. Citizens from developing countries benefit from multinational companies which set up branches in their countries. The living standards of citizens who get employment opportunities in multinational companies improve greatly. Fourthly, globalization has led to increased competition among companies all over the world. Increased competition positively affects consumers since companies seek to ensure quality production of goods. A firm that faces stiff competition within the market in which it operates in ensures quality production through good practices such as total quality management. Consequently, consumers are able to access the best products and services which are also available in bulk. Fifthly, globalization enhances good relationships among citizens and governments of various countries. Globalization enables people from different countries to meet and interact through various forums. This fosters positive social and cultural integration through trade and marriages. Moreover, globalization enables adoption of various cultural practices which

positively affects the living standards and welfare of other citizens. This has also boosted the tourism sector through increased number of international visitors from different countries.

Negative Effects of Globalization

There are various negative effects of globalization. Firstly, globalization leads to unemployment in developed countries. The United States for instance has over the years experienced increased unemployment rate. This is as a result of transfer of job opportunities to less developed countries. With increased globalization, most firms seek to reduce production costs by taking advantage of comparative advantage. Less developed countries offers cheap labour and less stringent regulations. This makes them more favourable for trade activities. As such, the transfer of production headquarters to countries such as China has led to increased unemployment rate in countries such as the United States of America. Moreover, white collar job employees risk losing their jobs due to increased outsourcing of cheaper service providers. Secondly, globalization has over the years led to interdependence between various countries. The fact that goods can be produced in other countries cheaply has led to increased dependence by some countries on other countries. This dependence has been stretched too far since some countries depend on each other for essential goods such as food. Well, this may pose a huge challenge in case of political instability. Political unrests such as the one being experienced in Egypt currently usually lead to break down of systems. Countries which depend on each other, therefore, are at a risk of experiencing difficulties as a result of ripple effects. This negative effect of

globalization can also be explained through the financial crisis that began in the United States of America. It is not only America that was affected but Europe and Japan was also affected. This was as a result of interdependence that was brought about by globalization. Thirdly, globalization negatively affects the economy through increased rate of depleting finite resources. For instance, globalization has led to increased use of coal in China, India and the world at large. It is essential to note that increased consumption of coal leads to increased emission of carbon dioxide. In 1997, the Kyoto protocol was adopted through which a rough estimate of carbon dioxide emission was approximated. The actual carbon dioxide emitted from fossil fuels has been far above the approximated value. All these effects can be traced back to globalization which has led to increased production of goods for the available large market. Further, increased production and manufacturing of goods has led to increased waste. Emissions of gases into the air and lack of proper means of disposing waste materials has led to increased air, land and water pollution. Fourthly, globalization has led erosion of socio-cultural practises. For instance, the adoption of western cultures by most African countries has resulted into cultural erosion. The African cultures that have been particularly affected are the naming and dressing cultures. Most young people adopt western names and dressing styles. Fifthly, globalization has led to the collapse of firms operating within local industries and dumping. Firms operating within the local industries face stiff competition from large established firms. On the other hand, dumping is the act of exporting inferior goods to other countries.

Conclusion

I think that globalization is neither ultimately positive nor negative. This is because of the numerous positive and negative effects that it poses to the world at large. As such, I believe that globalization is in between.

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