



Impact of Globalization on Local Industries

Prof (Dr.) Landge Balwant Bhimrao

Research Guide

Professor and Head, Dept. of Commerce

Bharatiya Jain Sanghatana's ASC College, Wagholi, Pune-412207

Prof. Devadkar Vishnu Shivram

Ph. D Research Student

Bharatiya Jain Sanghatana's ASC College, Wagholi, Pune-412207

Abstract:

The present study was to investigate the effect of globalization on local industries. It has huge significance in the present scenario. In this research several researchers have written about this phenomenon but in respect to globalization are hidden among other same problems, so this study tried to examine how the manufacturing sector in global dealt with it. The study first found that globalization had a negative effect upon manufactures, secondly raw materials were the most difficult issues facing the manufacturing sector, a majority of the respondents strongly agreed that they were dependent on imported raw materials from overseas the study thirdly found out that electricity was also a major obstacle too costly for these manufacturers.

In distinction, the study also revealed that these manufacturers have some favorable strength when it comes to marketing and sells, because they mostly agreed that they had a market for what they produce and consumers prefer their products more than imports.

Keywords: Globalization, Industries, Economics

Introduction:

The present study was to investigate the effect of globalization on local industries. It has huge significance in the present scenario. The world is in a dynamic state of transition and transformation. The entire world is now moving towards an integration of a single global market, referred to as the Global community in which everyone is free to live, sell and buy. This process of transition as well as transformation is called Globalization.

Globalization appeared in the English dictionaries only a quarter of a century ago what could be called globalization events were occurring as early as 2500 BC through large-scale contact and trading between European and Asian powers.

In modern years, the creation of a global village has been seen as the engine of development for both the poor and already rich nations of the world, but it can also be understood in terms of satisfaction of basic needs; elimination of inequalities, reduction of unemployment levels, and minimization of poverty levels and so on. On the other hand, the



economy of poor countries remains in crisis, showing little or no signs of stability and closures are most frequent in the industrial sector due to the sophisticated foreign products competition.

Aims and Objectives:

The present research work deals with the following aims and objectives:

- To observe globalization as well as its effects on local industries.
- To decide the major problems that local industries of sector has with the globalization.
- To explore the techniques used by local manufactures to deal with globalization effects.

Research Methodology:

This study was conducted through survey design because this study is explanatory study; the quantitative data was collected through questionnaire. The effect of globalization is on every corner of the world, all things around are made in somewhere overseas but it is not always necessary to import them all some can be made locally and this is the negative consequence of globalization. However, there is strong empirical evidence suggesting that trade openness has adversely affected the poor and in fact led to deterioration in income distribution in developing countries.

One of the famous research scholars, Aryeetey, says that “this argument by stating openness to foreign trade can increase the poverty level and income distribution among countries is no longer equitable. As real globalization started with human co-existence when man was created on the face of the earth it is inevitably clear that no one can live in isolation and on that base there must always be some kind of interdependence of mankind.”

The economic dimension of globalization is the most exciting and has been the driving force behind the political and social aspects. For example, European powers found their ways into other parts of the world like Africa through the colonization of colonies which brought the footprints European industrial revolution. The sole logic of the colonization process was to create a more integrated world economy controlled by the metropolitan countries as a result of the revolutionary changes in the way production was organized in Europe that gave it a competitive edge over the rest of the world. The concept of globalization describes the nature in which the economies of different countries of the world are interrelated and integrated into a larger economic cooperative. The concept of globalization implies, first and foremost, a stretching of social, political and economic activities across frontiers such that events, decisions and activities in one region of the world can come to have significance for individuals and communities in distant regions of the globe.

The age of globalization is over. There was a period in which that word globalization seemed to many people to capture the essence of what was going on around them. During the 1990s, activists and politicians, journalists and academics observed the spread of economic liberalization, the rise of new information and communication technologies, the increased salience of international organizations, and the resurgence of a cosmopolitan Human Rights agenda; and many of them believed that the world was opening up to a new form of interconnectedness, that a multi-layered, multilateral system of global governance was emerging,



which was set to transform the very nature of international politics. The term, globalization, which came to business as well as academic field recently as 1960s, soon became one of most frequently used terms in today's life.

Findings:

The purpose of this study was to explore the effect of globalization and its influence on local industries. This study has three objectives; to examine globalization and its effects on local industries of manufactures, the second objective was to determine the major problems that local industries of manufacturing sector has with the globalization and the third objective was to investigate the techniques used by local manufactures to deal with globalization effect.

After data presentation, interpretation and analysis the researchers found out indicators that local manufacturing sector in Mogadishu is generally vulnerable to globalization effect.

Concluding Remarks:

As a result, the present research work investigates the effect of globalization on local industries in selected manufactures the researchers attempt to examine three objectives the first objective of the study is to examine globalization and its effects on local industries of manufactures. The second objective that the researchers try to investigate is to determine the major problems that local industries of manufacturing sector has with the globalization. The third objective of the study is to investigate the techniques used by local manufactures to deal with globalization effects.

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