

Pre-gloablist and anti-globalist assignment



GBE ASSIGNMENT PRO-GLOBALISTS VERSUS ANTI-GLOBALISTS Government across the world acknowledged the fact that they need to have a capitalistic perspective if they want there country to prosper. As a result, countries (especially in Asia and Africa) started to allow foreign companies to venture into there motherland. But still countries were cautious in there approach. The proof of this can be seen from the fact that most of the governments had some kind of regulation that forced the companies to either. 1) Making a strategic alliance with an already existing native organisation.

As a result of this, companies started to expand there businesses and venture into new un-chartered markets. Companies who did there homework in terms of getting the customer requirement and projecting there products closely intertwined in the local culture made a fortune in these markets. Sooner than others, they captured the market and were able to reap the benefit of market leader position. OR 2) To open a local subsidiary which would be registered in there country as an independent business entity. Pro-Globalists 1) Pro-globalists argue that globalisation will create new employment opportunities in various parts of the world.

For each office being setup, companies will be requiring hundreds of people to work in them at different levels. Setting of offices in these countries will also mean that foreign exchange will be flowing into the there economy to cater to expenses owed by the office in terms of construction cost, wages and other tasks. A higher inflow of foreign exchange will boost the economy as a whole and will raise the living standard of the individuals there. A higher standard of living means better living conditions, better health and civic amenities which implies a healthy nation.

Promoters of Globalisation also argue that globalisation will bring in better education. MNCs will require skilled and more professional people to work for them thereby creating a demand for such professionals. In order to fulfill this demand, people would be trained both at school and college level so that they can be absorbed by the companies. Thus in long run, globalisation will cause the education system to become more jobs oriented and adhering to demands of jobs in international market. 2) Another widely promoted reason of globalisation is that it has made the entire world borderless.

Inventions happening in one country can be used in manufacturing goods in another country faster than ever before. Today, companies are launching their newer models across the world at the same time. Except for the lag due to time zone, there is hardly any human initiated delay in launches. With the advent of internet, you can order products being manufactured in different countries without stepping out of your bed. This is a remarkable progress we have made due to globalisation. Companies are now working on global delivery model.

They have offices and warehouses at different geographic places which they have considered strategically. The idea is to reduce the time spent since the order being recorded till the time product being delivered. It is a case in history when a technological development in Europe or USA used to take decades before they would reach Asia or South America or Africa. Now, as soon as Nokia unveils its new phone at its HQ, the model is available in Asia/Africa for sales. In other words, the technology divide has been filled due to globalisation and the lag has been reduced tremendously.) For a very large corporation, globalisation helps the company to remove the

bureaucracy and flap that it has acquired over the years. In the present day world, a company needs to be flexible and should have zero quotient of snobbishness. It has to be agile and impulsive to survive. Expanding company operations in a new market helps company to trim down the extra fat it has gained and re-instates the blood vessels in it. At the same time, it also saves company from the risk that may arise due to competition myopia.

Companies see each and every competitor no matter how big or small closely and watch there moves. This saves company from any surprises & shocks in the future. It keeps the company young and avoids lethargy and complacency from entering into corporate culture. 4) With globalisation, just like corporate, people will also think at global level and hence we will see lot of movements of people from one country to another in pursuit of there career goals. This will result in cross cultural bonding being developed between various races of people interacting with each other.

With open markets comes an increased mixing and clashing of different cultures and people is happening. This can also be a good thing because it creates increased interdependence, which, in theory, reduces conflict. For example, free-market capitalism increases the costs of war because warring countries lose markets and investors and then their economies plummet. Friedman has a theory that the crisis between India and Pakistan was diverted in part because the Indians were afraid of losing tech jobs from American companies like GE, Microsoft and American Express.) The single most communicated reason in favor of globalisation is that it helps in the growth of native as well as the foreign country. Opening of economies of second and third world countries will help foreign investors to invest more

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freely and confidently in these markets and will make the local manufacturers competitive at the global level. They also advocate that globalisation will result in optimal utilisation of resources across the world. When the source will be located near the market, the cost of goods reaching the end-user will reduce many folds thereby making the commodity available at a cheaper rate.

And with a smaller turn around time. Re-aligning the units at places with lower installation or raw material costs (including labor) will also help in reducing the cost of manufacturing and hence will be in the benefit of the customer. In the same amount, customer will be able to buy more things than what he has been buying in the past. Balanced utilisation of raw materials across the continents is also favored by the ecologists towards maintaining the ecosystem on earth. Anti-Globalists The anti-globalists zone is divided into two.

First belonging to the developed countries like USA and European nations. Their argument is mainly based on the threat of job loss in these countries due to globalisation and increase in un-employment of skilled people. The second camp is from developed and developing countries who are considering globalisation as a threat to their economy, cultural & social values and political independence. They believe that globalisation or rather neo-liberalisation will give access to their country's economy to few MNCs who will use it for their own benefit ignoring the overall growth of the country.

Anti-Globalists of Developed Countries 1) Anti-Globalists have argument that the goods being manufactured in other parts are not upto the standard/quality when being manufactured locally. A recent news article had a report that paints being used for covering toy surfaces in China has high level of lead which is injurious to health of humans. Such case of negligence or consumption of poor quality raw material can be disastrous as companies are compromising on quality/safety to save cost.

This can also be viewed in the light of ethical compromise by the companies and can result in them being pulled into a law suit. The company has to keep a check on quality of the products being manufactured at other places and has to ensure that they comply with the quality standards of the market where they would be sold. 2) Anti-Globalists in these countries having protesting against the concentration of wealth in the hands of few dozen people. This unequal distribution of wealth is voiced by anti-globalists as frightening and dangerous for the society.) They are reasoning that availability of cheap labour in Asia, Africa and South America will result in companies shutting down there operations in the host country which will result in people being laid off and forced into unemployment. They argue that companies have certain moral responsibility towards fellow citizens and should not be completely profit oriented. Actually, there argument can be justified. If we look last 5 years data, the number of people losing there jobs due to office closure has been increasing every year. If the trend continues, the number of people losing there job would have increased many folds.

Such kind of mass unemployment can result in increased crime in these countries to the minimum and may even raise the order of social backlash in

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worst case. Government of these countries is now seriously considering the potential of this problem and is trying to find out ways to curb it. Anti-Globalists in Developing Countries 1) Anti-Globalists argue that globalisation will result in concentration of the wealth in there country in the hands of few individuals where as the majority of population will still remain poor. At the same time, they also argue that globalisation will act as a drain to there natural resources and economy.

The corporate will take out all the wealth from there nation and leave them when there would be nothing more to take. In other words, people are calling globalisation as a modern day colonialization of the world. 2) The Anti-globalists in developing countries consider goods sold in the local market as something which had been obsolete in the developed market and had no more buyers there. They consider that large corporation will use the local markets as dumping grounds. Products which are no longer getting sold as hot cakes are being revitalized by introducing them to such new markets.

As these markets are new, they usually welcome such products mainly due to the brand value they carry and the sales increases. It also happens that companies send products which have been termed as hazardous for human consumption to these markets as they are unaware of any such thing. 3) The Anti-Globalists argue that the large corporations will result in corruption of the true culture. They have a thought that big corporations don't just sell physical but emotional products thereby changing and perverting there cultural landscape.

As people are usually conservative about their cultural and social traditions, they feel offended when someone tries to influence their culture. Advent of these brands into local markets of developing countries is primarily targeted towards youth. Hence this further strengthens case against globalists. 4)

Linking of economies of the world has a drawback as well. The entire world is now linked to American Economic policy more directly than ever before. Take for example the fact that a mere speculation of bankruptcy of home loan in US crashed stock markets all over the world.

The dependence on a single economy can result in United States holding the entire world economy at ransom. 5) Human right activists are another cornerstone of the anti-globalization movement. Globalization takes the people from the fields (where farmers work 12 hours/day) and put them to factories (where workers also work 12 hrs/day). Does globalization make poor people in developing countries better? I see that, workers at Nike's factories cannot afford air-shoes; and workers at Toyota factories never dream of a Camry. So, is that good for poor people?

The activists are especially opposed to what they view as " globalization abuse" and the international institutions that are perceived to promote neoliberalism without regard to ethical standards. 6) Premature globalisation of a country can result in the local industries succumbing to the pressure exerted by the global players there by causing them to die down. Again prolonged suppression and uneven platform for the local industry can result in social outburst against foreign companies which can be dangerous to the world harmony.