

Faculty of Human and Social Sciences

Department of Sociology

Level: 2nd year LMD Sociology

Instructor: Ms. Saci Meriem

Module: English Language

Lesson n°6: Globalization

I. What is Globalization?

Globalization is the process by which ideas, knowledge, information, goods and services spread around the world. In business, the term is used in an economic context to describe integrated economies marked by free trade, the free flow of capital among countries and easy access to foreign resources, including labor markets, to maximize returns and benefit for the common good.

Globalization is driven by the convergence of cultural and economic systems. This convergence promotes -- and in some cases necessitates -- increased interaction, integration and interdependence among nations. The more countries and regions of the world become intertwined politically, culturally and economically, the more globalized the world becomes.

II. How Globalization works?

In a globalized economy, countries specialize in the products and services they have a competitive advantage in. This generally means what they can produce and provide most efficiently, with the least amount of resources, at a lower cost than competing nations. If all countries are specializing in what they do best, production should be more efficient worldwide, prices should be lower, economic growth widespread and all countries should benefit -- in theory.

Policies that promote free trade, open borders and international cooperation all drive economic globalization. They enable businesses to access lower priced raw materials and

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parts, take advantage of lower cost labor markets and access larger and growing markets around the world in which to sell their goods and services.

Money, products, materials, information and people flow more swiftly across national boundaries today than ever. Advances in technology have enabled and accelerated this flow and the resulting international interactions and dependencies. These technological advances have been especially pronounced in transportation and telecommunications.

III. Types of Globalization

- **Economic globalization:** Here, the focus is on the integration of international financial markets and the coordination of financial exchange. Free trade agreements, such the North American Free Trade Agreement and the Trans-Pacific Partnership are examples of economic globalization. Multinational corporations, which operate in two or more countries, play a large role in economic globalization.
- **Political globalization:** This type covers the national policies that bring countries together politically, economically and culturally. Organizations such as NATO and the UN are part of the political globalization effort.
- **Cultural globalization:** This aspect of globalization focuses in a large part on the technological and societal factors that are causing cultures to converge. These include increased ease of communication, the pervasiveness of social media and access to faster and better transportation.

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IV. Effects of globalization:

The effects of globalization can be felt locally and globally, touching the lives of individuals as well as the broader society in the following ways:

- ***Individuals:*** Here, a variety of international influences affects ordinary people. Globalization affects their access to goods, the prices they pay and their ability to travel to or even move to other countries.
- ***Communities:*** This level encompasses the impact of globalization on local or regional organizations, businesses and economies. It affects who lives in communities, where they work, whom they work for, and their ability to move out of their community and into one in another country, among other things. Globalization also changes the way local cultures develop within communities.
- ***Institutions:*** Multinational corporations, national governments and other organizations such as colleges and universities are all affected by their country's approach to and acceptance of globalization. Globalization affects the ability of companies to grow and expand a university's ability to diversify and grow its student body and a government's ability to pursue specific economic policies.

While the effects of globalization can be observed, analyzing the net impact is more complex. Proponents often see specific results as positive and critics of globalization view the same results as negative. A relationship that benefits one entity may damage another, and whether globalization benefits the world at large remains a point of contention.

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1. Benefits of globalization

Globalization enables countries to access less expensive natural resources and lower cost labor. As a result, they can produce lower cost goods that can be sold globally. Proponents of globalization argue that it improves the state of the world in many ways, such as the following:

- ***Solves economic problems:*** Globalization moves jobs and capital to places that need these resources. It gives rich countries access to lower cost resources, labor, poorer countries access to jobs, and the investment funds they need for development.
- ***Promotes free trade:*** Globalization puts pressure on nations to reduce tariffs, subsidies and other barriers to free trade. This consequently promotes economic growth, creates jobs, makes companies more competitive and lowers prices for consumers.
- ***Spurs economic development:*** Theoretically, globalization gives poorer countries access to foreign capital and technology they would not otherwise have. Foreign investment can result in an improved standard of living for the citizens of those nations.
- ***Encourages positive trends in human rights and the environment:*** Advocates of globalization point to improved attention to human rights on a global scale and a shared understanding of the impact of people and production on the environment.
- ***Promotes shared cultural understanding:*** Advocates view the increased ability to travel and experience new cultures as a positive part of globalization that can contribute to international cooperation and peace.