

What is globalisation essay



**ASSIGN
BUSTER**

Economic globalisation is, in a sense, the strengthening of the position of capitalism as the prevailing structure of production in contemporary history. According to Walters, globalisation is a ‘ social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding. ‘ It refers to the increasing integration of economies around the world, particularly through trade and financial flows.

The term ‘ Globalisation’ has come into common usage since the 1980s, reflecting technological advances that have made it easier and quicker to complete international transactions-both trade and financial flows. It refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity-village markets, urban industries, or financial centres. There are various forms of Globalisation:

As Sir David Henderson explains in one of his most recent publications, “ The Changing Fortunes of Economic Liberalism”, globalisation in its simplest form can be defined as “ free trade and free movement of capital and labour around the world” (Sir David Henderson). Thus broadly speaking, globalisation is the process by which economic barriers are broken down between different geographic regions, to allow countries to trade freely and effectively between one another without incurring financial penalties or being subject to protectionist measures.

It is my explicit aim in this essay to examine whether the continuing economic and social trend of globalisation is desirable to the modern world,

or in fact whether globalisation is a highly undesirable trend which has substantial negative implications to wide cross-sections of contemporary societies. It is important to examine whether or not globalisation leads to a more or less equitable allocation of resources, and as a result, the way in which globalisation is likely to effect the income distribution in different countries.

There are a number of other different areas regarding globalisation which I will examine further before reaching a conclusion upon whether or not globalisation is desirable in the modern world, which are as follows: capital flows and foreign direct investment, labour market flexibility, protectionism, comparative advantage, economic efficiency, and the powers of government. Globalisation is not a single phenomenon. It has become a catch-all concept to describe a range of trends and forces changing the social and economic structures of the world.

Globalisation may be defined as ‘ becoming or making world-wide’, but it has also been referred to as Westernisation. Globalisation as argued by Professor Ruud Lubbers, former Prime Minister of the Netherlands, is considered to have a number of distinct elements to it, which include Economic, Technological, Political, Cultural and Environmental. Globalisation is the exchange of goods and services between nations. Many things can be ‘ globalised’-goods, services, money, people, information, effects on the international order as well as less tangible things such as ideas, behavioural norms and cultural practices.

This makes most nations increasingly dependent on each other. The global economy is a close-knit triad of geographic centres of North America, the European Union of Western Europe, and Japan. Most of the world's flow of goods, capital and information are within and between these three centres, with each centre having influence over its own enterprise area. Around this triangle of wealth, power, and technology, the rest of the world becomes organised in a hierarchical order with the wealthy at the top and the poor left lagging at the bottom.

According to the United Nations Development program (U. N. D. P), the gap between the poorest 20% of the world's population and the wealthiest 20% increased threefold between 1960 and 1990. The world economy increasingly operates as a united ' multi-lateral' system dominated by trans-national corporations, frequently with the ability to act independently of and dominate political arrangements. The adoption of this attitude has led the West to become cocooned in thinking that Westernisation are the guiding principles democratic nation states should seek to follow.

Today, however, the world is a divided one. Divisions exist along a number of axes creating much opposition and anger to western affluence and success. We see opposition to cultural homogenisation and the so called Americanisation of society; secondly we see economic opposition to the money hungry capitalist west. It is bizarre to think that a process ' theoretically' bringing people together through time space convergence and time space compression has led to the polarisation of many. Spatial divisions of labour and development exist on truly vast scales.

Economic exploitation of previously untapped markets and to a lesser extent cultural homogenization can be seen as the catalyst for opposition. The Local Globalisation is the process of worldwide economic and cultural influences affecting and imposing on individual lives and small communities, referred to as the local. The local can be described as a refuge from the global forces that occupy every aspect of our lives from mobile phones to Nike shoes. It can be argued that the relatively recent phenomenon of a shift towards the global has been balanced out by a move back to embracing the local.

What Globalisation Involved/ Why it came about One of the driving forces behind globalisation is the existence of national comparative advantage. For example Australia has natural advantages in the growing of wool, in terms of land, sunshine, weather and so on. Other countries may have advantages in the processing of that wool, possibly because they are close to the market and can respond quickly to changing consumer tastes. So Australia specialises in the production of wool and a country like Italy specialises in the manufacture of woollen goods, and some of their customers will be in Australia.

In this way, consumers in both countries may be better off than if Italy tried to grow wool and Australia tried to process the wool. coca car secacaw orca cak inca foca ca. Another aspect is the reduction in the cost of transportation. Sometimes it is easy to forget how fast and significant this has been. How many of us realise that in 1945 the cost of the airfare between Melbourne and London was about twice the annual salary in Australia? By 1998, the cost had plummeted to about three to four weeks salary. Similarly in shipping, the introduction of containerisation and other <https://assignbuster.com/what-is-globalisation-essay/>

innovations has seen major reductions in shipping costs. odc dcr sedcdcw ordc dck indc fodc dc; Another cause is the increasing similarity of customers around the world. There are significant numbers of consumers in Russia and Brazil who want a particular brand of sunglasses or jeans. It is also true that the steel mill in China requires about the same iron ore as the steel mill in Poland, or Germany. Another explanation for globalisation is economies of scale – the fact that for many goods the unit cost of manufacture is lower in large factories than in small ones.

Another explanation is the reduction of obstacles to trade. Governments have reduced both tariff and non-tariff barriers. Trade liberalisation under the auspices of the World Trade Organisation (WTO) has opened up additional opportunities for trade and financial flows. In addition, there have been major government programs of deregulation, of opening up markets formerly closed to overseas firms. In other countries, many sectors of the economy have been protected from international competition by government regulation.

Such areas as finance, transport, Government has protected utilities from international competition, but in many countries this is changing. Market based reforms, removing government barriers to new firms, are occurring in many countries of the world. Tourist Aspects Appadurai describes the different ways in which Globalisation takes place. Ethnoscapes is the flow of people going around the world, for example tourism. It can also be seen when people migrate and is evident in modern society with refugees and asylum seekers.

Trans-national class people are business and homogenous people who determine things like fashion and music. One of the most global items is money. Appadurai defines this as Financescapes. People send money across the world for their relatives and to pay for goods they have bought from a different country. There are many different ways for money to be transferred around the world, some are legitimate but there are also illegal ways such as drugs, arms and porn industries. These industries send vast amounts of money all over the world Cultural Aspects

Globalisation represented so far has shown the detrimental effects of this process however some people believe that globalisation does not mean that we exploit and lose the many diverse cultures around the world that in fact we merely share them and learn from them which is a healthy experience. This is said to lessen homogeneity and increase cultural diversity. Some people may criticise this comment as we are not sharing cultures just merely diluting and tasting them and in turn losing them all together. However we must think forward and if we are now entering a new stage in history, new cultures will be formed and old ones lost.

Globalisation is the future and although its consequences are irreversible it would seem impossible to have one global culture. The world will always be a diverse and different place. This is an example of what Giddens refers to as ‘out there’ globalisation. The things that don’t affect the day to day running of most peoples lives. Giddens states that globalisation is not only ‘out there’ in the corporate world but ‘in here’ as part of the average individuals life. We are unaware of just how much globalisation has changed the way we

live and how much it does influence the intimate and personal aspects of our lives.

The materials we use in our home, furniture for example could be sold in England made in Hong Kong and produced by a Swedish company. If you look around at furniture, the television or even the refrigerator it has probably been made thousands of miles away. This is ‘in here’ globalisation. The clothes we wear will probably be similar to the clothes people wear thousands of miles away. This is due to worldwide advertising and worldwide distribution and it is probably come over from America or the west.

As the world is getting you would expect to have more choice but it would seem that our options are becoming increasingly limited to this American consumer culture that is taking over. The food we eat has now become more varied and interesting. We can now buy traditional foods from across the globe in your local supermarket. This may seem as a mixture of diverse and shared cultures, which is a good thing for everyone to experience. However the food that we eat has been manufactured and compromised to increase profits that in turn we lose what makes these diverse foods different and exciting.

Capitalism is diluting these cultures and again selling them to us. The entertainment that we enjoy has also been globalised. The books we read come from all over the world, the music we listen to has influences from across the globe. The television we watch will be much the same as anywhere in the world. The F. A Carling Premiership can be seen in many different countries. Even our family and social lives have changed due to the

advancement in communication technology and globalisation. With the use of the Internet and E-mail you can contact almost anyone, anywhere.

It has also changed the way we socialise. With the creation of ‘ chat rooms’ two people can forge friends and even relationships thousands of miles apart. Some people argue that Giddens is correct in assuming that globalisation is not just an ‘ out there’ phenomenon but also ‘ in here’

Globalisation is not esoteric concern of social theorists but a set of processes which affect individuals in a truly phenomenological sense (Giddens) Some people may argue that there is no ‘ out there or ‘ in here’ globalisation but that the whole process affects everyone’s day to day lives.

If we are to believe that the world is getting smaller and that we no longer have geographical boundaries everything that happens in the world will in turn have some effect on our lives. The concept of ‘ out there’ has become distorted and blurred. As we have seen Industrial globalisation affects everyone. For example a car manufacturing company could decide to move its factory from Sheffield in England to somewhere in Spain. This not only affects the car company but also the workers who will lose their jobs the economy of the city and the economy of the country. With globalisation comes this snowball effect.

No decision can be made without it affecting the whole world. With industry, politics and economy all being controlled on a global level events that happen around the world affect our everyday lives even more so now with the introduction of the Euro. Globalisation does not just involve the big systems but every individual. Globalisation works in a detrimental way for

everyone and if allowed to maintain its course everyone will be affected and cultures and identities will be lost. Globalisation cannot be categorised as 'out there' or 'in here' as it is all around us affecting our day to day lives in more ways that we can imagine.

Culturally, there has been a spreading of Westernisation, or perhaps more accurately Americanisation through the media of films, television and music. Following the Second World War, the USA fearing the rise of communism, actively encouraged and subsidised the world-wide distribution of films effectively advertising (if only subliminally) the benefits of capitalism and the American Dream. As a consequence to the dilution of cultures, France for example has since introduced legislation requiring radio stations to play a minimum of 40% of music originating from or sung in French.

An obvious advantage of globalisation is that it brings together many different countries. The best example is probably the United Nations or the UN. This is a collection of some of the world's most powerful countries and they have come together to become, arguably, the most powerful force on the planet. They are, however, a peaceful organisation who tries to uphold international laws. Perhaps one of the first steps to Globalisation was to name the different continents. This automatically places countries into groups and they can all be referred to by one name, for example Europe or Africa.

Does this mean that everything is going to be the same? If the different countries are becoming recognised as one large continent then does it result in these countries being the same themselves? There isn't this much of lack

of diversity. Globalisation may be more than ever present but every country has its own history, culture and way of living. This creates and upholds diversity in all countries. The immigration and emigration of people causes cultures and communities to spread all over the world which is another way of diversity being created.

Globalisation has indeed introduced free trade, and along with that arises the benefits of international trade for the UK economy. British consumers gain from a large variety of foreign goods and will be able to exert consumer sovereignty because countries specialise in what they have absolute or comparative advantages in and export these goods for the world to consume. For example, without globalisation and free trade, the UK would not have the surfeit of foods and delicacies that it enjoys. Global homogenization has an impact on cultures in different ways.

It affects directly the production and use of consumer goods. People use the same kind of goods everywhere. Homogenization is superficial and limited to the material level of the consumer goods and consumer culture that is artificially promoted by the media. It does not radically affect how people relate to each other and how they find meaning and purpose in life. In 1960, less than 7% of all apparel purchased in the United States had been imported; by 1980, more than half was imported.

Leisure wear - jeans, shorts, T-Shirts, polo shirts, and so are important components of the homogenized world in which we live. The geography of the world economy, Knox and Agnew, Arnold 1998 3rd edition). These types of garments are worn worldwide, they are seen as a symbol of

westernisation and prosperity by many, yet to some western clothing represents uniformity, lack of identity and a break from tradition. It is this possible erosion of culture from place and production that has led many to challenge globalisation. The obvious exploitation of workers by multinational corporations brings the process of globalisation into disrepute.

Periphery countries have no other option but to accept the offer of Foreign Direct Investment (F. D. I) as they have no established economic framework by which to develop. For this reason peripheral countries remain, unable to develop a competitive advantage, dynamic or technologically advanced economic infrastructure all too frequently lurching from economic setback to economic setback. Multinational companies would appear to be out to earn as 'fast buck' seeking to maximise profits wherever possible by hunting cheaper suppliers and cheaper labour with little or no regard to the welfare of workers

Technological Aspects

With the advances in technology there has been a shift in power.

Industries, politics, culture, finance and economies are controlled by fewer individuals. With the advances in technology we are exposed to different cultures and ways of living suggesting that globalisation offers a new more diverse world. However as we look at the changes in culture in Malaysia and the Far East we can see that nations once rich with culture and history are being swallowed by a new western consumer culture. Multinational companies have seen their opportunity through the advancements in technology to exploit not only there local market but venture into a global market.

Western powers, spearheaded by American owned transnational corporations have monopolised world communications to such a degree that the economic well being and cultural identity of less powerful nations have been mightily damaged (James Lull) The other big industry is that of Technology - Technoscapes. In today's electronic age it is easier than ever for information to be moved from one place to another. The Internet, computers, mobile phones and other such electronic devices all provide consumers with the easiest form of the transferral of technology.

Commodities around the world are becoming global. Products like Coca-cola, McDonalds, Microsoft and Nokia are now all recognised around the world. It is estimated that in 1990 the one hundred biggest transnational corporations produced 50% of the world's output. In general, globalisation increases as time goes on and develops along with changing objectives and advances in technology. It is not a new phenomenon. Finally, the last main factor that has contributed to globalisation is the prominence of advancing technology. This includes communication, the Internet, computers, etc.

Technology is tied in with the other factors that have led to globalisation. The dramatic improvement in communications during the second half of the twentieth century has especially helped globalisation and MNCs. Falling airfares, the Internet, the fax machine, digitalisation and computers especially have meant that the movement of people and the transmission of information and ideas is easier and more cost-effective than ever before. Technology has reaped massive economies of scale and efficiency benefits for firms today, particularly as we live in an era where many things are computerised.

Technology has made it more convenient to manage large firms and permit the movement of factors of production and free trade. The significant reductions in constraints on the international movement of goods and capital emphasise the attitudes of people today evolving towards a more liberal outlook, and this in itself mirrors globalisation. Technologically, the IT revolution has provided a massive improvements in our ability to store and manipulate data using ever more powerful computers.

More important however, is the communication abilities of these computers. The Communications Revolution has resulted in the 'shrinking' of the world. Globalisation is arguably both a cause and a consequence of the information revolution. It is driven by dramatic improvements in telecommunications, exponential increases in computing power coupled with lower costs, and the development of electronic communications and information networks such as the Internet. These communications technologies are helping to overcome the barriers of physical distance.

Communities of various types, including NGOs (Non-Government Organisations) which include international interest groups like Amnesty International or Greenpeace, as well as business and labour organisations, now function across national borders. Greenpeace is a prime example: the Shell Brent Spar case illustrated the ability of such internationally organised interest groups to successfully exert commercial and political pressure in multiple countries simultaneously. In turn, social policies affecting individual citizens are becoming more sensitive to international influences, especially when highlighted by the global news media.

Technology and communications have had a strong impact on speeding up globalisation. What were first considered luxuries, such as television and Internet, soon became important factors leading to social change. This is because they led to an increase in information accessibility, product accessibility and education. Another aspect of globalisation is the fact that regionalism is decreasing. For example, organisations such as NAFTA started out as regional organisations but have expanded their horizon.

The EU has agreements with over 100 countries outside Europe.

Transnational corporations also open the doors to globalisation since they have many branches all over the world and have no borders. Technological advances have resulted in the improved lives for millions of people around the world. This improvement was not restricted to just individuals but to communities, groups and even to the extent of countries at large. It cannot be denied that Globalisation has benefited businesses and companies in respect to technology and their target audience.

However, some would argue that this mass technological advancement could lead to a lack in privacy. With the Internet in thousands of homes and with almost any kind of information available on it, some people feel that their privacy is invaded. Politically, it was not until the collapse of the former Soviet Block in the late 1980's and the general acceptance of the free market (deregulation) and democracy, coupled with the emergence of the 'Tiger' economies of the Pacific Rim, that the term globalisation has taken on true significance.

While globalisation is transferring numerous decisions to the international arena, political and constitutional reforms in many countries involve attempts to decentralise decision-making from central government to more regionally autonomous authorities to cater for a sense of 'local' identity (e. g. new Labour policies on devolution for Scotland and Wales). These trends appear contradictory, but in practice they are causing the development of new multi-level policy systems. Consequently, borders are becoming increasingly difficult for governments to define and maintain.

Therefore, national governments are being forced to redefine their roles, responsibilities and policy relationships. In the same way, multinational companies will find that they will not only have to deal with global trends but also the local laws and customs of their intended markets and manufacturing centres. Environmental Aspects Environmental problems are increasingly becoming global problems. Therefore, countries are no longer able to look at environmental issues in isolation. This has been dramatically illustrated for example by the nuclear disaster at Chernobyl, the depletion of the ozone layer and acid rain over Scandinavia.

Countries now need to act collectively (as per the Rio Conference) for there to be any chance of reversing or just slowing the damage being caused to the environment. Globalisation involves certain risks, such as environmental degradation due to development, shifting employment patterns leading to stress and anxiety, heightened job insecurity and de-skilling (such as the infamous 7-Up case in Malta last year), decline in traditional influences and loss of self-identity, erosion of family patterns, and democratization of personal relationships.