

Free essay about economics

[Technology](#), [Development](#)



First globalization:

Abstract

Globalization is a process that has gradually developed over the years. It is an aspect of the society that is very important. It is an aspect that is attributed to increased development in technology mainly in the sectors of transport and communication. Globalization has led to the development of global trade and economic development. However, throughout its history it has been met with several challenges, and the most common are the two world wars. These were two periods in history that were characterized with great destructions and losses. Transport and communication stagnated as well as economic development. However, the time after the wars saw great developments through restructure and rebuilding that facilitated for better global trade and economic development.

Introduction

Globalization is an aspect of the human society that has moulded this world to become a global village. It is an aspect that has reduced the world to become smaller and has increased contact between people of every part of the world. It is an aspect that is characterized by the increased exchange of capital, trade as well as knowledge between people and this has been greatly attributed to the high advancement in technology mostly in the communication and transport sectors of the economy. However, the current status of globalization has been as a result of gradual changes that have occurred through history to shape structures and institutions that have resulted to the development as it is. Globalisation has been seen by some as

a very beneficial to society by the fact that it has helped enrich people's culture as well as science and has been a good source of economic benefits. However, some see it negatively in the sense that the aspect of economics especially the one of free market coupled with globalization result to the increase in inequality on a global scale whereby globalization favours developed countries through their ability to invest in foreign countries as well as their access to newer technologies (Boudreaux, 2008). Most scholars suggest the globalization origins to be during modern eras. The modern globalization has been witnessed to have begun in the nineteenth century. This essay is important as it will try and explain globalization's as witnessed in the 19th century and its development meant through history. It will also help explain the various challenges as it gradually grows through time.

European imperialism

The aspect of globalization became modern mainly in the nineteenth century with the increased rates of industrialization that helped increase the production of cheap commodities and at the same time the increase in human population which raised the demands for the production of those commodities. Another important aspect of globalisation seen during this time is the aspect of imperialism that was characterized by the need to reach newer markets and also find sources of resources for production of goods. This aspect led to the opening up and introduction of new nations into the world systems. These nations include India, China and Africa. This form of imperialism enabled Europeans to have access to vast amounts of resources such as coal, rubber, diamonds and many others as they set conquest to other parts of the world. This helped in the development of trade the

Europeans and the nations they had colonized.

However, there have been distinctions in the nature of globalization most notably between the nineteenth century and that of the twentieth century. The main distinctions are brought about by aspect of the economy, capital and investment as well as the aspect of global trade. The aspect of global trade during this time is one that is mainly attributed mostly to the production of merchant products. As time went by service trade also increased and also developed firms that became multinational by operating in different parts of the world. These three aspects mark the process of globalization in the nineteenth and twentieth century's. Merchant trading reduced with time, services trade on the other hand gradually increased and lastly, the multinational firms grew considerably through this time (Hopkins, 2010. P. 19).

Expansion of global trade

These forms of growth in trade were mainly attributed to the reductions in various barriers such as costs of transport as well as the integration of commerce. These factors have resulted to the expansion of economies and increased stability with countries becoming self-sufficient. The development of technologies had a great hand in the development of global trade. Improvement in transport helped reduce the cost of moving goods from one point to another. The development of railways and the radiotelephones have enhanced communication and resulted to the transfer of knowledge, goods and technologies globally.

Modern globalization

The industrial revolution was a period in history that revolutionized human lives. It was a time that led to the great enhancement in social, technical, institutional and organisational structures in the world. There was the development and improvement of transportation especially road, rail and water transport ways. These developments helped open up markets for manufactured goods as well as reduced costs of production through transportation. Transportation change is one of the main aspects of globalization that has been greatly developed by advanced technologies. Railroads were very significant as they provided transportation links to many parts and greatly facilitated trade.

Patterns of globalization

The patterns of globalisation can also be seen in the aspect of change in phases between the pre industrial revolution, early industrial revolution and the late industrial revolution. The pre industrial revolution was a period characterized by lots of trade, mainly dealing with merchant goods such as spices, dyes, silk etc. This time is also characterized by limited production of goods as a result of limited technology, with the main economic activity being agriculture. However, trade during this time grew and spread to other parts of the world. The early industrial period is another mark in history of the development of globalization and is a time period characterized by reduction in merchant goods but great increase in production of goods. This is a time period that saw increased trade of services. Another aspect of this period is the development of multinational firms and cooperation's that operated throughout the world. The last period is the late industrial period

characterized by increased production mainly, low value products as well as increased trade of services.

Obstacles

World wars

However, these patterns of globalization have been met with obstacles. The world war one was an example of a factor that greatly affected trade as well as globalization. This was during the beginning of the twentieth century and it was a time that saw the collapse of modern globalization. It was a time characterized by European domination in trade and increased competition for resources. Due to this high competition some European nations wanted more control over others and the basis of domination become unethical and filled with inequality and racism. It was this time that imperialism through colonial rule had set root and had formed the main basis of acquiring resources. These quests for resources formed the basis of the development of the First World War. The war brought about great limitations in terms of transport and communication through disruptions that resulted to declining development and crisis that caused deglobalization (Horowitz, 2004, p. 35). Another aspect of globalization as being affected by the world war one is the fact that the war reduced the amount of protection for trading. Transport ships were destroyed and sunk, some containing luggages. International trade, migration as well as investment also collapsed and resulted to the destruction of the global economies (Rowe, 2005, p. 407). During this time production shifted to what can be described as the military industry that mainly deals with production of goods of war. From this information it is clear that the world war one was a point in the history of globalization that was

characterized by great challenges that obstructed trade by affecting various aspects such as transport, communication as well as laws that protected trade and saw globalization fall to its knees. This was a time preceded by great developments in trade that resulted to high competition and demand for resources. As a result of the high resources, imperialism increased from the European nations which sought colonies in new territories to exploit resources. Some nations wanted more than others and in return, resulted to conflict which caused the war there were destructions and chaos and economic crisis.

Financial crisis by monetary regimes

Another obstacle that has been linked to globalization is financial crises that occur as a result of regimes on monetary aspects. The first crisis was as a result of the gold standard that resulted to great financial losses. However, things changed and countries established lenders of last resort but these institutions did not cater for emerging countries. These monetary regimes caused banking crises that resulted to panics by the government. These challenges were addressed through the use of safety nets that were domestic and this helped increased bank support and the financial crisis (McKeown, 2007, p. 218).

Post world wars; increased development

The end of the First World War was met by positive change of restructuring of institutions and rebuilding of nations. It was also a time that also saw development of trade again. However, this was not for long because of the occurrence of the Second World War. The world war two was during a time

where the desire for world domination was in the interest of some nations. Some scholars attribute the war to the increased rates of globalization that had developed institutions and given them lots of financial powers. Like the First World War, the second one resulted to lots of destruction and economic failure that destroyed trade and economic growth. However, the end of the war saw a new era, an era of increased trade and economic development. It was a period characterized by politicians' endeavours to reduce barriers to trade and economic development in respective nations. It led to the development of institutions for the protection of global trade and development of frameworks of trade. It was during this time that multinational organisation were greatly established (Lang, 2006, p. 889). As a result of these developments, there was effective transfer of products, information as well as technology. The advancement in communication through the media resulted to the sharing of different cultures. Transport and communication also greatly developed leading to increased access to resources and new markets. As much as the Second World War is considered as the most destructive period in history, it marked a new beginning for globalization by the restructuring and rebuilding of institutions. The new beginning was characterized by the advancement in technology in transport and communication that greatly boosted trade and economic development. Nations found ways to reduce barriers to trade and this helped them develop economically and find new market opportunities. It also led to the exchange of cultures among different nations and has increase rates of migration and integration of different races.

Conclusion

The aspect of globalization has shaped human lives and made it smaller. Interconnections through transport and communication have facilitated the access to resources and have led to easy sharing of information knowledge and technologies. It has also facilitated for the sharing of different cultures around the world and made the world a global village. However, the process of globalization has gradual through history and has undergone various changes and influences that have shaped it to what it is at the moment. Modern globalization has been mainly attributed to the industrial revolution. This revolution took place between the nineteenth and the twentieth century's and was characterized by the production of cheap commodities. This production coupled with increased human population increased the demand for the goods and so there was a great need for more recourse. This developed until European nations sought resources beyond their boundaries by the way of imperialism through colonialism. The nations moved to Asia, Africa and the United States to seek more resources and as a result it opened up new nations such as Africa, china and India into the global scene. Increased demand for the goods resulted high competition. Some nations wanted more control over others and sought dominations based on immoral and racist ways. This resulted to resistance by other nations and this attracted war. War destroyed everything including trade and institutions. However, the end of war saw restructuring and rebuilding. From this it is clear of the factors that have shaped globalization. It is also clear of the phases that globalization has gone through history. This

information also explains the importance that globalization has on the society as well as the disadvantages it might have on the society.

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