

Unit - 2

Globalization and Trade



Learning Objectives

- To know the meaning and history of globalization
- To know the trade and traders in South India historical perspective
- To know the evolution of growth of MNC
- To know the fair trade practices and WTO
- To understand the impact and challenges of globalization



Introduction

Liberalization, Privatization and Globalization (LPG) have become a much talked of subjects among politicians, economists and businessmen in modern days.

2.1 Globalization

Globalization is the integration of a country with the world economy. Basically, globalization signifies a process of internationalization plus liberalization.

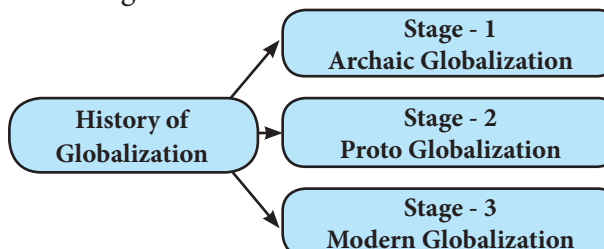


Globalization

2.2 History of Globalization

The term of 'Globalization' was introduced by Pro. Theodore Levitt. The historical

background of globalization can be discussed on three stages.



Archaic Globalization

Andre Gunder Frank argued that a form of globalization has been in existence since the rise of trade links between Sumer and Indus valley civilization in the third millennium BC (BCE). An early form of globalized economics and culture, known as Archaic globalization existed during the Hellenistic Age. An early form of globalization in the trade link between the Roman Empire, Parthian Empire and the Han Dynasty made the commercial links between these powers inspired the development of the Silk Road.

The Islamic Age was also an important early stage of globalization. The advent of the Mongol Empire, though destabilizing to the commercial