**Globalization**

*“It has been said that arguing against globalization is like arguing against the laws of gravity”*

*- Kofi Annan (Former UN Secretary-General)*

*"Where globalization means, as it so often does, that the rich and powerful now have new means to further enrich and empower themselves at the cost of the poorer and weaker, we have a responsibility to protest in the name of universal freedom.”*

*- Nelson Mandela*

**1. What is Globalisation?**

* Globalisation is the process by which the word is becoming increasingly interconnected as a result of massively increased trade and cultural exchange.
* Globalisation has been taking place for hundreds of years, but has sped up enormously over the last half-century.

**2. Economic Impact of Globalization on Singapore**

Brought upon on Singapore by greater trading activities and flow of investment

A. Individual

**Positive- Greater consumer satisfaction attained as a result of cheaper and greater variety of goods and services**

Globalization gives rise to global MNCs that sell various products and services. This grants consumers a cheaper and greater variety of goods and services. As a result, consumers have more options and this increases consumer satisfaction

**Negative- Jobs insecurity as a result of changes in production and consumption patterns.**

With globalization, companies may outsource some of their work to other countries and increase their use for foreign labour. Furthermore, with a change in focus, some industries may slowly phase out while other industries are being prioritized. Thus the changes in production and consumption patterns will change the type of jobs needed. People’s whose skills become irrelevant or do not have the skills required for jobs will face unemployment. This results in widespread job insecurity among individuals amidst globalization.

In addition, when there are individuals and countries that thrive from globalization, there are also those that cannot keep up and suffer. This results in a greater income disparity among individuals.

B. Society

**Positive- Higher standard of living for the community- a more conducive and comfortable society**

When countries open up to trade, it creates increased economic activity which will lead to economic growth. Thus greater economic progress will increase the prosperity of both the country and the individuals, thus the standard of living of individuals increases.

**Negative- Proliferation of materialism**

Globalisation creates greater access to more goods and services. Global MNCs seek to expand their market and consumer base and conduct aggressive advertising and marketing to increase sales. This cultivates consumerism and the enjoyment of a hedonistic lifestyle. Thus leading to the proliferation of materialism.

C. Nation

**Positive - Higher level of economic development, enabling the nation to raise tax revenue and attain higher level of employment**

With a higher level of economic development, there is the emergence of new industries such as higher tech manufacture, IT and computing. This creates new job opportunities, helping the country to attain a higher level of employment. With a bigger working population, the government’s tax revenue increases.

**Negative - May experience structural unemployment, trade dispute and other economic conflicts arises out of keen competition**

Globalisation and free trade can lead to shifting patterns of manufacturing and labour demand. This gives rise to structural unemployment when the unemployed workers do not have the required skill sets to get a job in the rising industries.

**3. Social Impact of Globalization on Singapore**

Brought upon Singapore through greater social and cultural interaction as a result of global media interaction and technological advancement

A. Individual

**Positive - More enriching and interesting lifestyle due to more exposures and experiences**

As a result of globalisation, there is greater global media interaction and technological advancement. People are able to view media content created by other countries and be updated on the latest foreign news with the use of mass media and the internet. Also, people can fly to other countries in a mere few hours to experience the country’s culture and way of life. This increased social and cultural interaction on a global scale exposes us to new experiences that can enrich our life and create an interesting lifestyle for many.

**Negative - Stressful lifestyle – keen competition and demanding responsibility, clash of values – leading to social alienation**

However, the increased connectivity of countries also creates opportunities for working in other countries and migration. Some may feel stressed out by the increased competition for labour as companies may choose to hire foreign talent instead of locals. Furthermore, with more cultural diversity in the country, it may lead to a clash of cultural values and create disharmony. Those that are unable to assimilate or integrate into the local culture may potentially face social alienation.

B. Society

**Positive - Exposure to other values which will enhance the development of the society, promoting greater understanding between diverse groups of the people in the society**

Exposure to the values of different countries through personal interaction and mass media helps to promote greater understanding between diverse groups of people in the society. This helps to foster mutual understanding and create social stability, thus enhancing the development of the society.

**Negative - Social instability and cultural erosion as a result of clash of values, disrupting social cohesion**

When values of different cultures are inherently very different, it makes integrating diverse groups of people in the society very difficult. As a result, the clash of values can create social instability which disrupts social cohesion. Also, when people of other cultures assimilate into the majority culture of the country, it results in cultural erosion.

C. Nation

**Positive - Expose the members of the nations with more experiences about other nations – enhance cultural interaction.**

Exposure to the values of different countries through personal interaction and mass media helps to enhance cultural interaction and promote social harmony as people of different cultures are able to understand one another better.

**Negative - National identity is under threat as global citizenship arises**

Globalisation creates the notion of a global citizenship. With more people identifying themselves as a global citizen, there attachment to their home country may reduce and they may no longer practice the country's culture and customers which might weaken the national identity of countries

**4. Political Impact of Globalization on Singapore**

Brought upon Singapore through political interaction and integration, institutionalization of political organization

A. Individual

**Positive - Greater political awareness of the rights of the individuals**

With greater interconnectivity among countries, individuals are more aware of politics of other countries. This allows for a comparison between the political system of their home country and other countries. This creates greater political awareness and individuals may take other countries as a benchmark to how the rights of the individuals and laws should be implemented.

**Negative - Clash of values leading to greater confusion - loss of direction**

With countries implementing different policies, some of which can impact other countries such as trade related policies, these policies set can differ greatly. This may affect international relations between countries which stem from a clash of societal, economic and political values, thus creating a loss of direction.

B. Society

**Positive - Social stability and harmony attained**

Countries may work together and set international policies which create an international benchmark that people of different cultures have to abide by. This effectively creates a standard and a form of mutual understanding that creates social stability and harmony.

**Negative - Greater social disparity as clash of values surface**

Different countries have different policies. For example, the legal age to drink differs from country to country. This can potentially create a clash of values among people from different countries, leading to dissatisfaction and in extreme cases of breaking the law. This creates a bad impression of foreigners among the locals and creates social disparity.

C. Nation

**Positive - Political stability can be attained through greater diplomatic relationship and integration**

Countries can establish greater diplomatic relationships which can help to strengthen political stability of their own country as they firm up policies related to trade, foreign exchange and tourism etc.

**Negative - Political instability as a result of clash of values and ideology**

As each country has their own unique culture and way of living, their government and political system will reflect these qualities. This makes each government inherently differently which makes it difficult for countries to establish international policies and relations. This clash of values and ideology may create tension between countries and increase political instability.

**Questions for review:**
Is globalization beneficial to Singapore? In an interview with BBC, PM Lee Hsien Loong was asked by interviewer that whether globalization is beneficial to Singapore. Give your comments about the impact of globalization of Singapore to assess whether it is beneficial or detriments to us.