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An Overview of Globalization

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ABSTRACT: Globalization provides prosperity prospects and improved employment. For buyers a broader variety of goods is available and costs are lower. For enterprises, it provides opportunities for improved production improvements and increases in productivity. Yet there are still problems of globalization. The demand for highly trained people will rise in Europe and the other nations, while the demand for small-scale professionals will decrease. The importance of creativity in this time of globalization has an important role to play in the organization's progress. The goal of this paper is to discuss global management economy and creativity.

KEYWORDS: Employment, Globalization, Income, Inequality, Poverty, Social issues, Development.

I. INTRODUCTION

Globalization is a concept used in various respects, but it is the systematic convergence of economies and cultures that is the basic principle. It is guided by a wide variety of players including states, foreign institutions, businesses, labor and culture by emerging technology, new economic links and national and international policies[1]. Although proposals to differentiate between special sections of globalization, such as expanded free exchange, and concurrent trends, some have pointed out that it is difficult to isolate interlinked systems. The present globalization mechanism can, however, be separated into two aspects[2]. The first concerns elements such as commerce, finance, technologies, cross-border information and communication networks and flows that put economies and communities together on the one side and also marginalize a substantial part of countries and citizens on the other hand.

There are justifiable fears that more and more people will be marginalized because of more globalization, in particular in the context of a society driven by knowledge. Secondly, the homogenized laws and institutions: (a) trade liberalization and stock market liberalization; (b) international labour and environmental standards; (c) IPR agreements and (d) other regulation and action standardization. The new globalization phenomenon is not an inherent development in terms of the above factor – it is at least partly the outcome of policy options. While technical advances are permanent, policy changes can be made. The result will be affected by a lot of differences in the social component of the globalization process depending on which strategies are followed[3].

The social factor of globalization relates to the effect of globalization on people's lives and employment, family and cultures. The influence of globalization on employment, working environments, wages, and social security are often addressed questions and problems. In addition to the world of work, the social component involves protection, community and identity, inclusion and exclusion, and family and societies' solidarity[4]. The effects of globalization, poverty, injustice, unemployment, child labor, gender and migration are the key topics of our article. In early 2002 the World Commission on the Social Dimension of Globalization was founded by the International Labor Organization (ILO). The Commission's aim is to discuss means of contributing to an inclusive, appropriate and equitable globalization process through national and international organizations and organizations. At a moment in which debates are driven not by reality but by polemics and preconceptions, the Commission is a never before seen attempt to stimulate national and foreign ideas dialogues to make globalization more inclusive. Its overall aim is to use the globalization process as a resource for poverty reduction and unemployment, prosperity promotion and sustainable development[5].

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II.LITERATURE REVIEW

1. Globalization and Employment:

The theory of relative comparative advantages notes that the surplus of labor is to be taken advantage of in developing countries (DCs) both by trade and FDI, causing a pattern of domestic labor-intensive specialization and hence a rise in local employment. However, the review of recent literature shows, contrary to this Heckscher-Ohlin (HO), that the job effect of rising trade in a developed world is not inherently favorable[6]. The relaxed theory of homogenous development functions in various countries in particular allows for either many balance or very distinct employment patterns in evolutionary "catch-up" models. Indeed, if "Total Productivity Factor" rises in DCs as a result of globalization, it must be compared with the direct labor savings impact of imported technology that enhances the employment competitiveness effect. In other words, the final employment effect of the growth in trade in a developed world depends upon the interplay between growth in production and growth in production in both the commercial and the non-traded sectors. For multiple purposes, the final result cannot be determined a priori. Exports, on the one hand, which include economic and employment growth driven by demand but, on the other, imports will displace already protected domestic enterprises which lead to job redundancies. Moreover, even in the exporting industries, growth in productivity will surpass demand growth, to the detriment of jobs development in the event of supply constraints (lack of infrastructures, lack of skilled labor, underinvestment, and dysfunctionallabor market). The domestic shelter sector can also serve as a labor tragedy, often suggesting latent unemployment and sub-employment in the informal labor market, for example agriculture, public administration, and manufacturing, non-traded services[7].

Finally, the effect on the industrial sector of employment by trade. The authors find, by comparing the strength of the work of the manufactured, imported and non-trade goods, that 21 of the 39 DCs sampled resulted in a rise in trade; in the second group of 18 countries, however, the increased integration resulted in a reduction in workers (in contrast with the HO theorem). In the case of FDI, the Author finds that FDI's job effect rises with per capita income, which in low-income DCs is not important.

2. Globalization and Within-country income inequality:

In the Stolper-Samuelson (SS) theorem both trade and FDI expected, for one, that low-level jobs could benefit from the large volume of DCs and, thus, increase demand for low-level domestic workers and, ultimately, decreased wage distribution and income inequality between countries. The SS theorem can be presented with some significant theoretical criticism[8]. First, is the theorem valid in a global sense or in relation to the so-called "cones of diversification". If SS theorem is valid not in relation to the world economy but in relation to a specific cone of diversification, The SS theorem may probably have a distributional impact quite different from those predicted on the basis of a simple north-south interpretation; theorem may be a situation in which countries abounding in unskilled labor in a global sense are rich in resources and qualified workers in contrast with some other countries in the same cone:

Second, the Feenstra-Hanson model shows that in a developed world, the capabilities of a recipient DC are skill-intensive; thus, moving demand from developed to developing countries (both through FDI and import/export trade), both for the first and the latter will mean greater inequality. For example, exporting production from the US to Mexico through FDI means plants relatively high in skills in the US (with a higher rate of skilled/non-trained workers in comparison with domestic plants) would be relatively skilled in Mexico, thus increasing relative wage disparity and income differences in the two countries[9]. Thirdly, a potential "skill-biased" existence of technology integrated in the FDIs as well as in capital imports could exacerbate the latter's increasing inequalities impact. In fact, the majority of the DCs' growing imports since liberalization comprise capital equipment and intermediate products. For clarification, FDI and import may be considered separately.

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3. Globalization and Poverty Alleviation:

With regard to poverty reduction, trade and FDI can be useful for the development of DC, so globalization is a way of achieving poverty reduction, considering the anticipated general neutrality of its effect on earnings distribution. Indeed, the proportion of DCs living below the poverty line, including fast-globalizing countries, such as China, India and Vietnam, has deteriorated dramatically. Although apologists of globalization accept that today's developments signals a decline in global inequality, the critics reveal that this outcome partly depends on China's exceptional growth, while absolute poverty has increased in the SSA, and relative poverty (inequality) has increased in the Majority of the nation[10].

Economic development, on the theoretical side, is not the only way by which globalization can impact poverty levels. In reality globalization, which can mean higher incomes but also employment losses, has a deep impact on labor productivity; demand for capacities; and the need for macroeconomic stability (since stability means low inflation, trade should have a positive effect on poor people, provided that growing inflation appears to affect the poor more severely. But liberalization may entail precautionary and restrictive macroeconomic policies with opposite effect; relative prices (which may have detrimental or beneficial consequences as to purchasing power of poor households, which rely on the basket of tariff reductions and adjustments in terms of trade); In general it is true that globalization helps economic development and economic growth helps to minimize poorness but not without condition: through the complementary economic forces and strategies that form part of the game, the ultimate result of poverty reduction can be amplified or even decreased (also eliminated).

III. CONCLUSION

In summary, the social impact of globalization on poverty, child labor, gender, and migration remains controversial, but we see a consensus to emerge that globalization has (a) overall more benefits than costs, (b) exacerbated inequalities within countries as well as across countries due to sharply diverging experiences at the individual and country level, and (c) increased economic and political insecurity even for those who have benefited in monetary terms from globalization. Nevertheless, having causal connections between the shifts in poverty and the inequalities and the accelerated growth of economic globalization remains a problem as today's globalization process goes far deeper than economic aspects (like AIDS and climate changes). While globalization may not have induced income inequality and poverty in particular, it has likely led to low poverty reduction results.

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