Globalization Economic Growth and its Interdependence

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Commentary

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DESCRIPTION

Economic globalization refers to the growing economic interdependence of national economies around the world as a result of the rapid growth of cross-border movement of commodities, services, technology, and capital. Economic globalization is the process of increasing economic integration between countries, leading to the creation of a global marketplace or a single world market. Whereas business worldwide focuses on the decrease of international trade laws, tariffs, taxes, and other barriers that stifle worldwide commerce, international business refers to the reduction of international trade rules, tariffs, taxes, and other impediments that stifle global trade. Impact of globalization can be considered as either a positive or detrimental occurrence, depending on the paradigm. Globalization of production refers to obtaining goods and services from a single supplier from several locations around the world in order to benefit from cost and quality differences. It also requires market development, which is defined as the amalgamation of various and distinct markets into a vast global marketplace. Competition, technology, and corporations and industries are all part of the economic internationalization.

Current global market trends can be credited in large part to advanced economies integrating with emerging markets through foreign direct investment, trade barrier decreases, and other economic reforms, as well as, in many cases, immigration.

International standards have improved the efficiency of goods and service trade. The international container is an example of such a standard. Containerization reduced transportation costs considerably, aided the post-war boom in international trade, and was a key component of industrialization. The International Organization for Standardization, which is made up of delegates from several national standards committees, sets international standards.

A multinational corporation often called a "multinational company," is a company that owns or controls the production of goods or services in one or more nations outside of its own. An offshore company, a transnational corporation, or a stateless corporate entity is all terms that can be used to describe it.

An unrestricted area is a region that encompasses a trade group whose members have agreed to Free Trade (FTA). Such agreements entail cooperation between at least two countries in order to lower trade barriers (such as import quotas and tariffs) and enhance cross-border trade of products and services. In addition to a free-trade agreement, it would be termed an open border if people were free to move freely between the countries. The European Union, a politico-economic union of 27 member nations predominantly situated in Europe, is arguably the world's most important free-trade zone. The European Single Market has been built by the EU through a systematic method of regulations that apply to all member states. The goal of EU policies is to ensure the free movement of people. Trade facilitation concentrates on ways to improve the procedures and regulations which regulate the movement of goods across national borders in order to lower costs and increase efficiency while maintaining acceptable regulatory goals.

On a global scale, service trade is also significant. In India, for example, business process outsourcing has been called the "primary engine of the country's development over the next three decades, contributing broadly to GDP growth, job growth, and poverty reduction."