

Globalization and National Economies

Outlines:

1. Introduction

Thesis Statement: Increased free trade between countries, flow of communication, resources, exports, employment and profits outweigh a few negative effects of globalization on the national economies and on the whole economies have benefited from globalization.

2. Deciphering globalization as a phenomenon

↳ International economic architecture built after 1945 based on increasing interconnectedness to reduce the likelihood of war

↳ Era of globalization

3. ^{relation} Effect of globalization ^{with} on national economies

↳ Reduction of trade barriers lowers price for imported goods & services leading to increased domestic production and strengthened economy

↳ Reduction of trade barriers increases cross border trade that leads to increased exports and foreign exchange reserves that positively effects economy

4. Fruitful effects of globalization on national economies

i) Increased free trade between the countries

↳ US-China trade despite rivalries

↳ US-East Asia trade leading to growing economies of East Asia

ii) Increased flow of communication between countries

↳ Transfer of technology and transformation of world into global village

iii) Increased resources and raw materials for different countries

↳ Developing countries exporting their raw materials

↳ Developed countries utilizing raw materials of developing countries and boosting their commodities production

iv) Expansion of global market for goods and services

↳ Multinational corporations operating in different countries

↳ Digital services sold through e-platforms across the ~~world~~ globe.

v) Reduction in average production cost

↳ Cheap raw materials & labor utilized from developing countries

↳ Reduced cost of products

e.g. China producing low cost goods

vi) Increased exports of raw materials of developing countries

↳ Developing countries lacking infrastructure are able to export raw materials and support their economy

vii) Global sourcing and increased profits

↳ Sourcing cheapest raw materials from around the world result in increased revenue and in return increased profits for shareholders

viii) Creation of more employment

↳ Multinationals employing nationals of the country they are operating in

↳ Digital employment increased through remote work

5. Negative Effects of Globalization on National Economies

i) Effect on economies of developing countries by their exploitation by MNCs

ii) Global impact of economic disaster in one country e.g. Global Financial Crisis 2008-2009

iii) Harmful effects of consumerism on economy

iv) Income inequality in developing and developed countries and increased unemployment in small countries

6. Analysis of effect of globalization on different economies

- i) China - biggest benefactor of globalization
 - ↳ 2nd largest growing economy
 - ↳ Huge market for its cheap goods & labour
- ii) India - strengthening economy through globalization
 - ↳ US-India Partnership reaps and benefits for Indian economy
 - ↳ Increased trade and foreign exchange reserves
- iii) United States - leading proponent of globalization
 - ↳ Strong hold of US dollar on world trade
 - ↳ Reaping benefits from East Asia through increased trade of raw materials

7. Evidences of positive impacts outweigh the negative effects of globalization on economy

8. Future of globalization and its effect on national economies

i) Rising regionalism in Asia

ii) China trying to emerge as a separate bloc

iii) US decoupling policy for China

iv) Trump's promotion of nationalism

9. Conclusion