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Prelim Activity 1, CONTEMPORARY

***“Globalization is the seamless and integrated movement of goods, services, and people throughout the world. It is based on the theory of comparative advantage, which states that countries that are efficient at producing a particular good are better off exporting it to countries that are inefficient at producing that good”.***

Globalization can be looked of as the effect of the global economy being opened up and the resulting growth in international trade. In other words, when formerly closed economies to trade and foreign investment open up and globalize, the effect is a greater interconnectivity and integration of the world's economies. Additionally, globalization can imply that governments liberalize their import rules and encourage foreign investment in sectors critical to their economies. The fundamental notion is that not all countries are capable of manufacturing all types of goods and hence benefit from trade. Additionally, due of wage differentials and the diverse ways in which different countries are endowed with different resources, countries stand to benefit from trade.

Reference:

https://www.managementstudyguide.com/what-is-globalization.htm