**University of The People**

**POLS 1503 : Globalization**

**Assignment Activity Unit 7**

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This week’s learning focused on the complex relationships between globalization, poverty, inequality, international economic aid, and sustainable development. While globalization has spurred economic development in certain areas, it has simultaneously intensified inequalities both within countries and across the world. The widening gap between the rich and the poor poses significant challenges to social cohesion and overall well-being, especially in developing countries burdened by debt and reliance on foreign aid.

### **The Gap Between Rich and Poor**

Economic inequality refers to the uneven distribution of wealth and income among individuals and groups within a society or globally (Council on Foreign Relations, 2023). Over recent decades, this gap has intensified, notably in urban settings where affluent communities coexist alongside impoverished neighborhoods, deepening social divides (Reuell, 2019). This growing disparity restricts access to education, healthcare, and economic opportunities for the less privileged, reinforcing cycles of poverty.

In my community in Myanmar, the wealth gap is stark, with urban centers like Yangon exhibiting significant contrasts between wealthy business owners and those in informal labor sectors. This disparity is further highlighted by limited social safety nets and uneven economic development. The concentration of wealth in a small elite impacts social mobility and access to resources, reflecting the broader global trend discussed by the Council on Foreign Relations (2023).

### **Economic Aid and Its Detrimental Effects on Developing Nations**

While international economic aid aims to alleviate poverty and foster development, its impact has sometimes been counterproductive. Official Development Assistance (ODA) often comes with conditions and policy prescriptions that may not align with the recipient country’s priorities or contexts (Abeselom, 2018). For instance, in Ethiopia, aid dependency has undermined local governance and perpetuated structural inequalities (Farah, Onder, & Ayhan, 2018).

Similarly, Myanmar has received substantial foreign aid over the years. However, much of this aid has been tied to political conditions or specific projects that fail to address systemic issues, such as rural poverty and infrastructure deficits. Moreover, the inflow of aid can lead to increased national debt when funds are borrowed to match or complement aid programs, straining the country’s financial sustainability.

### **Poverty, Inequality, Debt, and Aid: Impacts on Society**

Poverty is closely linked with inequality and is often intensified by the burden of national debt. Countries that accumulate high debt levels face challenges in financing social programs, as significant portions of national budgets go toward debt servicing rather than public investment (UNCTAD & UN Global Crisis Response Group, n.d.). Debt repayment pressures can lead governments to implement austerity measures, reducing access to essential services and negatively affecting societal well-being.

In Myanmar, national debt has grown due to borrowing for infrastructure and development projects, some of which are linked to foreign aid agreements. This indebtedness limits fiscal space for poverty reduction initiatives and health care improvements, thereby exacerbating social inequalities and poverty (FiscalData.Treasury.gov, n.d.).

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### **The Importance of Sustainable Development Initiatives**

To address these intertwined challenges, sustainable development initiatives such as the United Nations Sustainable Development Goal 2 (SDG2) emphasize food security and sustainable agriculture (Schwindenhammer & Partzsch, 2024). Such initiatives seek to reduce inequality by promoting local empowerment, environmental sustainability, and economic resilience.

### **Conclusion**

In summary, the gap between rich and poor continues to widen globally and locally, affecting social cohesion and economic stability. Although economic aid aims to support developing nations, its benefits can be offset by dependency and debt burdens, which impair social well-being. Sustainable development approaches offer promising pathways to address inequality and poverty effectively. Myanmar exemplifies these dynamics, facing challenges related to aid dependency, debt, and wealth disparities, underscoring the need for tailored, sustainable policies that prioritize equitable growth.

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