

# Globalization and National Economies

## Outline:

### 1.) INTRODUCTION:

### 2.) Positive impacts of globalization on National Economies:

- i) Companies shifting to countries where labour is cheap (vs Automobile companies as part of NAFTA)
- ii) Foreign Direct Investment in developing countries (CPEC in Pak)
- iii) Trade liberalization making countries do trade easily (Role of WTO)
- iv) Countries seeking economic assistance in times of need from global lenders (role of IMF and organizational Banks)
- v) Increased environmental partnerships saving countries from natural disasters damaging national economies (Clean Development Mechanism, role of climate coordination regimes)

### 3) Negative impacts of globalization on National Economies:

- i) Countries becoming vulnerable to global economic shocks (global financial crisis of 2008)
- ii) Monopoly of developed countries in trade regulation regimes (Role of USA and western nations in WTO)
- iii) Threat to National Economic sovereignty by International financial institutions (role of IMF in East Asian Crisis)
- iv) Poorer and developing countries having little control over their natural resources due to globalization (Iraq's oil exploitation by US and NATO)
- v) Exploitation of labour force in developing countries (case study of Bangladesh)

### 4) How National Economies shape Globalization:

- i) National Infrastructure define connectivity and influence globalization (Silk road, BRI, and IMEC)

- ii) National economic policies influencing globalization (liberalization vs. protectionism)
- iii) National innovation shape technical direction of the globalized world (Industrial Revolution in England; Race for AI)

## 5) Addressing negative impacts of Globalization on National Economies:

## 6) CONCLUSION:

In the changing global dynamics, the world has become more globalized than ever before. The regular interaction between similar and diverse entities by means of various communication tools has added to it. When it comes to the national economies, globalization has many impacts on them. These include, companies shifting to other countries ~~for~~ in search of

cheaper labour, countries seeking foreign investment and benefiting from it, doing trade easily due to liberalization of trade in the globalized world, and seeking economic assistance in times of dire need and economic crisis.

While these are the positive impacts of globalization, there also exist some negative impacts as well. Increased global economic integration making the national economies vulnerable to shocks, monopoly of developed countries in trade negotiations, and exploitation of labour force in cheaper countries are prime among them. Moreover, national economies also shapes the globalization by defining connectivity, influencing global economic policies, and shaping technical direction of the globalized world through innovation. Therefore, globalization has positive as well as negative impacts on national economies, and

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The latter also shapes the former  
in various ways.