

Free essay on economic dimensions of globalization

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



- The corporation was a common form of business in the US and the world before the 20th century albeit in different formats and operational structures. Roy (41) posits that corporations were originally formed by government and chartered to perform specific tasks like road construction, building of water systems, land exploration and settlement and many other tasks that the government believed could not be assigned to private individuals. These were tasks that conventional businessmen would have found too risky, costly or unprofitable to perform or which could have collapsed if left to market forces. The fourteenth amendment assigns to the corporation similar rights to those of an individual which means that the former is a 'natural person' protected under the US Constitution (Keeble 57). This is what was intended because the corporation is owned by individual human shareholders.

- It is true that a corporation can prioritize public welfare before corporate profits, if the former is willing because it is a legal entity. Externalities are the positive or negative consequences experienced by the third party as a result of investment. For example, a community that lives near a company that emits toxic fumes may experience negative health conditions. This is a negative externality. When GDP is considered, 51 of the world's largest economies are corporations with only 49 being nations (Roy 40).

- Deregulation is the removal or reduction of regulatory policies that may impede business and investment in a country (United Nations Centre for Human Settlements, 97). Deregulation results in efficiency and effectiveness in the productivity of firms, competition among rival firms and, more significantly the consumer, lower prices of goods and services. Booms and

busts occur when a sudden period of economic prosperity and investment is followed by economic downturn (International Monetary Fund 67). When the economic environment of a country is deregulated, it attracts many investors, a situation which leads to intense competition with the economy flourishing. However, intense business rivalry may also lead to unfair competition practices and eventually the exit of some of the players to other markets. Wages in industrial countries like the US have remained constant since the 1970s. This results in people incurring more debts. Society is encouraged to go into debt because the obsession with home ownership amid meager earnings implies that one has to go for a loan to have a respectful life.

- Neo-liberalism is a political approach to economics that applies liberal techniques to economic growth. Its main tenet is the liberalization or opening up of trade among nations i. e. instituting free trade within and among different countries (Steger 40). At the core of neo-liberalism is the assumption that human beings are by nature individualistic but also social. This implies that human beings desire to meet their personal needs first but can thrive in social environments in which they have the freedom to interact with others. Consequently, neo-liberalist advocate for deregulation, privatization and curtailing of participation of government in business. Economic anthropology agrees that these are universal behaviors. However, they do not work in isolation and cannot be understood exclusively. Society has always created mechanisms for protecting the vulnerable in society and individual gain is always understood within the context of societal benefit.

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