

The concept of globalization



Running Head: THE CONCEPT OF GLOBALIZATION The Concept of

Globalization Module: Lecturer: It is from mid 19th century that the concept of globalization emerged as a result of the need to trade internationally and increased migration. In the process world markets, businesses and cultures became connected and interdependent; a process referred to as globalization (Haugen and Mach, 2010). The last two decades have seen globalization increase at a relatively high rate due to the speedy advancement in technology. Businesses and markets across the world are now linked such that a business in one country can have customers from any part of the world. This is as a result of expanded business operations and easy access of world markets resulting to globalization of markets.

Advancement in IT has aided in removing physical barriers like boundaries.

Factors of production are central in the globalization process since nations exhibit differences in quantity and quality of these factors (Lechner, 2009).

Nations that have less of one or more factors e. g. labor tend to seek it from others while they export what they have in surplus e. g. food in case land is put into proper use. Due to this interaction global institutions have emerged e. g. UN, IMF and The World Bank among others that control interaction between nations (Haugen and Mach, 2010). Some offer credit, others ensure peace and stability while others ensure credibility of international trade.

Globalization has turned the world into one big market place where nations showcase what they have in plenty and seek what they are short of.

Consumers are now free to shop for commodities from any part of the world.

In the process goods and services, money and culture are exchanged making the world to be one big community. References Haugen, D. M. and Mach, R.

(2010). Globalization. Greenhaven. Lechner, F. J. (2009). Globalization: The making of world society. Wiley-Blackwell.