

How does globalization affect economy

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



Question 1 Daniel Griswold begins, that every consumer profits from free trade. Due to him positive effects of an overall competition are: a vast variety of products and services, fair prices and best quality. He points out that everything is available everywhere, even fresh flowers in winter. Moreover the income rises because of the variety entailed by imports. In addition he claims that cheaper products help to fill the gap between poor and rich. Question 2 From Helena Norberg-Hodge`s point of view, money from the taxpayer is wasted on infrastructure. This infrastructure is only built to make the transportation of goods cheaper and faster. In addition she claims that due to that fact small businesses, like family hold shops, have a disadvantage and often need to be given up by the owners. So in her eyes the often quoted sentence: " Think globally, act locally. " doesn't represent the truth. Question 3 The two authors look from different points on the subject of Globalization. Daniel Griswold gives priority to the advantages of the consumer, while Helena Norberg-Hodge looks at the destroyed small, local businesses. Beyond that, Mr. Griswold seems to be an advocate of Globalization due to the positive effects for people. Due to the article of Helena Norberg-Hodge she is not as enthusiastic about Globalization as her opponent. She sees difficulties with the state as a donor of unjustified subventions for infrastructure that not everybody helps. Question 4 From my point of view both authors have justifiable arguments. Due to Globalization small businesses have a very hard fight against the global players. Not only because of the intervention of the state, but also because they don't have the economic power to compete with multinational companies. So I think the argument is not false, that subventions for roads or communication facilities

help these multinational firms, but on the other hand they are an indicator for a developing world. The fact, that " free trade" harms small businesses as well may be true, but following to the model of " free trade" and the advantages, it is at the moment the best model for business operations. Due to that, living standards in the whole world are rising and the technological development is growing fast. Daniel Griswold argues that " free trade" helps to produce better products, offers a greater variety of products and services and helps to make products better. From my point of view this is definitely true. So I also think that trade hurdles, as high taxes, doesn't make sense for a developing world. It is important that trade is " free" to be most effective. From my perspective even small businesses can profit from " free trade". If someone produces a good that is worth buying, people will buy it. So I think trough techniques as the internet it is now and in future possible to sell it all over the world.