

Negative Impact of Globalization

Praveen Rajpurohit - Asst. Professor, Dept. Computer Science and Application,
Madhav University, Pindwara, Rajasthan
Email – praveenrajpurohit24@yahoo.com

Hitesh Rajpurohit - Student, MBA, Madhav University, Pindwara, Rajasthan
Email – hiteshrajpurohit275@gmail.com

Abstract: The growth of international trade is exacerbating income inequalities, both between and within industrialized and less industrialized nations. Global commerce is increasingly dominated by transnational corporations that seek to maximize profits with less regard for the development needs of individual countries or the local populations. Protectionist policies in industrialized countries prevent many producers in the third world from accessing export markets. The volume and volatility of capital flows increases the risks of banking and currency crises, especially in countries with weak financial institutions. Competition among developing countries to attract foreign investment leads to a "race to the bottom" in which countries dangerously lower environmental standards. Cultural uniqueness is lost in favour of homogenization and a "universal culture" that draws heavily from American culture.

Key words: s Globalization, Employment, Capitalism, Destruction.

Introduction

Globalization is the process of international integration arising from the interchange of world views, products, ideas and other aspects of culture. Advances in transportation, such as the steam locomotive, steamship, jet engine, and container ship, and in telecommunications infrastructure, including the rise of the telegraph and its modern offspring, the Internet, and mobile phones, have been major factors in globalization, generating further interdependence of economic and cultural activities. Though scholars place the origins of globalization in modern times, others trace its history long before the European Age of Discovery and voyages to the New World. Some even trace the origins to the third millennium BCE. Large-scale globalization began in the 19th century. In the late 19th century and early 20th century, the connectedness of the world's economies and cultures grew very quickly.

The concept of globalization is a very recent term, only establishing its current meaning in the 1970s, which 'emerged from the intersection of four interrelated sets of "communities of practice": academics, journalists, publishers/editors, and librarians. In 2000, the International Monetary Fund (IMF) identified four basic aspects of globalization: trade and transactions, capital and investment movements, migration and movement of people, and the dissemination of knowledge. Further, environmental challenges such as global warming, cross-boundary water and air pollution, and over-fishing of the ocean are linked with globalization. Globalizing processes affect and are affected by business and work organization, economics, socio-cultural resources, and the natural environment.

Negative Impact of Globalization

The most common drawback of globalization is that it is widening the gap between the rich and poor; where rich people are becoming richer and poor are becoming poorer. As a result of outsourcing, globalization may deprive an entire country of its jobs and resources. This is because globalization takes jobs away from one country and provides it to another country; hence leaving lots of people without the opportunities that they deserve.

Although people belonging to different cultures and countries get a chance to interact with each other, it causes a loss in tradition and values. As species are deprived of their non- native ecosystems, there are increased chances of them spreading diseases and disrupting other natural ecosystems and their native species. The World Trade Organization usually serves the best interests of transnational corporations. Transnational corporations tend to have more power than most people would expect, sometimes they have even more power than the government of some small countries, and they have a great influence in the World Trade Organization. The World Trade Organization also is not democratic, which a big problem because the conclusions that they reach affect the daily lives of people all over the world. When the World Trade Organization promotes transnational corporations to enter developing nations, many labour and human rights are ignored. Transnational corporations usually exploit the labour in developing nations, and they make children, women, and men work in dangerous conditions for very little pay. The transnational companies usually treat their workers very poorly as well, and their workers are commonly subject to many different types of abuse, but their workers cannot do anything to defend themselves because their jobs with the transnational corporations are their only source of the little income that keeps them alive. Potential solutions to labour and human right abuse is also blocked by the World Trade Organization to insure that the transnational corporations can continue to keep making money, and, in turn, support the World Trade Organization. The World Trade Organization is also being used by transnational corporations to eliminate environmental protection laws that can act as “trade barriers”. Transnational corporations always want to make it as simple as possible when they expand to new countries. They want to run into as little problems as possible, and they want to make the most of their new area without having to worry about legislation that protects people and the environment. People that are not working for transnational corporations can also be affected by them when their resources are depleted and their only remaining resources are contaminated beyond use. Therefore, whether people in developing nations are sweat shop labourers that are beaten by their factory owner or they just happen to be people living in the area, almost everyone in the communities that are being “helped” by the World Trade Organization can be negatively affected.

Disadvantages of globalization in India

As much as there have been numerous economic gains attached to globalization in India, there are also disadvantages. The rapid growth of industries due to globalization has not brought about benefits for everyone. There are various sectors that this growth has further aggravated the conditions of particular groups within the Indian society. Globalization has brought about rapid growth in the informal sector which has resulted in undesirable impacts on the working population. As much as it has led to the creation of jobs for many individuals, globalization is also contributing to the suffering of people within the informal sector. It is important to note that the informal sector is deliberately not included in the labor legislation. For instance, informal workers are not subject to the 1948 Factories Act which covers the general working conditions, working hours, safety and health, prohibition of child labor, basic amenities among other things (Stone 1996). With globalization finding its way into India, it is clear that its consequences have been undesirable for workers in the informal sector. Globalization has resulted in poor health, deplorable working conditions and bondage. Employers have been able to impose working conditions that are extremely hazardous due to chronic insecurity among worker. For instance, the construction industry which is the second largest employer in Indian has not taken into consideration the working conditions of its employers. The employers are not concerned about the hazards involved. The proportion of fatal accidents is very high with some of the causes of serious injuries and deaths being crushes under collapsing structures, electrocution, and being buried under mud (Menon 1999). As such, the plight of workers under globalization has been miserable. The fish processing industry also expresses the grave consequences of globalization. The migrant women who work in this industry are subjected deplorable work conditions. They are virtually captives, forced to work in unhygienic conditions for

long hours deprived of minimum wages, and subjected to various kinds of coercion including being sexually harassed (Goyal 2006). The negative impact of globalization is also felt in the Indian agricultural sector. A great number of laborers in this sector come from the 'Scheduled Castes and Tribes'. In other words, they are from communities that are most exploited economically and oppressed socially under the caste system. The plight of this population has been worsened by globalization owing to the need to increase production to meet the growing demand from the global markets. As such, globalization has resulted in increased poverty and difficulties among particular populations in the Indian society. It has led to forced labor since employers are using crude methods to enforce bondage on the workers. All this is done with the aim of increasing production while at the same time cutting costs. Human beings have been turned into machines simply because of the need to increase profits and be competitive in the global market. This form of 'slavery' is especially rampant in the rural regions even though not exclusive to it. The export production has also seen an increase in child labor since liberalization (Vivekanandan 1996). More children have been forced to work in industries even though it is clear that children are not supposed to work. It is only in India where children are forced to work for long hours and under deplorable conditions even though there are legislations that are meant to protect children from any form of labor. From the above mentioned cases, it is clear that as much as globalization has resulted in economic gains for India, the people who work in the industries are wallowing in extreme poverty apart from being subjected to deplorable working conditions. As such, it may be argued that globalization has only resulted in gains for the rich industrialists and multinationals while the bulk of the population is languishing in poverty. What it has done is to increase the gap between the rich and the poor to levels that cannot be imagined. From this perspective, globalization has worsened the conditions of individuals who are at the bottom of the social ladder. On a broader perspective, globalization has led to low-income groups being increasingly undernourished due to the failure not only to create more jobs but also to improve the working conditions for this population. Apart from these impacts on particular groups, globalization has also contributed to the destruction of the environment through pollution and clearing of vegetation cover. With the construction of companies, the emissions from manufacturing plants are contributing to environmental pollution which further affects the health of many individuals. The construction also destroys the vegetation cover which is important in the very survival of both humans and other animals.

Globalization has had both desirable and undesirable consequences for India. These consequences have been felt from the general economy to more specific conditions of life for the individual. As mentioned, globalization has resulted in the growth of Indian economy which in turn has improved the lives of many people. It has also created many employment opportunities. However, it has also widened the gap between the rich and the poor part from resulting in more oppression for those at the bottom of the social ladder. However, it may be said that globalization is inevitable in the twenty first century despite these disadvantages considering the advances in information technology which has led to more integration between nations. Various ills such as inequality that it has created are also some of its inevitable consequences which results from the competitive environment and the need to increase production so as to meet the growing global demand. As such, it has created both winners and loser in India with loses being workers in the informal sector.

Conclusion

According to the foregoing analysis, globalization is not merely an intensification of global interconnectedness brought about by market forces and technological change. Rather, it is a worldview shaped by capital and hegemonic power that aspires to establish a global system in line with the interests of capital. Capitalism, as a market-oriented system of production, has an inherent globalizing tendency. However, capitalism is not always characterized by the level of adherence to the liberal principles that globalization represents. In E. M. Wood's penetrating analysis, globalization represents a new phase of capitalism that is more universal, more unchallenged, more pure, and more unadulterated, than ever before.

The financial crises affecting different countries have shaken the confidence of the advocates of globalization. The World Bank, for example, in stark contrast to the minimalist state dictum it advocated in the 1980s, in the early twenty-first century recognizes the importance of the role of the state in protecting and correcting markets. There also has been a growing realization that unfettered financial flows, especially from advanced countries to emerging markets, can create profound instability. Some proponents of globalization have even admitted that Keynes's skepticism about financial mobility may still be relevant today. The September 11, 2001, terrorist attacks on the United States also (temporarily, at least) raised questions about the wisdom of supporting globalization. Yet despite notable setbacks and shaken confidence, the advocacy for globalization remains strong.

Reference:

1. Bienefeld, Manfred. "The New World Order: Echoes of a New Imperialism." *Third World Quarterly* 15, no. 1 (1994): 31–48. / Brittan, Samuel. "Can Democracy Manage an Economy." In *The End of the Keynesian Era*, edited by Robert Skidelski. New York: Holmes and Meier, 1977.
2. Castells, Manuel. *End of Millennium*. Malden, Mass.: Blackwell, 1998.
3. Edwards, Sebastian. "Openness, Trade Liberalization, and Growth in Developing Countries." *Journal of Economic Literature* 31, no. 3 (September 1993): 1358–1393.
4. Friedman, Thomas L. *The Lexus and the Olive Tree*. New York: Farrar, Straus, and Giroux, 1999. / Giddens, Anthony. *Runaway World: How Globalization Is Re-shaping Our Lives*. New York: Routledge, 2000.
5. Hayek, F. A. *Law, Legislation, and Liberty: A New Statement of the Liberal Principles of Justice and Political Economy*. Vol. 1. Chicago: University of Chicago Press, 1973.. "The Miscarriage of the Democratic Ideal." *Encounter* 50, no. 3 (1978): 14–17.
6. Hutt, W. H. *The Keynesian Episode: A Reassessment*. Indianapolis: Liberty Press, 1979.
7. Krugman, Paul. "Dutch Tulips and Emerging Markets." *Foreign Affairs* (July–August 1995): 28–44.
8. O'Rourke, Kevin, and Jeffrey G. Williamson. *Globalization and History: The Evolution of the Nineteenth Century Atlantic Economy*. Cambridge, Mass.: MIT Press, 2000.
9. Panitch, Leo. "Rethinking the Role of the State." In *Globalization: Critical Reflections*, edited by James H. Mittelman. Boulder, Colo.: Lynne Rienner, 1996.
10. Petras, James, and Henry Veltmeyer. *Globalization Unmasked: Imperialism in the Twenty-first Century*. Halifax, Nova Scotia: Fernwood, and New York: Zed Books, 2001.