

GLOBALISATION AND ITS IMPACT ON DEVELOPING COUNTRIES: CHALLENGES AND OPPORTUNITIES

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ABSTRACT

Globalisation presents developing nations with two unique but related problems: how can a viable global market be established for them and what political implementation methods can effectively solve the issue of controlling globalisation's responsibility in third-world nations? The objective of this study is to illustrate how globalisation has affected the economies of third-world nations. The technique of secondary research was used to finish the remaining parts of this study, which provided the foundation for further investigation after it is finished. Secondary research refers to the practice of conducting an investigation using just information that has already been compiled and is a common method for carrying out an organised inquiry. This research method involves sorting, combining, and analysing a large number of data samples to provide significant study conclusions. In order to investigate the data in light of the use of secondary sources, content analysis was carried out. The content analysis took into account recurring themes that emerged from the compiled studies as well as the objectives of the research. The themes have been modified to include the study's findings that have been compiled, evaluated, and contrasted. Globalisation needs to be supported and carried out in a way acceptable to all nations for it to succeed. Additionally, the forces of society and the government need to regulate the global marketplace properly. Richer and more technologically advanced nations should take the lead in this endeavour. It is a well-known reality that the lending organisations, such as the IMF and the World Bank, want the borrowing nations to execute structural reforms that will frequently worsen the poverty level in such countries. The developed nations stand to gain the most from this kind of interdependence if they are able to take advantage of the export capacity and relatively cheap manufacturing practices that characterise their peers. Although it has been tried, globalisation has not proven to be an effective solution to the developing world's most pressing economic problems, such as widespread poverty, high unemployment, and a wide range of other inequalities and injustices, including widespread hunger and environmental destruction.

Keywords: Developing Countries, Economic Challenges, Globalisation, IMF

Introduction

The process of the countries, governments, and cultures of the world coming together as one is what is known as globalisation. The globe now resembles a large hamlet due to the reduction in international boundaries (Fang et al., 2021). The importance of globalisation in emerging nations is expanding at an exponential rate. As can be seen, the consequences of globalisation on politics, the progression of technology, the difficulties faced by society and the environment, and the workings of the economy all have positive aspects. It brings a huge improvement to the general quality of our everyday existence. The impoverished nations have benefited from the increased possibilities that globalisation has made available to them. One of the potential benefits of technology transfer is expanded market access to industrialised countries (Asadi and Marini, 2019). Other potential benefits include growth, improved living standards, and increasing levels of production. It is a fallacy to assert that the only consequences that this phenomenon produces are good ones. Owing to the fact that globalisation has resulted in

the emergence of new problems, such as the deterioration of the natural environment, the upheaval of the financial and commercial markets, and the widening gap between people living in different countries.

Additionally, globalisation refers to the unrestricted flow of people, products, and services throughout the globe. This sort of global phenomenon is different from a transnational one. King has so expressively described the trend of globalism from a global rather than a national viewpoint. Democracy, liberalism, and capitalism have triumphed over all previous forms of ideology and statecraft. The abolition of international boundaries is the present goal of economic globalisation (Adams et al., 2019). However, these frameworks perfectly restrained market capitalism in developed nations, making it tolerable and acceptable. This is the last phase of the open economy that began with economic liberalisation and privatisation.

According to this research, globalisation presents developing nations with two unique but related problems: how can a viable global market be established for them? What political implementation methods can effectively solve the issue of controlling globalisation's responsibility in third-world nations?

Research Aims and Objectives

The overall aim of the research is to illustrate how globalisation has affected the economies of third-world nations; nevertheless, the following particular goals are also included:

- To evaluate the many concepts of globalisation
- To identify third-world nations on the international market, and
- To examine the third world nations' economic effects of globalisation

Literature Review

Some of the more intriguing points of view on the benefits and drawbacks of globalisation for developing countries are broken down as follows in the literature.

Economic and Trade Processes Field

By participating in international commerce, nations just beginning industrialisation may help alleviate poverty and stimulate their economies. Historically, restrictions on trade stopped emerging nations from being integrated into the global economy. Their economies will never be able to develop to the point where they can compete with those of nations that have undergone industrialisation (Burlacu et al., 2018). On the other hand, as a direct result of globalisation, the World Bank and International Management make enormous loans to underdeveloped nations and exert pressure on those nations to undertake significant societal shifts and market reforms. After decreasing their tariff barriers, several emerging countries started liberalising their economies and opening their markets. The world's wealthier nations have made job possibilities accessible to those who were previously without them by investing in the poorer countries. For instance, strong economic expansion in China and India has contributed to reducing the number of people living in abject poverty throughout the globe. It is indisputable that globalisation has increased interdependence and facilitated the strengthening of links between affluent and less well-off countries (Baek and Shi, 2016). According to Thirlwall, wealthy countries "considerably depend on emerging nations" in the markets for raw resources, food, oil, and industrial products. "Development nations are reliant on industrialised nations for the flow of resources and the dissemination of technology" (Purohit et al., 2019). One of the most obvious effects of globalisation is the reduction in the likelihood of conflict and the expansion of chances for international commerce. The expansion of global connectivity has made it easier for businesses to trade across national borders, which has helped economies everywhere. Although globalisation has many beneficial results for the economies and commerce of developing nations,

it is just as vital to acknowledge the numerous adverse repercussions that globalisation has had for these countries. The wealthy tend to gain more from globalisation than the less fortunate, which is one factor that leads to the growing income gap. Although many developing nations have benefited from globalisation, it has also caused many of them to fall far behind (Aslan and Altinoz., 2021). China and India have had faster rates of economic expansion over the last twenty years than the rest of the developed world. Even while poverty is more severe in certain regions, such as Africa, it is just as terrible in the rural parts of China, which do not have access to foreign markets.

Education and Health Systems

As a result of globalisation, healthcare and education systems in developing countries have advanced. It is clear that schooling has increased in recent years due to the development of work that requires a higher skill set due to globalisation. More people could go to college because of this demand. A country's health and education systems are vital to its progress, and there is a direct relationship between those systems and the country's economic growth. Developing nations enjoy better living standards and longer lifespans as their economies grow (Purohit et al., 2019). The residents of wealthier nations may expect greater sanitation and medical services. Furthermore, developing countries' governments may offer more resources for healthcare and education for the poor, hence reducing illiteracy rates (Xia et al., 2022). An example of this may be observed in the declining illiteracy rates of various developing countries. True, the economic advantages of globalisation are increasing the living standards and life expectancy of developing countries. According to the World Bank, the average life expectancy of the world's population has increased by more than 100 years in the last century, and now more than 85 percent of the population can expect to live at least 60 years (Zankovsky et al., 2020).

Moreover, globalisation contributed to the identification and study of various diseases spread by humans, animals, and birds, as well as the creation of efficient cures for these devastating ailments (Games et al., 2019). Examples include that the world is aware of and prepared for pandemics such as HIV/AIDS, swine flu, and avian flu. Despite globalisation's positive effects on the health and education sectors in developing countries, numerous international organisations like "the World Health Organization (WHO), UNESCO, and Non-Governmental Organisations (NGOs)" are working to eliminate illiteracy and preventable diseases around the world. New diseases are more likely to spread among tourists visiting undeveloped nations, suggesting that globalisation may have unintended negative consequences in such regions (Gozgor et al., 2022). Diseases including HIV/AIDS, swine flu, avian flu, and various plant diseases have made it easier to spread between rich and impoverished nations due to increased trade and travel.

Culture Effects

There are benefits and drawbacks to globalisation for cultures in emerging countries. Many countries in the developing world have adopted cultural practices that are more common in the West due to globalisation. Prior to globalisation, it was only possible to learn about the customs of people from various countries (ANDREEV et al., 2019). Globalisation's most useful technologies, like as television, radio, satellite television, and the internet, have made it possible to stay abreast of events taking place in any part of the globe, including the United States of America, Japan, and Australia. In addition, globalisation has made it possible for individuals from all over the world to interact and get to appreciate each other (Games et al., 2019).

To provide just one example, it's not uncommon to see A-listers in Hollywood playing people from cultures other than the United States. There is no denying the effect globalisation

has had on the youth of many developing nations today (Balsalobre-Lorente et al., 2020). Teenagers in these nations often dress in Nike T-shirts and Adidas sneakers, listen to Hip-Hop music, use an iPhone or iPad, and eat at McDonald's, KFC, and Domino's Pizza. Only their languages allow us to distinguish between them. However, many developing countries fear that globalisation would obliterate their distinct heritage, identity, customs, and language (Yang et al., 2019). A few individuals are still seen wearing traditional garb, although the vast majority dress and behave like those seen in industrialised nations. Since so many people use English and French, many terms and idioms from regional languages are lost due to globalisation. There have also been significant shifts in family structures, with many young adults opting to go out on their own after turning eighteen and the average size of nuclear households shrinking (Hopper et al., 2017).

The globalisation topic is a controversial one in developing countries. In order to better comprehend the dynamics at play in this discussion and the manner wherein the globalisation discussion has indeed been utilised to justify the economic repercussions of this phenomena on developing countries, we looked at the literature on the subject in this section. In recent years, impoverished countries have experienced both the advantages and disadvantages of globalisation. According to some, developing countries must incorporate globalisation into their national strategies if they may not want to fall behind economically. However, a lot of individuals contend that we must investigate globalisation from all angles and in all of its manifestations. Economics-wise, there are two possible solutions to this issue: decreasing the negative consequences of globalisation and boosting the export capacity of the third-world economy.

Research Methodology

Since it defines the overarching structure of the inquiry and the objectives it seeks to accomplish, the methodology portion of a research project is one of the most significant components of the study. Some of the features of this process include the assessment and analysis of a particular problem, as well as research into the impacts of different variables on various components. Additionally, this process investigates the effects of various factors on various components.

Research Design

The technique of secondary research was used to finish the remaining parts of this study, which provide the foundation for further investigation after it is finished. Secondary research refers to the practice of conducting an investigation using just information that has already been compiled and is a common method for carrying out an organised inquiry. This research method involves sorting, combining, and analysing a large number of data samples to provide significant study conclusions.

As a result of the fact that secondary research requires obtaining information from sources such as the internet, academic journals, textbooks, and government archives, desk research is a common name for this kind of study (Stuckey and Peyrot, 2020). The secondary researcher looks at patterns discovered in past studies and applies their newfound knowledge to the investigated scenario.

Research Strategy

In contrast to primary research, which entails conducting one's investigation to collect one's unique data, secondary research consists of either compiling information obtained from a number of different sources or making use of research that has already been published. Secondary data can be collected from various sources, such as the internet, libraries, archives,

classrooms, and reports produced by organisations. Thus, this study uses the desk-based strategy as it provides in-depth knowledge and information using past research work. The rationale for choosing desk based strategy is that the study can compare results with previous studies and make better outcomes regarding the study objectives.

Data Collection Method

The practice of obtaining information that is already available to the general public is referred to as secondary data collection. The data were collected in the past, statistically analysed, and do not belong to the researcher who conducted the study (Quinlan et al., 2019). This content is often retrieved from its sources before making it available to the public. On the other hand, secondary data refers to information obtained from a source other than the original researcher (Fàbregues et al., 2021). When doing research, one may seek the assistance of people or get data from various sources. It is common to practise compiling and summarising previously gathered data to boost the overall efficiency of a research project.

The two primary subcategories of secondary data collection are known as quantitative and qualitative secondary data collection. Qualitative research emphasises non-quantifiable aspects such as quality, colour, preference, or appearance (Richter et al., 2021). Quantitative data includes things like percentages, statistics, and numbers, among other things. The acquisition of quantitative information is the primary emphasis of secondary data collection; however, the study's final objective is to determine which of the two types of secondary data collection a researcher employs (Coe et al., 2021). Hence, this study utilised the qualitative method, providing detailed information and knowledge related to the study's objectives.

Data Analysis Technique

In order to investigate the data in light of the use of secondary sources, content analysis was carried out. The content analysis took into account recurring themes that emerged from the compiled studies as well as the objectives of the research. The themes have been modified to include the study's findings that have been compiled, evaluated, and contrasted. In addition, the researcher has ensured that ethical considerations about secondary data have been considered. For instance, the study has taken precautions to adhere to the rules that prohibit plagiarism, and the efforts of the authors and writers have been appropriately acknowledged via the use of citations.

Content Analysis

Theme 1: Globalisation's economic effects on the developing nations

Free trade agreements and economic liberalisation were first in the process of globalisation trade and market liberalisation, in contrast to globalisation, which is associated with an open economy that weakens borders, specifically refer to the unrestricted or initiated movement of, "factors of production, goods, services, information, and technology; the same treatment of foreign goods, services, and technology" and shifts in the organisational structure of industries and workplaces to accommodate the whims of multinational corporations (Pham, 2017). Therefore, globalisation reduces the importance of states, boosts economic interdependence across borders, consolidates the financial sector, accelerates the spread of information technology, influences national policy decisions, and creates a shared culture (Hopper et al., 2017).

The economic structure of countries as a whole is altered due to globalisation processes; low-income states, in particular, find themselves increasingly absorbed by multinational corporations based in more developed nations. As a result, only global corporations with

similarly capital-intensive production practises and employment patterns can compete successfully. This has knock-on effects on the economy at large, including displacement, pricing, capital intensity, income inequality, lag of social security, local governance, and society (Asadi and Marini, 2019). Similar to how the formal sector benefits from globalisation while the informal sector suffers from its delinking, capital flight, and small cottage industries effects, globalisation benefits developed nations while failing to address the core issues plaguing developing nations. It was evident that globalisation and liberalisation cannot address the root causes of the developing world's most pressing issues, such as extreme poverty, unemployment high rates, inadequate economic and social infrastructure, pervasive and multifaceted human deprivations, food insecurity, racial tension, rising inequality, the uprooting of tens of millions of people, and so on (Purohit et al., 2019). When traced back to the 1980s, 1990s, and the first decade of the 21st century, all of these difficulties have been linked to the manufactured catastrophes and environmental degradations that have plagued today's third-world nations.

Theme 2: Globalisation and Inequality in Developing Countries

Although its definition has been ambiguous, the word "globalisation" has been ubiquitous since the 1980s. All of these issues have been discussed, including whether it "pulls upwards" or "pushes down," whether it undermines political autonomy or increases pressure for local autonomy, whether it constricts the public sphere or calls for its expansion, and whether it improves or impairs our ability to comprehend the world in which we live (ANDREEV et al., 2019). In terms of the integration of financial markets and other markets, as well as the globalisation of production, from 1914 to 1950, "the world economy suffered poorer growth rates, a retreat from globalisation, and economic divergence." After 1990, the march toward economic globalisation slowed. Numerous studies have been conducted recently on the effects of globalisation on developing countries (Yang et al., 2019).

From 1973 through the 1980s, a period that coincided with the rise of globalisation as a key social force, inequality grew in the North. Economic theory and certain empirical studies predict that a dramatic increase in inequity would follow from a more egalitarian South. Wage gaps in the United States have increased concurrently with the present development on trade liberalisation and the rise in the migration of unskilled labour from developing countries (Zankovsky et al., 2020). According to Borjas, immigration accounts for two-thirds and trades for one-third of the relative drop in high school graduates' salaries when compared to college graduates. Has the relative demand for unskilled labour in emerging nations increased as a result of these changes, making such countries more equitable? According to recent research, according to economist Adrian Wood, the number of nations in Latin America and East Asia witnessed a rise in pay disparity rather than a decrease following trade liberalisation. His claims are compatible with economic theory (Burlacu et al., 2018).

Theme 3: Poverty, Growth and Globalization

Africa's rural regions are home to the continent's poorest population. Poverty reduction on this continent is hampered by a lack of public assistance programmes and political will to aid in rural development. People in rural areas have limited access to resources, including loans, land, and extension programmes. Inequality and poverty in Latin America are a rebuke to the import substitution policy of the past. This resulted in austerity measures being adopted by Latin American nations in the 1980s, which swiftly led to a rise in the number of people living in extreme poverty and working low-paying jobs for low wages. On top of that, growth driven by the market only sometimes lessens economic disparity or poverty. Obviously, a rise in the economy alone is not enough to reduce poverty rates. Also, numerous nations have reported high

levels of inequality (Fang et al., 2021). Several studies have shown a solid link between economic fairness and expansion. While this trend toward greater inequality has been seen in certain contexts, it is by no means universal. Moreover, structural adjustment policies in the 1980s pushed several nations farther toward inequality.

Employment is crucial to the welfare state's long-term viability for economic, social, and personal reasons. However, job security is only one criteria for defining social justice's objectives (Adams et al., 2019). However, welfare reform's primary focus is gaining gainful work, which is an effective strategy for evading poverty.

Third-world governments rely on redistribution, regional policy, efforts in the labour market, access to quality education and healthcare, and other social service rights as part of their macroeconomic management of primarily private economies. However, privatisation has been a central tenet of the market-oriented development methods used in developing nations throughout the last three decades. In this view, the state acts as an intermediary between different social groups and negotiates how resources should be distributed (Baek and Shi, 2016). The capacity of the state to regulate the allocation of its resources is hampered by privatisation. Both the scope and generosity of social support and the guiding principles differed widely from one nation to the next.

Discussion

There is a possibility that globalisation will be able to provide prosperity to all aspects of life in Third World countries. The developing countries of the third world do get some advantages from globalisation. However, since there are a variety of risks linked with it, third-world countries take precautions against it even though they are likely to be affected by it (Balsalobre-Lorente et al., 2020). As globalisation primarily impacts the imperialist interests of the nations that already have a lot, the process of globalisation is still in its early stages for the countries considered to be developing.

Globalisation needs to be supported and carried out in a way acceptable to all nations for it to succeed. Additionally, the forces of society and the government need to regulate the global marketplace properly. Richer and more technologically advanced nations should take the lead in this endeavour (Games et al., 2019). It is a well-known reality that the lending organisations, such as the IMF and the World Bank, want the borrowing nations to execute structural reforms that will frequently worsen the poverty level in such countries.

In conclusion, globalisation is a beneficial phenomenon for the modern world when it is balanced; however, there is still more work to be done, particularly in the area of lending policies adopted by the International Monetary Fund and the World Bank to support rather than impede economic progress, particularly for countries in the Third World (Gozgor et al., 2022).

Conclusion

There have been both beneficial and bad effects of globalisation on the economy of developing nations like "India, China, Africa, Iraq, Syria, Lebanon, and Jordan." Though many negative customs and practices have been eliminated and FDI levels have grown, globalisation has also brought numerous negative effects to these nations. Many once-common cultural practises, such as specific words or idioms, have faded or been modified. More people are using drugs, there is more violence, and many dangerous illnesses have spread as a result of international trade. While it is true that globalisation is not without its drawbacks, we maintain

that it has more positively impacted emerging nations than negatively. This is the golden era of business, commerce, and trade because, for instance, individuals in both rich and developing nations have never had a better chance to sell as many items to as many people as they have right now.

As this research already established, globalisation culminates in an open economy and a worldwide market. Economically speaking, it refers to how individual national economies integrate into the global market. Actually, economic globalisation is the process whereby national boundaries disappear. It is the ultimate victory for Adam Smith, David Ricardo, and other classical economists. When privatisation measures and subsequent economic liberalisation are implemented, globalisation is the expansion of market capitalism. As a result of globalisation, governments play a more minor role in the economy, and more countries are economically dependent on each other. The developed nations stand to gain the most from this kind of interdependence if they are able to take advantage of the export capacity and relatively cheap manufacturing practices that characterise their peers. Although it has been tried, globalisation has not proven to be an effective solution to the developing world's most pressing economic problems, such as widespread poverty, high unemployment, and a wide range of other inequalities and injustices, including widespread hunger and environmental destruction.

Future Implication

Even though globalisation hurts the economy, the majority of the costs connected with it are inevitable, particularly for the nations that are still in the process of establishing their economies. Therefore, the most prudent course of action would be to take whatever actions are required to reduce or prevent harm. The developing world does not have a monopoly on the opportunities given by globalisation; rather, all rising nations stand to gain from these opportunities. As a result, we should take action to lessen the potentially catastrophic impact that globalisation may have on the economy. The governments of emerging nations should work together with the business sector to ease supply shortages.

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