

# The globalization



Globalization is not a concept that can be simply defined and encompassed within specific timelines. It is neither a process that can be defined unequivocally as the one with a start and end. In addition, it cannot be explained with certainty as well as it is not applicable to all and under all circumstances. It comprises economic integration, the exchange of policies across borders, the conveyance of knowledge and relations as well as the establishment of liberalized market which is free from the sociopolitical control. It is a concept that has had numerous definitions over the years. People's political ideology, geographical location, cultural background and social status, religious and ethnic affiliations provide the foundation upon which globalization rests.

Merely by its nature, globalization covers a number of disciplines, communities, and cultures (Yeoh et al, 2003). This permits a number of viewpoints, be they social, economic or political. The impact of globalization is immense as the definitions presented here indicate. One question therefore emerges regarding the potential difficulty of attempting to define globalization as well as to measure the limits, intended by it.

From an economic angle, globalization has taken the form of increased trade freedom, formation of global markets, and changes in mobility of capital (Mahtaney, 2007). This has enabled countries to come together under international blocs, like the European Union, and multinational organizations, like World Trade Organization. Industries have gained the potential to locate their production units anywhere in the world, mostly in less developed countries which produce cheap labor and raw materials. Developed

countries, on the other hand, produce capital and technology which are necessary for global production.

From a political angle, globalization has resulted in a partial loss of sovereignty for nations. A nation can no longer operate its own abiding the rules of international institutions and multilateral treaties, so that the risk is shunned by the rest. Majority of the nations have decided to unite under trade blocs for them to fully enjoy the benefits that come with globalization.

From a cultural perspective, globalization has taken place by way of increased exchange of culture and relationship between different countries. Globalization good, as it may be, is faced with a number of challenges which hinders its full realization.

### Challenges Facing Globalization

Institutional issue is the foremost challenge that globalization faces. Integration, as it was noted earlier, is a very essential aspect of globalization. A number of challenges stand in the way of integration and globalization. Countries and their respective organization are important in the whole processes of globalization. However, their capacities are limited in various ways. They have limited capacities to enable implementation and integration of the process of globalization. Experience has shown that it is practically hard for countries at different levels of economic development to come together for the purpose of integration, due to institutional rigidity. This is because nations which are at different levels of growth usually have different political, economic, and to some extent, social needs. This makes the countries unable to come together in the process of globalization.

Policy design issue is another key stumbling block on the road to globalization. Ambitious regional integration agendas, an equivocal prioritization, and sequencing of programs activities have as well troubled the way of proper realization of the globalization. Social, political, and economic performances made anywhere in the world are attributable to both policy reforms and other influences. However, these performances have been hampered over the years by the factors like adverse climatic conditions, political instability, and worsening risk perceptions, all of which have continued to drive a wedge between countries. Moreover, other non-policy factors that operate in the regional economies like weak institutional, financial, and physical infrastructure and governance capabilities explain the observed the differences between policies and their outcomes and the common failures typified by low economic growth, unemployment and poverty. All these issues make it hard for the countries to cooperate on macroeconomic policies both regionally and globally. Economic, political, and economic differences make it difficult for the countries to technically come together for the purpose of globalization.

Risk polarization also has the potential of impeding globalization (Farazmand & Pinkowski 2007). There is a growing discontent among countries which for one reason or another are considered economically weak. The argument that opponents of integration advance is that the stronger economies will prosper at the expense of the weak countries. The question is how a regional integration strategy can accommodate different levels of development? For instance, in Africa, the Republic of South Africa which is economically advanced in comparison to the rest of its neighbors has always been coldly

treated, since these countries mistakenly believe that it is going to ' eclipse' them, should they come together.