

# The globalisation experience in the philippines

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As defined, the term globalization refers to the development of an increasingly integrated global economy marked especially by free trade, free flow of capital, and the tapping of cheaper foreign labor markets. Globalization has offered considerable controversial impact. It has been viewed as a process that is a key to the development of the world economy where effects are inevitable and irreversible. Some regard it with hostility, fear that increases inequality between nations, threatens employment and living standards and social progress.

Despite the debilitating economic blows the Philippines has received in recent years, it has gamely joined the quest for the promising opportunities that globalization offers. Like most of its neighboring countries in South East Asia, the Philippines is taking advantage of the major developments taking place in the region. Armed with renewed strength, the Philippines is taking on an active role on matters that would contribute to its economic progress and of its immediate region in general.

While globalization is expected to positively affect the economy in the long run, it would also entail painful adjustments in the short-term. And like most countries which underwent the same process of liberalization to be part of the global economy, the Philippines has started to experience the short-term adverse effects of globalization.

The potentially significant displacement of workers and the erosion of real wages in the short run as industries restructure themselves to gear up for the new but fiercer competition in the global trade environment have been noted. Likewise, several domestic industries like textile, consumer durables, transport, leather goods and food processing, have been reported to be under

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pressure from the influx of competing imports. Read about the impact of globalization on Ghana's economy

To survive stiff competition, some industries have resorted to various cost-cutting measures which include product and market diversification and expansion, complemented with right-sizing programs like retrenchment, voluntary or forced early retirement programs, subcontracting and the hiring of casual, temporary or contractual workers. Other establishments have opted to close shop.

Aggravating labor market insecurity is the persistence of the twin problems of unemployment and underemployment. This insecurity is borne out of the fear that workers can easily be replaced from among the vast army of the unemployed and underemployed, under less secure and more flexible terms and conditions of employment, even if the company is unionized.