**The Impact of Globalization on the Well-being of the Global South: Evidence and Critique**

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# **I. Introduction**

The effects of globalization have been a hot subject of debate about the effects of such interdependence of relationships in terms of trade, circulation of capital, transfer of technology, and labor migration on the Global South or the Developing World, as it is known, or the Third World as it is also termed. Despite the claims made by the proponents that globalization has resulted in economic growth and improved living standards, the critics argue that its benefits have been more on the side of some individuals, resulting in an increase in inequalities and a lack of sustainable development. The essay will discuss how globalization has raised the welfare of most of the population in the Global South, focusing on regions such as Sub-Saharan Africa, Southeast Asia, and Latin America.

The question being discussed is whether globalization brought an increase in the quality of life of most of the area inhabitants or caused even more disparities that had been foregenerated at first. On the one hand, there is the opinion that globalization has been beneficial in terms of allowing the economy to integrate and enhancing the level of income and access to goods, services, and technology that have resulted in the flourishing of health, education, and infrastructure. Conversely, other people propose that globalization has enhanced the interdependence of the world on the external market, job insecurity, and continuity of environmental degradation. This essay will examine the arguments in support of and against globalization as a contributor to the welfare of the Global South on the basis of critical evaluation of case studies and empirical evidence and through the lenses of the anthropology approach, the economics approach, and the theory of development. This essay is going to present a more refined picture of the impact of globalization on the Global South, the positive impact of globalization, and failures.

# **II. Theoretical Framework**

Globalization is a very complex phenomenon, which has economic, political, and cultural consequences, among others (Ovodova, 2021). Three of these implications affect different outcomes in the Global South. One of the main theories used in describing the impacts of globalization is that of neoliberalism, which promotes expansion through market standards, state interventions, and the free flow of capital, goods, and services. The neoliberal ideology is of the opinion that economic development is a vital growth engine and that globalization as well is feared as a mechanism of induction of the developing countries within the global economy. In most cases, the neoliberal policies have proven to be an increasingly fashionable feature across most regions in the Global South under the recommendation of the international financial institutions like the World Bank and the International Monetary Fund (IMF). The policies advance deregulation of industries, privatization of state-owned industries, and liberality to free trade with the assurance that higher competition will be efficient in governing the economy and also result in poverty elimination.

Nonetheless, opponents of neoliberalism claim that Globalization has brought economic growth and unequal development, whereby the gains are experienced mainly by the rich, leaving most of the population poor. This criticism is based on dependency theory, according to which developing nations depend on the Global North regarding capital, technology, and expertise, and, therefore, are stuck in a rut of underdevelopment. Researchers such as Wilson (2001) emphasize that Globalization has resulted in economic integration in Sub-Saharan Africa. However, it has not necessarily resulted in better lives for most people. The modernization theory perspective, in turn, assumes that the countries in question should adopt technological and industrial progress due to Globalization to modernize their economies. This perspective has been criticized as reductionist, since it overlooks local circumstances and the disparity in the distribution of the gains of Globalization.

# **III. Evidence Supporting the Positive Impact of Globalization**

Proponents of globalization believe that integration of globalization in the global economy has been associated with significant gains to the developing countries of the Global South, particularly in economic growth, accessibility to the world markets, and the improvement in the human development indicators. These positive impacts are evident in the different dimensions: economic growth, poverty eradication, access to technologies, and improvements in health and education.

Economic growth has been one of the greatest advantages of globalization of all time. In the majority of the Global South countries, the resulting growth in GDP has been spectacular in terms of expanded trade, foreign direct investment (FDI), and expanded international supply chains (Ofori-Sasu et al., 2024). An example of one can be in Sub-Saharan Africa, where its investments have soared even despite the challenges it has encountered due to its richness in natural resources and the improvement in the selling price of commodities, thereby resulting in increased rates of economic growth. According to Eregha et al. (2016), between the years 2001 and 2005, the Sub-Saharan African GDP growth rate rose to more than 5 percent, and such high growth rates increased at least due to the flow of adequate foreign investment and the liberalization of trade. This is the dynamism in the economic developments that have allowed globalization to create new job markets in sectors like manufacturing and agriculture, as well as services, allowing millions of the world's populations to come out of poverty.

Moreover, with globalization, technology has been transferred as well as opening up most countries within the global south to the market. The increasing trade has enabled these nations to acquire high technologies that were inaccessible before, a factor that has enabled industries and invention to flourish. To illustrate, one of the most recent impacts that have occurred due to globalization is the rise of an IT industry powerhouse in the world in the shape of India, the country that has leveraged the globalization concept to scale its software and services industry. This industry has provided a million people with their jobs, and it has helped India boost her GDP, making it a representation of the positive side of globalization through its enhancement of employment and income.

Furthermore, the potential that the mechanism of globalization has given birth to could be attributed to the reduction of poverty in certain regions. Economic reforms opened China to the outside world due to the implementation that took place at the end of the 20th century and was characterized by severe poverty reduction. According to the World Bank, by the year 2013, more than 800 million Chinese had moved out of poverty since 1981. This has transpired through globalization and the procedures of inducting China into the global system of trade (Taplin, 2018). Similarly, Vietnam has also registered a growth in the levels of poverty in the country, in respect to which the level of poverty has lowered to the lowest level of 14 percent around 2018 against 58 percent in the year 1993 as these countries went into trade liberalization in the 1990s. One can say that this fact confirms such an argument that globalization may be effectively used in economic growth and poverty reduction in the third world as a useful tool.

Improvement in the indices of human development has been labeled as the other greatest advantage of globalization. Trade and proliferation of employment in the global system has led to the ability of the developing states to invest in education, health, and infrastructure. As an example, life expectancy and child mortality in Sub-Saharan Africa have achieved significant improvements, in large part due to international assistance and the medications and means of treatment that come along with it. These are the outcomes that can be observed in states such as Botswana that, along with the implementation of globalization in the 1990s, witnessed an excellent increase in health outcomes and human development. On the same note, globalization has also been a factor toward the development of the education system in India since, as the IT and services industry has flourished, it has resulted in the necessity to have a skilled labor force. Thus, a lot of investment has been observed in education and training establishments.

In addition, foreign remittances, an essential part of Globalization, have significantly enhanced the welfare of families in the Global South. Moving workers to the Global North countries remits massive amounts of money to their home countries, which can pull families out of poverty and enhance their access to healthcare and education. In Mexico, the Philippines, and Bangladesh, remittances contribute significantly to the GDP and give economic stability to millions of individuals who otherwise would have had few growth prospects.

Although there is evidence to show the positive effects of Globalization, it is necessary to note that the positive effects of Globalization are not universal. In the following section, the criticisms of Globalization will be discussed concerning the capacity of Globalization to increase inequality, environmental degradation, and social exclusion in most regions of the Global South.

# **IV. Evidence of Negative Consequences of Globalization**

Although Globalization has brought economic growth and development opportunities to some nations in the Global South, it has also resulted in several adverse effects that work against its prospects of enhancing well-being across the board. The most serious criticisms are based on greater inequality, cultural erosion, environmental degradation, and economic dependency. These issues point to the unfairness of the distribution of the benefits of Globalization; many marginalized communities and nations continue to live in a vicious cycle of poverty and underdevelopment.

## **Inequality and Social Exclusion**

The inequality of various social groups and regions is one of the most evident adverse outcomes of Globalization in the Global South. Globalization has been known to favor the wealthiest people and the multinational companies and leave the poor and the most vulnerable groups behind as it opens up economies to the global markets. The wealth has become concentrated in the hands of a few due to Globalization, increasing income inequality within the nations, and between the Global South and the Global North. Farmer et al. (2016) argues that the inclusion of poorer nations in the global capitalist system has resulted in inequality in income distribution, as only some sectors of society, including skilled labor and urban elites, enjoy the benefits of economic growth, while others are left out of any significant economic activity.

In Sub-Saharan Africa, although there has been a high growth in the region due to international trade in natural resources, poverty is still prevalent, and growth has been unevenly distributed. Significant parts of the population, especially in rural regions, still have restricted access to fundamental services like healthcare, education, and infrastructure. Thaddeus et al. (2024) believe that, despite the economic integration promoted by Globalization, in most cases, it has enhanced social exclusion of the most vulnerable groups, especially women and rural populations with lower access to the economic growth dividends. The fact that inequality still exists indicates that Globalization has failed to enhance the well-being of all the citizens in developing countries.

## **Cultural Erosion and Loss of Identity**

Globalization's other significant adverse effect is that it affects cultural identity and traditional practices. Numerous indigenous cultures and traditional lifestyles are slowly being worn down as the global media, technology, and consumer goods flood local markets. Multinational corporations and global media have created a global homogenization of cultures, in which global ones are gradually replacing local cultures, languages, and values through the spread of Western consumerism and cultural norms. The cultural change may result in loss of cultural heritage, whereby the consumerist culture of the Global North washes away the local cultures.

Western consumer goods and media entry have been linked to Southeast Asia's erosion of traditional ways. This has mainly been harmful to the indigenous communities, who are usually marginalized in the global economy. According to Dou et al. (2020), Globalization offers access to new technologies and goods. However, it destroys traditional social organization and cultural practices, contributing to the loss of social cohesion and identity of local communities.

## **Environmental Degradation**

Environmental degradation is another profound adverse effect of globalization. As developing countries get into the mainstream of global supply chains, there is increasing dependence on natural resources, leading to deforestation, pollution, and excessive land and water use. Globalization has encouraged resource-intensive industries such as mining, agriculture, and manufacturing, which are inclined to operate with little regard towards resource sustainability within the environment. In other nations, like Brazil, they have developed lots of agricultural production and mining to supply the needs of the global market with commodities that have resulted in massive environmental degradation to the magnitude that the Amazon forest, which is one of the most valuable ecological resources in the world, has been destroyed.

In addition, it has also been found that carbon emission and, thereby, intensification of the climate crisis are caused by the desire to develop economically and industrialize. Taking another example of Sub-Saharan Africa, Globalization has led to economic growth and increased use of fossil fuels to generate energy, to the extent that it causes pollution and resulting climatic changes that severely affect inhabitants of the poorest, most vulnerable region.

## **Economic Dependency and Vulnerability**

Globalization has also strengthened the economic dependence of most countries in the Global South. As third-world countries are increasingly being integrated into the international economy, they tend to become dependent on the exportation of raw materials and cheap labor, thus exposed to the changes in the global economy. The world economic crises, like the 2008 economic recession, showed the weakness of the export-reliant countries to external shocks. As Lank (2002) points out, countries that depend on trade and foreign capital are most likely to experience economic instability if the demand in the world market changes, and the results can be disastrous to national economies and the labor market.

This reliance on foreign markets tends to have little control over the economic policies and resources, with the multinational corporations and foreign governments setting the terms. This is mainly reflected in the use of natural resources in Sub-Saharan Africa, whereby the foreign multinational companies exploit natural resources with little or no gains to the local communities. According to Sánchez-Fung (2023), economic policies dictated by international financial institutions to developing countries are usually biased towards global competitiveness as opposed to local developmental needs. This factor has led to a chain of poverty and inequality.

# **V. Regional Case Study: Sub-Saharan Africa and the Impact of Globalization**

In order to get a clearer picture of how globalization is working rather quietly, it is preferable to take a regional example. Sub-Saharan Africa (SSA) is a typical example of one of the mixed results of globalization. The benefits that have been realized are that there has been heightened integration of the countries in the global market, but not much on the improvement of population welfare levels in the countries, causing inequality and poverty in the region.

The Sub-Saharan African region has seen very high economic growth rates over the last twenty years owing to the fact that it exports its natural resources like oil, gas, and minerals. According to Hiltzik (2019), the period 2001-2005 was characterized by the fact that a number of SSA economies recorded high annual growth rates of GDPs that exceeded 5 percent following the demand of commodities in the international markets. Still, not everybody has received this flourishing equally, and most countries cannot sustain poverty, inequality, and joblessness. Notwithstanding the impressive economic indicators, the poverty levels in SSA are highly stubborn, as the impressive World Bank statistics show that about 41 percent of the individuals in the region are living below the poverty breadline.

Regarding the labor market, the informal economy presents a big proportion in SSA, and over 60 percent of the workforce is in informal, low-paid jobs with no job security, welfare, orability to improve their skills. According to the International labor Organization (2009), globalization is one of the factors that have led to the increased informalization of labor in countries of SSA. The trend has meant that the majority of the SSA people, especially the women and the populace living in rural areas, have not been reaping the fruits of globalization. The international world has led to economies being dynamic, but those in informal labor have ended up being job insecure, differentiated in wages, and disjointed in their social lives.

Technological access and pan-global networks have also developed because of globalization. One of the countries to emerge as a leader in the technological sector in Africa is Kenya because of innovations such as mobile banking and e-commerce. One of the most remarkable examples of the impact of globalization in providing financial services to millions of people that once had access to the mainstream banking systems includes the M-Pesa mobile payment platform. However, technology does not spread equally, and it is more likely that the urban areas will gain in comparison to the countryside.

Also, in the SSA, environmental degradation is a major issue since most countries rely heavily on natural resource extraction as an export revenue. Driven primarily by foreign multinational corporations, the scramble to extract minerals and oil has led to disastrous consequences on the environment in the form of deforestation and land erosion, as well as contaminated waterways. Such environmental transformations affect the poorest sections of society, who rely upon the ground in terms of subsistence agriculture and natural resources as a natural resource and livelihood. This is why more sustainability efforts need to be put in and fairer development practices taken up because the local governments have not addressed the environmental costs of globalization in SSA accordingly.

Subsequently, although globalization has come with growth in Sub-Saharan Africa, the impacts of globalization in Africa have not been the same, and there exists a lot of inequality in matters concerning economic opportunities, environmental impacts, and social impacts. The challenges faced by the SSA show that they need to have more comprehensive development plans that focus on economic growth and the well-being of all the citizens, especially the marginalized ones.

# **VI. Conclusion**

To sum up, it is hard to deny that Globalization has substantially affected the Global South, such as Sub-Saharan Africa, where it has led to economic growth and given access to new markets and technologies. The fruits of Globalization have, however, been distributed unequally, with inequality, environmental degradation, and fragility of the labor markets remaining a menace in most developing countries. Whereas some nations have used Globalization to increase economic indicators like GDP and poverty reduction, others have become trapped in the vicious cycle of economic dependency, informal work, and environmental degradation. The analyzed case studies, especially those of Sub-Saharan Africa, indicate that the actual success of Globalization depends on the inclusive development policies that prioritize social fairness, sustainability, and the welfare of the marginalized groups. Going forward, policies must consider the adverse effects of Globalization so that its gains can be evenly distributed and sustainable.

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