

Globalization of the foreign trade in the world.



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Globalization is the affair of interchange and incorporation among the people, governments or companies of divergent states, a process aided by the ascending role of internet. Globalization has a number of positive repercussions like the creation of a global market and the expansion of the foreign trade in the world. Despite these effects, globalization has also negative outcomes, which will be the topic of discussion of my essay. These consequences include the rise of job insecurity, fluctuation in prices and many others. Firstly, in developed countries people are afraid they can lose their jobs.

Developed nations have outsourced construction and office jobs. That means less jobs for their people. This is due to the process of outsourcing their manufacturing work to countries that have a lower wage. Most people like engineers and scientists have been laid off due to the redistribution of jobs to low-cost countries like Chile and Pakistan.

This is very worrying as the country may lose valuable professional people who could contribute to the development of the country. Also, the outsourcing to developing countries may cause a dip in the demand for that job, which would affect badly the economy of that country. In addition, globalization has contributed to price fluctuations. Because of increased competition, developed countries are forced to lower their prices for their products, because other countries like China produce goods at a lower cost that makes the goods cheaper than those produced in the developed countries. So in order for developed countries to preserve their customers, they are forced to lower their commodity prices. This is a disadvantage for them, because it reduces the ability to maintain social

welfare in their own countries. Furthermore, globalization creates an interconnected economy. The disintegration of the American economy opened the opportunity for foreign companies to purchase interests in American companies.

Investing in foreign companies creates a global interdependency that can stabilize the economy on a temporary basis. It also has the potential to create a "global domino effect," which could cause a depression throughout the world. This is also true the other way around.

As American companies become correlated to foreign markets and workers' economic decline in those marketplaces may adversely impact the American business. Finally, globalization has produced a very contentious setting in the whole world. Every nation tries very hard to sell as many goods and services, at the lowest price possible. The prices are integral, because the lower and more economical the prices are among competitors, the bigger the demand, because the people are always looking for the cheapest products. This has stimulated the so-called currency race to the bottom. This makes every country drop the value of its currency. And this isn't the only upshot of globalization, when value is concerned. Another way companies abridge costs and sell at the lowest price is by paying lower wages to their employees, using cheaper fuels that pollute the environment more, and substantially let more pollution into the air promoting the global warming to become more acute.

Globalization is an inescapable undertaking that has existed for a long period of time and has continued to expand further using all the resources possible

to make trade moreproductive. With all of the above mentioned adverse outcomes of globalization, it leads us to the conclusion that if globalization had a negative effect oncivilizations and countries before, causing them to subside completely, thisevent is bound to happen again in the future. The question is just when.