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Has globalisation hurt or helped developing nations

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Abstract

The process of globalization provides a golden opportunity for mankind to contribute to a major reduction of poverty world-wide. While the potential for poverty reduction is great, the extent of it will depend on many factors including, in particular, the pattern of growth followed by the developed and developing countries and the overall global policy framework. This paper will discuss the benefits and drawbacks from the point of view that globalization made in the developing countries in the three important fields such as economic and trade processes, education and health systems and culture effects.

Keywords: Globalization, impact, developing countries, education, health

Introduction

Globalization is not new. Since the start of civilization, people have traded goods with their neighbors. As cultures advanced, they were able to travel farther afield to trade their own goods for desirable products found elsewhere. The Silk Road, an ancient network of trade routes used between Europe, North Africa, East Africa, Central Asia, South Asia, and the Far East, is an example of early globalization. For more than 1,500 years, Europeans traded glass and manufactured goods for Chinese silk and spices, contributing to a global economy in which both Europe and Asia became accustomed to goods from far away. Following the European exploration of the New World, globalization occurred on a grand scale; the widespread transfer of plants, animals, foods, cultures, and ideas became known as the Columbian Exchange. The Triangular Trade network in which ships carried manufactured goods from Europe to Africa, enslaved Africans to the Americas, and raw materials back to Europe is another example of globalization. The resulting spread of slavery demonstrates that globalization can hurt people just as easily as it can connect people.

The rate of globalization has increased in recent years, a result of rapid advancements in communication and transportation. Advances in communication enable businesses to identify opportunities for investment. At the same time, innovations in information technology enable immediate communication and the rapid transfer of financial assets across national borders. Improved fiscal policies within countries and international trade agreements between them also facilitate globalization. Political and economic stability facilitate globalization as well. The relative instability of many African nations is cited by experts as one of the reasons why Africa has not benefited from globalization as much as countries in Asia and Latin America.

Review of Literature

Globalisation according to Luke Martell is “the integration of poor countries into a world economy of open competition” (Martell 2017, 148) ^[14]. Its process allows hundreds of people to live in the comfort of not having to worry about food, money, health care or education. They are lucky enough to take such basics for granted and to be oblivious to the gap of inequality and poverty (Bardhan 2006) ^[6]. The IMF’s neoliberal policy of the World Bank, the rise of the Green Revolution, and Structural Adjustment policies created a gap with a chasm of injustice in between. While, anti-globalists see globalisation as a producer of inequality, others view it as equalising, democratising and expanding the horizons of the poor.

Nonetheless, it's worth pointing out that China and India include over a third of the world's population and are an example of the fastest developing countries. Through their rapid growth they succeeded in fighting poverty and reducing undernourishment, meanwhile in looking at sub-Saharan Africa there is still 23% of people living undernourished (Held and McGrew 2016) ^[10]. Following this, if we take China out, the global economic situation has worsened in other parts of the developing world. For example, the poverty in Sub-Saharan Africa has risen from 290 million to 415 million and "at the end of the nineteenth century, the ratio of average income in the richest countries to middle income in the poorest was 9 to 1" (Martell 2017, 138) ^[14]. What's more, the middle-income family today in the United States is 60 times richer than the average family in Ethiopia or Bangladesh" (Birdsall 2003) ^[7].

In contrast to supporters of globalisation, anti-globalists believe the result of globalisation is negative, and the inequalities in the world instead of decreasing, are increasing. A "movement of movements" emerged in the late 1990s in opposition to neoliberalism, in the form of organisations like WTO. Movements like "Battle of Seattle", aimed to repeal laws and lack of democratic accountability, protect public health, stop the negative impact of globalisation and try to bring the power back to the people again. When showing the negative effect of globalisation it is important to mention that today's "rich countries" were already rich many years ago (thanks to the industrial revolution). In turn, poor countries, (which were poor from the beginning) did not gain much from it. For anti-globalists, the IMF's neoliberal policies had led to greater indebtedness and even greater inequality. They believe that the neoliberal global economy would only be effective and beneficial if everyone was equal (Martell 2017) ^[14].

Impact of globalization on developing countries

Globalization is a process of global economic, political and cultural integration. It has made the world become a small village; the borders have been broken down between countries. "The history of globalization goes back to the second half of the twentieth century, the development of transport and communication technology led to a situation where national borders appeared to be too limiting for economic activity" (Economic Globalization in Developing Countries, 2002). Globalization is playing an increasingly important role in the developing countries. It can be seen that, globalization has certain advantages such as economic processes, technological developments, political influences, health systems, social and natural environment factors. It has a lot of benefit on our daily life. Globalization has created a new opportunities for developing countries. Such as, technology transfer hold out promise, greater opportunities to access developed countries markets, growth and improved productivity and living standards. However, it is not true that all effects of this phenomenon are positive. Because, globalization has also brought up new challenges such as, environmental deteriorations, instability in commercial and financial markets, increase inequity across and within nations. This paper evaluates the positive and negative impact of globalization on developing nations in the following proportions.

- Economic and Trade Processes Field
- Education and Health Systems
- Culture Effects

Economic and Trade Processes Field

Globalization helps developing countries to deal with rest of the world increase their economic growth, solving the poverty problems in their country. In the past, developing countries were not able to tap on the world economy due to trade barriers. They cannot share the same economic growth that developed countries had. However, with globalization the World Bank and International Management encourage developing countries to go through market reforms and radical changes through large loans. Many developing nations began to take steps to open their markets by removing tariffs and free up their economies. The developed countries were able to invest in the developing nations, creating job opportunities for the poor people. For example, rapid growth in India and China has caused world poverty to decrease (blogspot.com.2009). It is clear to see that globalization has made the relationships between developed countries and developing nations stronger, it made each country depend on another country. According to Thirlwall (2003:13) ^[2] "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". One the most important advantages of globalization are goods and people are transported easier and faster as a result free trade between countries has increased, and it decreased the possibility of war between countries. Furthermore, the growth in the communication between the individuals and companies in the world helped to raise free trade between countries and this led to growth economy. However, globalization has many economy and trade advantages in the developing countries, we must also note the many disadvantages that globalization has created for the poor countries. One reason globalization increases the inequality between the rich and poor, the benefits globalization is not universal; the richer are getting rich and the poor are becoming poorer. Many developing countries do benefit from globalization but then again, many of such nations do lag behind." In the past two decades, China and India have grown faster than the already rich nations. However, countries like Africa still have the highest poverty rates, in fact, the rural areas of China which do not tap on global markets also suffer greatly from such high poverty (blogspot.com.2009). On the other hand, developed countries set up their companies and industries to the developing nations to take advantages of low wages and this causing pollution in countries with poor regulation of pollution. Furthermore, setting up companies and factories in the developing nations by developed countries affect badly to the economy of the developed countries and increase unemployment.

Education and Health Systems

Globalization contributed to develop the health and education systems in the developing countries. We can clearly see that education has increased in recent years, because globalization has a catalyst to the jobs that require higher skills set. This demand allowed people to gain higher education. Health and education are basic objectives to improve any nations, and there are strong relationships between economic growth and health and education systems. Through growth in economic, living standards and life expectancy for the developing nations certainly get better. With more fortunes poor nations are able to supply good health care services and sanitation to their people. In addition, the government of developing

countries can provide more money for health and education to the poor, which led to decrease the rates of illiteracy. This is seen in many developing countries whose illiteracy rate fell down recently. It is truth that, living standards and life expectancy of developing countries increase through economic gains from globalization. According to the World Bank (2004) "With globalization, more than 85 percent of the world's population can expect to live for at least sixty years and this is actually twice as long as the average life expectancy 100 years ago". In addition, globalization helped doctors and scientists to contribute to discover many diseases, which spread by human, animals and birds, and it helped them to create appropriate medicines to fight these deadly diseases. For example, HIV/AIDS, swine flu and birds' flu whole world know about these diseases and they know how to avoid it. By globalization, there are many international organizations, such as, Non-governmental Organization (NGO), World Health Organization (WHO) and UNESCO, trying to eliminate illiteracy and deadly diseases in the world and save the life. In spite of these positive effects of globalization to the education and health fields in the developing countries. However, globalization could have negative impacts also in these fields; globalization facilitates the spread of new diseases in developing nations by travelers between countries. Due to increased trade and travel, many diseases like HIV/AIDS, Swine Flu, Bird Flu and many plant diseases, are facilitated across borders, from developed nations to the developing ones. This influences badly to the living standards and life expectancy these countries. According to the World Bank (2004) "The AIDS crisis has reduced life expectancy in some parts of Africa to less than 33 years and delay in addressing the problems caused by economic". Another drawback of globalization is, globalized competition has forced many minds skilled workers where highly educated and qualified professionals, such as scientists, doctors, engineers and IT specialists, migrate to developed countries to benefit from the higher wages and greater lifestyle prospects for themselves and their children. This leads to decrease skills labour in the developing countries.

Culture Effects

Globalization has many benefits and detriment to the culture in the developing countries. Many developing countries cultures has been changed through globalization, and became imitate others cultures such as, America and European countries. Before globalization it would not have been possible to know about other countries and their cultures. Due to important tools of globalization like television, radio, satellite and internet, it is possible today to know what is happening in any countries such as, America, Japan and Australia. Moreover, people worldwide can know each other better through globalization. For example, it is easy to see more and more Hollywood stars shows the cultures different from America. In addition, today we can see clearly a heavily effect that caused by globalization to the young people in the different poor nations, it is very common to see teenagers wearing Nike T-Shirts and Adidas footwear, playing Hip-Hop music, using Apple ipad and iphone and eating at MacDonald, KFC and Domino's Pizza. It is look like you can only distinguish them by their language. One the other hand, many developing countries are concerned about the rise of globalization because it might lead to destroy their own culture, traditional, identity, customs and their language. Many Arab countries such as Iraq, Syria, Lebanon and

Jordan, as developing countries have affected negatively in some areas, their cultures, Developing Country Studies www.iiste.org customs and traditional have been changed. They wear and behave like developed nations, a few people are wearing their traditional cloths that the used to. Furthermore, globalization leads to disappearing of many words and expressions from local language because many people use English and French words. In addition, great changes have taken place in the family life, young people trying to leave their families and live alone when they get 18 years old, and the extended family tends to become smaller than before.

Benefits of Globalization

Globalization provides businesses with a competitive advantage by allowing them to source raw materials where they are inexpensive. Globalization also gives organizations the opportunity to take advantage of lower labor costs in developing countries, while leveraging the technical expertise and experience of more developed economies.

With globalization, different parts of a product may be made in different regions of the world. Globalization has long been used by the automotive industry, for instance, where different parts of a car may be manufactured in different countries. Businesses in several different countries may be involved in producing even seemingly simple products such as cotton T-shirts.

Globalization affects services too. Many businesses located in the United States have outsourced their call centers or information technology services to companies in India. As part of the North American Free Trade Agreement (NAFTA), U.S. automobile companies relocated their operations to Mexico, where labor costs are lower. The result is more jobs in countries where jobs are needed, which can have a positive effect on the national economy and result in a higher standard of living. China is a prime example of a country that has benefited immensely from globalization. Another example is Vietnam, where globalization has contributed to an increase in the prices for rice, lifting many poor rice farmers out of poverty. As the standard of living increased, more children of poor families left work and attended school.

Consumers benefit too. In general, globalization decreases the cost of manufacturing. This means that companies can offer goods at a lower price to consumers. The average cost of goods is a key aspect that contributes to increases in the standard of living. Consumers also have access to a wider variety of goods. In some cases, this may contribute to improved health by enabling a more varied and healthier diet; in others, it is blamed for increases in unhealthy food consumption and diabetes.

Downsides

Not everything about globalization is beneficial. Any change has winners and losers, and the people living in communities that had been dependent on jobs outsourced elsewhere often suffer. Effectively, this means that workers in the developed world must compete with lower-cost markets for jobs; unions and workers may be unable to defend against the threat of corporations that offer the alternative between lower pay or losing jobs to a supplier in a less expensive labor market.

The situation is more complex in the developing world, where economies are undergoing rapid change. Indeed, the working conditions of people at some points in the supply chain are deplorable. The garment industry in Bangladesh,

for instance, employs an estimated four million people, but the average worker earns less in a month than a U.S. worker earns in a day. In 2013, a textile factory building collapsed, killing more than 1,100 workers. Critics also suggest that employment opportunities for children in poor countries may increase negative impacts of child labor and lure children of poor families away from school. In general, critics blame the pressures of globalization for encouraging an environment that exploits workers in countries that do not offer sufficient protections.

Conclusion

In conclusion, as we can see, the process of globalization has involved all the countries around the world. Developing countries such as India, China, Iraq, Syria, Lebanon, Jordan and some Africa's countries, have been affected by globalization, and whether negatively or positively, the economies of these countries have improved under the influence of globalization. The size of direct foreign investment has increased and a lot of bad habits and traditions erased, but also globalization has brought many drawbacks to these countries as well. Many customs and cultures are disappeared such as traditions clothes and some language and expressions have changed. In addition, the violence and drugs abuse are increased and a lot of deadly diseases have spread under the influence of globalization. However, although globalization has many disadvantages, we believe that globalization has brought the developing countries many more benefits than the detriments. For example, we can see there is more and a biggest opportunity for people in both developed countries and developing countries to sell as many goods to as many people as right now, so we can say this is the golden age for business, commerce and trade.

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