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“Twenty-First Century: Cultural and Economic Globalization”

Economic Globalization: It's Development

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Abstract

Economic Globalization is one of the main components of the process of globalization. It has helped in reducing the trade barriers and various other hindrances with the help of some international organizations. Due to economic globalization, the world can connect with each other, it has improved the communications methods, transportation, technologies around the world, know-how, etc. There are some forces that boost the process of economic globalization like the various economic reforms been introduced in countries, the multinational companies whose network is spread around the whole world, the advancements in technology and know-how. These forces have not only led to an increase in the pace of globalization but also help in the restructuring of the global industries. Globalization has also resulted in increasing world trade, the imports and exports of goods and services around the world. Due to the increase in global trade, the foreign currency flows from one place to another which helps the countries to improve their economic growth. Globalization has increased its span in the 21st century as compared to its success in the past century. It has a positive as well as the negative effect on the global economy. It helps in the economic growth of the companies but the economic growth is usually unequal, the developed countries usually are more benefited than the developing and the underdeveloped countries. It is important that the world must unite to fight the common enemies we face, like the pandemics, the wars, the environmental problems, etc. with the help of economic globalization. The GDP of the whole world is increasing as well as the GDPs of all the countries.

Keywords: globalization, economic globalization, political globalization, cultural globalization, technological advancements, multinational companies, financial sector, economic reforms etc.

Introduction

Free trading, or interaction between different nations, different economies without any hindrances are referred to as globalization. With the help of globalization, the trade barriers between different countries are being omitted which results in the economic growth of them and the world. It is because of the introduction of globalization that international trade is being made possible. It aims to see the world as a huge global village where everyone can connect with one another and it has been made possible by reducing the trade barriers. Different economies are getting to know each other, about their culture, food, music, traditions, technology, etc. The economic growth of nations is increasing with the help of globalization as it has opened a lot of opportunities for people. Although the economic growth between countries is not equal, the developed countries are gaining more economic growth compared to the developing countries and the underdeveloped or poor countries are not gaining that much boost in their economic growth. Economic globalization in simple words is the increasing interdependence between different economies in the world related to the trading of goods, technology, rendering of services, investing in the foreign markets, etc.

Objectives of the study

- To study economic globalization.
- To study the forces which affect economic globalization.
- To study the impacts of economic globalization.

Economic globalization

The improvements in technology, science, communication channels and transportation have boosted economic globalization worldwide. With the help of economic globalization, people across the world are able to connect to each other beyond geographical or physical boundaries. Technology has improved to the level that if a person from a country wants to contact a person from another country far away, that person can connect to the other person easily because of such advancements in technology. This would have not been possible if economic globalization wasn't introduced. The advancements have not only been made in the communication sector but also in various other fields, for example, trading of either goods or services. The boundaries of countries might have been a problem earlier but with economic globalization, the trade barriers are reduced so that different nations can trade with each other smoothly. The import-export sector contributes towards the economic growth of different countries as well as the world. It has also contributed towards the science and technology sector immensely. The global pandemic of the Corona Virus could not have been controlled if the countries weren't helping each other in these difficult times. Scientists of various countries come together to find a cure for this disease. In early 2020, different countries collaborated on the development of the Covid-19 vaccine. Investments were made by governments of different countries, international health organizations, research groups, etc. so that it could be fought on a global level. The Covid-19 vaccine which is manufactured in India has been exported to 95 countries to date, which is made possible because of economic globalization.

Economic globalization not only improves the trading, technology, communication between countries but also boosts the economic growth of the world but also improves relationships between different nations. It has also contributed towards creating employment opportunities across the world. One of the main examples of economic globalization is the multinational companies that are operating from all over the world. Such companies manufacture and render their goods and services across the world and also help in the optimum utilization of resources.

Types of globalization

Globalization may seem like a simple concept but it is very vast and so it is divided into mainly three types. The three main dimensions of globalization are:

- Economic Globalization
- Political Globalization
- Cultural Globalization

These are discussed below briefly for a better understanding;

- As the name suggests economic globalization deals with the trade of goods and services, technology, science, communication, capital and information with different countries. It helps in increasing the economic wealth and the development of the different nations.
- Political globalization deals with the political affairs of one nation with another, the political growth and relations of a country's governments with other countries in the world. Political globalization not only deals with the political affairs of nations but also plays an important

role in different forms of governments a nation has, like the democratic, monarch, etc. It has helped in improving the political relationships among various nations and come together and form various groups to discuss the world's problems at a common ground. One of the main examples of such a situation is the summits help by different countries to handle various problems together.

- Cultural globalization has an important role in the exchange of cultures, traditions among various economies so that there can be cultural diversity. We can learn about the different mindsets of people of other cultures. Cultural globalization has shown its impact in the sector of literature. Literature has become a common means to express different cultures, it explains the mindset of different people living in a specific culture.

Forces that improve economic globalization

There are a lot of forces that help in the improvement and development of economic globalization. Without these forces, economic globalization might not have been this much developed. These forces could also be referred to as the carriers of globalization, due to which globalization has come this far. Economic globalization is also a process of renovating and restructuring global industries. Some of these forces are:

Technological advancements

The information technology department has developed a lot in this modern era, especially in the 21st century. There have been many inventions that have proved as a boon for mankind. The advancements in this sector have also affected economic globalization. With the help of information and technology, the economic growth of the nations is increasing and taking them a step close to development. There has been growth in economic globalization also, the technological advancements give a boost to the process of globalization. The improvement in the technology sector has been very helpful in economic globalization, as globalization is all about connecting people from all over the world which would have been almost impossible without technology. Not only it is an advantage for economic globalization, but due to these inventions the cost of communication, transportation has also decreased which is also contributing to the economic growth of a nation as well as making it easier to connect with other people from far away.

Financial sector

The financial sector has not only been boosted with economic globalization but it also improves and helps in the development of economic globalization. With the help of globalization, foreign investments can be made and it has helped in developing other sectors. With economic globalization, not only trade between different countries became easier but the investments, the capital flow also became much easier. It can also be said that the major part of globalization took place in the financial markets. The countries in which the capital is invested often experience economic growth at a rapid rate and also generates a lot of opportunities related to new markets, new jobs, new inventions, etc. A summary is prepared related to a country's international payments, and the foreign money received by that country throughout a specified period of time. This summarized statement is also known as the

Balance of Payments of a country, it includes all the exports, imports, foreign investments, etc. made. The financial sector also incorporates World Bank which also contributes towards economic globalization. World Bank is an international financial institution that provides grants, loans, etc. to the government of poor or needy countries. In simple words, the financial sector contributes a lot towards economic globalization; it is one of the major forces that affect globalization.

Multinational companies

Multinational Companies are the companies that operate in more than just one country. It can also be known as Multinational Corporation or International Corporation. Multinational Companies or MNCs have contributed a lot to the growth of economic globalization. MNCs involve different countries and their production occurs at a very large scale and they benefit from the economies of scale as they are manufacturing at a large scale and can benefit from it by gaining profits. MNCs are regulated by the rules and regulations of the World Trade Organization (WTO), which helps in removing the trade barriers or any other hindrances that may occur. WTO also helps in resolving trade-related disputes and coming at a possible solution. Many MNCs outsource their technology for rendering various services or man force to help with the manufacturing work or any other labor-intensive work. It helps in creating many job opportunities and in optimum utilization of the resources available. Outsourcing has become quite popular among multinational companies as it is considerably cheaper to them which helps in profit-making and the growth of the organization and growth in economic globalization. Outsourcing has also helped in the cause of economic globalization as it helps in connecting the world together with the resources and skills.

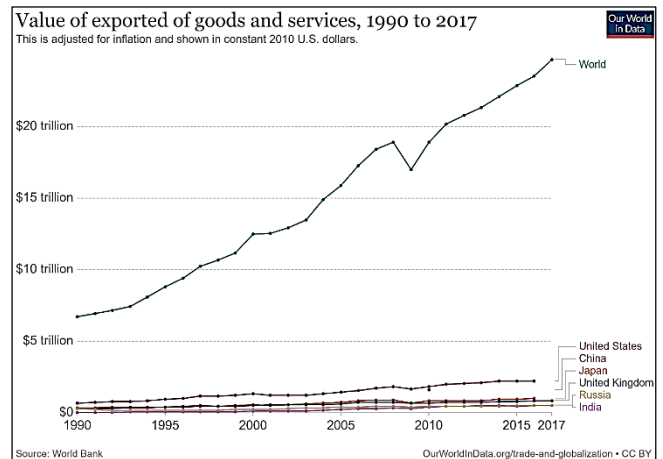
Economic reforms

Economic reforms in a country are also an important force that improves the process of economic globalization. Economic reforms are the reforms or the policies made by the government of a country to improve its economic growth and efficiency. It can be either some tax policy, fiscal policy, financial reforms, or any such reforms which impact globalization. It is introduced to improve the existing conditions of a country so that it can move forward in its development. There are a lot of benefits of introducing the economic reforms, as the economic growth, increase in a country's GDP, the effect of the prices in the country, change in the agricultural, industrial sector, or impact on the foreign trade of a country. There have been some major economic reforms that occurred in India in the 21st century. Some of the reforms were promoting e-commerce more than before. Earlier there weren't a lot of Indian businesses online, but the reforms in this sector have boosted the e-commerce of the country. One major reform in the 21st century in India was the demonetization and digital India reform. It has impacted the country in a good manner and has been helpful in economic growth as well as economic globalization. Economic reforms are not only subjected to only countries, there are many economic policies or economic reforms that have taken place considering the whole world. A lot of countries come together and conduct summits which helps in deciding what is a better way to

solve the world problems of peace, hunger, poverty, wars, and many such problems.

Impact on the world

Economic globalization in the 21st century has a major impact on the world altogether, it has impacted various sectors and has improved their growth compared to the last century. Globalization has impacted various sectors like the import-export among the countries, the education system among the countries, the know-how and technology, tourism, etc. If we consider the exports of different countries, with the help of economic globalization the exports have increased which helps in the economic growth.



As reflected in the above chart, the export of goods and services has been boosted in the 21st century. Global exports have also been increased from the past centuries because of various economic reforms introduced, the advancements in technology, etc. Due to globalization, the world has come closer than before, it has been together in times of great needs. The whole world fought the Great Recession, and many pandemics by coming together with the help of each other, it could have not been possible if it wasn't for globalization. Globalization is quite possibly the best instruments for worldwide exchange with an open, incorporated, and borderless global economy having multinational capital development, data, thoughts and innovation move and relocation. Globalization increases the competition in the world, can increase production and efficiency with specialization and division of labour. It helps in properly distributing the resources from places where it is available abundant quantity to places where it is not available.

It has not only affected the trade-related problems and brought the world together, but it also helps in facing various environmental problems. Due to economic globalization, many international organizations are formed with the motive of improving the world as a whole. There are many such organizations that are working for improving the conditions of the world we live in. A lot of organizations are being formed which helps in preserving the endangered species of animals and plants. Nowadays, pollution is increasing at a rapid speed which has resulted in ozone layer depletion and global warming. These are some issues that cannot be fought by a single country, but all the countries have to come together to save the earth, and globalization has made it easier for different countries to come together

and work with each other. Many international organizations are working together to achieve this goal. These institutions receive grants from many international governments and international financial organizations to help with their cause. Economic Globalization has also achieved in increasing the GDP (Gross Domestic Product) of the countries which have resulted in the better GDP of the whole world. Not only has the GDP of the world but globalization also performed a great role in boosting the tourism industries. It is due to globalization that tourism is increasing and it contributing to the economic wealth of the countries as well as the world. It helps in knowing the culture, traditions, language, food, etc. of different nations and in spreading them worldwide. Following is a table that represents the increase in international tourists' arrivals over the last century.

Year	International tourist arrivals (in million)
1998	636
1999	657
2000	682
2001	702
2002	692
2003	763
2004	805
2005	850
2006	908
2007	924

Conclusion

Economic globalization is a very important aspect of the modern-day economy; it has changed the world and made it a better place than it was before. Although, economic globalization is just one aspect, political globalization and cultural globalization also have a huge part in this accomplishment. The accomplishments have been accompanied by new inventions in the technology sector, multinational companies, economic reforms, and many such things. The evolvment in many sectors led the countries to be interdependent with each other and work with each other together which was one of the main purposes of globalization in the first place. It has reduced the trade barriers and the hindrances that were present during the international trading of goods as well as services. It has enhanced the communication and transportation sector also so that we can connect to anyone, anytime, located anywhere around the globe. Many international organizations are being formed to assist in the process of globalization, to bring the world closer. There are many organizations like the World Bank, World Wide Fund for Nature, World Trade Organization, World Health Organization, World Economic Forum, etc. which help in solving worldwide problems. They have contributed in many areas such as:

- Providing the countries which are in need with financial assistance.
- Resolving the trade conflicts and helping in the reduction of trade barriers and making sure that the trade happens smoothly.
- Solving the environmental problems.
- Making people aware of the dangers of deforestation, global warming, pollution etc.
- Protecting the endangered flora and fauna.
- Researching and finding solutions regarding health-related problems.

- Spreading awareness regarding any pandemics and providing proper advice.
- Maintaining the political relationships of different countries.

It has also helped in increasing the economic wealth or the GDP of the countries which has resulted in the increase of the world's economy. Globalization still has some flaws like every other thing, it has to be improved on a timely basis if we wish to see the restructuring and readjustment of the world's economic structure. It has improved considerably since the last century; many new policies have been formed which have brought this change. If we want globalization to be a success then all the necessary measures should be taken and the world should become closer than it already is. The vision of globalization, to make the world a global village, could come true for which there should be reforms to improve the existing readjustments.

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