

The first

# Globalisation and national Economics

Outline:

1) Introduction

a) Hook

b) Background

c) Thesis: Globalisation has increased in the world because it is an opportunity for countries to increase trade and uplift their national economies. However, some critics argue that it can badly affect economy. But weigh if one weighs its pros

2) Introducing Globalisation and cons, its advantages outweigh the disadvantages

a) Definition

b) Types of Globalisation.

Economic

3) Negative impacts of Globalisation on Economics (Anti Thesis).

- Globalisation making developing countries' more economies more dependant on foreign sources.

- Disruption of local markets

- Increased financial integration can leads put world's economy in turmoil.

#### 4) Negative Impacts of Political Globalisation on Economy.

- Loss of Power at Nation-state level
- Increasing levels of Bureaucracy can impose trade and burden Economy.

#### 5) Negative impacts of cultural globalisation

- Erosion of local business
- Widening in-equalities.

#### 6) Positive impact of globalisation on national economics.

##### a) Economic globalisation

- Leads towards innovation
- Better quality and variety of products
- Scaled up businesses.
- More goods at lower prices.

##### b) Globalisation in health care

- Medical tourism
- Increase in dollar reserve through foreign organisation support.
- A healthier population leads towards affluent economy.

c) Positive impact on economy through mitigating climate change.

d) Political globalisation as factor to foster national economies.

- Establishment of international norms for ease of trades.
- Ease of movement for people to increase trade.
- Establishment of bloc influence.

e) Cultural globalisation and its impacts on national economies.

- Spread of English language.
- Spread of American corporate culture
- Allow people to work in first world - Anglo-Saxon nations.
- Broadening human perspectives and spread of local business.

f) Positive impacts of globalisation on third world countries.

↳ Case study of Pakistan as an example.

7) Conclusion.

## Essay

~~between~~  
Chinese e-commerce giant Alibaba in 2018 announced it had chosen the ancient city of Xi'an as new headquarters. The move was a symbolic measure to mark the birth place of globalisation the city was ~~the~~ <sup>at the</sup> starting point of ancient silk road. Therefore, company had named its office as "Silk Road Headquarters". Since ancient times, man has been trying new ways to increase his trade with other regions. Trading through silk route was the first attempt by man to increase his trade. In 15th century, with advent of Islam in Saudi Arabia and other regions, new trade route was discovered. The trade route is known as "Spice route". Sri Muslim traders used to trade from India to Malaysia, and from Spain to Saudi Arabia. However, the trade was not considerably low, as it does not did not contributed a significant amount to economy. ~~The first wave of globalisation began.~~ By the end of 18th century, British started to dominate the world with the invention of steam engine & other technological advancement, Britains captured the world's trade importing raw materials through better means of communication and expanded roads to other countries.

Consequently, world's trade increased in that era, and the era is known as "Industrial Revolution". Industrial Revolution is marked as the first era of globalisation. ~~first wave of~~ beginning of first wave of globalisation. With passage of time world ~~had seen~~ the second experienced the second and third waves of globalisation, led by USA. Now, world is witnessing the fourth wave of globalisation. Globalisation has increased in the world with a tremendous speed because it is an opportunity for the countries to increase trade and enhance uplift their national economies. However, some critics argue that it may badly impact the world's economy. But if we weigh pros and cons of it, its benefits outweigh the drawbacks.

Globalisation describes the growing interdependency of the world's economies, politics culture and population brought about by cross border trade in goods and technology, and flow of investment people and information. Globalisation has many types, but its major types are political, economical and global cultural globalisation. ~~Thus~~, <sup>this</sup> essay evaluate will evaluate the affects of globalisation on national economies on cultural, political, and economic perspectives.

Beginning with, the <sup>economic</sup> negative impacts of globalisation on world's economies. With Economic globalisation has integrated the national economies with one another. However, this integration can lead towards over dependency of ~~economic~~ some economies over another. Financial institution like ~~IMF~~ and World Bank International Monetary Fund (IMF) and World Bank (W.B) play a crucial role by providing in globalising the world economy by providing loans to developing nations. However, some developing nations have caught in the never ending loan cycles. Furthermore, despite of taking initiatives to improve their economies and generate their own sources of <sup>revenue</sup> reserves, they find it more easy to just rely on the loans, ~~the loans from these instit.~~ creating their greater dependency ~~more~~ over the time period. For instance, Pakistan has applied for received IMF's bailouts 23 times since it first joined in 1950. Due to bailouts packages, Pakistan is now owe IMF billions of dollars, and has to compromise on the economy to repay the the loan. Furthermore, economic globalisation leads to disruption of local markets, especially in 3 world countries. Local business may struggle to compete with larger multinational companies, leading to market disruptions. To illustrate, Organisation of economic cooperation and development (OECD), in its recent report, has argued

that economic globalisation lead to market monopolisation and reduced economic diversity. The fact can be justified with an example from Pakistan, ~~on~~ that since multinational companies like KFC and Macdonalds have stepped in Pakistani market, a drastic decrease in the sales of local fast food vendors has been observed. Furthermore,

~~increasing~~ increased financial integration can put the whole world's economy in turmoil, if the ~~cash flow~~ <sup>cash flow</sup> system is disrupted from any end. Argument can be supported by the fact that in 2008 world witnessed a global financial crisis ~~due to default of~~, when american banks were on a brink of default.

fact of global financial crisis of 2008. of 2008.

Due to the interdependence of world's

financial system, the collapse of ~~on~~ financial system - collapse of US's bank default of US's bank

collapse of US's banking system - disrupted the whole world's trade and economy. Thus,

Globalization globalisation's growing interdep. Growing interdependence of

world economies may lead to a bad impact on economies by increasing its interdependence. dependence over another, disruption of local markets and increasing integration of world's economies.

Furthermore, political globalisation can also badly impact national economies. Political globalisation is described as the expansion of a global political system, and its institutions in which inter-regional transactions (including, but certainly not limited to trade) are managed. To manage the inter-regional transactions different institutions are present, which regulate and manage the political order. The institutions are EU, NATO, BRICS and United Nations. However, being part of such institutions can decrease the nation's power to manage state's affairs. For instance, a nation often makes certain concessions in order to sign a treaty, which can reduce its power to manage affairs. The argument can be justified with an example of Britain's exit from EU. Due to regulation and of EU over its signatory states, Britain was unable to use its property, its river for fishing. Furthermore, due to strict trade agreement, Britain was bound to enhance its trade with certain countries<sup>only</sup> which resulted in the exit of Britain from E.U. Secondly, increasing level of bureaucracy also impacts trade and <sup>burden economy</sup> ~~economy~~ activity. To export products, EU state must have to go through several checking maintain certain standards, which can To maintain the



starts standards, the production cost of the product gets higher. Thus, it is difficult for EU's signatory countries' products to compete with the products of other countries. Furthermore, ~~the~~ ~~accuracy~~ global agreements like EU needs huge budget to run, and all the signatory nations contributes in it. The contribution can be effectively spend on the for the betterment of their own economy rather financing the government. For instance, EU's budget in 2024 was 189.3 billion euros, which will be collectively managed by every signatory member. ~~EU~~ ~~European~~ Overall, political globalisation not only limits the state's authority to manage its internal affairs but also burden the economies.

Furthermore, cultural globalisation can also

Another point to consider is cultural globalisation also badly impact national economies. ~~Increasing~~ ~~cultural~~ ~~integration~~ has lead towards spread of multinational ~~have~~ <sup>has</sup> given access to multinational companies

Increasing cultural integration, driven by globalisation, has given multinational national companies access to expand their business into other countries, especially developing countries. However

Although globalisation allow developin business to develop in developin, it cause erosion

of local businesses. Multi national companies already have a good PR and a colossal budget for a marketing; which however, local do not. Local businesses do not have enough resources to compete with such companies. Hence, they gather a large share of profit from market, leaving causing local businesses to have lower profit. As demonstrated by arrival of. To provide evidence, arrival of global fast food chains like KFC and Macdonalds, <sup>which</sup> have enough resources for marketing, and local giving local fast food chains a tough competition. has created tough competition for local fast food chains. Besides giving tough competition to the ~~rather~~ local companies, ~~globe~~ cultural globalisation can also result in widening the inequalities among the population. People with ~~more~~ better english language skills have more opportunities to get to acquire jobs. Whereas, ~~poor~~ acquiring english language skills is a expensive, and people with who do not enough resources lacks such skills, ~~causing~~ in thus, a small number of population take benefit from it, and poor ~~been~~ becomes ~~poore~~ more poor. A poor population is a burden for economy, and it always leaves a bad impact on it. So, ~~globe~~ cultural globalisation not only play its role ~~to~~ in detrimental for local businesses but also effect economy by widening gaps.

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Having discussed the challenges globalisation poses to national economies, it is important to acknowledge its benefits. Globalisation has played its role to foster national economies by giving a easing trade, foreign investments, giving access to opportunities to for innovation. The positive impacts demonstrate that impacts of globalisation are not solely negative.

To begin with, economic globalisation

To begin with, economic globalisation has several positive impacts on national economies.

Economic globalisation leads towards more growth.

Firstly, economic globalisation leads towards innovation. As due to increasing number of companies, which competes in the market, one has to be more innovative in order to compete in the competitive market.

Consequently, quality of products increases, making it more & more competitive. Manufacturers more able to compete in global market as well. Secondly, economic globalisation helps to scale up business, as businesses can capture large market rather in doing business in their own country, than being limited to their own country.

To illustrate, Canada exported

80 crude oil worth 80 billion dollars in 2021, according to report by ~~ENR~~ ENR published by ~~ENR~~ ENR - economics. Thirdly, economic globalisation can provide more goods at lower price by enhancing trade between countries. For instance, suppose Mary and Thomas are two persons running different business. Mary runs a cake shop and Thomas runs a pizza shop. Mary can make 30 cakes in 1 hour, and Thomas can make 10 pizzas in 1 hour. It takes Mary 1 hour to make pizza and 1 hour to make cake. While it takes Tom 2 hours to make pizza and 6 hours to make cake. After 24 hours, Mary will have 12 pizzas and 12 cakes, and Tom will have 4. Let's say they both spend 6 hours making pizza and 18 hours making cake. After 24 hours, Mary will have 6 pizzas and 18 cakes. While Tom will have 3 pizzas and 3 cakes, let us say they both decide to trade <sup>for</sup> 1 cake for 2 pizzas. Mary spends 24 hours to make 24 cakes and Tom spends 24 hours to make 12 pizza. After trade Mary will end up having 2 more pizzas and 2 more cakes and Tom will end up with 1 more pizza and 1 more cake. Thus, trade helps both sides. Therefore, economic globalisations leads to increase in economic activities which fosters national economic

Secondly, globalisation in health sector has also an important role in fostering national economies. Countries can ~~earn dollar~~ <sup>earn</sup> increase its dollar reserve with the help of medical tourism.

D. Globalisation has made it ea. P. It is much more easier & and faster to travel nowadays, thanks to modern means of communications.

Hence by augmenting its medical facilities, a country can ~~to earn~~ <sup>earn</sup> huge revenue from foreign patients. Indeed, India, being a developing country, earns a substantial revenue from medical tourism.

Furthermore, to foster health facilities international organisations provide aid, which to the developing countries, which can also be ~~in~~ constructive

to ~~r~~ in increasing foreign reserves. For instance, World Bank in 2022, provided 258 million dollars loan aid to Pakistan. for its

health sector. Another point to consider is a

healthier population leads towards a affluent economy. Globalisation has made it made

it easier ameliorated the health facilities of the countries; it has made import of medical machinery much easier. Therefore,

health facilities are improving. So, people

thus, encouraging people to ~~save~~ invest in businesses rather than saving them up to use that money for health. Therefore,

Globalisation, by increasing ~~r~~ medical tourism, augmenting foreign reserves and ameliorating health facilities, has played its role to foster national economies

Thirdly, globalisation is helpful to mitigate climate change; therefore, making it play a role in fostering national economies.

Due to climate change, economies of the countries — especially agrarian <sup>one</sup> countries — are badly affected. This is exemplified by 2022 floods in Pakistan in 2022, which costed country billion of dollars.

However, to mitigate climate many international organisations like United Nation and are playing its role. For instance, COP meetings each a COP meetings are held every year, where all the countries sit together and negotiate to address the climate change issue.

Furthermore, international organisations provides relief funds for climatic countries badly affected by climate change. This is exemplified by after 2022 floods the relief funds Pakistan got after the devastating 2022 floods. Thus, globalisation is not only effective in mitigating climate change, but also, provide due to globalisation, countries affected by climate are funded, thus, fostering their economies and which helps in fostering their economies.

Fourthly, political globalisation, can also has a major role for ameliorating national economies. Countries are bounded together through various economic agreement and

and organisations, which has resulted in the establishment of international norms: with help International norms provide a consistent set of rules and regulations that all parties adhere to, reducing uncertainty and trade risk in trade transactions. This predictability makes it easier for businesses to plan and operate across the borders. Furthermore, political agreements lead to relaxing of the labour movement across the borders. Ease of relaxation is not only for labourers, but also for the traders and businessmen. (a) Labourers provide Ease of movements of people helps provide skilled labour for the businesses and, also, enhances economic activities. Moreover, foreign labourers workers send remittances to their native countries; Thus, fostering others econo they fosters augment foreign reserves of their countries as well. To illustrate, European Union has bounded 27 countries through different treaties, which allow all the citizens of its signatory countries to move freely and trade freely. Therefore, economic activities among all its signatory countries is considerably considerable. Moreover, globalisation can also lead regional globalisation has can give a platform to establish bloc influence in on world politics, which can be used to favour regional active influence economic organisation like WTO, IMF and United Nations. As demonstrated by

West, which holds a significant leverage on WTO and IMF. USA alone holds 25% of 170% shares in IMF. Due to bloc influences, countries can manoeuvre international organisations' policies in favour of them. To conclude, Overall, globalisation All things considered, globalisation has a positive role in fostering national economies.

Lastly Fifthly,

Fifthly, cultural globalisation plays a pivotal role in fostering national economies by promoting culture, movement of people and broadening human perspective. Cultural globalisation has creates greater opportunities for wealth creations; it allows businesses to expand to different geographies with greater ease. Spread of English language has made it easier for the multinational countries to work in other countries. Furthermore, spread of American corporate due to globalis is also a result of globalisation. something that's come about because of globalisation. The spread culture enables businesses to operate more easily. Moreover, cultural globalisation enables workers to work in first world - sauron - English speaking countries. While working there, workers not only play their part to<sup>in</sup> their businesses but also send remittances to their native countries. Thus, benefi mutually benefitting benefitti benefiting each side. According SF For instance, Accor according to



SIFC, oversees workers' remittances was 31.2 billion dollars in FY 21-22. Hence, cultural globalisation has made it easier for businesses to spread by the spread of a English language ~~and~~ <sup>and</sup> corporate culture, and people being employed abroad also prove mutually benefiting each side; given these point, cultural globalisation has an important significant role in fostering national economies.

Lastly, ~~the~~ globalisation ~~has~~ <sup>has</sup> plays a pivotal role in fostering economies of developing countries, indeed, Pakistan, has benefitted alot from the globalisation. ~~IMF~~ <sup>IMF</sup> has used IMF many times to get out from dire economic conditions. Moreover, BRI has ameliorated ~~Pakistan's~~ Pakistan's strategic importance. Also, BRI can be used as an transit trade route for landlocked ~~CA's~~ <sup>CA's</sup> countries, central asian republic. Furthermore, globally, economic integration has provided Pakistan <sup>with</sup> GSP+ status, through which Pakistan has been given free trade agreement for 75 items. Thus, globalisation has benefoted Pakistan alot

In retrospect, globalisation may have some negative ~~from~~ <sup>from</sup> for economies such as it may make developing countries

over dependent on financial institutions. Furthermore, some ~~of~~ past evidents <sup>has</sup> ~~has~~ <sup>have</sup> signaled signaled that far more integration can lead towards collapse of whole economic system and loss in state's ability to freely take decisions for its economy. Sometimes, ~~r~~ in some scenarios, it can lead towards disruption in local businesses as well. However, its globalisation has profoundly benefit and it can be ignored. Globalisation is leading towards world towards innovation and scaling up businesses. Moreover, world platforms are the only way through which nations can unilaterally act to mitigate climate, which is adversely affecting economies. Also, ease of trade and free movement of people has elevated the trade to new heights. Thus, globalisation has benefits are more than its demerits and it depends upon the country ~~who~~ <sup>that</sup> can take maximum benefit from it.