

## **Social Dimensions of Globalization**

Globalization is a term that is used in many ways, but the principal underlying idea is the progressive integration of economies and societies. It is driven by new technologies, new economic relationships and the national and international policies of a wide range of actors, including governments, international organizations, business, labour and civil society.

Broadly speaking, the process of globalization has two aspects. The first refers to those factors - such as trade, investment, technology, cross-border production systems, flows of information and communication - which bring societies and citizens closer together.

The second refers to policies and institutions, such as trade and capital market liberalization, international standards for labour, the environment, corporate behaviour and other issues, agreements on intellectual property rights, and other policies pursued at both the national and international level which support the integration of economies and countries.

In terms of the latter aspect, the existing pattern of globalization is not an inevitable trend it is at least in part the product of policy choices. While technological change is irreversible, policies can be changed. Technological advances have also widened the policy choices available.

The social dimension of globalization refers to the impact of globalization on the life and work of people, on their families, and their societies. Concerns and issues are often raised about the impact of globalization on employment, working conditions, income and social protection. Beyond the world of work the social dimension encompasses security, culture and identity, inclusion or exclusion and the cohesiveness of families and communities.

Globalization brings new potentials for development and wealth creation. But there are divergent views and perceptions among people as concerns its economic and social impact, and indeed widely varying impacts on the interests and opportunities of different sectors and economic and social actors. Some argue that the present model of globalization has exacerbated problems of unemployment, inequality and poverty, while others contend that globalization helps to reduce them. Of course, these problems predated globalization, but it is clear that for globalization to be politically and economically sustainable, it must contribute to their reduction.

Social globalization refers to the sharing of ideas and information between and through different countries.

In today's world, the Internet and social media is at the heart of this. Good examples of social globalization could include internationally popular films, books and TV series. The Harry Potter/ Twilight films and books have been successful all over the world, making the characters featured globally recognizable. However, this cultural flow tends to flow from the center (i.e. from developed countries such as the USA to less developed countries). Social globalization is often criticized for eroding cultural differences.

### **Global pressure on wages and employment**

MNCs base their decisions on the location of production on the most competitive combination of labor, technology, structural advantages and business environment which includes, inter alia, low taxes on profit and political stability. It is well established that in the 1990s there was intensification in competitive pressure to lower labor costs and taxes, especially in high- and middle-income countries. It is also well established that much manufacturing production moved from the industrialized countries to the developing countries, although this has not yet affected most developing countries.

Considerable controversy still surrounds many aspects of the impact of globalization on wages and employment, and two recent literature reviews focus on these issues.

Greenaway and Nelson (2001) reviewed many major contributions to the literature on the labour market effects of globalization, covering the relationships between:

- (a) trade and wages;
- (b) trade and employment;
- (c) migration and labour market adjustment;
- (d) FDI and labour markets.

They covered major contributions over the past 20 years, predominantly those concerned with industrialized countries' experience.

Rama (2003) reviewed the academic literature on the effects of globalization on workers in developing countries, including a description of the pattern of job destruction and job creation associated with globalization.

### **Impact of globalization on poverty**

While the vast majority of contributions to the academic and institutional literature conclude that globalization has spurred economic growth and that the overall benefits of globalization are larger than its overall costs, the literature assessing the impact of globalization on poverty is considerably more controversial. The more influential (and mostly institutional) literature concludes that globalization reduced poverty. However,

many individual researchers have pointed out that the empirical analysis leading to that conclusion is conceptually flawed in various ways.

### **Increased global insecurity**

Insecurity can be defined in many ways. The aspects most frequently treated in the literature are job insecurity, lack of social protection, food insecurity and fear of terrorism. No matter how insecurity is defined, there is a broad consensus in the literature that globalization has increased economic, social and political insecurity, even for those who have benefited from globalization. The most extensive coverage of issues related to job insecurity and changes in employment patterns is provided.

### **Globalization and gender**

The impact of globalization on gender covers a variety of controversial issues and overall remains inconclusive. While there was an initial tendency to conclude that globalization may have reduced gender imbalances, largely owing to increases in female participation rates and associated expanding freedom resulting from women's paid work, the more recent literature tends to show that discrimination against women continues regardless. Comparing the gender literature with that on child labour, the common initial tendency is that both women and children are better integrated into formal employment. The difference is that children's increased participation rate is considered detrimental to them, whereas women's increased participation is considered beneficial for women.

### **Globalization and migration**

International migration is inextricably linked with globalization. On one hand, processes of globalization drive international migration, including through disparities in development, demography and democracy; the global jobs crisis; the segmentation of global labor markets; revolutions in communications and transportation; and transnational social networks.

On the other hand, international migration itself generates processes of globalization, including the global transfer of money and goods; the emergence of global cities; and growing social and cultural diversity.

When reviewing the impact of globalization on migration, the first observation is that the recent globalization process has been accompanied by far less international migration than at any other time in world history. There is also no doubt that the limited migration is due mostly to constraints set in industrialized countries' immigration laws. Thus, compared with earlier large-scale migrations, today's migration process is far more selective in countries of both emigration and immigration.