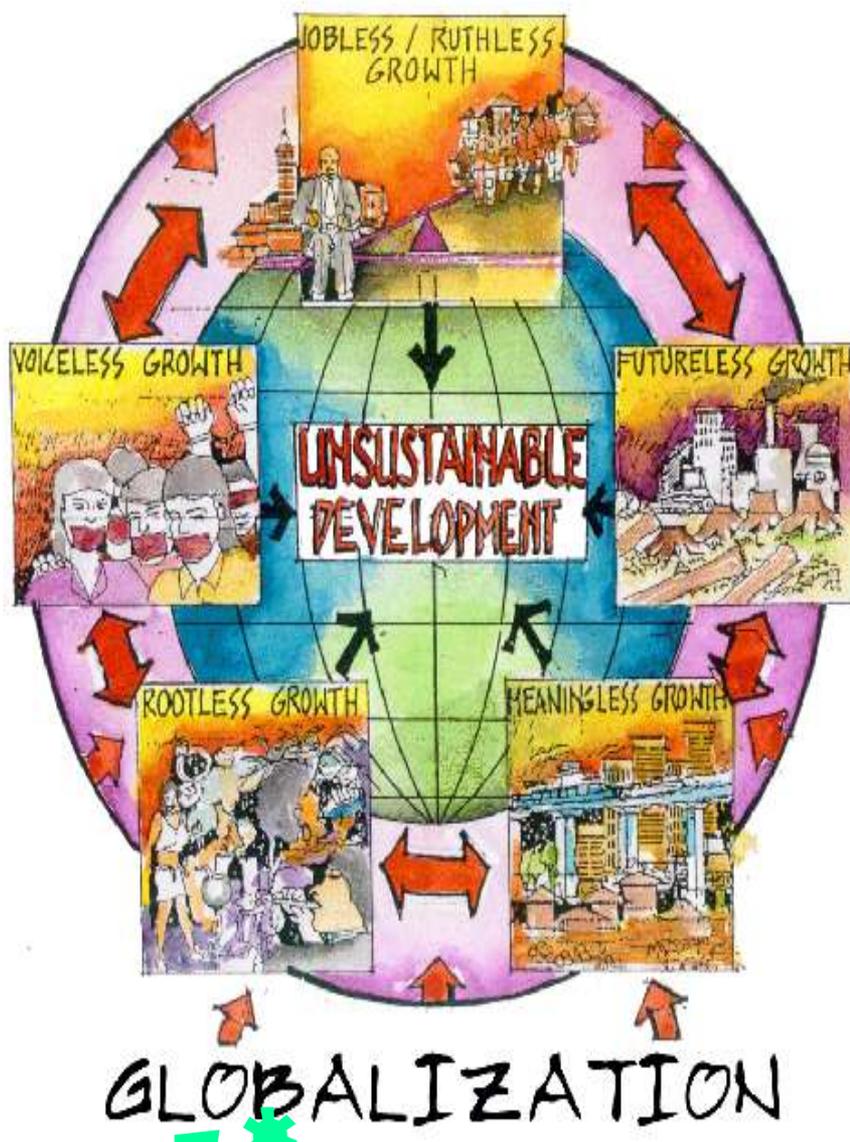




Globalization  
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# Globalization



GLOBALIZATION

# What is globalization?

Globalization is a term used to describe the changes in societies and the world economy that are the result of dramatically increased trade and cultural exchange. In specifically economic contexts, it refers almost exclusively to the effects of trade, particularly trade liberalization or "free trade".

It is a common belief that globalization plays a role just at international levels of trade and commerce, but the fact is that it has played an important role in making our lives much more comfortable too. The phones, apparels, gadgets or accessories that we use in our day-to-day life are be available to us through globalization. Knowingly or unknowingly, we are all under the impact of globalization, and more importantly it has helped in bringing international peace and justice to mankind.

# “Globalization” can mean:

- The formation of a global village - closer contact between different parts of the world, with increasing possibilities of personal exchange, mutual understanding and friendship between "world citizens",
- Economic globalization - "free trade" and increasing relations among members of an industry in different parts of the world (globalization of an industry), with a corresponding erosion of National Sovereignty in the economic sphere.

# Signs of globalization

- Increase in international trade at a faster rate than the growth in the world economy
- Increase in international flow of capital including foreign direct investment
- Greater transborder data flow, using such technologies such as the Internet, communication satellites and telephones
- Greater international cultural exchange, for example through the export of Hollywood and Bollywood movies.
- Some argue that even terrorism has undergone globalization. Terrorists now have attacked places all over the world.
- Spreading of multiculturalism and better individual access to cultural diversity, with on the other hand, some reduction in diversity through assimilation, hybridization, Westernization, Americanization or Sinosization of cultures.
- Erosion of national sovereignty and national borders through international agreements leading to organizations like the WTO and OPEC

- Greater international travel and tourism
- Greater immigration, including illegal immigration
- Development of global telecommunications infrastructure
- Development of a global financial systems
- Increase in the share of the world economy controlled by multinational corporations
- Increased role of international organizations such as WTO, WIPO, IMF that deal with international transactions
- Increase in the number of standards applied globally; e.g. copyright laws

# Anti- globalization

- Many anti-globalism activists see globalization as the promotion of a Corporatist agenda, which is intent on constricting the freedoms of individuals in the name of profit. They also claim that increasing autonomy and strength of corporate entities increasingly shape the political policy of nation-states.
- globalization imposes credit based economics, resulting in unsustainable growth of debt and debt crises.

# Pro-globalization (globalism)

- Supporters of free trade point out that economic theories such as comparative advantage suggests that free trade leads to a more efficient allocation of resources, with all those involved in the trade benefitting. In general, they claim that this leads to lower prices, more employment and better allocation of resources.

# Globalization in the Philippines

- ① The country is taking part in the process of globalization ever since the country signed agreements with World Trade Organization in 1995.
- ① Now, globalization is very effective in the Philippines, it has allowed major changes in the nation like more labor, and more Filipino and foreign companies has emerged in the nation in order to help the country's developing economy.

Globalization can make the Philippines into a better nation if the Philippine leaders to make their economy more advance through global trading and allowing more foreign investors to the help boost the economy. And by accomplishing those goals, the Philippines should be able to reduce the poverty level as well as increase labor force for job opportunities for those that are in need for a living. However, since the poverty level is still increasing, most Filipinos has managed to find work overseas and they have managed to seek better living than in the Philippines. The most effective factor in the Philippines is education. The society's mentality is to be educated and it's with education that people in the nation see their opportunity for a better life in the future.

# Advantages

- Peaceful Relations

Most of the countries have resorted to trade relations with each other in order to boost their economy, leaving behind any bitter past experiences if any.

- Employment

Considered as one of the most crucial advantages, globalization has led to the generation of numerous employment opportunities. Companies are moving towards the developing countries to acquire labor force.

- Education

A very critical advantage that has aided the population is the spread of education. With numerous educational institutions around the globe, one can move out from the home country for better opportunities elsewhere.

- Product Quality

The product quality has been enhanced so as to retain the customers. Today the customers may compromise with the price range but not with the quality of the product. Low or poor quality can adversely affect consumer satisfaction.

- Cheaper Prices

Globalization has brought in fierce competition in the markets.

- Communication

Every single information is easily accessible from almost every corner of the world.

Circulation of information is no longer a tedious task, and can happen in seconds. The Internet has significantly affected the global economy, thereby providing direct access to information and products.

- Transportation

Considered as the wheel of every business organization, connectivity to various parts of the world is no more a serious problem. Today with various modes of transportation available, one can conveniently deliver the products to a customer located at any part of the world.

- GDP Increase

Gross Domestic Product, commonly known as GDP, is the money value of the final goods and services produced within the domestic territory of the country during an accounting year.

## ○ Free Trade

Free trade is a policy in which a country does not levy taxes, duties, subsidies or quota on the import/export of goods or services from other countries. There are countries which have resolved to free trade in specific regions. This allows consumers to buy goods and services, comparatively at a lower cost.

- Travel and Tourism

Globalization has promoted tourism to great heights. International trade among different countries also helps in increasing the number of tourists that visit different places around the world.

- External Borrowing

With the help of globalization, there is opportunity for corporate, national, and sub-national borrowers to have better access to external finance, with facilities such as external commercial borrowing and syndicated loans.

# Disadvantages

## ○ Health Issues

Globalization has given rise to more health risks and presents new threats and challenges for epidemics.

- the dawn of HIV/AIDS. Having its origin in the wilderness of Africa, the virus has spread like wildfire throughout the globe in no time.
- Food items are also transported to various countries, and this is a matter of concern, especially in case of perishable items.

- Loss of Culture

With large number of people moving into and out of a country, the culture takes a backseat. People may adapt to the culture of the resident country. They tend to follow the foreign culture more, forgetting their own roots. This can give rise to cultural conflicts.

- Uneven Wealth Distribution

It is said that the rich are getting richer while the poor are getting poorer. In the real sense, globalization has not been able to reduce poverty.

- Environment Degradation

The industrial revolution has changed the outlook of the economy. Industries are using natural resources by means of mining, drilling, etc. which puts a burden on the environment.

- Disparity

Though globalization has opened new avenues like wider markets and employment, there still exists a disparity in the development of the economies. Structural unemployment owes to the disparity created. Developed countries are moving their factories to foreign countries where labor is cheaply available.

- Conflicts

It has given rise to terrorism and other forms of violence. Such acts not only cause loss of human life but also huge economic losses.

- Cut-throat Competition

Opening the doors of international trade has given birth to intense competition. This has affected the local markets dramatically. The local players thereby suffer huge losses as they lack the potential to advertise or export their products on a large scale. Therefore the domestic markets shrink.