

# Positive and negative effect of globalization on china



Introduction: - today's world is a world of globalization. Every country in this world is directly and indirectly influenced by globalization. The world globalization means public from the different part of world connected together. There is a flow of money and knowledge between them. They can go beyond their geographical boundary. The goods and service which generate by one country can be consumed in all over the world. This truth has been called globalization. It is a system which linked various nations to promote global economy. Globalization carry chance and profit with it, but it depends on the nation how they are taking it. The advantages of globalization have been taken by much country like china. They accept domestic strategy which permit their civilian to get promote global market which helps in increasing their gdp.

As there are two face of coin, globalization cans also effects in two ways. Either it's positive or negative. There is positive and negative effect of globalization in china. Which we will mention below.

Ambekar, Y.(2010)

Effects of globalization in china

we are going to see the effect of globalization in china. First we have to know about the condition of china. China is a largest country in term of population which is nearly 1. 3 billion. There are the availability of cheap labour and less manufacturing cost in china. That attracts number of foreign investment. Due to this foreign investment china has decrease its poverty . china is running by the communal government . although driven by communist china plays a major role in following werstern approach as their strategy to <https://assignbuster.com/positive-and-negative-effect-of-globalization-on-china/>

develop their economic growth by becoming an efficient player of globalization. In 17 september 2001 china joined the world trade organisation after following fifteen year for the status.

www.bizcovering.com(2010)

Globalization has made many possitive impact of china.

They are as follows:-

1. Economic growth- as per the statistics if 2003 china made nearly 1413us billion dollar which stand it in sixth posotion. during 1965 to 1979 the gdp of china grew with 6. 4% but after entering into a global market china made its gdp nearly 10% in 1980 to 1990. In 2005 its stated that the industrial production in chin is increased by 15% while consumer demand is increased by 10%.

2. economic development- as per the index shown by human development china ranked 94th and according to the china's current scenario only the 16. 6% of popultion is in poverty. Which is deceasing continuing decreasing in last 23 years.

3. increase in savings:- us dollar 560 billion was the saving deposit of the civilians in china in 1997 which is around 218 times more than that in 1978. Which is 32% increases in this particular gap of year. Apart from this currency saving, stocks and debentures and the financial asset in also increases by us dollar 725 billion.

4. improve in tourism, export and import :- in 2003 when china takes the membership of wto this made china a more attractive country. People from all over the world come to visit china. Many big entrepreneur come here to invest in china. In 2003 export in increases around 32. 3%and import is 40. 5%. and tourism industry also increases by9. 7%.

5. improve in life styele and increasing employment opportunity:- the best effect of globalization for the developong country like china is improving in the life style . the living standard of all community in that country will drasticaaly inmroved. The employment oppurtunity for public in developing country is also increases by the effect of globalization.

Despite of possitive effect of there globalization there is some negative effect too. They are as follows:-

1. as there are possitive effct of globalization there is negative effect too. Develop country out source thier business to developing country. because of the low manufacturing cost and cheap labour available. So the persons in developed country loss thier job due to this out sourcing

2. convictor and child are working in manucturing units due to cheap cost. This commits to the exploitation of the labour. Health safety and hygine has been neglected to produced cheap good.

3. due to this globalization there is a insecurity in jobs. now the jobs are not permanent. There is a competition in works ehich results to the decrease in wages due to the fear of job losing people start working in low wages.

4. where there is a poor check in pollution. By establishing a plant or an industry there is a increase in the pollution in that particular area which effects the environment. And in todays scenerio plants and industry are playing a important role in global warming.

5. there is a great chance of catching hazardeous diseases like hiv/swine flu due to the rapic increase in the travelling of foriegn tourist. People suffering from their native country bring this type of diseases to the country where they visit.

6there will bre increasing in the human trafklng. due to this globalization thousand person move from one country to another country which increases in conjuctin in human traffic.

7. due to the effect of globalization small scale industry or medium sized industry has been taken by the huge mnc or large scale industries. There is a less scope of cottage and small scale industry in the world of globalization.

8. multinational companies which are previously not allowed to intervent in politics now poke their nose in political jaudgement.

9. as there are rapid increase in fast moving consumer good companies like mcdonalds and kfc. Due to this people consume lots of junk food which adverly effect in thier health.

Pillai, p.(2010)

this all are the positive and negative effect of globalalization which impacts on china. gloabalization is a channel which helps in binding the gap betwwen the nation but also we can not neglect the negative effect of it.

## Conclusion

The role of gloablization in todays world is very vast. China a world largest economy which entered into a wto membership few year ago get benifited by it. As every coin has two face there are also some negative effects of globalization which we cant ignore it. In todays world glocalization is necessary for prosperity and development of nation.

## Refences

Ambekar, Y.(2010)[online]

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Thesis statement

The negative effect of globalization is more as compare with its positive effects. I going to explain the negative effect of globalization. Due to globalization the following point has been arises in china. They are as follows/:-

Due to globalization there is a increase in the traffic of the people.

Due to globalization many small scale and large-scale industries has been taken by big mnc.

Globalization makes mnc to interfere in political issue of the country.

In china where there is a cheap availability of labour and to produce cheap there is no strict action in working of child and a criminal in a particular industry.

In today world where there is a problem of global warming by establish more and more plant it create environment pollution.

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Much fmcg company like mc d and kfc which started their product in china they sell junk food people are going to habituated with that which effects their health.

There is an insecurity of a job due to this globalization competition is increasing peoples are agree to work in low wages also which create insecurity for the people.

Due to globalization person Cumming from different part of the world carry different types of diseases like HIV or recently we seen swine flu which effects lots of people in other country.

There is an open chance for terrorism by this they get chance to get the information about a particular country. they can use net for communication.

Pillai, P.(2010)

## References

Pillai, P.(2010)[online]

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Report writing

Title: choose a company that has recently started marketing strategy in china. Outline thier marketing strategy and discuss the problem they have

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encountered. Your report includes suggestion for overcoming these difficulties.

Executive summary: china one of the biggest economy in term of population. Burger king one on the popular fast food company recently started its business in china. It is already 20 years late than its competitor McDonald and kfc. Burger king have adopt different policy to capture market in china. There many problem which they have face recently and there are some suggestion given by us to overcome this problem which we will see in below problem.

Introduction: burger king one of the famous fast moving consumer goods company in the world. in united state it is the second largest food chain restaurant after McDonalds. This company has been started by James McLamore and David Edgerton in year 1954. According figure in thier homepage there are 11, 200 restaurant of burger king is operating in 56 countries in all over the world. They have recently started their service in china.

[www.fundinguniverse.com](http://www.fundinguniverse.com) (2010)

Methodology: the data which is taken in thise report is collected by the articles and journals. After reading the strategy what they have followed in expanding in thier business in china has been explained here. Much of this has been cover in literature review. The methodolgy is exploratory rather than explanatory.

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Mainbody: burger king has recently started its business in china. the strategy they have follow are:

Buger kin have been sedreatly started its small restaurant in shanghai to chek the taste of the chinese.

They have poened their two restaurant in airport i. e. bejing and shanghai.

Thier strategis is to enter in airport catering industry

. further planning to start open in some different air port.

They attracts the youth and professional persons only.

www. glgroup. com (2006)

Problems which burger king faces are:

Two major rivalry i. e. McDonalds and kfc already started thier business before 20 yrs..

In china brand awareness of mcdonalds and kfc is higher than burgerking.

Expasion of business is in very slow pace because it has stated only 12 restaurant in the time span of three years.

As compare with mcdonald they generally closed at night.

www. chinaretailnews. com (2008)

Suggestion for overcoming this problem are:

They have to increase thier expansion speed.

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Participate or give sponsorship in some event like olympic.

Make scheme which attracts whole family not only teenagers or professionals.

Like mcdonald they also work 24x7 routine.

Use local theme in advertising..

Provide some discounts or special coupon at the time of event.

They must make some strong step to make their brand awareness.

As they are managing their restaurant in US they have to manage in same way in china.

Giving proper training to develop skills of crew members and managers.

Conclusion: burger king is one of the famous chain restaurant group which recently started its business in china. as it is successful but also its facing some tough competition from its rivalry McDonalds and kfc which started their business twenty years before than burger king. There have to make strong strategy to be in a market and overcome their problem.