

explainity explained: Globalization easily explained

Globalization is a widely discussed topic. It is, therefore, not all that easy to explain. As it's such a complicated term in simple words.

Let's start from the beginning with a background to globalization. Advances in technology such as mobile phones, airplanes, telephones and the internet have made the growth of transport and communication networks possible. Amongst other things, this means that people and countries can exchange information and goods more quickly; and in a less complicated way. This process is called "Globalization". Globalization comes from "Globe" and means the worldwide coming together of countries and nations.

Let's look at an example. Companies used to manufacture products into home countries just like the companies "Profi-TV" and "Supercolor" who produced televisions in Country A. Their products are in direct competition with each other, but both companies pay the same salaries and production costs. They have the same customers, use similar suppliers, and sell televisions at similar prices. In short, the same conditions apply to both companies.

So far, so good. Due to technical, cultural, and economic developments that have come about through globalization, other companies which manufacture products under different conditions can now offer their products in Country A, too. That's why a company from country B, can sell televisions here, at a lower price, because they were produced for less. The local firms SuperColor and Profi-TV have to react to withstand the competition and so the world grows closer together and there is an active exchange of goods between countries.

More affordable products are available for more people. However, not only does an exchange of products and economic goods take place, but also of services, knowledge, cultural goods and even languages. All of these individual elements are closely linked and influence each other.

But, where is light, there is also shadow. Because of globalization and its intense exchange of goods, people and the environment often suffer.

If a company decides to move production to an economically disadvantaged country, people in industrialized countries lose their jobs. At the same time, job opportunities open up too many locals in the economically disadvantaged countries. Many people in these countries work for very little money in comparison to those in industrialized countries. Therefore, they often remain poor and more often than not do not have sufficient insurance, social insurance or health insurance cover.

A further disadvantage of globalization is ecological problems such as climate change. The use of airplanes, ships and lorries to transport goods over international borders is constantly on the increase. This causes more carbon dioxide to be released into the atmosphere which, in turn, is the main cause of global warming.

Even national environmental standards are ignored. This is a further cost factor in the worldwide international site competition which should be kept as low as possible to be attractive for a company.

There are, therefore, many sides to globalization which affect almost all aspects of life causing me to think that the chain of positive and negative effects will continue to grow further. What's important is to realize

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that globalization itself is neither good nor bad. It just depends how the people deal with all the new possibilities in the future.

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