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Globalization: Economic Hallucination for the Developing Countries

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ABSTRACT

Globalization is a buzz word for the twenty first century; and its impact for the developing countries is rather narrow and scarce in terms of economic and social up-liftment unless it has been implemented with sufficient justification that can ensure and favor the economic progress of a developing country. Global trade, commerce, economy, transportation, transaction, communication are being expanded in the name of globalization throughout the world but developed countries gained more benefits from this. It makes the reach people richer and degrading the economic conditions of the poor people. The people of developing countries cherish a dream to be developed, but that is still a great hallucination for those people. The developed countries are absorbing the facilities, natural resources, manpower & labour from the developing countries in different ways to strengthen their trade and commerce. This paper discussed the scenario of hallucination derived from global trade and commerce activities, which is created, reinforced and nourished by the developed countries to favor their economic sustainability further but these countries claim that they are helping the developing countries towards development.

Keywords: *Globalization, hallucination, communication, economy, developing and developed countries*

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I. Introduction

Globalization has become the most commonly used word in recent world. It refers the world is alike global village, where every country acts like neighbors and no boundaries are exists among them. But it is true that there are many social classes in a village and high profile families get special privilege. Globalization is compared to a vessel, where every country is the passenger of the same vessel but in separate cabin; some are travelling in first class cabin (developed countries) and some are travelling in working class cabin (developing countries). This is a great hallucination for the developing countries to be passenger of first class cabin through adoption of globalization.

Among the 214 countries of the world approximately 39% countries of the world are developing countries on the basis of income level ([World Bank, 2014](#)). Though there are others affecting factors, e.g. infrastructural development, poverty level, economy growth, private sector involvement, educational status, public sector participation, science & technological advancement, environmental

Safety, external debt from foreign investors, social development policy, social protection & labor policy, financial sector development, trade and commerce, urban development and planning as reported by the World Bank.

The developed countries show-up the hope for the developing countries, today or tomorrow these developing countries will be developed by adopting globalization. But this is nothing but a hope and or expectation dilemma. The developed countries actually want to oppress the developing countries. They are trying to oppress the developing countries from many aspects, e.g. economy, trade and commerce, culture, education and politics. The age of colonialism (1450-1950) is lasts till the mid twentieth century. Many global war and collision took place in that period to get rid of colonialism. But at the present age globalization has become the new form of global colonialism. The developed countries found out a new concept of global domination and this concept was popularly accepted in 1980s.

II. Materials and Methods

This review article has been prepared based on information available through various published articles, reports, book chapters, conference papers, wikipedia, world Bank database, personal communication and free internet sources.

Literature review

Hussain (2011) stated the challenges aroused from globalization and how a developing country like Bangladesh can cope with that. Result of the paper shows that the wind of globalization is not favorable for a developing country. While Jallil (2006) reported that globalization covers much more economic, political and cultural issues; and this is more a dream than realities for a developing countries. On the similar issue Karofi and Mwanza (2006) reported that globalization is considered as economic crime by the developed countries. In an economic policy paper of Dhaka Chamber of Commerce & Industry (2011) about impact of globalization in the context of Bangladesh, it was said that the negative impact of globalization creates a changing order in a setup economy of a country according to the desire of capitalist countries. Osmani (2005) shows that globalization from the economic view point; globalization as the enhancement of integration between the national economy and the global economy. Goods and service import and export, information and technology, foreign investment, exchange of labor are the main building block of globalization but the figure of the exchange of these building blocks are not equal among the developing and developed countries. This is a descriptive study to explore the real scenario of the developing countries under the hallucination of being developed. Secondary data were collected from different publications, books, newspapers, journals and websites. The objective of this paper is to show the impact of developed countries on developing countries and how they are creating hallucination for the developing countries on the term of globalization.

III. Discussion

Economic hallucination

Economy of developing countries bases on foreign aid in many cases but not always. The global investors invest in developing countries' project to reap the basic benefits of globalization. Despite being developed country, they most of the time outsource from the targeted developing countries. In many of the developing countries, cheap labor and resources with some limitations are available. The developed countries design and execute programs in a way that pay a narrow amounts to the labors and resource providers. Production cost, transportation cost and other maintenance costs are also relatively lower in developing countries. Investors become motivated to invest for these reasons. Business environment of developing countries is favorable in terms of labor mostly for trade and commerce; and the developed countries are taking the advantage from this.

Shifting of man power (brain drain)

The developed countries are exploiting human resource of developing low-income countries in the name and fame of globalization for the decades after decades. Man power of developing countries is shifting to the developed countries to gain higher living standards and payments. As a result, they are contributing to the GDP of those countries. The developed countries hold double digit GDP (Gross Domestic Product) growth every financial year. Brain drain, i.e., shifting of productive brain (and or skilled personnel) to the foreign countries, has become a common phenomenon in the age of globalization. The developed countries cross the border not only for the economic benefit but they grab all the potential man power from all over the world.

GDP accumulated growth, in percent, constant prices

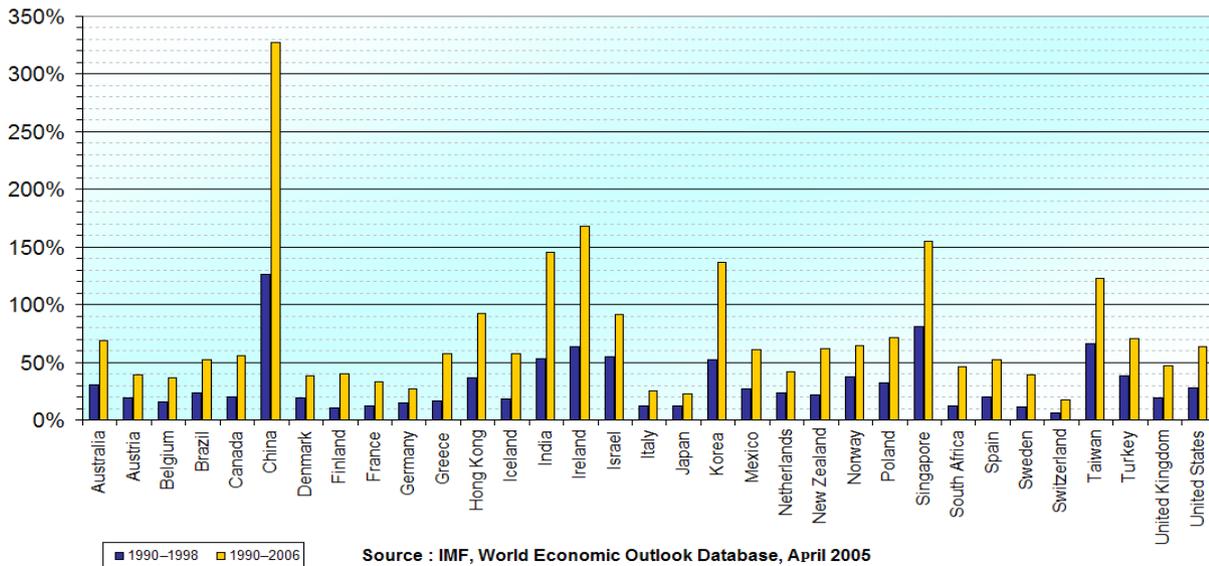


Figure. Comparative GDP accumulated growth (Wikipedia – 2015)

Land resources

Main theme of globalization is to use others' country and cross-border land for productive purposes without any obligation or hindrance. It is like a straw by which developed countries can absorb all the properties laid in the land resource of other countries. Though Bangladesh is a developing country, she has adorned with a reasonable amount of natural gas, a well-established sea port and many of rivers. Even the neighboring country, India and China take the very advantage from that in the name of globalization through various trade and commerce activities. Land resources and favorable climate coupled by cheap manpower are potential factors that motivating developed countries to extend their pre-mediated business and commerce towards the developing countries under the umbrella of global free trade. For example, climate, ever fertile soils, natural coal & mining resources of some developing countries are very congenial to produce agricultural products, coal & natural gas, other raw materials and many other input components of rather finer products. In these cases, the developed countries use the land resources of poor countries by showing and or narrowly creating a temporarily unstained hope of development in the name of globalization and global commerce.

Global transportation

To reap the global benefit, the developed countries design global routes of transportation. In the past (colonial period), China, India, East Africa, North Africa, Europe, Trans-Sahara, Arabia were full of natural resources (e.g. goods, silk, lacquer ware, silver, spices, clothing, timber, precious stone, ivory, pearls, animals, slaves and even heritage !). At that time in country land / road routes and sea routes were much popular and convenient. Today at the age of globalization, the air route is added with the previous two, it accelerates the absorption of resource from developing country. The developed

countries usually stated that all activities that they are doing and planning are only for the infra-structural development of the road and construction for the developing countries, which are the prerequisite for being a developed country. But the reality is somewhat different because these trans-boundary highways are being used in favor of the developed countries to implement their trade and commerce initiatives. But those developments remain as dream and hallucination for the developing countries. This is a dream of being a developed country, but when and how there is now answer and or evident national social, educational and economic progress to attain that dream.

Natural resource

Developing countries are more or less adorned with natural resource but for the lack of technological resource and function specific expert, they may not utilize these natural resources sustainably to its greater extent. In this case, the capitalist developed country wants to invest in those natural resources. Sometimes natural resources are considered as curse. The Middle East is full with natural oil, which at times considered as the source of power. To grab this natural resource, many developed country make threat on them and or create treaty which always favor the will of develop country. Global politics is moved by the lust for acquiring natural resource from the developing countries. Natural resources are the major driving power of global economy. As the developing countries cannot accumulate proper fund for using these natural resources, they give the authority and power to the public private partnership (PPP) or global investors group to extract these natural resources. At this situation, the developing countries get a lump-sum percentage only of these resources.

Market Place

Most of the developing countries cannot produce enough goods or services according to the demand of its population. Moreover, they have a huge sum of ever increasing population relative to the developed countries. So the developing countries are considered as the large market opportunity for the developed countries. Though the developing countries are well equipped with the natural resources, they cannot produce the demanding product using their resources due to technological backwardness and insufficient investment ability. Bangladesh being a developing country, she has cheap labor and manpower. This manpower is used as the outsourcing tools of the developing countries. Every year the manpower of Bangladesh produce a lot of garments product or processing shrimps and export to the European or American countries. At the same time, Bangladesh has to import large number of technological product for the demand of its country people. This import currency exceeds the sum of export currency.

Table. Bangladesh Trade, Exports and Imports

Import Partners	Export Partners
China - 15.8%	United States - 24%
India -15.7%	Spain - 4.2%
Kuwait - 8.1%	Italy - 4.5%
Singapore - 7.6%	The Netherlands - 5.5%
Japan - 4.4%	France - 7.4%
	United Kingdom - 10%
	Germany - 15.3%

Source: [Economy Watch \(2010\)](#)

Economic groups

The developed countries make different giant economic group (G-8, BRICS, D-8, OECD, OPEC, G-20) and they tend to enforce several law and order on the developing countries during trade and commerce treaties or for membership facilities. These groups are formed to absorb the ultimate

facilities from the developing countries. These giant economic groups control the total economy of the world. They all time prefer their own interest and economic-self. The developing countries have nothing to do against their decision and opinion as evidenced so far during last few decades. These groups are formed to enhance economic power of the developed countries. These economic groups make commitment to help the developing countries, but the real scenario is somewhat different or based on objectives which usually favor develop countries. When Bangladesh experienced tragic garments sector 'Rana Plaza' destruction by sudden collapse of a garment factory in April, 2013, she faced great threats in garments sector from foreign buyers and related facilitators ([Wikipedia, 2013](#)). At the same time, the giant economic groups banned GSP (generalized system preference) instead of helping or improving the garments sector of Bangladesh. This was a great negative event of depression for Bangladesh economy during that time; and Bangladesh still trying its level best to raise its reputation.

Conflicts: positive and negative effects of globalization

No doubt, if globalization is implemented with justified and equal balance favoring developing country's concern, it can create new opportunities, new ideas, and open new markets that an entrepreneur may have not had in their home country. [McCubbrey \(2014\)](#) discussed that globalization creates greater opportunities for firms in less industrialized countries to tap into more and larger markets around the world. It can lead to more access to capital flows, technology, human capital, cheaper imports and larger export markets. It allows businesses in less industrialized countries to become part of international production networks and supply chains that are the main conduits of trade. For example, the experience of the East Asian economies demonstrates the positive effect of globalization on economic growth and shows that at least under some circumstances globalization decreases poverty. There are allegations made by critics of globalization, such as the growth of international trade is exacerbating income inequalities, both between and within industrialized and less industrialized nations, global commerce is increasingly dominated by transnational corporations which seek to maximize profits without regard for the development needs of individual countries or the local populations, and competition among developing countries to attract foreign investment leads to a "race to the bottom" in which countries dangerously lower environmental standards ([McCubbrey, 2014](#)).

IV. Conclusion

Globalization is the hope for developing countries and there remains narrow economic development due to global trade and commerce unless it is implemented with sufficient justification towards the low-income countries. The developed countries take the advantage of globalization from the developing countries through many ways. Day to day the developed countries are preparing economic hallucination for the developing countries. The developing countries are very much optimistic for being developed at a sudden moment. But this is a sky like hallucination for developing countries. If the developing countries become develop, it will be threat for the developed countries. The developed countries will loss the tools of become richer day by day. They are just showing the dream that they are doing economic activities for the developing countries to make them developed, but the reality is quite different.

V. Limitations of study

The study is about globalization, which has a long lasting impact on developing countries. Though it covers a wide range of area (political, social, cultural etc.), all are not discussed in this paper. This paper focuses on some selective simplified aspects of globalization. As the data are collected from secondary data source, all information might not be independent in every aspect.

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