

# Globalization and its pros and cons.

## I. Introduction

Thesis statement: Globalization is movement of people, goods and services, information, culture and ideas. It has many positive and negative effects.

## ii. Overview of globalization

## iii. Pros of globalization

- (a) Fostering free trade culture
- (b) Increase economic growth
- (c) Downing prices of good
- (d) Creation of world powers
- (e) Development in poor countries
- (f) Spreading democratic culture
- (g) Free flow of information
- (h) Culture intermingling
- (i) Tackling problems
- (j) ~~Become~~ people become more mobile
- (k) Movement of people to developed countries
- (l) Transfer of technology

## IV. Cons of globalization

- (a). Widening gap between rich and poor
- (b) Imposed VAT to counter free trade
- (c) Increase unemployment in developed countries.
- (d) Exploitation of labour in poor countries.

(e) Exploitation of resources of poor countries

(f) Stolen technology from developed countries to developing countries

(g) Spreading diseases due to globalization

Conclusion

~~Free trade increased due to global~~

~~economic trade and~~

Globalization is the movement of people, goods, services and ideas, information and culture across the world. Information technology has further boosted globalization. It has many positive and negative effects across the border. Positive effects are concerned. Fostering free economic trade, increase global economy, lowering prices of goods and services, development in poor countries, creation of world powers, spreading culture of democracy, free flow of information, movement of people across the border, tackling ecological and other world problems, investment in poor countries, people become more tolerant and transfer of technology from developed nations to developing nations. Whereas some are concerned, widening gap between rich and poor, imposed VAT to counter free

Trade, unemployment in developed countries, stolen technology from developed countries to developing countries and exploitation of labour and resources in poor countries and spreading diseases.

Free trade has increased due to globalization. According to United Nations Conference on Trade and Development, report 2008, global free trade increased around 30 trillion US dollars. Further globalization has increased free trade within the country and across the border by different ways. Creation of regional blocs for free trade. For example SAFTA is a free trade area in South Asia, NAFTA in North America, EFTA in Europe, AFTA in Africa, FTAA in America and SFTA in South East Asia. Moreover agreement have been signed for free trade in the world. First of all, GATT was introduced for trade after the World War-I. Then it was replaced by WTO. WTO has 164 members and 05 observatory governments bound to lowering and cut free trade barrier and promote the culture of free trade. This will result in economic growth for developing countries and across the world. Consequently

globalization has increased free trade.

Global ~~and~~ economic growth has gone up due to globalization. According to the IMF World Economic Outlook 2001, increased global economic growth by globalization. Globalization has created platform for the development of the world economy. Movement of goods has boosted economic growth in domestic and across the border. Further transfer of information technology from developed countries to ~~developing~~ ones has brought industrial <sup>developing</sup> evolution in the globe. Countries produce those goods which they low cost production and then export them to the global market which increased the global economy. In addition FDI in developing countries has resulted in production at low cost due to technological advancement. However it has created job and opportunities for developing countries. Finally, the above factors are behind the global economic growth across the border.

Globalization is in line with decreasing the prices of the goods and commodities. According to the report of World Economic Outlook 2000, the prices of goods and commodities decreased.

due to globalization, globalization has decreased the price of good and commodities across the globe. due to competition among the countries and companies. countries and companies produce only those goods ~~with~~ which they have low cost production and exporting them into global market caused declining the price of the goods and commodities. Movement of good and commodities across the border has further decreased the price of good and commodities.

Due to advancement in technology developed countries produce good at low cost production and then export them into global market which leads to decline the price of good and commodities. In short, globalization has decreased the price of goods across the border.

Globalization is in charge with the development in poor countries. According to World Economic Outlook report of 2020, the average yearly increased the GDP of ~~of~~ developing countries at the rate of 8 percent. Globalization has created a platform for the development of poor and emerging countries. Movement of good and services in the global market played a role for the development.

of poor countries. Moreover flow of free information has also played key role for development of poor nation. In addition transfer of technology from developed countries to developing countries brought revolution across the world in every sector related to economy and development of the country. Development in industrial sector has played significant role for the developing countries development. Further foreign direct investment in developing countries has created thousands of jobs in developing and emerging countries. Pakistan has taken step to attract FDI in the country. Special Investment Facilitation Council initiated by establishment to attract foreign direct investment, particularly Middle East countries, it will bring development in the country and thousands of jobs will be create in the country. This move will bring 5 billion dollar investment in next 3 years and 100 billion dollars by 2030.

World powers have been created for decision making and to secure peace across the globe. For example UN, WTO, WHO, IMF, WB and UNESCO for the discussion on

the matters and decision making. UNCTAD is created for discussion related to political and human right issue across the globe. Matter related to trade commerce and balance of payment are discussed in World Trade Organization and matters related to health issue, pandemic and diseases are discussed in World Health Organization. World Bank and IMF deal with the matters related to provide loan to the countries to save from ~~the~~ being default and bankrupt. Pakistan also member of these organization and is getting benefits through loans and aids.

Globalization has spread the culture of democracy all over the globe. According to Population Review Report 2000, democratic culture has spread to 164 countries out of 193 countries in the globe. Culture of democracy is spreading rapidly in rest of the world countries due to globalization, movement of people from countries to another has further spread the democratic culture and free flow of information across the globe has played a key role to spread culture of

democracy across the globe. World institutions have been created for the protection of the rights of the people that protects the rights of citizens instead of state alone. Due to transfer of information technology from developed countries to developing countries has increased digital literacy rate in developing countries. Digital literacy makes the people aware of the rights and duties. In short, globalization has spread the culture of democracy across the globe.

Free flow of information has played a role for the development of the poor countries. According to World Summit of Information Commission 2003, 170 countries that the flow of information is necessary for the development of the world. Sharing of information from developed countries to developing countries brings ~~profit~~ revolution in industrial sector and agriculture sector. Revolution in industrial sector and agriculture sector improve the economy of the developing countries and under developed countries. Further movement of goods and services also more production due to sharing of technology. It will create more job opportunities for



~~Globalization~~ of poor and emerging economies. Hence all the factors are responsible for transfer of technology, which brought the increase in global economy. This is possible due to globalization.

Culture intermingling is possible due to globalization in the world. Movement of people from one country to other countries leads to culture intermingling and adoption of culture. Movement of goods and services has also eased the adoption of culture at other countries. When people from country to another for better life, economic opportunities and asylum seekers adopt the culture of the host nation and also preserve their own culture. Consequently globalization is a major reason behind the culture intermingling.

Globalization is responsible for transfer of technology from one nation to other nations. According to World Bank Report 2000, the GDP of the poor countries increased at the rate of 3% due to advancement in technology. Advancement in technology is responsible for more production in the world. Low cost production of goods and commodities due to

advancement in technology, more production is responsible for the economic growth and decrease the price of the goods and commodities. Developed produce only those goods which they have absolute advantage and low cost production due to advancement in technology.

Transfer of technology due to globalization has created more jobs in industrial and agriculture sector. In short, globalization is responsible for transfer of technology.

Tackling ecological and other problems became possible due to globalization. World is facing ecological problems and terrorism and extremism. Following the World War II UN was established for maintain peace and security in the globe. To tackling ecological problems an organization was introduced on international level. In this regard Earth summit took place in 1992 to deal with global warming. The first summit was held in Brazil ~~1992~~ moreover Montreal protocol held when ozone layer was discovered which was the attempt to increase global temperature.

Its consequences were very negative, at this time global temperature has increased due to natural

and man made activities. Energy production is the main reason behind the global warming. which is resulting in rising sea level, melting glaciers, and heavy precipitation and extreme ~~type~~ weather pattern leads to slowdown economic growth and threat to every life on the earth planet. To overcome this a meeting is held as conference of parties (COP). Recently COP28 was held in UAE in which measures were taken to limit the global warming to 1.5°C.

~~Due~~ Due to globalization people become tolerable. Print media, electronic media and digital media have further made the people tolerant towards adoption of culture. Social media has created awareness among the people at the world which is resulted in tolerable people in the globe. Further movement of people from one country to another further became the people tolerable across the border. In addition movement of goods and services also responsible for the good behavior of the people.

One of the most negative effects of globalization is widened gap between rich and poor. Developed countries exploit the resources of developing countries. They get favour of tax exemption from the hosting country resulting in widened gap between rich and poor. Further elite class who is the owner of industries invest in election campaign and make tax reform policies. Almost 10 percent of the elite of the world population is taken to more than half of the wealth and poor class hardly receive 9 percent of wealth. In brief globalization is proved widened gap between rich and poor class.

VAT imposed by different countries to counter free trade in the globe. Value added tax imposed by European countries up to 91% - 95%. USA imposed levy while China imposed 13%. Sales tax on import and export to secure their industry. Pakistan also imposed 17% sales tax on import. Hence globalization proves countering free trade in the world.

Another negative effect of globalization is increase in unemployment in developed countries due to

movement of people and labour to developed countries from developing countries. According to report 5.8 percent unemployment increased in developed countries due to globalization. People move from poor nations to developed nations because there defined working hours and social security and better wages and services than people move to developed countries for better employment. Hence globalization is ~~is~~ led to unemployment in developed countries.

Globalization is also ~~is~~ responsible for spreading diseases all over the globe. In the recent past in early 2020, covid-19 spread all over the world almost 90 billion people affected from the virus in the world this is done due to globalization. People migrated from those areas where covid-19 was rampant due lack of disinfectant measures the virus spread all over the world by the movement of people through borders across the borders. Resultantly thousands of people lost their lives in covid-19. Pakistan also affected this virus.

In conclusion, movement of labour, people, goods and services, ideas, information and culture and transfer of technology due to globalisation has many positive and negative effects. There are ~~a number~~ number of opportunities for the development of poor countries in the global free trade. Due to movement of technology, producing low cost production causing lowering the prices in the world.

Democratic culture has been spread due to globalization; but countries ~~are~~ have been observing democracy in the world.

Along with it has many negative effects in the world like widened gap between rich and poor and increased unemployment in developed countries.

Stolen of technology due to globalization is made. Globalization is also responsible for spreading diseases in the world.