

Dimensions/Types/Classifications of Globalization

Because of trade developments and financial exchanges, we often think of globalization as an economic and financial phenomenon. Nonetheless, it includes a much wider field than just flowing of goods, services or capital. Some dimensions of globalization are listed below:

- **Economic and Financial globalization:**

Economic globalisation refers to the interconnectedness of economies through trade and the exchange of resources.

Effectively, therefore, no national economy really operates in isolation, which means national economies influence each other. This is clearly evidenced by global recessions experienced by the world.

Economic globalisation also means that there is a two-way structure for technologies and resources. For example countries like the USA will sell their technologies to countries, which lack these, and natural resources from developing countries are sold to the developed countries that need them.

Economic globalization decreases the cost of manufacturing. This means that companies can offer goods at a lower price to consumers. The average cost of goods is a key aspect that contributes to increases in the standard of living. Consumers also have access to a wider variety of goods.

The world economy has become increasingly interdependent for a long time. However, in recent decades the process of globalisation has accelerated; this is due to a variety of factors, but important ones include improved trade, increased labour and capital mobility and improved technology.

Financial globalization is an aggregate concept that refers to increasing global linkages created through cross-border financial flows. Financial integration refers to an individual country's linkages to international capital markets.



Financial globalization can be linked with the rise of a global financial system with international financial exchanges and monetary exchanges.

Stock markets, for instance, are a great example of the financially connected global world since when one stock market has a decline, it affects other markets negatively as well as the economy as a whole.

Foreign Direct Investment, immigration, foreign loans/aid are some other important components of economic globalization.

Economic globalization aims at reducing tariffs and creating free trade areas for smooth flow of goods & services and capital across borders. In this regard many trade blocks aimed at gaining economic benefits are formed. Arguably the most significant free-trade area in the world is the European Union, a politico-economic union of 27 member states that are primarily located in Europe. The EU has developed European Single Market through a standardized system of laws that apply in all member states. EU policies aim to ensure the free movement of people, goods, services, and capital within the internal market

- **Socio-Cultural Globalization:**

Cultural globalization refers to the interpenetration of cultures which, as a consequence, means nations adopt principles, beliefs, and costumes of other nations, losing their unique culture to a unique, globalized culture;



Shakira, a Colombian multilingual singer-songwriter, playing outside her home country

Socio-Cultural globalization refers to the transmission of ideas, values, meanings, customs, traditions, food music, architecture, religious beliefs, costumes etc. around the world in such a way as to extend and intensify cultural relations.

This means that different customs and habits shared among local communities have been shared among communities that (used to) have different procedures and even different beliefs.

People move all the time too, mixing and integrating different societies and experiencing and sharing the social and cultural values.

In today's world, the Internet and social media is at the heart of this. Social globalisation is often criticised for eroding cultural differences.

However, The cultural inter connections are leading the world to a **Global culture**. Global culture is a set of shared experiences, norms, symbols and ideas that unite people at the global level. Cultures can exist at the global, national, regional, city, neighborhood, subculture and super culture levels. The following are common examples of global culture:

Language ----- English

Food ----- Fast Food, Coffee

Sports ----- Soccer

Fashion ----- Suiting

Films ----- Harry Porter Series

Books etc.

- **Political globalization:**

Political globalization refers to the amount of political co-operation that exists between different countries.



The development and growing influence of international organizations such as the **UN** or **WHO** means governmental action takes place at an international level.

This ties in with the belief that “umbrella” global organizations are better placed than individual states to prevent conflict. The League of Nations established after WW1 was certainly one of the pioneers in this.

Since then, many global organizations and regional organizations have helped to increase the degree of political globalization.

Political globalization also refers to the **organization** of different countries into trade blocs. Examples of trade blocs are the European Union, the WTO and G8. These organizations help to spread ideologies like democracy, protect human rights, intervene to solve misunderstandings and aid in international agreements.

The creation and existence of the United Nations has been called one of the classic examples of political globalization. Political actions by non-governmental organizations and social movements, concerned about various topics such as environmental protection, is another example.

Financial Action Task Force (FATF) is also an example. The FATF, is an intergovernmental organization founded in 1989 to develop policies to combat money laundering terrorism financing.

- **Technological globalization:**

Technological Globalization is the phenomenon by which millions of people are interconnected thanks to the power of the digital world via platforms such as Facebook, Instagram, Skype or Youtube.



Technological globalization is speeded in large part by **technological** diffusion, the spread of **technology** across borders.

Examples of technological globalization includes the Internet is a major contributor, Global news networks, like CNN, Cell phones connect people all over the world like never before, Social Media etc

- **Geographic globalization:**

Geographic globalization is the new organization and hierarchy of different regions of the world that is constantly changing. Moreover, with transportation and flying made so easy and affordable, apart from a few countries with demanding visas, it is possible to travel the world without barely any restrictions.

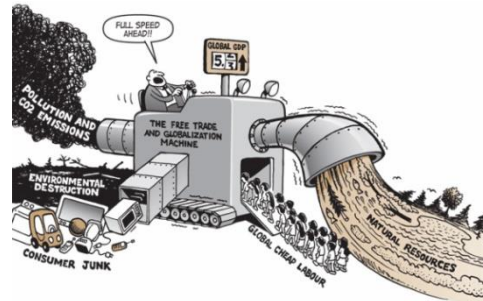


International travellers and Immigration is leading to changing geographical characteristics of various nations.

- **Ecological globalization/Environmental Globalization:**

It accounts for the idea of considering planet Earth as a single global entity – a common good all societies should protect since the weather affects everyone and we are all protected by the same atmosphere.

The Industrial Revolution and globalization has caused various environmental **issues which include** threats to wildlife, loss of biodiversity, ecosystem degradation, **global** warming, ozone depletion, and pollution.



So the Ecological/environmental globalization refers to the internationally coordinated practices and regulations regarding environmental protection.

Environmental globalization is usually supported by non-governmental organizations and governments of developed countries, but opposed by governments of developing countries which see pro-environmental initiatives as hindering their economic development.

An example of international environmental organizations is The World Wide Fund for Nature (WWF) which is an international non-governmental organization founded in 1961 that works in the field of wilderness preservation and the reduction of human impact on the environment

Various meetings and conferences of international organizations are arranged worldwide on climate change. United Nations is also working on the issue of climate change.