

IS GLOBALIZATION HARMFUL?

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Abstract :

Globalization is a process that emerges through “complex web of interconnectedness that means that our lives are increasingly shaped by events that occur, and decisions that are made at a great distance from us.”ⁱ In another words it can be said that globalization is a universal process which generate multiplicity of linkages and interconnectedness transcending boundaries of states and societies.ⁱⁱ Sometimes it is understood as an ideology or associated with neo-liberalism.

Keywords : Globalization , economic, cultural and political.

INTRODUCTION :

This process has three main features. First, it is multidimensional. Second, it homogenizes economic, cultural, social and political diversity prevailing in the world. Third, it goes hand in hand with localization, regionalization and multiculturalism.

Generally globalization can be divided in three forms: economic, cultural and political.ⁱⁱⁱ Economic globalization simply means that no economy is an island. All economies are connected to global economy in one or other way. It supports lowering of trade barriers, an end to exchange control and freer movement of investment capital from one country to other. Cultural globalization is the process whereby information, commodities and images that have been produced in one corner of the world enter into global flow through INTERNET and removes cultural differences between nations, regions and individuals. Cultural globalization is largely based on recent information revolution. Political globalization reflects in the growing importance of international organizations like United Nations, North Atlantic Treaty Organization and World Trade Organization. This third type of globalization lags behind economic and cultural globalization. The global state seems nowhere in sight but global civil society based on the activities of transnational corporations and nongovernmental organizations (NGO's) has become very much a reality.

Why did process of globalization occur? This process largely occurred due to the information revolution. In recent times, Cellular phones, INTERNET and Television have deeply connected the whole world. Computer technology and INTERNET are agents of rapid globalization. Influence of TV has greatly increased due to 24 hour news channels. Everybody agrees that today global telecommunication industry is the major vehicle for the rapid exchange of ideas, information, and images worldwide. The growing speed of communication has drastically reduced the distance of one place to other.

Second important catalyst of globalization is multinational corporations (MNCs). They have been the primary agent of the globalization of production propelling extraordinary growth in trade and capital mobility during past half-century. Today there are more than 40,000 multinational companies. The foreign direct investment increased from \$12 billion in 1970 to \$2.4 trillion in 1995. Many of these MNC's are linked through alliance of co-ownership and coproduction. These corporations mostly adopt truly global strategies for financial gain through long-term supplier agreements, licensing and contracts through the MNC's international alliances and joint foreign direct investment strategies.^{iv} Their conglomerates have integrated national economies into a single global market.

Many critics of globalization argue that recent phenomena have given rise to new and deeply entrenched patterns of inequality between rich and poor. This happens mainly because globalization is the game of winners and losers.^v MNC's have emerged as winners while developing countries are losers.

Some criticize globalization on the ground that it increases the risk, uncertainty and instability. Economic decision making is increasingly influenced by global financial markets that are largely unstable because much of their activity is speculative. The financial crisis of Mexico (1995) and the Asian financial crisis (1997-1999) are early sign of a crisis-prone and more unpredictable world economy. To maximize profit countries and multinational corporations are madly exploiting the natural resources of the earth which is negatively affecting the environment. To increase sale, MNC's manipulate consumers tastes and maximize materialist value by through the development of brands. Experts all over the world agree that the costs of rapidly accelerating consumption promoted by free trade and the ethos of consumerism are not environmentally sustainable.^{vi} The large scale migration of work force from one continent to other may spread deadly diseases like flu and AIDS (Ammuno deficiency syndrome) in much faster way today than pre-globalization era. Cabin of a Jet is shared by crew of many countries, posing threat of spread of various diseases.

Nationalists criticize globalization on the ground that it has reduced the capacity of even sovereign states to control their economic and political fortunes. It faces difficulty in controlling MNC's and non-state actors operating in various countries. It has eroded nation state's monopoly over internal sovereignty which was formerly guaranteed by territory.^{vii} Faster means of communication multiplies the effect of any racial and religious event manifold. Today transnational drug and terrorist groups are able to flow information and money safely and secretly which was previously impossible. New technologies have increased the governments' cost of controlling flows of information.

Despite these apprehensions, globalization has proved to be advantageous in many ways. First, globalists defend globalization on the ground that the rich may have got richer but the poor are now also in most cases less poor. As free trade allows each country to specialize in the production of those goods and services that is best suited to produce, it leads international specialization and mutual benefits.^{viii} When manufacturing plants are shifted from developed countries, it benefits former because production cost comes down but it benefits latter in two ways. One hand it generates employment, on the other wage level rises. Hence it makes the low cost quality product available all over the world.

Second, as MNC' operate in various countries and manufacture same product everywhere, problem of service and maintenance does not arise.

Third, information revolution and close day today interaction has brought cultural homogeneity which gives rise to the feeling of tolerance and understanding among people of various religions, cultures and regions of the world.

To conclude, it can be said that globalization has more benefits than harms. Whatever harm it has can be avoided by enforcing strict environmental laws all over the world.

End Notes:

ⁱ Heywood, Andrew (2002), *Politics*, Palgrave, New York, p. 138.

ⁱⁱ Ian McLean and Alistair McMilan (2008), *Oxford Concise Dictionary of Politics*, Oxford, p. 223.

ⁱⁱⁱ Heywood, Andrew (2002), 'op.cit', p.139.

^{iv} Kegley, Jr., Charles W. and Wittkopf, Eugene, *World Politics: Trends and Transformation (seventh edition)*, St. Martin.

^v Heywood, Andrew (2002), 'op.cit', p.143.

^{vi} Kegley, Jr., Charles W. and Wittkopf, Eugene, 'op.cit', p. 275.

^{vii} Ibid, p.274.

^{viii} Heywood, Andrew (2002), 'op.cit', p.142.



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