

Globalisation

Abstract

Globalization becomes increasingly interconnected as it is the process through which the world, previously isolated through physical and technological distance. It is manifested with the increase in interaction between peoples around the world which involves the sharing of ideas, cultures, goods, services and investment. The article discusses how globalization played a major role in spreading the effects of the global economic crisis across the world.

Keywords: Globalisation, Country, Growth, Markets, Economic.

Introduction

There is a huge increase in globalization in last sixty years have witnessed, but the process has been going on for so much longer. Globalization has brought fear of loss of so many jobs and loss of income, which are often described as the "race to the bottom," as industrialized countries and are thought will result in wage reduction to be competitive with those in the developing countries of world.

Globalization is primarily an economic process of integration and interaction that's associated with social and cultural aspects. Globalization has now grown up higher due to advances in transportation technology and communication technology. The growth of international trade, ideas, and culture comes up with the increased global interactions.

It is the process by which businesses or other organizations start operating in the international scale and develops international influence.

Aim of the Study

Main aim of the study is to reveal the true meaning of globalization which influences the idea sharing, cultures, services and investment and also the effects of global economic crisis.

Features

Liberalisation

It stands for the freedom or removal of restriction from the entrepreneurs within their own countries or abroad to establish any industry or trade or business venture.

Free trade

It stands for free flow of trade relations without tariffs and quotas among all the nations. Each state trade away from excessive and hard regulatory and protective regimes and grants most favoured nation status to other states and keeps there business.

Globalisation of Economic Activity

Economic activities are being governed both by the domestic market and the world market. It stands for the process of integrating the domestic economies with world economy.

Liberalisation of Import-Export System

It stands for liberating or free flow the import-export activity and securing a free flow of goods and services internationally.

Privatisation

The transfer of public to private ownership keeping the state away from ownership of means of production and distribution and letting the free flow of trade, industrial and economic activity across borders.

Increased Collaborations

With a view to secure rapid modernisation, development and technological advancement, it encourages the process of collaborations among the entrepreneurs.

Economic Reforms

To give strength to free world trade, free enterprise, and market forces, to encourage fiscal and financial reforms.

Several dimensions of Globalisation

Globalisation has social, economic, political cultural and technological dimensions. It involves all round inter-linkages among all the people of the world. It has increased and activate Social, Economic and Cultural Links among the people.



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It attempts always at making geographical borders soft permitting all the people to develop their links and relations. Key feature is free flow of knowledge, technology goods services and people across all over.

Types of Globalisation

There are about seven (7) major types of globalization-

Financial globalization

1. Interconnection in markets of the world's financial systems e.g. stock markets
2. Large number of a connections between large cities than of nations
3. Example: Happening in Asian markets affecting the North American markets.

Economic Globalization

1. Globalization of production, finance, markets, technology, organizational regimes, institutions, corporations, and labour. A worldwide economic system permits easy and free flow of movement of goods, production, capital, and resources (free trade facilitates this)
2. Example: Multinational corporations(MNCs)

Technological Globalization

1. Establish connections between nations through technology such as television, radio, telephones, internet, etc.
2. Traditionally it was available only to the rich people but is now far more available to the poor people also. Very less infrastructure is needed nowadays.

Political Globalization

1. To facilitate the other forms of globalization countries are attempting to adopt similar political policies and styles of government e.g. moving to secular governments, free trade agreements, tariffs and quotas etc

Cultural Globalization

1. It helps in merging or "watering down" of the worlds cultures e.g. food, entertainment, language, etc.
2. Destructive of local culture is heavily criticized.
3. e.g. The Simpsons is shown in over 200 countries in the world.

Ecological Globalization

1. There are so many problems are global in nature therefore earth is seeing as a single ecosystem rather than a collection of separate ecological systems.
2. e.g. International treaties to deal with environmental issues in nature like biodiversity, climate change or the ozone layer, wildlife reserves that span several countries.

Sociological Globalization

1. We are all global citizens is a growing belief of same rights and same standards.
2. e.g. women should have all the same rights as equal to men and the growing international ideas that capital punishment is immoral.

Reasons for Globalisation

1. Increased cross border trade is the creation of WTO which is stimulating.
2. To the markets for their finished products and to be close to raw materials.

3. To reduce high transportation costs.
4. To get technological and managerial know-how.
5. Companies go global to find political stability, which is relatively good in other countries across the world.
6. Domestic markets are no longer adequately rich and prosperous.
7. Rapid shrinking of time and distance across the world.

Stages of Globalisation

1. First stage is that moving into new market worldwide overseas by linking up with local dealers, distributors and manufacturers.
2. In stage two the company takes over service activities on its own.
3. In stage three the domestic based company begins to carry out its own manufacturing, marketing and sales in main foreign markets.
4. In stage four the company moves including R&D and engineering to a full insider position in these markets supported by a complete business system. However the headquarter continues to dominate the system.
5. In stage five In this stage global localisation happens i.e. the company serves local customers in markets around the worldresponding to their needs. The company moves towards a genuinely and openly global mode of operation. Requirement of the company must denationalise its operations and should create a system of values shared by global managers.

Globalisation Merits

1. Living standards going up faster.
2. Inflation is less likely to derail economic growth, worldwide and across border competition and imports keep a lid on prices.
3. Comparative advantage of when countries produce goods & services, productivity grows more quickly.
4. Unfettered capital flow keeping interest rates low in.
5. More payment by export jobs over the globe than other jobs.
6. Innovation creation by an open economy with fresh ideas from abroad.

Globalisation Demerits

1. Several people lose jobs when companies import cheap labour or shift production abroad.
2. Workers face pay cut demands from employers, which often threaten to export jobs.
3. Unregulated globalisation can cause serious problem to developing nations.
4. High foreign stake in industries where it is not necessarily needed could affect domestic enterprise.
5. Sovereignty is at stake.
6. Loss of control over economy.
7. Changing economic priority.

Conclusion

India is getting a global recognition and slowly moving towards to become a major political and economic strength. Though the development is progressing rapidly, still many basic problems like corruption, rural poverty and political instability

remained unsolved. Globalisation also had some negative impact on the developing countries but has also increased the trade of products, ideas, technologies etc. and created the world without boundaries. India is shining in nearly every prospect flowing with globalization.

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