

On balance, economic globalization benefits worldwide poverty reduction

Definitions:

Economic globalization: The worldwide movement toward economic, financial, trade, and communications integration.

Poverty: Being in poverty is defined by the World Bank as making less than \$1.25 per day.

Poverty Reduction: Permanently lifting as many people out of poverty as possible.

Third-World Countries: Underdeveloped countries with widespread poverty.

Pro

Contention One: Globalization benefits countries. Economic globalization results in easier trade, which ultimately results in a reduction in poverty. As there are more collective opportunities than there are when the trade remains in a single country, the benefits are obvious. An increase in global trade has been shown to increase economic stability as well as economic bounty.

Contention Two: Globalization lead to war reduction and produces comparative advantage. Everyone participating has a vested interest in maintaining a peaceful global economy. This translates to a reduction in warfare. Comparative advantage is where one country can produce something cheaper than another country. If economic globalization were to happen, certain countries would be able to supply each other with resources that they might be lacking. Besides providing poor countries with much-needed resources, this builds brotherhood among countries worldwide, thereby preventing warfare, which reduces poverty.

Con

Contention One: Globalization displaces the poor. The effects of globalizing the economy of a country is felt by more than simply those who manage it. In a study by the Journal of Developing Societies, it was found that India is essentially depriving its poor, tribal people of a sustainable livelihood by promoting the unregulated growth of mineral-based industries in their area.

Contention Two: Economic globalization creates inequality in developing societies. According to a study published by the Economist in 2014, contrary to popular belief, multinational corporations will hire the skilled workers in countries, as opposed to the unskilled workers. However, as a result of this, the unskilled workers are not given such opportunities. This leads to increased inequality. The gap between the upper and lower class expands significantly, as shown by this report.

Contention Three: Globalization exploits the poor through sweatshop labor. Globalization critics often cite sweatshops as a prime example of the "race to the bottom" phenomenon. A "race to the bottom" is defined as a situation characterized

by a progressive lowering or deterioration of standards, especially (in business contexts) as a result of the pressure of competition.

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