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The Impact of Globalization

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Abstract

Globalization is a phenomenon which has existed for centuries, whether acknowledged or not, and has continued to influence the world as a whole throughout the years. Throughout it has been called an essential and inevitable idea which could magically change the world and heal it. Globalization after its official recognition in the 1900s has especially helped the world grow as a whole and helped to develop itself in different dimensions such as economic development and technological advancements, it has continued to promote inter-country relations and continues to advocate interaction among them. The countries of the world have come together and have started to live with each other, trade has boomed and technology has developed and economies are in much better shape. Despite this, there are still problems that persist and some of these problems have arisen due to globalization itself. Today the environment faces severe repercussions as a somewhat direct result of globalization, there is an ever increasing gap between the rich and the poor, which entails that globalization is not the ideal solution to all world problems that exists. The aim of this study is to understand this impact of globalization on the world and how it has changed the world view in the years of its existence, whether it is truly a magically idea that cures all worldly issues or it has its own shortcomings and there is a need for further improvement in the future.

Keywords: Globalization, Economies, Technology, World trade, Global village

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1. Introduction

Globalization as we know it, is a term that refers to the phenomenon of the ever increasing co-dependence of the economies of the world's countries, their cultures and their population. This being the result of increasing extensive cross the border trading, technological advancement and information sharing. Through the passage of time, many alliances have been formed solely to mobilize this concept, but it truly gained momentum after the end of the Cold War in the early 1990s.¹

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¹ What is Globalization? PIIE, <https://www.piie.com/microsites/globalization/what-is-globalization> (last visited October 1, 2021).

Since a very long time, people have tried to innovate and find out new places to base themselves in and try to advance through the help of the different scientific advancements made during the times. Though, globalization did not reach true relevance until after the Cold War, and the different developments made during that time helped in the increase of collective economic cooperation between all the countries after what was the aftermath of the mass colonization by Europeans.²

After the disaster of World War I, the globalization trend weakened and fell, followed by post war protectionism, the Great Depression, and World War II. Following World War II in the mid-1940s, the US spearheaded attempts to resurrect international commerce and investment under established ground rules, kicking off a second wave of globalization that is still going strong, despite periodic downturns and increasing political scrutiny.³

Globalization as a topic is something that is usually explored by people wanting to gain an insight into the international workings between the different economics of the planet. It mainly focuses on what caused people to behave the way they did, throughout time with the different scientific advancements especially with the end of the two World Wars and the Cold war. It provides a deep explanation as to the socio-political boundaries and how those boundaries have changed with the introduction of Globalization into the global society. Globalization has in more ways than one caused the world to come closer and be more intimately related to each other whether through more official economic relations or the more subtle immigration of people among the countries.

The perception of Globalization remains somewhat of a debate in itself, as for some it is the beginning of a new dawn, a new world with no boundaries or barriers separating its people, while some find security in this concept of boundaries present in the world.

It is held that the main reason Globalization came into existence and gained popularity in the books of history and has remained so is because of the collective decision of the world leaders after the World Wars and the Cold War to come together as countries and better promote peace in the world through collectively cooperating with each other and helping each other grow and thrive.⁴

Countries have come forward as an iconic show of selflessness and have risen above their own interests and have helped everyone collectively develop together as one "Global Village".

2. Literature Review

2.1. A Historical Perspective

Since the beginning of civilization as we know it, people have always loved the concept of sharing and trading, from here itself the concept of Globalization has existed in its most basic form. Some speculate the concept to have been formed somewhere around the Bronze Age, while some go even further, some even pinpoint the 16th century and the discovery of America to be the global kick-starter for Globalization, but it is evident that the concept by itself has for almost forever made home in the way of life of people all over the world. Though present for a very long time, it truly got recognition in the 19th century, especially after the majors Wars, when world leaders came together and saw the need to cooperate on an international level for the complete all-rounding development of the world as a whole.

It was directly after the Second World War that countries started to come together in a sort of technological initiative which included the collective drive to send satellites and men to space. Along with the leaps and bounds in technological advancements, came a nudge towards institutional developments worldwide and thus the United Nations was born in 1945, as a collective effort to develop together not only as countries but as the world as a whole.⁵

Along with this during the same time, the General Agreement on Tariffs and Trade (GATT) was created which would later be succeeded by the very important figure of the World Trade Organization.⁶

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

⁵ The Impact of Globalization on Economies and Business GetSmarter Blog, <https://www.getsmarter.com/blog/market-trends/the-historical-impact-of-globalisation-on-economies-and-business/> (last visited October 1, 2021)

⁶ *Ibid.*

All these events leading to each other formed the base of Globalization as we know it today and led to the world developing together and growing together.

2.2. The Impact of Globalization

The sudden increase of momentum of the acceptance of Globalization especially after the World War II, led to exponential increase of international trade and transportation efforts to recover from the tragic consequences of the war, as a result trade value increased significantly through the years and continues to do so even now.

Globalization in itself has helped exponentially in the development of economies around the world and has led to a very exciting exchange of not only essential trade products but culturally relevant products. It has helped to introduce the different countries in the world to different unique cultures that exist in the world. People have stopped being confined to only being citizens of individual countries, they are now not only citizens of an individual country but also citizens of the world as a whole. Geographic distances and barriers no longer define and obstruct a people to a single place.

Globalization has also affected the efficiency and service capacities of industries and businesses. They are now able to focus on not only people restricted to one country or area but are able to diversify to international levels. The ultimate costs of manufacturing, sourcing raw materials and worldwide transportation has also decreased considerably now that boundaries are being broken down. For service based industries too, work has become much easier. It is now more convenient to employ regional employees tailor made for the target audience of that place, companies are able to better outsource work to international countries and delegate work equally among all units.

These advantages led to the booming increase of world trade and in the process further diversified and brought the world together. Not only physical goods and services, but the sharing of lifestyles, knowledge and traditions have become the norm and people have become more integrated and accustomed with each other and each other's similarities and differences.

Globalization has helped in financial matters too, it has aided in the simplification of financial rules and regulations which are followed by the financial centers of the different countries, and it has also helped in breaking down the concept of middle men and has helped forming a simpler and more direct procedure for financial workings as a whole.

Along with the more technical side of diversification, culture has also been shared among countries in an effort to come together as one. Practices and traditions which were once unfamiliar to different countries have now come to light as a curtesy of globalization, which has allowed people to travel and mix freely with each other. For instance, in the recent years South Korean beauty and food products have become extensively popular around the world.⁷

2.3. Impact of Globalization in India

Globalization has had its fair share of impact on India and its economy. Due to globalization, there has been an observed increase in job opportunities especially in the service sector due to the recent influx of foreign companies. Though these jobs are skilled based jobs, there hasn't been much inclusivity for low-skilled people and despite job opportunities increasing, there has also been an increase of joblessness due to the disproportionality of the job opportunities presented.⁸

Along with this there has also been a substantial increase in the selection of consumer products in the market. It has by far been diversified and the average consumer has a lot more freedom of choice now than they used to have earlier. Also it has been noticed that due to an increase in the presence of higher paying jobs, the average disposable income has increased, giving the average individual with a sufficiently high paying job more purchasing power.

With the continued shifting emphasis on the service and industrial sector, the agricultural sector has further diminished in its value and the greater influence of global commodities cause frequent fluctuation in

⁷ What is Globalization? Examples, Definition, Benefits and Effects Youmatter, <https://youmatter.world/en/definition/definitions-globalization-definition-benefits-effects-examples/> (last visited October 1, 2021).

⁸ Impact of Globalization on India Civilsdaily, <https://www.civilsdaily.com/impact-of-globalisation-on-india/> (last visited October 1, 2021).

prices of the naturally produced commodities. There has been a shifting paradigm towards imported commodities rather than locally produced goods.

Globalization has helped to diversify and make education more accessible and affordable. It has also highlighted the importance of higher education and qualification. Due to this, there is also an observed increase of rural to urban migration and cities continue to grow larger. There has also been an increased hype for Indian origin products, such Indian cuisine, performing arts, clothing and healthcare methods throughout the world.

There has also been an increased influence of international media influences and India holds a significant portion of the foreign entertainment market. Furthermore, this global influence has created somewhat of a global cultural identity along with the local culture identity, to the point people now identify with not only India based cultural influences but also a rather diversified global cultural identity with it. International influences have now become an integral part of the average Indian lifestyle. To some extent it is also reflected through the increasing Consumerism in India, where people now prefer a more globally influenced approach to life rather than a traditionally Indian approach.

There has also been a very interesting development as a consequence of globalization. Due to the diversification of jobs, the collective time periods and expected transitions for living life has increased. The time it would generally take to get employed and settled in life has increased due to the now much more technical and expertise based jobs are there in the economies. What could have been achieved by late-teens in the past now requires a person to be at least in their mid-twenties due to the time taken to properly educate and prepare oneself for it.⁹

3. Research Methods

Qualitative research based on secondary data collected from books, journals, websites, newspapers, etc.

4. Findings

Globalization is an ancient concept which has been speculated to have existed as early as the Bronze Age, with a more reasonable date of discovery being around the 16th century when America was discovered. It received official recognition and due importance in the 1900s after the end of the two World Wars and the Cold War. The world leaders then came together in an effort to unify the world as sort of big village where no boundaries existed and everyone lived in harmony with each other.

Globalization though was initially adopted to pick up the world's pieces in the aftermath of the World Wars and the deep scars it left in the history of earth. It was quickly realized that globalization truly helped the world as a whole. Adopting globalization had led to an exponential increase in the transport among the countries of the world. People were mingling, migrating and settling in different countries, and with it came the exponential technological advancements and a leap in the global economic scenario. For the first time when the world came together as one, society was improving and moving forward as one.

Globalization has continued to help to grow and develop world trading practices and nurture and grow economies, especially those of the developing countries. It has improved overall job security and continues to expand job opportunities for people to be employed. It has helped in making education more affordable and accessible to the people of the world. It has also helped in the growth of industries and businesses around the world and has helped to introduce and strengthen the consumer market so people now have a lot more to choose from than before.

It has also been successful in bringing people closer. Cultures and traditions which were once restricted to areas now have gained global recognition, people are free now to live and exhibit their cultures proudly and help others to integrate into these cultures. Citizenship as a concept has gone beyond the boundaries of singular countries. People are now more global citizens rather than a citizen of a specific country. Boundaries have become more open and lax and people have come together as one.

Countries are also able to come together and help each other financially in times of need due to the more eased global financial rules, they are able to assist each other during times of disaster and send support whenever it is required by fellow countries.

⁹ *Ibid.*

This is also reflected in India. Globalization in India has helped the country form more job opportunities as the market has diversified to include international industries too. So employment opportunities and a scope for people to enter a well-paid job has increased.

Emphasis which used to be given to the Agricultural Sector has decreased as focus has shifted mainly to the service and industrial sectors. Preference among the masses has risen for international commodities rather than local products. Education has also become more accessible and it has led to an increase of skilled labor in the country. Due to this, the size of cities have also increased as rural to urban migration for a search of job opportunities have increased.

The world has also been extremely welcoming and interested in Indian tradition and Indian origin goods and services. There is now increased international demand for Indian products and commodities like clothing and cuisine. People have also shown interest in cultural aspects such as Indian performing arts and languages. Just as internationally people have adopted Indian influences, India too has adopted international influences, to the point that now international lifestyle specific behaviors form a vital part of the daily Indian life. There has also been an influence of international media in the entertainment industry of India and people are now more interested in international media and sources of entertainment.

Overall Globalization has caused major changes and a huge impact on the world as a whole. People are now much closer together and this closeness transcends all boundaries and affects all as a part of the world.

5. Discussion and Analysis

The huge impact that globalization has on the world garners some serious discussion. Through the pages of history, it has been repeatedly noticed that countries preferring their own welfare and thinking themselves to be superior to others has repeatedly led to conflict among the countries and has etched deep and unforgettable scars in the timeline of humanity's existence. And the same came to a brink after the two World Wars and the Cold War when the earth was left shattered in the aftermath of this persisting conflict. It was then when the world leaders came together to finally put an end to this continued hostility among countries and instead develop a system that would benefit all. A system where the people of the world would come together and live in harmony, transcending all existing borders of the countries.

This was recognized as Globalization, and since then the world has not looked back. Globalization in its unique sense and effort to bring together people has allowed the world to cumulate as a 'Global Village' of sorts, where people come together not as citizens of specific countries with their differences but as one people who are collective citizens of the world.

Globalization has in one way or another changed the lives of people in the world. Countries are now very interdependent and cultures specific to certain regions have come out and integrated into each other. People are a lot more free and close to international influences and people can come together with shared experience as a people and residents of the world.

The current version of globalization and the policies followed are perhaps not the best versions of what it can be and that has led to certain drawbacks such as negative impacts on the environment, a dilution of cultures around the world, inhuman working conditions in industries operating in labor based countries, an increase in child labor, increasing disparity of wealth between educated and uneducated individuals and much more.

Globalization will continue to affect the lives of people and the condition of countries around the world in the years to come. It is the collective decisions of individuals together that will fix the true course of future under this influence of globalization.

6. Limitations

Despite its many advantages, Globalization is not a perfect concept. Just like any other concept, it has its shortcomings and disadvantages. Through the years it's has benefited the world a lot, but in the way to progress there have also been some drawbacks.

Financially, due to the outsourcing of work done by developed countries to the many developing countries it has led to the suffering of the people living in these communities. There are no longer sufficient job opportunities present for the people residing in the developed economies. This has led to the rise in tension and increased

competition in the job market between residents of developed countries with cheap-labor markets sourced from developing countries.

Situation in developing countries aren't much better. While there has been an increase in job opportunities, the working conditions for the industries in the supply chain leave a lot to be desired. The system is seen to constantly exploit the workers without providing sufficient pay or even proper and humane working conditions to them. Critics have also speculated that the blatant increase in child labor in poorer countries without proper worker protection laws is also a by-product of globalization. The need for money has been taking children away from their poor families, children end up trying to provide for their families, instead of focusing on their education.¹⁰

Globalization has also been speculated to be the key reason behind the income disparity between the masses in countries, people who are well educated have more opportunities to be employed where as people who aren't as educationally proficient have little to no opportunities in the job sector. This has also led to a sense of inequality, the educational and income disparity creating a rift between people and stopping the integration with each other.

There has also been drastic effect on the environment as a result of globalization. Due to the increase of international transport, the continued diversification and spreading of industries, and as a consequence factories, there has been a substantial increase in exploitation of natural resources and an increase in plastic usage, all of which together have led to the quality of the environment drastically decreasing. The forever prevailing issue of Global warming, greenhouse gas emission, plastic pollution, degrading air, water and soil quality, continued deforestation which leads to rendering animals homeless and depletion of natural resources which have also led to the endangering of animal species, are all an indirect consequence of globalization.¹¹

7. Future Scope

Globalization as a concept and as a global phenomenon has influenced the world well beyond expectations. It has opened up several doors of opportunities which were previously closed and has helped the world come together as a whole and become closer to each other. It has helped in bringing collective economic development and in making significant scientific and technological progress. But despite that some shortcomings remain. There have been developments sure, but at the heavy expense the environment and a disproportionate distribution of wealth among the masses.

Historically it has been observed that an inherent focus on a specific country and a selfish mind-set has only been set up to fail, so approaching issues unitedly is in fact the way to go in. Globalization should ideally be implemented in a way that is more eco-friendly and inclusive than what it is now, there is always room for improvement and this improvement should benefit the world tremendously if correctly implemented.¹²

Despite the efforts to come together and find common solutions, there isn't quite only a single solution that can fit every place and country. There is a need to find more region specific solutions with a common agreement between all. Globalization by itself has great potential to bring together the world completely and help the world grow together in harmony. In the future, there is hope for the world to come even closer together and collectively defeat the evils that are present and improve further.¹³

8. Conclusion

Thus, it can be said that Globalization as a whole, whether quietly or with a bang has in fact managed to make a deep etch in the foundation grounds of society.

Today, it is very well observed and felt around everyone, the effects of this seemingly invisible phenomenon. In a way, the global leaders have accomplished their aim of bringing together the world, closer, more tightly knit through the threads of multicultural influences, and overlapping of traditions, thanks to the omnipresence of globalization.

Though it has had some drastic effects on society, along with the overlapping of bonds and connections has come forth a dilution of individual characteristics of different cultures and their sacred and very unique

¹⁰ Effects of Economic Globalization National Geographic Society, <https://www.nationalgeographic.org/article/effects-economic-globalization/9th-grade/> (last visited October 1, 2021).

¹¹ What is Globalization? Examples, Definition, Benefits and Effects Youmatter, *Op. cit.*

¹³ Effects of Economic Globalization National Geographic Society, *Op. cit.*

traditions. Not to mention, globalization along with providing seemingly limitless opportunities for all and a place for everyone to call home in this global village, a person's cultural and more intimate home gets lost in the call for equality. Along with this dilution, there seems to be a ridge of sorts too forming between those who can afford globalization and those who cannot. Because at its root globalization subscribes to a very monetary track of influence with its fingers reaching those with enough friction and glossing over those that do not have enough to make a strong foothold for its path. Thus the richer keep benefiting from globalization and keep getting richer while the poor keep struggling and fall deeper and deeper into the trenches of poverty where not even the light of globalization can reach them.

Despite everything, however, globalization has in fact been instrumental in the beginning of a new era for humanity. A more unified era, where information especially global information is now available to the masses, the global citizens. Globalization has helped pull back the veil of mystery from over countries which is previously almost inaccessible to the world at large and has helped in the growth of the newfound respect for the diversity that exists in the world and coming together as one unit, as one mankind despite so many obstacles and differences between all. Globalization has also helped in giving voice to people who felt there was no place in the world for them, helped people find their own people and has brought forth a wave of global empathy for the experiences of all and a deep respect for every individual that lives on Earth.