

Date: 26/09/2024

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Sociology

(CSS - 2017)

Short note
(10 marks)

Q: Write note on the following:

Political Economy of Globalization:

The political economy of globalization refers to the interconnectedness of politics and economics at a global scale. It focuses on how globalization - the process of increasing cross border trade, investments and cultural exchange - affects power dynamics among nations, influences domestic policies and impact socio-economic structure.

"Globalization is not a choice. It's a reality. But how we shape and manage it is very much our choice."

Thomas Friedman

II.

Key Aspects of Political Economy of Globalization:

1. Economic Integration:

Globalization fosters free trade, foreign investments and the spread of technology which lead to economic growth in some regions but also to income disparities and job losses in others.

"The division of labor is limited by the extent of the market.

Economic integration extends that market and allows for greater specialization, improving productivity". (Adam Smith)

2. Political Influence:

Major global institutions like the International Monetary Fund (IMF) and World Trade Organization (WTO) play key roles in shaping national policies to conform to global economic standards.

This can limit a country's autonomy in favor of multinational corporations and financial markets.

3. Inequality and Power Imbalance:

While globalization promotes global cooperation, it also deepens economic inequality. Wealthier nations and corporations often benefit more from global markets, reinforcing global power imbalances.

"As of 2023, the wealthiest 1% of the world's population owns more than 46% of global wealth, while the bottom 50% of the collectively hold less than 1% of it."

4. Environmental and Labor Concerns:

Globalization's rapid industrialization contributes to environmental degradation and labor exploitation in developing nations, as companies outsource production to regions with lax regulations.

"Economic growth without investment in human development and environmental sustainability will ultimately fail"

(Amartya Sen)

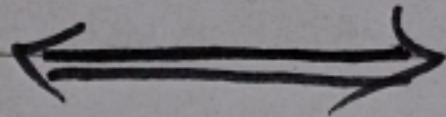
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Concluding Thought:

Overall, the political economy of globalization reveals both the opportunities and challenges of an interconnectedness world, as it simultaneously promotes economic growth and reduce to social inequalities.



THE END