

# ["globalisation the environment and even national security.](https://assignbuster.com/globalisation-the-environment-and-even-national-security/)

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“ Globalisation is a process in which the worldappears to be converging economically, politically and culturally”(Needle, 2015). Nowadays, financialmarkets, industry, and politics are all internationalized.

The occurrence ofthis has increased transfer of wealth across countries; it has increasedcommunication throughout the world, an increased importance of trade in theeconomy and an increase in international trade policies. Globalization has had detrimentaleffects on the economy has created many challenges around the world.  Globalisationis cut into six main aspects; firstly there is international trade and thecreation of the global marketplace. Globalization can be viewed as an enhanceto the amount of international trade.

There are globally organized productionand investment flows, Migration, communication flows, Cultural flows and rapidtechnological change around the world. Globalisation integrates markets in the worldwideeconomy, leading to the joining of national economies.  Markets wherebyglobalisation is particularly common include financial markets, insurance markets and productmarkets, such as markets for electronics, motor vehicles and agriculture. Theglobalisation of sport and entertainment is also a feature ofthe late 20th and early 21st centuries.

Globalization has extended beyond its economic roots and hasproliferated into human rights, the environment and even national security. Although these new initiatives do not look similar to the ones we are used toseeing the difference is that today’s agreements come equipped with their owngovernance structures. This has led to an astonishing shift of policy-makingprerogatives from individual nation-states to a host of new, higher levelpolitical institutions. This is a cause for celebration the notion thatpolitical institutions have come together to grow in size, importance andboldness is today’s conventional wisdom.    There are three main competing views on globalization, eachdiscussing different positives and negatives impacts that are associated withglobalization. The three different perspectives are the neo-classical perspective, the Marxist/Socialist perspective, and the Structuralist view.  Neoclassical/neoliberal views The first competing view is the Neoclassical/neoliberalperspective, this view argues that overall history and current economics havejoined together to form a new relationship where nations are uniting both economicallyand politically.

It’s very essential for countries to come collectively in bothof these aspects in order to be a success in the globalized world. The neoclassical competing view shows that the world’seconomy is controlled more by the existing market. It shows that If trade wasso essential to expanding markets, thus allowing increased productivity itwould be very easy to show how trade around the world would be so beneficial (AdamSmith, 1790). Foremost it gives an amount of funding that assists the increase inthe amount of money available to trade internally.

Furthermore, it enables moreof a market development across the globe. An example of this could be twocountries selling two pairs of goods, if one country has an “ absolute advantage” in producing one set of goods and the other country has an absolute advantageof producing their set of goods, they would each be specialized for their owncountry for selling the goods they have. The advantage of having this is that both countries will mainlybenefit from this provided that the trade is fair.

In addition, trade and theeconomic success enables many types of countries to both develop and profitfrom a huge economic change into the markets overseas to be able to acquirecheaper resources/materials. However, this could be a potential problem as countriesthat are significantly better at producing and countries which are moreadvanced would benefit from this whereas countries that aren’t as developed wouldn’t, simply because of lack of growth and development and thus making it harder totrade. David Ricardo refined Adam smith’s theory by arguing that from twocountries if one country was better than the other at producing, then thatcountry will be known for that particular produce. For example, David Ricardo uses trade between twocountries being England and Portugal explain how it assists Portugal to importcloth even if Portugal can produce cloth with less labour than England. Currenteconomists portray that England has a comparative advantage in producing cloth. Ricardo states, “ To produce wine in Portugal, it must have 80 men for ayear, and to produce the cloth in the same country, it must have need of 90 menfor the year also.

Thus it would be advantageous for them to export wine inexchange for cloth”(David Ricardo, n. d)Due to globalisation rising alongside the increase inaccessible/useable technology and convenience of improved transportation, technology has made it easier for people to communicate across borders, and hasalso lead to a decline in the cost of transportation. It is now cheaper andmore efficient to transport goods from one place to another. Globalizedtransportation has increased profitability and thus during the main growthstages of globalization between 1970 and 1993 the increase in transport was upby nearly fifty percent throughout Europe.  A major change with transportation costs has enabled businessesto acquire greater profits. This is from changing ideas within the business bymoving the place they create products (Heshmati, 2003).

In addition, Companiescan now transfer files via the internet, and this enables the possibility tohave meetings without every member being physically present. This has led tolower long distance communication costs and the exchange of information isdrastically easier than ever before. International businesses can now telecommunicatewith others through the use of email, telephone conferences, andvideoconferences.

The increase in telecommunications development had to do witha cause-effect relationship between technological development and thederegulation of financial market policies. (Czaputowicz, 2007).   Socialist/Marxist views  The second competing view is the Socialist/Marxistperspective. They argue that globalization has led to an increase in theinequalities of countries/nations. Marx has many contradicting viewpoints onexactly how unequal nations are currently, and how big a factor globalizationis playing in the inequalities. Firstly, Marx was in agreement with smith thatcapitalism led to unprecedented growth but he also made the point that therewas a huge flaw. He believed the social system of capitalism is very unfair, hebelieved that owners of capital are able to exploit their advantage of certainaccess to recourses and some political powers are in the hands of a few people.

The more wealthy nations are continuing to increase their status of wealthwhilst the poorest nations/countries are continuing to remain poor. It has beenestablished that 20% of the world’s richest population control 86% of worldgross domestic product, as well as 82% of world exports. In comparison to theworld’s poorest 20% population consume 1. 3% . Manycountries with low income will not be left out of globalisation due to theincreased reduction of trade borders throughout the world. Rising countriessuch as India and China have reduced poverty and have shown an increase ineconomic growth since they took on open economic policies in the 1990’s (Chengand Mittlehammer, 2008). It is vital to put these policies in place so thatmore countries will want to partake in globalisation. In some parts ofthe world there are no guarantees that the wealth from inward investment will assistthe local community of the less developed countries.

Often, profits are sentback to the MEDC where the TNCs are based. If it becomes cheaper to operate inanother country, the TNC might close down the factory and make local peopleredundant. However, Ifdeveloping countries know that they will not have to suffer from inequalitiesthey will want to join globalization. A study found that foreign investment hashad a positive impact on economic growth when country-specific factors aretaken into account (Carkovic and Levine, 2002). These factors include; domesticfinancial development, school attainment, and national income.  Structualist writersThe final competing view is the Structuralist writer’sperspective.

This specific perspective differs from the other two perspectivesin various ways. Firstly, it is believed that there isn’t a main reason behindglobalisation. Globalisation is considered to have just progressed over theyears. Secondly, globalization could be very influential however it’s anunknown occurrence and the predictions of its outcome will not be known formany years down the road. After the Second World War, a development ofeconomics was created in belief that LDC’s (Less developed countries) could notfollow the same footsteps of the more developed countries. Additionally, TNCs (transnational corporations) were to help bring wealth and foreign currency to localeconomies when they buy local resources, products and services and thereforethe extra money created by this investment can be spent usefully on education, health and infrastructure for them countries. Many countries were led to develop distinctive non-marketpolicies to rapidly industrialize their economies. LDCs faced an alreadydeveloped capitalist world which needs time to be able to catch up on certainpolicies and thus it was argued that some structures required for a sustainablemarket system weren’t made in some of the developing countries and thereforethey had to be constructed before the integration of economies into the global system.

The positive effect globalisation can have isthe Inward investment by transnational corporations helps countriesby helping and providing new types of employment through jobs which requires differentskills for local people.  Structualistswouldn’t particularly agree with the way some of these problems are addressedbut they believe and argue that if the business environment is to beconstructed in such a way as to enable globalization to increase growth, stabilityand development over time then those issues had to be addressed and resolved. Structuralist writers further believe that the same commonchanges have occurred from globalization but there isn’t a specific way of howthese changes came.

This perspective believes that the range of factorsinfluencing processes of globalization is much greater, and the outcomes ofglobalization are very vague. Also, the increases in technology and the tradeliberalization or governmental policies have lead to globalization benefiting alot of countries and this dire increase in globalisation has lead to an enhancein inequality amongst nations, as well as an increase in the inequalitiesbetween the development of individual countries.  In conclusion, globalisation can be defined in different competingperspectives, the way it has changed policies in the world and how nations areconducting business in the world are very important. Each individual competingview has different viewpoints on what causes globalization and howglobalization impacts the world. There are also several theories ofglobalization that need to be understood.

It’s vital to have a clearunderstanding of the trends and views of globalization to be able to understandhow it affects the modern business world and society as a whole.  ReferencesAnon, online Available at: http://Globalization: A Very Short Introduction: Steger, Manfred B. Accessed 14 Jan. 2018.

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