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**Question**: Discuss the conceptual meaning of globalization. What are the merits and demerits of globalization to developing countries?

**Introduction**

The growth of global media, the increase in labor movement across countries, the existence of multinational production of goods and services, etc. has been one of the characteristics of the twenty first century. The increased interconnection between nations has put more emphasis on the term ‘Globalization’. In this article, we will describe what is the conceptual meaning of globalization and mention the merits and demerits of globalization.

**What is the conceptual meaning of globalization?**

The term globalization might sound obvious to anyone that is globalization is the interdependence of the world’s economies, culture and population. This definition is in its common-sense form. So, it is necessary to the understand the ontological meaning of the term globalization. According to [1], there has been much disagreement among scholars on the meaning of the globalization. Many theories have been proposed to describe globalization. Unfortunately, the theories claims were not neutral and had different perspectives. Furthermore, the theories are grounded in situated social and historical context [1]. [1] summarizes some of the globalization theories:

1. **World-system theory:** viewed that the world is one social system.
2. **The network society:** viewed that the societies are separate and it is the technology that resulted in the appearance of the network society.
3. **Theories of space, time and globalization:** described that the world has been intensified by reducing the constraints of time and space.
4. **Modernity, postmodernity and globalization:** viewed that globalization represents the process of universalization of modernity.
5. **Theories of global culture**: view globalization as the process of having converged culture.

Although the above theories agree that globalization is inter-dependence among societies and nations, they conceptualized globalization from different dimensions.

[2] has attempted to describe the globalization by focusing on the constituents of ‘the global’ as a common point of reference and an object of inquiry. [2] stated that globalization is composed of three concepts:

1. Transference: Intensified exchange of things between the units that will result in changes at the system.
2. Transformation: A change at the system level that will in turn affect the units of the system.
3. Transcendence: A process that dissolves the divide between the units.

To illustrate the above composition, it can be explained in this way: the world(system) is composed of different states(units). The states exchange education, trade, culture, etc.(transference). The states agree to abolish border control and have unrestricted movement which will in turn result in change of population number of a state (transformation). The unrestricted movement agreement leads to a blending between the states(transcendence).

**Merits and demerits of globalization to developing countries**

Globalization, in general, means that activities and events occurring in one area of the world have an impact on other parts of the world as a result of national economies being integrated [3]. While free trade provides more choices and lower prices as a result of globalization, the effect of free trade and interconnected national economies comes with respective benefits and risks for developed, emerging, and developing nations [3]. The benefits of globalization are based on motivations such as the mercantile doctrine, laissez-faire theory, comparative advantage theory, and so on, whereas the risks are based on modern political, economic, environmental, and social dynamics, as expressed in Human Skills and Technology-based Views, product Life-Cycle Model, and so on [3].

**Merits of globalization to developing countries**

As mentioned in [3], Globalization offers developing countries the finest opportunity to thrive and prosper economically. Globalization fosters global capitalism and democracy while also accelerating economic growth. These benefits include, but are not limited to [3]:

**Increased Employment and better living standards:**

Globalization boosts trade, which in turn boosts financial flow, which in theory means more capital injection and redistribution. If these funds are effectively invested, they will inevitably help to alleviate poverty by providing jobs and raising living standards.

**Improved Wages for Local community:**

Multinational Enterprises (MNEs) help to promote international trade as part of globalization (MNE). When a worldwide uniform pay system for employees is maintained, such businesses tend to enhance wages while leveraging lower labor costs, which produces greater motivation for local workers.

**Increased financial flow:**

Local economies lose control as a result of globalization. As a result of this consequence, the international community is taking on more duties. International organizations such as the International Monetary Fund (IMF), the World Trade Organization (WTO), and the World Bank, for example, simplify and facilitate financial, commodity, labor, and information flow.

The IMF is recognized for lending to developing countries as a last option. Nigeria received loans from the IMF for industrial development in 1986. These loans are frequently accompanied by strict structural adjustment programs aimed at reducing debts and depression by stimulating the economy.

**Demerits of globalization to developing countries**

Globalization's dangers are often derived from its benefits, because policies that benefit one country may be detrimental to another. When developed and developing countries are grouped together, a pattern arises that favors developed countries over developing countries, such as [3]:

**Dumping:**

Dumping, according to the World Trade Organization, is the practice of selling goods at artificially low prices. Globalization tends to exacerbate commodity dumping in developing countries, because local companies may lack the equipment and/or know-how to create identical products efficiently.

China, for example, uses its abundant low-cost labor and technological know-how to make low-cost commodities such as toys and garments, which are flooded into developing-country marketplaces. As a result, trade is distorted. Developing countries like Nigeria become "digital dumps" for abandoned and unusable computers and displays, with the majority of them being beyond repair.

**Threats to Local Industries:**

Globalization also poses a threat to emerging countries' local businesses. This is because most developing-country industries lack the expertise, skills, and resources to compete with identical products produced in developed-country industries.

Nigeria, for example, has a chronic, epileptic power supply. As a result, factories are obliged to rely on power generators, which must be fueled. Diesel and gasoline are not cheap, and when combined with maintenance expenditures, commodity prices rise.

**Environmental Damage:**

Environmental contamination is usually strictly regulated in developed countries. This is typically due to increased awareness and knowledge. Manufacturers have found it easier to relocate production plants to developing countries with more relaxed environmental legislation and monitoring standards as a result of globalization. As a result, the local ecology deteriorates, posing health risks to emerging countries.

**Conclusion and Suggestion**

From the ontological point of view, globalization is the composition of three concepts: transference, transformation and transcendence.

While globalization has numerous benefits for developing countries, it also poses a number of risks. However, well formulated policies would allow developing countries to avoid the risks associated with globalization while exploiting and maximizing the opportunities that come with it.

# **References**

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