

Neha Idrees

Batch 57

Passage Comprehension

Read the following passage carefully and answer the questions given at the end.

(20)

Globalization is viewed by its proponents as a process of cementing economic, cultural and political bonds between peoples of different countries of the world. One may regard it as a process by which they are welded into a single world society, to be termed as global society. It means internationalization of production and labour leading to integration of economies of developing and developed countries into global economy. To quote Rosabeth M.Kanter, "The world is becoming a global shopping mall in which ideas and products are available everywhere at the same time."

Globalization is a natural outcome of computer networking and electronic mass communication. Information technology has made it possible for nations of the world to contact one another beyond their national borders. Besides, globalization is also promoted through the growth and proliferation of multinational companies and corporations that operate as transporter networks. Anyhow the flow of capital technology and labour across the borders of countries has accentuated the process of globalization.

Deregulation, liberalism and privatization being assiduously pursued in the developing countries are some other manifestations of globalization. These countries are opening their economies to follow these trends. The size of the public sector is shrinking for the private sector to assume an increasingly important role in the economic development of the Third World countries. The downsizing of the public sector is in line with the spirit of market economy. This is suggested as a measure to cover up their fiscal deficit.

Questions: (4 marks each)

1. Define globalization.
2. What is electronic mass communication?
3. What does the term Third World denote?
4. What is privatization?
5. Explain 'liberalism' in the above context.

Q:1 What is globalization

Globalization refers to the process of connecting people all over the world, economically, culturally, and politically, uniting them in a single global village. Economic integration is the aspect of globalization in which products, labour and ideas from developing as well as developed countries are internationalized, making the world look like a global shopping mall.

Q: 2 What is electronic mass communication?

Electronic mass communication is a process by which peoples of different countries can communicate with each other easily by using information technology. This interconnection of peoples beyond their territories has flourished the notion of globalization.

Q: 3 What does the term Third World denote?

The term 'Third World' denotes the developing countries of the world. These countries, being economically poor, look forward to economic openness by adopting liberal economic policies such as deregulation and privatization, which demonstrate the globalization process. To suppress their fiscal imbalances, these countries curtail the role of the public sector and allow the private sector to play a dominant role in the economic advancement.

Q: 4 What is privatization?

Privatization is a feature of globalization in which role of public sector is minimized as compared to the private one in the economic progression of countries. This enhances the essence of market

economy. Fiscal deficits can be avoided because of privatization as latter burdens less the public sector.

Q: 5 Explain 'Liberalism' in the above context.

Liberalism in the above context refers to the economic openness of national economies of different countries. Emancipation from government regulations on trade, flourishing of private sector and abated role of public sector in the economies of countries denote liberalism.