

Globalization and its affects

[Economics](#), [Globalization](#)



Globalization is the process of growing integration of economies and societies around the world. It refers to economic globalization through trade, foreign direct investment, capital flows, migration and the spread of technology. The principle of globalization is free markets, reduction of barriers in exchanging and trading goods, which makes the specialization in export-import.

However, globalization has not only positive, but also negative effects.

Firstly, it is necessary to mention that globalization makes our society develop. It helps to share ideas and innovations. Globalization has an impact on economic growth in the world. An impact of Foreign Direct Investment on economic growth has had a positive growth effect in wealthy countries and has led to an increase in trade resulting in higher growth rates. On the other hand, many firms from developed countries outsourced their manufacturing to so-called third world countries, where the labour costs are low.

Workers from developed countries are not happy about that, because they feel that their jobs are taken from them. Another problem of globalization and outsourcing is that it encourages slavery and child labour. Furthermore, I would like to add that people become more social when there are no borders between countries. They can move freely from state to state, share their ideas and beliefs. In everyday life we feel an impact of globalization as we can enjoy foreign cuisines, music, art, movies or even learn foreign languages.

However, globalization causes huge damage to national culture, because we are greatly influenced by more developed countries and we cannot resist it. It is known that globalization is about sharing novelties. Medicine

and healthcare are improving all the time. Globalization helps doctors and scientists from all over the world share ideas and even work together so that they can reach better results and make new discoveries. However, globalization is thought to have contributed to the spread of diseases, especially AIDS.

When it appeared in the USA, it was known just in some African states. Owing to the process of globalization and colonization, it has spread in the whole world. On balance, globalization is spreading rapidly in contemporary world. It improves economic ties between countries and helps to create a barrier-free trading system. Although it has beneficial influence on economy, globalization makes an adverse impact on culture and traditions.