



GLOBALIZATION

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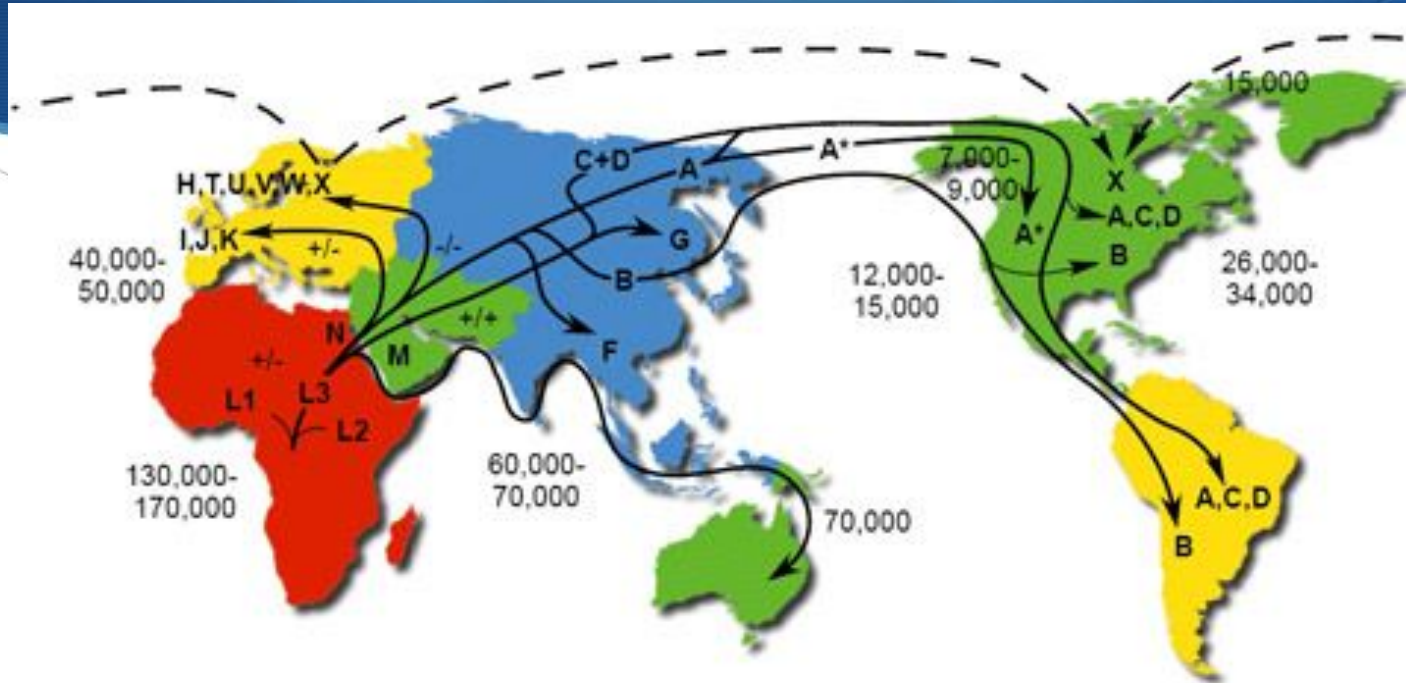
PLAN

- 💧 Introduction
- 💧 History
- 💧 Positive aspects
- 💧 Negative aspects
- 💧 Conclusion

INTRODUCTION

- 💧 GLOBALIZATION- The worldwide movement toward economic, financial, trade, and communications integration.
- 💧 Globalization implies the opening of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world with free transfer of capital, goods, and services across national frontiers. However, it does not include unhindered movement of labor and, as suggested by some economists, may hurt smaller or fragile economies if applied indiscriminately.

HISTORY



Globalization is an historical process that began with the first movement of people out of Africa into other parts of the world. Traveling short, then longer distances, migrants, merchants, and others have always taken their ideas, customs, and products into new lands. The melding, borrowing, and adaptation of outside influences can be found in many areas of human life.



Positive Aspects of Globalization

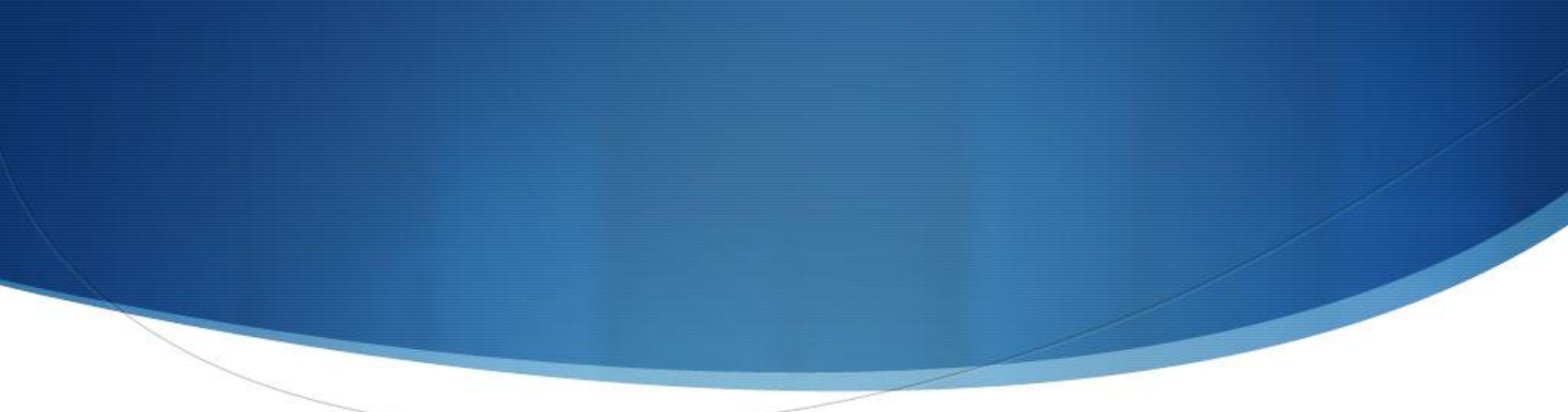
Improved Technology in Transportation and Telecommunications



In years past, people across the globe did not have the ability to communicate and could not interact without difficulty. Nowadays, a phone, instant message, fax, or video conference call can easily be used to connect people. Additionally, anyone with the funds can book a plane flight and show up half way across the world in a matter of hours. In short, the "friction of distance" is lessened, and the world begins to metaphorically shrink.



- There is a greater access to foreign culture in the form of movies, music, food, clothing, and more. In short, the world has more choices.



💧 *Globalization has changed us into a company that searches the world, not just to sell or to source, but to find intellectual capital - the world's best talents and greatest ideas.*

💧 - Jack Welch

Employment

- 💧 With globalization, companies have forayed into the developing countries and hence generated employment for them.
- 💧 But it can turn out to be either good or bad, depending on the point of view you wish to see it from. It has given an opportunity to invest in the emerging markets and tap the talent which is available there.
- 💧 In developing countries, there is often a lack of capital which hinders the growth of domestic companies and hence, employment.
- 💧 In such cases, due to global nature of the businesses, people of developing countries too can obtain gainful employment opportunities. But the developed countries have lost jobs on account of this shift of jobs to the developing world and hence it

Investment and Capital Flows

💧 A lot of companies have directly invested in developing countries like Brazil and India by starting production units, but what we also need to see is the amount of Foreign Direct Investment (FDI) that flows into the developing countries. Companies which perform well attract a lot of foreign investment and thus push up the reserve of foreign exchange.



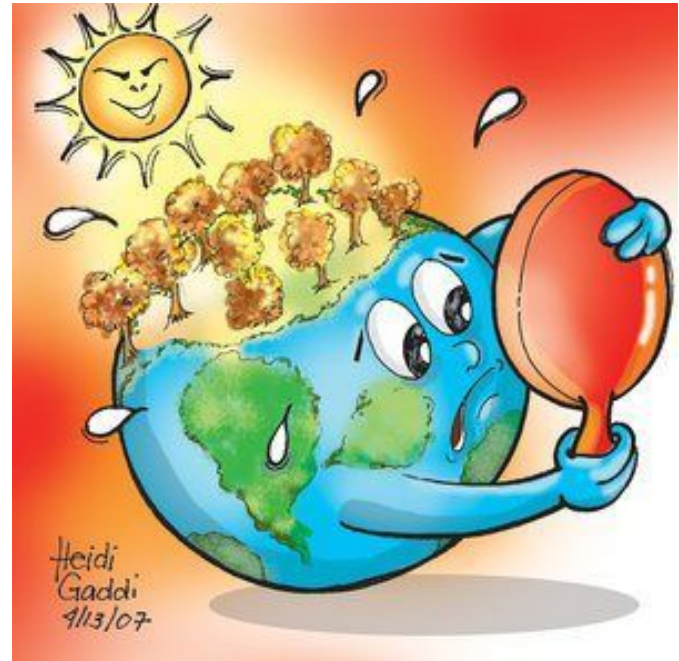
Spread of Education



- 💧 One of the most powerful effects of globalization is the spread of education. Today, you can move in the search of the best educational facilities in the world, without any hindrance.

Save the Earth

- 💧 Globalisation may help to make people more aware of global issues such as deforestation and global warming - and alert them to the need for sustainable development.



YOU HAVE
the POWER™



- 💧 Globalisation increases awareness of events in far-away parts of the world. For example, the UK was quickly made aware of the 2004 tsunami tidal wave and sent help rapidly in response.



Negative Aspects of Globalization

A world of difference

Countries vary widely in inequality

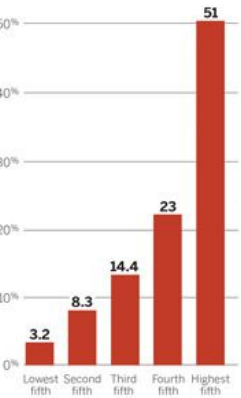
Compiled by Emily Underwood

The world Gini data, collected between 2008 and 2012, cover 117 countries and were prepared for Science by researchers Branko Milanovic and Janet Gornick of the Luxembourg Income Study Center at the City University of New York's Graduate Center.

U.S. data are based on 2012 U.S. Census Bureau surveys of 122,459 households.

A sharp divide

Shares of U.S. income by quintile, 2012



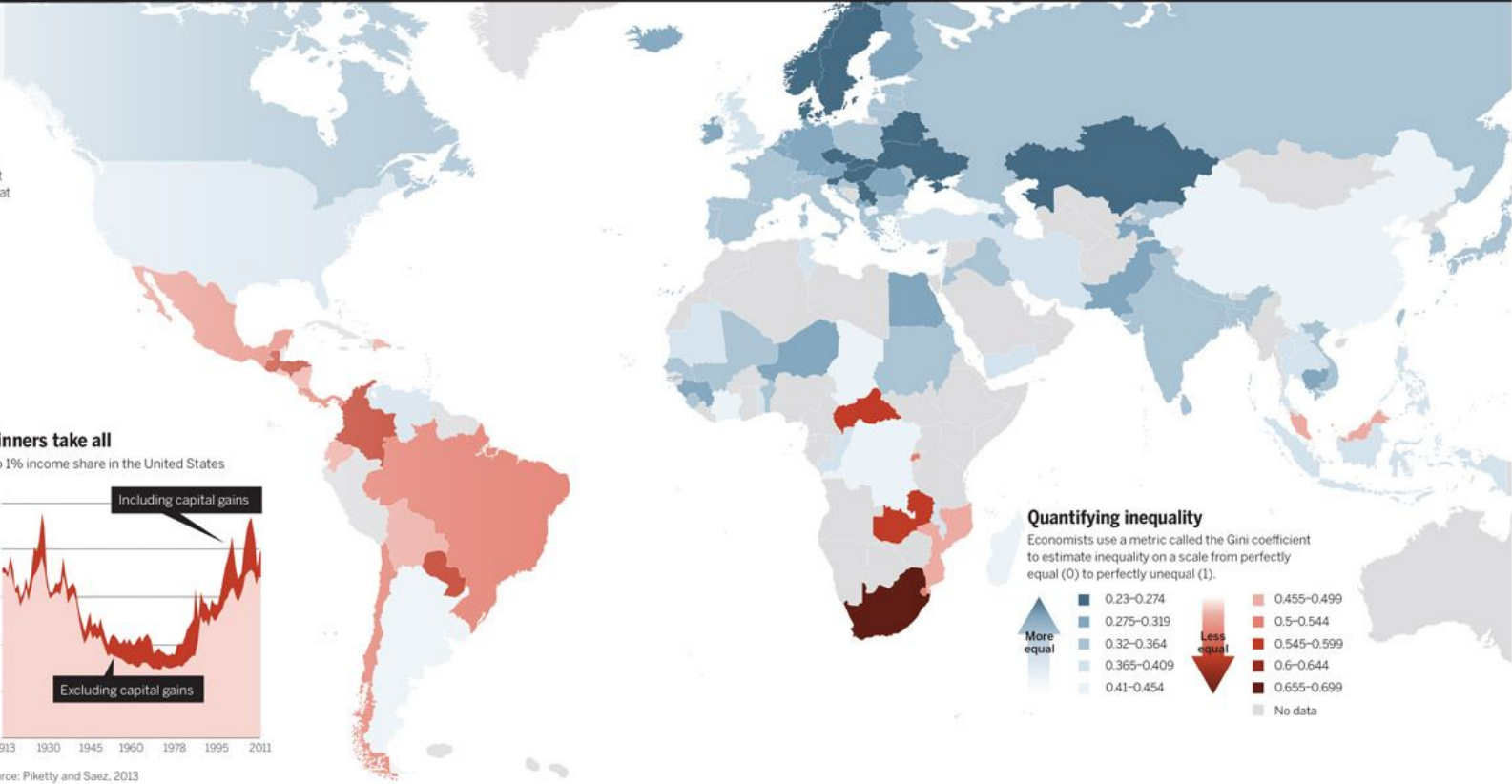
Source: U.S. Census Bureau

Winners take all

Top 1% income share in the United States

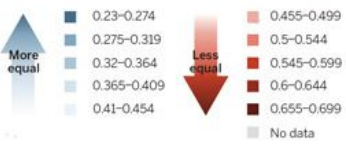


Source: Piketty and Saez, 2013



Quantifying inequality

Economists use a metric called the Gini coefficient to estimate inequality on a scale from perfectly equal (0) to perfectly unequal (1).



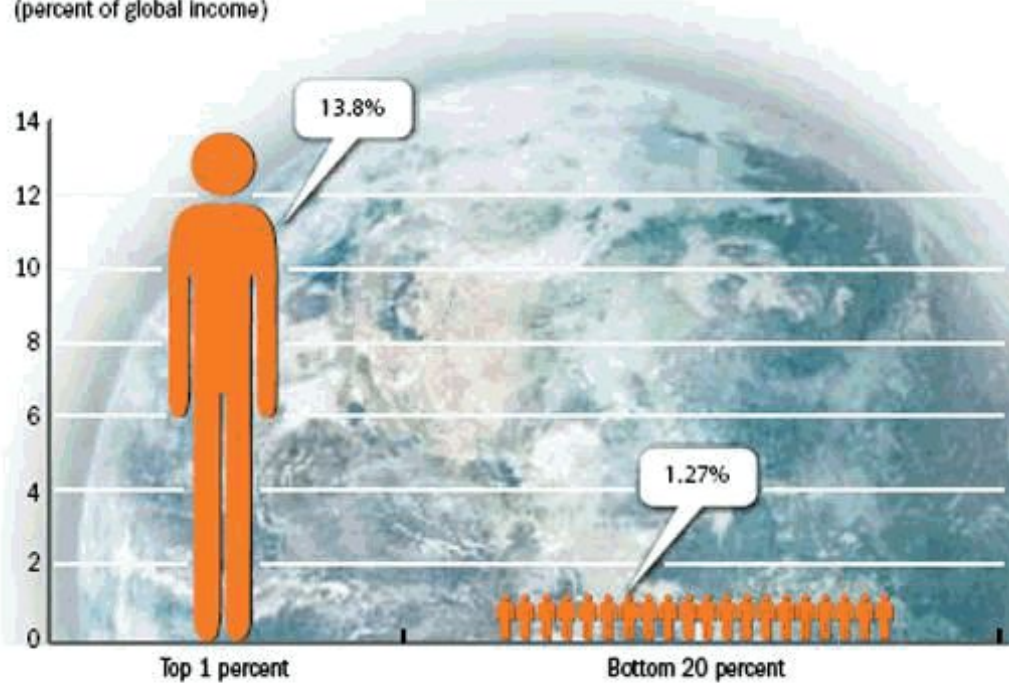
The growth of international trade is exacerbating income inequalities, both between and within industrialized and less industrialized nations



The volume and volatility of capital flows increases the risks of banking and currency crises, especially in countries with weak financial institutions

What a difference!

The richest 1 percent of people in the world receive nearly 14 percent of global income while the poorest 20 percent receive just over 1 percent.
(percent of global income)



Sources: World Income Distribution database; and author's calculations.
Note: Data are for 2005.



- 💧 Competition among developing countries to attract foreign investment leads to a "race to the bottom" in which countries dangerously lower environmental standards

Globalisation is viewed by many as a threat to the world's cultural diversity. It is feared it might drown out local economies, traditions and languages and simply re-cast the whole world in the mould of the capitalist North and West. An example of this is that a Hollywood film is far more likely to be successful worldwide than one made in India or China, which also

BOLLYWOOD VS. HOLLYWOOD

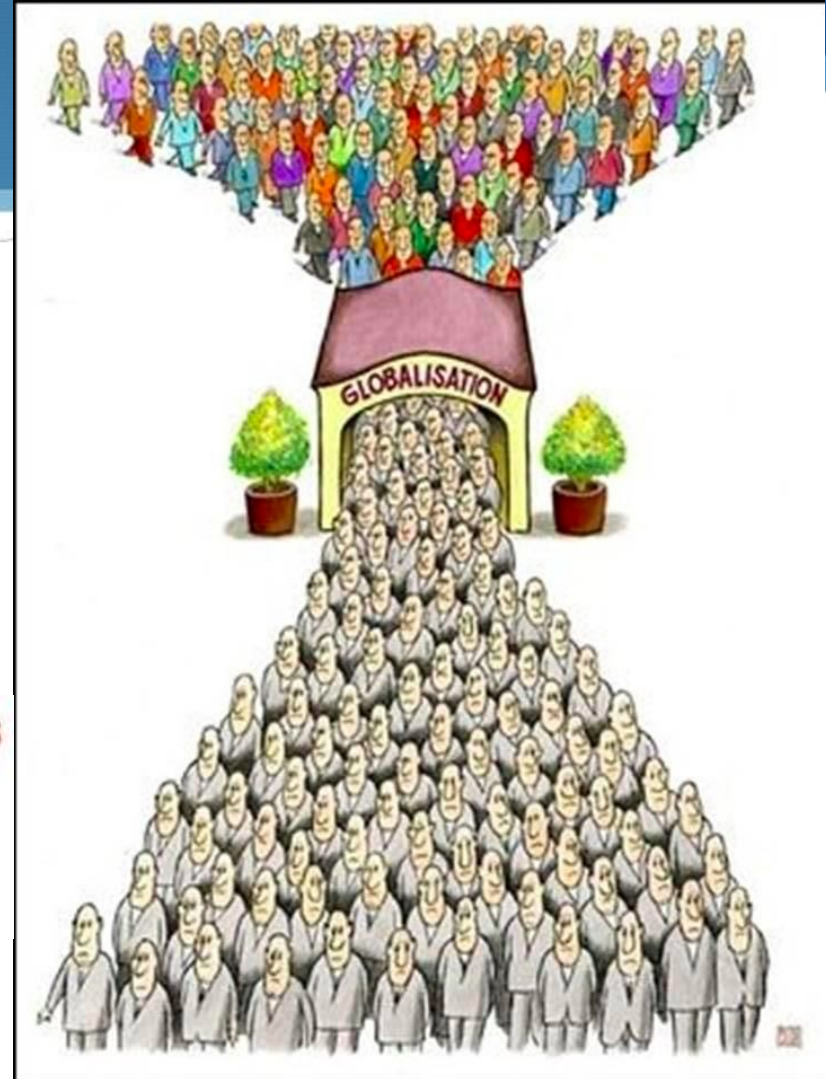
1,013	FILMS PRODUCED*	739
3.6 bil.	TICKETS SOLD	2.6 bil.
\$1.3 bil.	WORLDWIDE REVENUES**	\$51 bil.
12.6%	ANNUAL GROWTH RATE	5.6%
\$1.5 mil.	AVG. PRODUCTION COST PER FILM	\$47.7 mil.
\$500,000	AVG. MARKETING COST PER FILM	\$27.3 mil.

*National film production, 2001

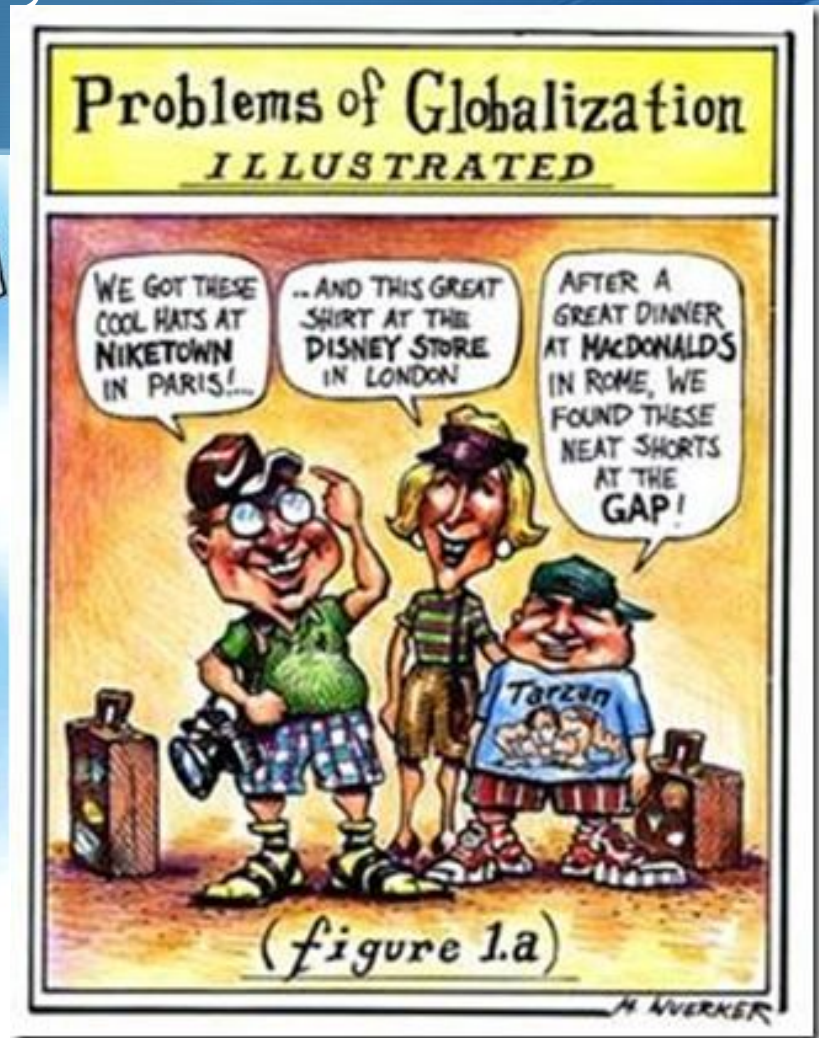
** Estimates, 2002

Data: Motion Picture Association of America, PWC, FICCI, BW estimates

Globalization may devastate cultures as it causes people to become uninterested in their culture resulting in a loss of sense of identity

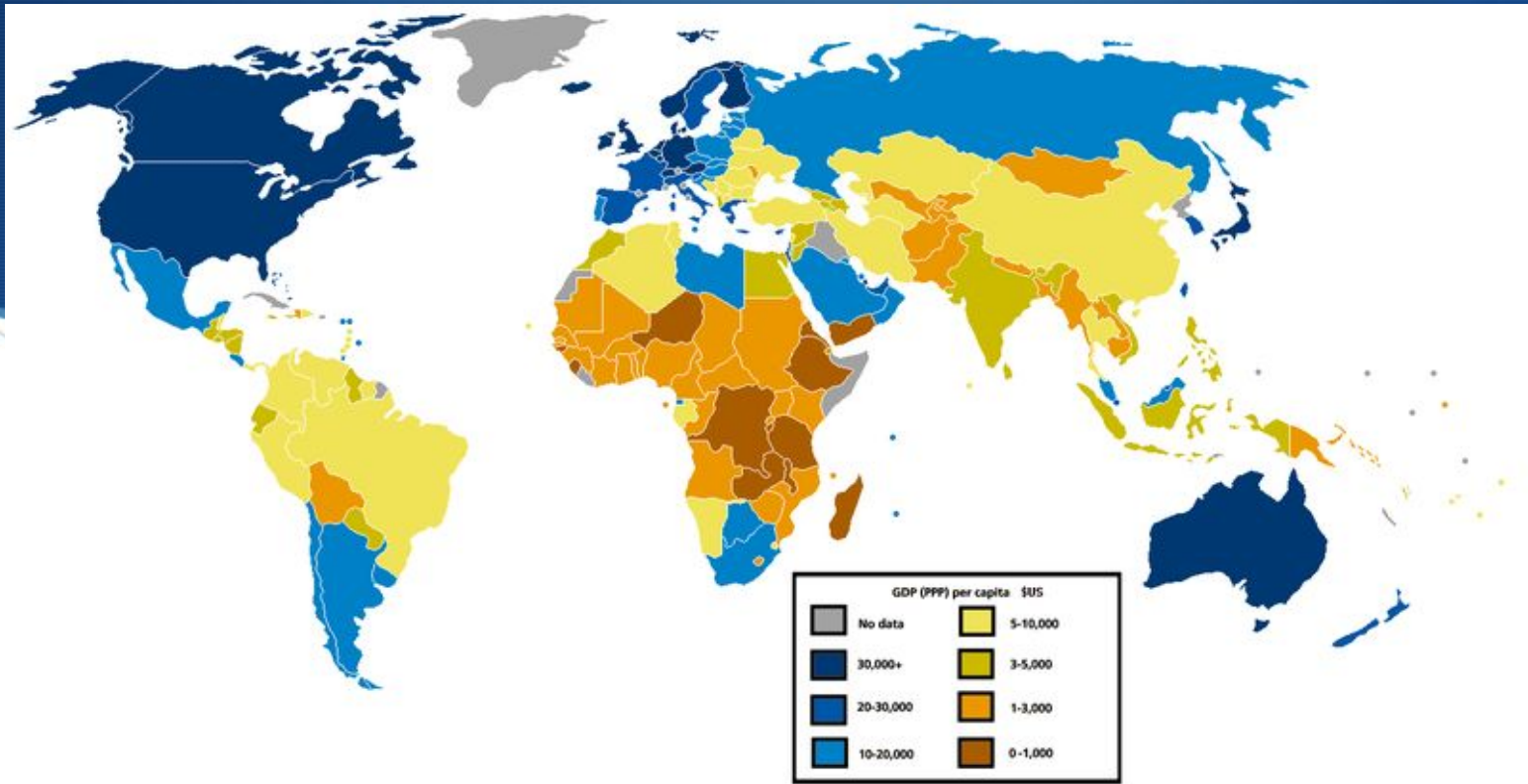


Cultural uniqueness is lost in favor of homogenization and a "universal culture" that draws heavily from American culture



CONCLUSION

- 💧 Globalisation has resulted in:
- 💧 increased international trade
- 💧 a company operating in more than one country
- 💧 greater dependence on the global economy
- 💧 freer movement of capital, goods, and services
- 💧 recognition of companies such as McDonalds and Starbucks



💧 Although globalisation is probably helping to create more wealth in developing countries - it is not helping to close the gap between the world's poorest countries and the world's richest.



THANK FOR YOUR
ATTENTION!