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Title: Difference between Globalization and Liberalization With their Comparisons

Meta Description: Differences between Globalization and Liberalization are detailed in a tabular format. Read on to know more about the contrast between liberalization and globalization. To Crack UPSC 2020, follow BYJU'S

Difference Between Globalization and Liberalization

Globalization is where an economy of scale is created through the interaction and integration among people, companies, and governments worldwide.

It is a complex and multifaceted phenomenon, which is considered by some as a form of capitalist expansion which entails the integration of local and national economies into a global, unregulated market economy.

Liberalization is the process where a state lifts restrictions on some private individual activities. It is a situation in which government regulations and restrictions are relaxed to make room for economic expansion.

Analyze the Difference Between Globalization and Liberalization



They are both economic terms whose differentiation will be highlighted in this article.

The differences between the globalization and liberalization are highlighted in the table below:

Differences between Globalization and Liberalization	
Globalization	Liberalization
Globalization is closely related to the scale of economic activities across nations	Liberalization is mainly concentrated on economic activities as a result of modernization and development

<p>In a globalized setup, localities develop direct economic and cultural relationships to the global system through information technologies, bypassing and subverting traditional power hierarchies like national governments and markets.</p>	<p>Liberalization also often involves reductions in taxes, social security, and unemployment benefits.</p>
<ul style="list-style-type: none"> ● Access to New Culture ● Lower Costs for Products ● Access to New Talent 	<ul style="list-style-type: none"> ● Inward Investments ● Increased competition will lead to a rise in quality goods for the consumer
<ul style="list-style-type: none"> ● There are chances of developing nations will be open to exploitation by advanced economies ● Adverse effects on local economies ● Cultural Homogenization 	<ul style="list-style-type: none"> ● Loss of domestic units due to the inflow of foreign goods ● Unbalanced economic development ● Increased dependency on foreign assistance
<p>The most archaic form of globalization can be traced back to the days of the Indus Valley Civilization where relations between different nations were shaped by the geographical spread of ideas and social norms at local and regional levels.</p>	<p>Although early forms of liberalization were practised by merchant states of the 15th century, such as Venice, liberalizations in its modern form can be traced after World War 2. In India, the process of liberalization was initiated through the economic reforms of 1991 by Prime Minister P. V. Narasimha Rao and his then-Finance Minister Dr. Manmohan Singh</p>

