

Globalization and Economic

Integration:-

Outline

(1) Introduction:-

(2) Globalization results in economic integration because.

(i) Globalization opens the room for trade liberalization by reducing trade barriers.

(ii) It also enhances global supply chains by facilitating the free movement of ^{goods} to diverse markets.

(iii) Globalization provides fertile ground for Foreign Direct Investment by creating economic interconnectivity.

(iv) It paves the way for technological transformation by promoting collaboration among nations.

(v) It promotes tourism by spreading awareness across the globe.

(vi) Globalization curbs the menace of intolerance by enhancing cultural interaction among nations.

(3) Challenges that hinder economic integration through globalization:-

(i) Technological divide between developed and developing nations is a looming challenge.

(ii) The monster of climate change is another threat.

(iii) The growing threat of job displacement is also challenge.

(iv) Globalization ^{can} leads to xenophobia which poses a challenge to economic integration.

1) Effective measures to overcome challenges in the way of economic integration through globalization:

(i) Technological divide must be reduced by taking collaborative efforts.

(ii) Embracing digitalization for supply chain transparency is also necessary.

(iii) Sustainable growth must be ensured by ^{implementing strategies} inclusive policies.

(iv) Reduction in geopolitical tension is also directly needed for economic integration through globalization.

(v) Conclusion:-

Globalization has transformed international economic landscape by promoting interdependency. Globalization results in economic ^{vegetation} because it opens the room for trade liberalization and enhances global supply chains. It also provides fertile ground for Foreign Direct Investment and paves the way for technological transformation. Similarly, globalization promotes tourism and curbs the menace of intolerance. However, there are some challenges that have turned the dream of economic integration through globalization sour. Soaring technological divide and growing threat of job displacement are looming challenges. Likewise, the monster of climate change and xenophobia are creating hurdles in the way of economic integration. As every

Cloud has silver lining. These challenges can be overcome by taking concrete measures. If these measures are taken then the world will bear the fruits of economic integration via globalization.

To begin with, globalization opens the room for trade liberalization by reducing trade barriers. This reduction in trade tariffs ensures ^{greater} access to the global market. This access to the global market results in economic connectivity between countries. Economic connectivity enhances economic activities. Resultantly, economic efficiency booms surge. The North America Free Trade Agreement facilitates trade between U.S., Canada and Mexico by eliminating trade tariffs and fostering economic harmony.

Therefore, it can be said that globalization leads to economic integration by minimizing the trade barriers through trade liberalization.

In addition to trade liberalization, globalization also enhances global supply chains by facilitating the free movement of goods to diverse markets. This free movement of goods breeds economic production by promoting environment of competition. It also creates global village by interconnecting global community. Through this interconnectivity, global community shares ideas, informations and innovative economic skills. This inclusive sharing brings economic sustainability. For instance, Apple's supply chain which sources components from various countries including

China, Japan and South Korea is glaring example in this regard. Thus, it can be argued that globalization enhances global supply chains which results in economic integration.

Along with enhances global supply chains, globalization provides fertile ground for Foreign Direct Investment (FDI) by creating economic interconnectivity among various countries. Through this investment, investors brings innovative ideas and technologies. These modern techniques increase efficiency of economic sector. Consequently, economic progress prevails in a country.

The investments made by western countries in Africa's mining sector are a prime example. The aim is to secure vital resources like

Cobalt. These investments played vital role in Africa economic uplift.

This entails that globalization leads to economic integration by attracting Foreign Direct Investment.

Over and above provides fertile ground for Foreign Direct Investment, globalization paves the way for technological transformation among nations. This technological transformation brings modernization in industrial sector, agricultural sector and mining sector. This modernization soars productivity of these sectors. As a result, economic development becomes norm of the day. Furthermore, it also connects countries around the globe for technological sharing. The semiconductor industry perfectly demonstrates this trend in modern electronics. The U.S.A, China, India and Singapore are closely

linked in the production and supply of semiconductor chips. In short, globalization ~~results~~ ^{facilitates} economic integration by paving the way for technological transformation.

Apart from paving the way for technological transformation, globalization promotes tourism by spreading awareness across the globe. This awareness among masses about various cultures attracts tourists. This influx of tourists opens the rooms for revenue generation. Revenue generation hampers the way of currency devaluation. Consequently, inflation does not bear its fruits in society. According to the World Bank report that Pakistan cultural tourism contributed approximately 5.9 per cent of its Gross Domestic Product (GDP) in 2022 which ^{up} from 2.7 per cent

in 2016. This increasing contribution of cultural tourism year by year is a manifestation of the fact that globalization results in economic integration via promoting tourism.

Besides promoting tourism globalization curbs the menace of intolerance by enhancing cultural interaction among nations. It increases cross cultural communication. This communication develops understanding among different segments of society. This understanding leads to collective decision making. Collective decision brings economic sustainability. James Surowiecki opens in his book, "The wisdom of crowds" that collective mass decision making brings about more effective results compared to specific class decisions. Moreover, this decrease in intolerance

leads to freedom of expression. Recently, intellectual segment of society becomes able to highlight criminal negligence of higher authorities. This makes them accountable. Consequently, economic prosperity becomes order of the day. Therefore, it can be said that globali- zation facilitates to economic integration by curbing the menace of intolerance.

After discussing ^{how} globali- zation results in economic integration, it becomes pertinent here to shed light on challenges that hinder economic integration via globalization.

Technological divide between developed and developing nations is a looming challenge. Technological disparity creates sense of resentment among masses. It makes developing countries enable to compete

in with the global supply chains connectivity. This the way of In 2021, the that only a Sub-Saharan access to over 90 per countries. Thus technological -enge to globalization.

divide, the is another various economic and wildlife problems of destruction supply chain

in with the global market. This impacts global supply chains by disrupting economic connectivity. This disruption also hampers the way of technological transformation. In 2021, the World Bank reported that only around 30 per cent of Sub-Saharan Africa's population had access to the internet compared to over 90 per cent in many developed countries. Thus, it can be argued that technological divide is a major challenge to economic integration through globalization.

Apart from technological divide, the monster of climate change is another threat. Climate change includes various events such as floods, heatwaves and wildfires. These events create economic problems by destroying infrastructure. This destruction of infrastructure disrupts supply chains. As a result, economic activities

decreases. For instance, The 2011 floods in Thailand severely disrupted the global supply chain for electronic and automotive industries. Similarly, Pakistan faced economic losses due to the 2022 floods with estimated damages of over 14.9 billion dollars and economic losses of around 15.2 billion dollars. Hence, the monster of climate change is also a challenge to economic integration through globalization.

As every problem has some solutions, the challenges in the way of economic integration through globalization can be overcome. The following paragraphs will present some solutions to overcome these challenges.

First and foremost measure is that technological divide must be

reduced by making collaborative efforts. These collaborative efforts can bring developed close developed and developing nations. This closeness can ensure sharing of modern technology. Technology can ~~make~~ enable developing countries to minimize impacts of climate change by adopting modern techniques through technology. Furthermore, it can also make them enable to develop ^{resilient} supply chains. Resilient supply chains can enhance economic activities and result in economic integration. Therefore, global community must take collaborative efforts to minimize technological divide for economic integration.

To cap it all, it can be said that globalization results in economic integration by creating global village. However, there are some challenges that undermine economic

integration such as growing technological disparity and soaring geopolitical conflicts. Therefore, there is a need of the hour to take robust measures to overcome these challenges. If the world fails to take these ^{measures} then the dream of economic integration via globalization remains an elusive dream. If these measures are taken then the days are not far off when global community will reap the fruits of economic integration through globalization.