



THE EFFECT OF GLOBALIZATION ON ASEAN COUNTRIES

Quazi M Ahmed^a, Iftekhar Amin Chowdhury^{b*}, Lim Yi Huey^c

^a*FutureLeaders, Apt. 3/B/1, Tower 1, Suvastu Nazar Valley Shahjadpur
Gulshan, Dhaka, Bangladesh*

^b*Labuan Faculty of International Finance, Universiti Malaysia Sabah, Labuan
International Campus, Jalan Sungai Pagar, 87000 Labuan F.T., Malaysia*

^c*Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah
Jalan UMS, 88400 Kota Kinabalu, Sabah, Malaysia*

**Corresponding author's email: iftekhar@ums.edu.my*

ABSTRACT

Globalization is a method of interaction of developing the global economy among all the countries of the world. It is the integration of economies with all the economies of the world. Globalization is seen as facilitating increasing flows of capital, goods, services, and ideas among the countries, thus contributing to their high economic growth in the past decades. The purpose of this study is to investigate the effects of globalization in ASEAN countries. In the area of international relations, globalization changing nations and borders of Southeast Asia through increased regional cooperation in the formation of the Association of Southeast Asian Nations (ASEAN). The establishment of ASEAN as one of the most highly-integrated regional organizations is the reflection of the process of globalization. This study proved that globalization contributed some benefits for ASEAN countries such as the development of education and health system, employment opportunities, employment growth, technology information, and competitive advantage. With the current economic situation that is going on all over the world, it is of utmost importance that countries are exposed to globalization and free trade. The benefits of these can bring about positive changes in countries, not only in ASEAN but all over the world.

JEL classification: M190

Keywords: ASEAN; economy; globalization

Received: Sept 19, 2018

Revised: Feb 13, 2019

Accepted: March 1, 2019

1. INTRODUCTION

The international economy is undergoing significant changes that are referred to as Globalization. The close economic integration and interdependence among the nations characterize globalization through the growth in international trade and investment. The term of globalization is an opportunity and a challenge. Globalization involves the trading of goods and services, economic resources, capital, information,

and technology. There are three main areas in Globalization which are economy, politics, and culture. In the world economy, the international exports had increased to 34% in the last 16 years. In the 1970s, the large organizations invested USD13 billion and increased to USD1800 billion in 2013 (Hamdi et al., 2013). Many companies were searching for new market and opportunity for cheaper production in countries with low labor cost, flexible environment and regulations.

The number of Multinational Corporation grew from 7000 to 65000 since the 1990s (Moshirian, 2008). The politics also took part in globalization due to climate change, financial crisis and so on. Regarding culture, people tend to stick to local and regional cultural customs. Globalization gave an excellent opportunity for industrialized countries. However, competition between industrialized nations increases gradually. Globalization market as an advantage for countries because it reduced cost and transportation expenses, but it also had disadvantages. In this study, we choose to investigate the benefits of globalization in ASEAN countries as a topic.

There are 10 ASEAN countries such as Thailand, Indonesia, Vietnam, Malaysia, Philippines, Singapore, Myanmar, Cambodia, Laos, and Brunei. ASEAN was known as an Association of Southeast Asian Nation. We choose ASEAN countries because they are all developing countries except Singapore. So, Globalization helped ASEAN countries to deal with the rest of the world in improving their economic growth, solving their poverty problems in their country (Hamdi et al., 2013). In the past, ASEAN countries were not able to involve in the world economy due to trade barriers (Moshirian, 2008). However, with globalization, the World Bank and International Management encouraged ASEAN countries to take the initiative to participate in the global market by removing trade barriers (Hamdi et al., 2013).

The primary purpose and objective for this paper is to evaluate the effect of globalization in ASEAN countries. There were some effects because of the globalization such as the development of education and health system, employment opportunities, economic growth (GDP), technology information and competitive advantage. We briefly discuss the effects of those five aspects in our literature review.

2. LITERATURE REVIEW

2.1 Job opportunities

The effect of globalization on employment in the labor markets has resurfaced as an essential policy issue which brings back the more extensive public debate which involves the advantages and disadvantages brought by globalization that includes a movement of jobs from OECD countries to developed countries with lower wages such as countries in the ASEAN community. However, in the context of employment, there is also talk about interrelated concerns of downward pressure on wages as well as increased job insecurity due to globalization which can affect the employment among laborers. Focusing on the region of ASEAN countries, globalization has contributed relatively to the labor market of the emerging and developing state of economies as well those countries with a report of low income (Das, 2010). Globalization in the context of employment of labor is observed as a rootless and continuous process of moving jobs to countries with a lower wage (Uchitelle, 2005). Based on a theory that is conventional, globalization would help to reallocate and increase flows of capital to developing countries, which can likely raise employment (this is in regards with sectors which would generally focus more on capital) (Carp, 2014). Commonly, it is known that once a developing country carries out the open

economy, foreign investment would often lead to an increase in the demand for local labor which would create higher wages. With the liberalization in trade, in accordance to the received trade theory, this would promote labor intensity in export and domestic-oriented activities, which will then increase employment of labor (Elijah, 2007).

2.2 Economic growth

Gross domestic product (GDP) is the aggregate benefit of everything created by every one of the general population and organizations in a country. It is an easy way to measure the economy of the country by using GDP. It does not make a difference in the country that they are residents or foreign organizations. The government will count their product as GDP whenever they are under country boundaries. There are two types of GDP which are nominal GDP and real GDP. Each of them has different roles. For example, nominal GDP is used to measure all of the goods and services produced by the country at the current market prices while real GDP refers to the change in price and give a more accurate sign of the economic growth.

Globalization gives the opportunity for the developing country to deal with the other countries to increase their economic growth. One of the big trouble for the developing country is the limit of others country which is trade barriers. However, because of the encouraging of the World Bank and International Management, most of the developing country began to remove their tariff and open their market to get the economic growth (Dollar et al., 2004). So, it can create the offer for the poor citizen to get a job. For insane, the world poverty becomes decline due to the economic growth in India and China.

Based on Rokrika et al. (2014), the higher the growth rates, the higher the state of industrial production and export. One of the most apparent advantages of globalization is the product and services accessible to transfer between the other countries. In the same time, it will decrease the probability of the war between country. Moreover, companies and individuals more communication between each other led to increasing the free trade and the growth of the economy. It should be a good sign for the country. Unfortunately, GDP is not always experienced by society because of the not all of the citizen enjoys the benefits of the GDP growth. For example, they might not improve their lifestyle and human security. However, globalization gives the trade of the benefits to the developing country; it still creates the disadvantages for the developing countries. One of the examples is the globalization raise the inequality between the rich and poor; the rich are going to be more affluent and poor is going to be poorer. Most of the developing countries get the benefits from the globalization, but their citizen might leave behind. In the previous decades, China and India develop faster than others countries and become the wealthiest country, but some of the countries such as Africa remain the same. Thus, even there have the disadvantage, the benefits of the globalization still cover and more than the disadvantage. So, it is good for a country such as the ASEAN country to take part in globalization as it gives the most useful benefits to the country.

2.3 Education and health systems

As globalization hit world today's atmospheres there a few key drive economists need to follow up, one of it was the country educational and health system need to improve. Moshirian (2008) mentioned, one of the globalization indicators was the improvised education and health which has benefited the more impoverished nation that can be

observed in the rise in life expectancy rates and literacy levels. Since 1950 there was evident progress about literacy and life expectancy especially in developing countries (Moshirian, 2008). HDI measure indicates approximately divergence due to discounting of higher incomes and also its focus on the social indicator. One of the examples here in Thailand. Thai life expectancy has been stable for 68 years over the last decade, and the rate of growth population was decline to 0.77% per year (Human Development Indices and Indicators, 2018). Also, globalization had helped the contribution of doctors and scientists in discovering many diseases spreads by human and animals, and it helped them to avoid and the deadly disease.

2.4 Technology information

To compete internationally, ASEAN country must have their sophisticated technology in all industries that they have which can escalated economies. Three types of technology exist that surely used in globalization such as communication technology, information technology, and transport technology. To compete among others country, each country had to have their self-intention toward technology information that currently used, distributed, created or spread worldwide for their own sake. It happens because “Developing countries depend on developed countries for resource flows and technology, but developed countries depend heavily on developing countries for raw materials, food and oil, and as markets for industrial goods” (Hamdi et al., 2013, p. 142). It showed that developing and the developed country needs each other to run their businesses. As all know that advances technology is one of the main factors that globalization happened rapidly. The technology was essential and involved directly in successful of ASEAN country towards progress in ways to compete with other countries.

In an article ‘Technology spillovers of FDI in ASEAN sourcing from local and abroad’, was highlighting the technology spillovers influential towards the economic development in ASEAN that showed significant of technology information among community, employee, corporate people, businesspersons in helping upgrading their products or services for local and international customers (Tu et al., 2012). In the same time, FDI seems to help a lot in development’s countries processes by sharing the technology information among peoples that lets technology diffusion moving smoothly in ASEAN country. Technology spillovers are the effect of the incompetence of foreign countries transfer all the benefits of advanced technology among the other countries (Tu et al., 2012). The larger the catch rate, the more significant the technology gap between the domestic and foreign firm that led to expanding the technology spillovers and acceptance towards FDI (Tu et al., 2012).

2.5 Competitive advantage

The business environment has changed lately with the opening out of the economies. Globalization can refer to the development of business activities, competition, and markets on the worldwide basis. In economic terms, globalization is referred to as the increasing interdependence between national economies and markets (Stonehouse et al., 2004). Many things will impact the globalization or effect by it in ASEAN country. One of it is known as a competitive advantage. Based on Ferrel (2012, p.16) competitive advantage defined as “something that the company or firm does better than its competitor that give it an edge in serving customers” needs or maintaining mutually satisfying relationships with relevant stakeholders.

In the economic theories of trade, a person named ‘Michael Porter’ has developed a new theory that explains national competitive advantage which can make some countries globalize or be more successful in particular industries than other (Porter, 1990). The theories are known as ‘Porter’s Diamond Model of Competitive Advantage. He considers that there are four functions of significant determinants for the competitiveness of a country which is, Factor Conditions, Demand Conditions, Firm Strategy, Structure and Rivalry, Related and Supporting Industries.

Factor condition which is also known as factors of production is not referred to the shared pool of resources, such as raw materials, labor, capital, land, but it can give the firm or country an incentive to innovate and upgrade (Gupta, 2009). “For demand condition, it can influence the economies of scale, bestow static efficiencies and are vital for the rate and character of upgrading and innovation by a nation’s firms” (Muengmor, 2011, p.9). Firm strategy, structure, and rivalry can be defined as an organization that organized and managed which corporate objectives and the measure of rivalry within its own organizational culture. It also focuses on where should a company will establish in a country by its condition. Related and supporting industries refer to competitive suppliers which reinforce innovation and internationalization because the success of the market depends on the presence of them.

Just because a company has the competitive advantage in the market, it does not mean it will always be a better company. So, to sustain the company competitive advantage, a company must create a clear goal, strategies, and operation. Michael Porter also outlined the three effective ways for the company to sustain their competitive advantage which is cost leadership, differentiation, and focus in his ‘Porter’s Diamond Model of Competitive Advantage.’

3. ANALYSIS OF ASEAN PERSPECTIVE

3.1 Job opportunities

As Cambodia is famous with garment industry, that is an example of success in Cambodia’s trade openness in the economy which is an integral part of globalization, it also was the fastest growing sector and has been an engine of economic growth since 1996. According to the data on investment registered with the Council for the Development of Cambodia, the industry’s exports accounted for more than 75 percent of total national goods exports in 2005 it stays one of the vast FDI beneficiaries no matter what diminishing overall FDI inflow. Furthermore, this industry is the principal formal assembling segment that gives upwards of 300000 occupations (starting at 2006) to insignificantly taught work compels from provincial ranges, of which more than 80 percent are female. Female empowerment is equally contributed by the process of globalization where women would be the drivers of employment of labor (Sherif-Trask, 2014). Moreover, to its massive part in the local economy, the piece of clothing industry is viewed as a critical driver of Cambodia's combination into worldwide and local economies. Cambodia’s garment industry has been globalized since 1996 which create the most employment opportunities in Cambodia’s country (Robertson et al., 2010).

Globalization that occurred in Vietnam caused a rapid increase in the foreign direct investment (FDI), whereby 75% of the amount was used in investing in the industrial sector – and the ratio of exports to GDP were also growing, from 10 percent in the early 1990’s to a whopping 70% in the mid-2000s (Menon, 2009). The change the GDP would seem like the golden opportunity for Vietnam to create jobs for its

people, and to help in reducing its unemployment rate. However, in the case of Vietnam, the presence of a high FDI in the secondary sector did not mean much to the households in Vietnam, whereby one would think that these investments would have consequent positive impacts and a chance to elevate to a better socio-economic state for these people. Due to globalization, despite the high contribution to the final gross output, it was reported in the journal that in the year 2008, only 22.4 percent of the people were working in the manufacturing sector were employed in foreign-invested firms (Weiner et al., 2015).

On the other hand, in Malaysia, globalization has created the chance for the migration of foreign workers to enter Malaysia and to work alongside the domestic workers. Worker migration takes place because of the globalization that creates an increase in the flow of foreign direct investment into Malaysia, more foreign firms will be brought into Malaysia, and this would mean more employment for the people in Malaysia who are looking for jobs (Rowley et al., 2000). Therefore, this would cause a great competition between the domestic and foreign workers in Malaysia. Malaysia being a receiving country, therefore, amended legislation to provide for higher penalties and stricter control towards foreign labor recruitment, to protect the employment of local Malaysians domestic wise. For example, in May 1984, the government of Indonesia and Malaysia signed an agreement, also known as the Medan Agreement to control the hiring of Indonesian workers for the Malaysia plantation sector (Varkkey, 2013). Globalization indeed helps to create more jobs in a country, but it is crucial for the government to regulate of who gets to get employed in the labor sector.

In Singapore, globalization was somehow viewed as a malevolent topic during the economic crisis in 1998 and 1999. The government's act of encouraging foreign human capital in its employment market led the Singaporeans to be laid off which created resistance from the nation's labors against the foreign talent influx. In the case of Singapore whereby its economy was globalized. It also faced structural unemployment and an income gap that kept widening. Singapore situation shows that globalization would only allow an elite to enjoy its benefits, but it would create income gaps between them, the middle class and those who earn a lower income in society (Amaldas, 2009).

3.2 Economic growth

GDP in ASEAN country is getting better and increase gradually compare with the past few years. There are about four countries that we are looking for such as Malaysia, Thailand, Indonesia, and Vietnam. These countries get improvement in their economic performance. One of the countries is Malaysia. GDP per capita of Malaysia grew 4.2% in 2014 while in 2013 grew 2.8%. By comparison, GDP per capita in Malaysia was 9981.2USD in 2013. However, GDP per capita in Malaysia increase to 10398.8USD in 2014. It increases almost 417.6USD in 2014 (Malaysia GDP, 2016). Due to the globalization science and technology which is MNC project, GDP of Malaysia increase and their ranking climbed to 32nd as a top-ranked middle-income country (Bakar, 2015). During that period GDP of Malaysia exceed others in the whole world for the first time. Under that project, its transform Malaysia into IT hub and improve the economy of Malaysia (Bakar, 2015).

Next, Thailand takes part in the globalization too. Once the global trade rise, it will increase the demand for unskilled workers. In the same time, employers more

focus on their services, unskilled workers in the developing country will get more wages than others (C.W., 2014). Moreover, communication and transport become more convenience; it will close the gap of the country between the rich and poor country. Unfortunately, the economy of Thailand goes slow during that year because Junta pushed new backward constitution (Ungpakorn, 2015). So, the GDP of Thailand is 420.53 billion USD in 2013 while GDP in 2014 is 406.52 billion USD. It drops around 14.01 billion USD which is 3.4%. Even though Thailand is one of the most affected countries in the ASEAN region under globalization concept, the GDP dropped slightly.

Also, GDP of Indonesia in 2013 is 912.52 billion USD while 890.81 billion in 2014 (Trading economics, 2014). It decreases by approximately 2.4% which is 21.71 billion USD between these years. Even most of the research that mentions globalization of Indonesia had created more jobs for their nationalities and the Free Trade Agreement opened up the global trade, but due to the weak export and loss of investment, GDP of Indonesia also drop in that year (Kusuma et al., 2015). Moreover, Vietnam had been taking part in globalization education systems such as America, France, and other Eastern European nations. Based on Weiner et al. (2015), education of Vietnam moves forward and more potential in the future. Therefore, their GDP increase gradually over the years. For instance, the GDP of Vietnam in 2013 is 171.22 billion USD while 186.2 billion USD in 2014. It increases almost 8.7 % between that year (Trading Economics, 2016).

3.3 Education and health system

In the ASEAN region, Philippines has begun to exported medical transcription services to the USA. Mostly of the transcriptionists was graduates from medical school college who was part-timer while preparing for Philippine's board exams. In this field, there were special incentives for FDI offered by the Philippine Government. Even though the export only contributed absolute value estimated \$10 million in 2004 but it provides a substantial growth potential worth less than 1% of the \$13 billion spent on medical transcription in the USA per year (Arunanondchai et al., 2007).

Malaysia also benefited from the exportation of healthcare service and acted as both recipient and sender of the healthcare worker. Arunanondchai et al., (2007) stated that in the year 2001 there were about 450 nurses net outflow or less than 3% total nurse employed hired from India and Philippine's to work in Malaysia and Malaysian nurses serve in Singapore and Saudi Arabia. Malaysia hired a foreign health care worker due to the shortage of local healthcare worker. At the same time, some Malaysian doctors and nurses were working abroad for higher wage countries such as Singapore.

In educational prospect, based on Zaheer et al. (2016) studies, this journal discovers that some people reason to migrate is for educational purpose. They are searching for best offer of educational prospect over the globe. Example of educational migration is, Indonesia citizen migrate to Malaysia to further their studies. Besides that, due to globalization which requires high skills labor to work the demand requires people to have a higher level of education to serve in the labor market. This demand for high skill sets people have reduced the illiteracy of adult in Thailand from 10.7% to just 4.7% in the year 1983 to 1999 according to Pupphavesa (2002).

3.4 Technology information

In Laos, there was a Theun-Hinboun Power Company (THPC) known as the first hydropower company to operate in Laos that have power for export (Sparkes, 2014). By this hydropower investment, Laos saw to have a good relationship with the shareholders and other local consumption in the project. A good relationship can be built among shareholders, and other community can influence decision making towards a better decision making. The effects from this hydropower investment project leads to produce power for export (60 MW to Thailand) and local consumption (60 MW for the Lao grid) and at the same time gives benefits to local people where this new technology gives opportunities to local people for getting a job especially during the construction phase (Sparkes, 2014). So, this powerful technology not only benefits in attracted other country but also giving some opportunities to the people in the country itself.

New media and digital technologies are such difficult things to control, let alone own and monopolize but this is such a technology development for peoples manage some difficulty and increased satisfaction in producing things (Mol, 2009). In Vietnam, in orders to control Internet user, the state has controls to monitor Internet use. With the new media and technology provided recently, Vietnam “originate mainly through linkages with the global economy and International assistance programmes (and marginally from global civil society)” (Mol, 2009, p. 126). In the end, it would be able to cooperate with other countries globally in the sake of getting information, improve their movement, or studied other country culture in other to compete in their particular business later.

The manufacturing sector in Indonesia growth rapidly due to the change in technology. In this aspect, transportation is the main factors of export and import activities to run in a better way, because, to ship the goods, peoples will use transportation. That is why transportation can influence the growth of the economy in the country which manages to do export and import activities. Indonesia seeking contributed in secure long-term contract within China in supplying liquid natural gas and thermal coal shipped to China and India (Macuta, 2013) in the process of shipping that is using transportation services. Transportation is a kind of technology upgraded that might be connected from one country to another country through export and import process that for sure would increase economies progresses.

Malaysia is a developing country which is still having improvement little by little. In 1997, Malaysia E-Government had been started. In Malaysia highly emphasizes to use IT as they believe this approach not only conducted in Malaysia but also in other countries. Nowadays IT extremely important in some kind of business that all talk about improvement or development because IT can provide people and “ensuring individual remained opportunistic, innovative and responsive towards IT development (Seng et al., 2010, p.431) and the role for dealing with other people broader. This approach recommended in Malaysia but need improvement and investigation since that still a lack of findings result (Seng et al., 2010). By this approach, Malaysia might be multiplying regarding business, organization, management or institutions.

3.5 Competitive advantage

Based on the Global Competitive Report 2014-2015, there are 4 ASEAN countries with the highest competitiveness which is top 40 in the whole world. The country is

Singapore (2nd global rank), Malaysia (20th global rank), Thailand (31st global rank) and Indonesia (34th global rank). In the latest report which is 2016 -2017, only three countries got top 40 in the world which is Singapore (Still same), Malaysia (decrease to 25th global rank), and Thailand (drop to 34th global rank).

For Singapore, it has very high competitiveness in institutions, infrastructure, health & primary education, and macroeconomic factor. (World Economic Forum, 2017). However, recently in Channel News Asia's article, it said that Singapore had dropped one spot to the third rank in the most competitive economy. Elizabeth Khor said that "Singapore has slipped a notch from its place as the world's second most competitive economy, according to a report by the World Economic Forum (2017). Even Singapore's rank dropped, it still possesses superior transport infrastructure, an efficient labor market, and its financial sector is well developed.

As we know, Malaysia is the highest placed developing Asian economy. Recently, Malaysia has edged up two places to 23rd in the Global Competitiveness Report. "The economic policies are on the right track. Plus, our exports are doing well, and we continue to receive healthy flows of foreign direct investments" stated by the Minister of International Trade and Industry Minister Datuk Seri Mustapa Mohamed. Malaysia is also good at financial market development (ranks fourth) and very efficient at good and service markets (rank seventh).

The third rank in ASEAN is Thailand. Recently, Thailand ranking also goes up in the Global Competitiveness Report which is from 34th to 32nd. The increasing number of people that using a mobile phone and an increase in the macroeconomic environment has made the country improve a lot. Other than that, the effort of government to invest in infrastructure helpful and its help a lot in the development of the country.

The fourth rank in ASEAN is Indonesia. Indonesia ranking also goes up from 41st to 36th in competitiveness Global Report. This country is one of the top innovators among the emerging economies. However, the country still needs to enhance labor market efficiency because there has the limited representation of women in the labor force.

4. FINDING

Based on our discussion, it is worth pointing out that globalization would allow extra foreign direct investment flow into the country, which would undoubtedly help to fund for many companies as well as bring in fresh foreign companies from countries abroad, which is undoubtedly a win-win situation, whereby locals can get a job and not be unemployed. However, with every advantage comes a disadvantage whereby globalization would also mean that resources are not fully utilized which does not help the people to get employed. In a host country with no boundaries, international human resources would enter easily as well which will create a more competitive environment in the labor market, which will create unemployment in the host country. It is vital for the government should able to balance the effects of globalization in this area.

Overall the research data, globalization have the significant effect on the economic growth by making the markets more efficient. Globalization also helps the developing country to access in a new market. Therefore, it allows the host company to produce more or develop new products or services to export it and make the growth. It is better for a country to increase the volume of trade to become a stable and globalization

country. However, when the export of goods or services is weak, it will affect the GDP decreases to increase the unemployment rate.

Globalization did bring benefits to the health system and education. By globalization, the quality of learning and teaching process had been improved. It is because globalization forced acceptance of various culture from the foreign country in the learning and teaching process. Nevertheless, the increase of trade and travel between countries become the catalyst of diseases such as HIV/AIDS, Swine Flu, and Bird Flu to spread between countries. It has become a bad influence on the living standards and life expectancy of countries.

Globalization had changes the competitive market, and it encourages competition in a market dynamic and it forcing expertise in supply chain optimization and higher efficiency levels. Having access to specific rare resources can be a competitive advantage. For example, Malaysia had recourses of oil and gas. Although globalization provides a more efficient market to ASEAN country, it will also increase the competition in the market. However, with this kind of competitive advantage achieves in ASEAN country, it can affect the globalization in ASEAN country which means ASEAN country's business is operating well at international scale.

To be clear that, many developing countries had been changed through globalization especially by technology information. It is essential for ASEAN countries to gain knowledge towards technology to develop new technology. The advanced of technology may spread the progress to ASEAN countries. To absorb new technologies, ASEAN countries require to gain a credible knowledge to develop the advanced technology. As mentioned earlier, speed advanced technology helps a lot in economic growth and the weakness technology caused the country not able to compete with other countries.

5. RESEARCH IMPLICATIONS

One of the impacts of globalization in the 21st century is an improved technology in transportation and telecommunication. For example, communication technology developed knowledge and relationship by connecting to one another with the borderless world. Different persons from different places would be able to share knowledge or information about various kind of works, strategies, ways, initiatives or perceptions towards improving their respectively economy of a country. Advanced in technology encouraged economic growth whereby technology is the primary factor of escalated globalization. Other than that, transportation seems to like to encourage export and import activity which mostly this transaction would be lower the cost of productivity. For example, importing some products from China can reduce the cost of the product because of the cheaper cost provided in China. This transaction considers being an international that suit with globalization due to the movement of product or services around the world.

Moreover, the globalization also gives a good impact in the 21st century which introduces a better trade. Better trade is there because more people are employed and increase the productivity. Nowadays, people like to trade with other countries, especially the developing countries want to make a trade at the international level. Many developing countries take a step to open their market by removing tariff and free up their economy worldwide to expedite the trading internationally. Also, when do trade in internationally the globalization has made the stronger relationship between developed countries and developing countries in this 21st century.

As we know, globalization is always good for the developing country but only in the specific country. Therefore, in our opinion, globalization is good, but at the same time, it also bad for some countries. The benefit of the globalization is a free movement which is outside people have the advantage to travel and work in different countries as labor force. With this, the country will quickly obtain the comparative advantage. However, with having outsider working in other country and having the comparative advantage in their company, it will be hard for a particular company like the domestic company to compete and go out for business primarily for the small company. For the free trade, it will kill competition by letting the developing countries take over the impoverished country. In conclusion, when there is a right side, there will always have a wrong side, because it is vice versa.

6. CONCLUSION

In conclusion, as we can see, the process of globalization had a favorable and adverse effect on ASEAN countries. The economy of these countries had improved under the influence of globalization. The impact of foreign direct investment caused terrible influences and traditions erased, but also globalization had brought many drawbacks to these countries as well. Many customs and cultures disappeared such as traditional clothes, changes in language and expression (Zaheer et al., 2016). Globalization contributed some benefits for ASEAN countries such as the development of education and health system, employment opportunities, employment growth, technology information, and competitive advantage. Due to the changing trends of global economic conditions, countries were exposed to globalization and free trade. The benefits of these can bring about positive changes in countries, not only in ASEAN but all over the world. With the development of globalization, consumers were also introduced to new choices and more alternatives for products and services, creating market satisfaction in these countries. We believe that globalization brought ASEAN countries many more benefits than detriments.

REFERENCES

- Amaldas, M. (2009). The management of globalization in Singapore: Twentieth century lessons for the early decades of the new century. *Journal of Alternative Perspectives in the Social Sciences*, 1(3), 982-1002.
- Arunanondchai, J., & Fink, C. (2007). Trade in health services in the ASEAN region. *Health Promotion International*, 21(1), 59-66.
- Bakar, N. A. (2015). World scientific reference on globalisation in Eurasia and the Pacific Rim. *Journal of Foreign Investment*, 2, 96-98.
- Carp, L. (2014). Financial globalization and capital flows volatility effects on economic growth. *Procedia Economics and Finance*, 15, 350-356.
- C.W. (2014, September 9). Why globalisation may not reduce inequality in poor countries. Retrieved from Economist: <https://www.economist.com/blogs/economist-explains/2014/09/economist-explains-0>
- Das, Dilip K. (2010). Another perspective on globalization. *Journal of International Trade Law and Policy*, 9(1), 46-63.
- Dollar, D. & Aart, K. (2004). Trade, growth, and poverty, policy research working paper; no. WPS 2615. Washington, DC: World Bank. Retrieved from World Bank: <http://documents.worldbank.org/curated/en/278551468743972606/Trade-growth-and-poverty>

- Elijah, O. A. (2007). Effects of economic globalisation on employment trend and wages in developing countries: Lessons from Nigeria experiences. [Scholarly project].
- Ferrell O. C., Hartline, M. (2012). Marketing strategy, text and cases. Retrieved from: <https://books.google.com.my/books?id=LakWAAAAQBAJ&printsec=frontcover#v=onepage&q&f=false>
- Gupta, S. D. (2009). Comparative advantage and competitive advantage: An economics perspective and a synthesis. Presented at 43rd Annual Conference of the CEA, January 2009, 1–19.
- Hamdi, F. M., Akech, J. M. M., & Johnston, E. R. (2013). The impact of globalization in the developing countries. *Indiana Journal of Global Legal Studies* VO - 20, 3(11), 339.
- Human Development Indices and Indicators. (2018). 2018 Statistical Update. United Nations Development Programme. Retrieve from UNDP: http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update.pdf
- Kusuma, A. N., & Rizki, N. (2015). Indonesia 2014 growth slowest in 5 years, but govt spending may fuel pick up. Retrieved from Reuters: <http://in.reuters.com/article/indonesia-economy-gdp/indonesia-2014-growth-slowest-in-5-years-but-govt-spending-may-fuel-pick-up/idINKBN0L90E820150205>
- Macuta, S. (2013). Country Intelligence Report: Indonesia. Indonesia: IHS Global Inc.
- Malaysia GDP. (2016). Retrieved from Expansion: <https://countryeconomy.com/gdp/malaysia>
- Menon, J. (2009). Managing Success in Viet Nam: Macroeconomic Consequences of Large Capital Inflows with Limited Policy Tools.
- Mol, A. P. J. (2009). Environmental governance through information: China and Vietnam. *Singapore Journal of Tropical Geography*, 30(1), 114–129.
- Moshirian, F. (2008). Globalisation, growth and institutions. *Journal of Banking and Finance*, 32(4), 472–479.
- Muengmor, P. (2011). Thailand's competitive advantage in ASEAN after Asian crisis, (June). Thesis retrieved from Lund University: <http://lup.lub.lu.se/luur/download?func=downloadFile&recordOId=1976689&fileOId=1976690>
- Porter, M. E. (1990). The Competitive Advantage of Nations. *Harvard business review*.
- Pupphavesa, W. (2002). Globalization and social development in Thailand. Paper presented at the Conference "Globalisation and Social Development: Perspective from Asia and Europe", Antwerp (April), 1-27.
- Robertson, R. Brown, D., Pierre, G., Sanchez-Puerta, M. L. (2010). Globalization, wages and the quality of jobs: Five country studies. Washington D.C.: World Bank. Retrieved from World Bank: <http://documents.worldbank.org/curated/en/834311468248070370/Globalization-wages-and-the-quality-of-jobs-five-country-studies>
- Rokrika, E., & Leaman, J. (2014). Welfare state at risk: Rising inequality in Europe. Springer.

- Rowley, C., & Benson, J. (2000). *Globalization and Labour in the Asia Pacific Region*. London: Frank Cass
- Seng, W. M., Jackson, S., & Philip, G. (2010). Cultural issues in developing e-government in Malaysia. *Behaviour and Information Technology*, 29(4), 423–432.
- Sherif-Trask, B. (2014). *Women, work, and globalization: challenges and opportunities*. New York: Routledge, Taylor & Francis Group.
- Sparkes, S. (2014). Corporate social responsibility: Benefits for youth in hydropower development in Laos. *International Review of Education*, 60(2), 261–277.
- Stonehouse, G., Campbell, D., Hamill, J., & Purdie, T. (2004). *Global and transnational business: Strategy and management*. John Wiley & Sons Ltd.
- Trading Economics. (2016). Viet Nam GDP. <https://tradingeconomics.com/vietnam/gdp>
- Trading Economics (2014). Indonesia GDP. <https://tradingeconomics.com/indonesia/gdp>
- Tu, Y., & Tan, X. (2012). Technology spillovers of FDI in ASEAN sourcing from local and abroad. *China Finance Review International*, 2(1), 78–94.
- Uchitelle, L. (2005). World globalization: It's not just wages. *New York Times*, June 17, 2005.
- Ungpakorn, G. J. (2015). Thailand: Junta pushes new backward constitution. *Green Left Weekly*, (1051), 13.
- Varkkey, H. (2013). Malaysian investors in the Indonesian oil palm plantation sector: home state facilitation and transboundary haze. *Asia Pacific Business Review*, 19(3), 381-401.
- Weiner, I. B., Francavilla, F., & Olivari, M. (2015). Globalisation in Viet Nam: An opportunity for social mobility? *Asia & the Pacific Policy Studies*, 2(1), 21-33.
- World Economic Forum. (2017). *The Global Competitiveness Report 2017-2017*. http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf
- Zaheer, R., & Laeeq Bukhari, S. S. (2016). Role of ASEAN in process of globalization. *IOSR Journal of Economics and Finance*, 7(2), 39–45.