Impact of Globalization on World Society

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ABSTRACT

The purpose of this study was to examine the impact of globalization on world society. Research indicates that in the past century there has been worldwide surge in economic growth and more people lifted out of poverty than in all human history. World poverty has fallen within past 30 years. Since 1970’s the development in China and India has played a significant role in reduction of the world poverty. However, economic growth is unbalanced and uneven across the globe. The economic growth has been concentrated just in fifteen wealthy countries. Whereas, eighty-nine other countries represent 1.6 billion people or one quarter of the world population are economically worse off than they were ten or more years ago. Sub-Saharan Africa requires greater focus to deal with poverty. The present uneven economic growth trend has widened the gap between the rich and poor countries. According to economic forecasts if the current pattern of uneven economic growth continues, the poorest countries of the world will grow even poorer while the richest countries will become even richer. Across the world inequality has affected disproportionately the children and women of poor countries. The present global uneven economic growth has raised a question can this gap between the rich and poor nations will be narrowed rather than widened in the future? This question has made social scientists, policy makers, and global international institutions to rethink about the impact of globalization and future of rich and poor countries. The impact of globalization has created a need for global action and interconnectivity at international, national, and local levels to make a human and sustainable world society in the 21st century.

Since the mid-twentieth century globalization has become a buzzword to talk about societies, and is defined as a way of integrating worldwide government policies, cultures, societies, social movements, financial markets through trade and exchange of ideas (Schaefer 2005). The process of globalization has been accelerated by modern means of communication and transportation, and gives the image that the world is unified globally. It appears that in the 21st century globalization is an unaltered way and will continue even though 75% of the world’s population has access to daily television reception and only 20% has access to consumer cash or credit (McMichael 2000).

However, professionals have differences of opinion about globalization and its effect. One group sees globalization is a natural result of advances in communication technology, particularly the Internet and satellite transmission of mass media. Second group views it more critically and sees globalization as an extensive movement of capitalism and related values and ideas among the nations of world (Kanter 1997; & Soysa and O’Neal 1999). In fact globalization has been underway for several hundred years. It started with colonialism which fueled economic development of already wealthy countries by keeping the economies of the colonized countries underdeveloped (Frank 1969). In modern times powerful nations are rarely
involved in conquest and subjugation of weak nations. Whereas, with the new forms of communication systems, Internet and transportation powerful nations are able to exploit weaker countries for their commercial gains. Powerful countries can use weaker countries as a source of cheap raw materials and cheap labor. Because of their access to better technology, wealthy nations are able to produce higher quality goods at lower price than the poor nations (Newman 2002; & Smith, 1993). This advantage allows them to have a more favorable balance of trade and ultimately gives them greater control of the world’s financial resources, and widened inequality among the rich and poor nations (Wallerstein 1974). The following section will analyze the impact of globalization on world society.

IMPACT OF GLOBALIZATION

According to the United Nations Development Programme (1996) the gap between countries has widened, even though there has been worldwide surge in economic growth over the past decades, but it has benefited only a handful of countries. More specifically, the benefit of global economic growth has been concentrated in just fifteen countries. Whereas, eighty-nine other countries which represent 1.6 billion people or one quarter of the world population are economically worse off than they were ten or more years ago (United Nations Development Report 1996). Out of these eighty-nine countries seventy are low income and developing countries. There income level has fallen below those of the 1960’s and 1970’s. As a result, the poorest 20 percent of the world population saw their meager share of global income cut nearly in half over the past three decades, while the richest 20 percent of the world’s population increased their share of global income by 15 percent in the same period. In other words, the income share ratio of the world’s richest and poorest people have doubled during this time; increasing from 30:1 to 61:1. The above findings lead to conclude that “in the past 15 years the world has become more economically polarized – both between countries and within countries. If the present trends continue, economic disparity between the industrial and developing nations will move from inequitable to inhuman”(U.N. Development Programme 1996, P111).

In global society nations have differing amounts of power and want to ensure that their interests are met. The developed and less developed countries of the world experience serious inequalities in wealth that have immediate consequences for their citizens. The low-income countries are poor because of the policies and practices and the high income countries pursue in order to mass a greater share of global wealth. Because of their policies and practices the low-income countries are in a position of relative dependency on high-income countries (Renzetti & Curran 1998). Powerful nations, like powerful ruling classes, seek to retain their favored positions while keeping other nations in their place. In a global economy, such dominance is accomplished through financial pressure, such as powerful industrialized countries set world prices on certain goods, rather than use brute force (Chase-Dunn and Rubinson 1977). The economic base of poor countries is weak, therefore they often have to borrow money or buy manufactured goods on credit from wealthy countries. The huge debt they build up locks them into a downward spiral of exploitation and poverty. As a result, they cannot develop an independent economy of their own and thus remain dependent on wealthy ones for their very survival (Frank 1969). In short, just as upper-class people can exploit and exercise power over
lower-class people within a society similarly, wealthy countries can exploit poor countries in the global market place. In consequence of it the global economic gap has widened (Newman 2002).

GAP IN INCOME

The average per capita yearly income in Western Europe, the United States, Canada, and Japan is about $22,000. In the less developed countries South America, Asia, and Africa it’s a little over $300 (Bradshaw and Wallace 1996). Thus, wealthy countries contributing 20% of the world’s population accounts for 65% of the world’s income. In contrast, less affluent developing countries account for 67% of the world’s population but only 18% of its income (McMichael 1996). Assets hold by the world’s 200 wealthiest individuals total $ One-trillion, for an average of five billion each. After doubling since 1995, there total wealth equals’ the combined annual income of the world’s 2.5 billion poorest people, meanwhile eighty nations reported incomes lower than a decade ago. Sixty countries have grown steady poorer since 1980. Three Billion people presently live on $2 or less per day while 1.3 billion get by on $1 or less (Jeff 2001). The richest three individuals in the world have assets that exceed the gross domestic product of the 48 least developed countries (Crossette 1998). “For instance, the 400 wealthiest U.S. citizens hold financial assets equivalent to one-eighth of the gross domestic product of the world’s largest economy Their personal wealth grew by an average $940 million each from 1997 to 1999 – a per capita daily increase averaging $1,287.67 ($225,962 per hour). Eighty-six percent of stock market gains between 1989 and 1997 flowed to the top 10 percent of U.S. households while 42 percent went to the most well-to-do one percent” (Jeff, 2001 P.2). Further eye-Opening Statistics reveals disparity between the over-consumption and under-consumption between the wealthy and poor countries (cite in Newman 2002):

1. Wealthy countries consume 85% as the world’s supply and paper, 79% of its steel, 80% of all commercial energy, and 45% of all meal and fish (Crossette 1998; Kerbo 1991; & Schor 1991, cited in Newman 2002).

2. Grains fed to U.S. Livestock equal the amount of food consumed by the combined human populations of India and China (McMichael 1996, cited in Newman 2002).


4. Americans spend about $8 billion a year on cosmetics-$2 billion more than the estimated annual amount needed to provide basic education for everyone in the world (Crossette1998, cited in Newman 2002).

5. Europeans spend about $2 billion a year or more on ice cream than the estimated amount needed to provide clean water and safe sewers for the world’s population (Crossette1998, cited in Newman 2002).
GAP IN EDUCATION

The gap in education and quality of life is particularly striking. Only about 20 percent of school-age children in poor countries enrolled in Secondary School compared to 90 percent in affluent countries. In wealthy countries 40 percent of college age people go to college; in poor countries only 30 percent do. The number of children die before the age of five is nearly 20 times higher the age of poor countries than in rich one (Bradshaw and Wallace 1996).

It is estimated that about 24 percent of the world’s adult population is illiterate, of that 30 percent of the world’s female adult population is illiterate. In low income countries the illiteracy rate for women is nearly 46 percent (United Nations Development Programme 1996).

GAP IN MEDICAL TREATMENTS

The vast majority of HIV infected people around the world don’t have access to the effective drug treatments that are available in the west. Consequently, the AIDS cases and AIDS deaths are dropping in Western industrialized countries but are increasing dramatically in less developed countries. According to the United Nations, of the 26 million people worldwide infected with HIV virus, 30 million are poor by world standards; living on less than $2 a day. Impoverished countries in Sub-Saharan Africa, alone, account for 69% of the World’s victims of HIV and AIDS (Will 2000). In Botswana and Zimbabwe, for instance, one in every four adults is infected. In some major cities, 70% women in prenatal clinics test positive for HIV (Altman 1998). In 1999 alone, more than 2 million Africans died of AIDS. That’s more than five times the number of AIDS-related deaths in the United States in nearly two decades (Will 2000), and it is estimated that between one half and two thirds of 15 years olds in these African countries will eventually die of AIDS (Altman 2000).

THE GLOBAL ECONOMIC INEQUALITY

Trends in global inequality are found both between and within countries. Inequality between the countries has been characterized by two divergent trends in recent decades. The gap between the richest and the poorest countries over the past 40 years has been widened and a significant number of countries have fallen further behind compared not only to industrial countries but to other developing countries also. The income distribution between countries has consequently worsened. However, at the most populous ones, the gap between their average incomes and that of industrial countries has begun to narrow. Overall, inter-country inequality weighted by population has decreased as a result, China and India account for the bulk of this improvement while inter-country inequality has improved; however inequality within many of the most populous countries with a large number of poor has increased modestly (World Bank, October, 2002).
ECONOMIC INEQUALITY AND POVERTY

The United Nations Development Programme (1996) created three basic minimal essential criteria which are essential for human requirements (to be well nourished, to be able to reproduce, and to be educated) to measure the poverty, which was defined as Capability Poverty. According to Capability Poverty as a measure, the number of people who are poor worldwide increased from 1.3 billion (33 percent) to 1.6 billion (37 percent). Capability poverty appears to be most widespread in South Asia. In Africa, both income poverty and capability poverty are high. In contrast many countries in Latin America have done well in addressing capability poverty but income poverty remains severe. The global poverty is disproportionately found in the United States among women and children also (Renzetti & Curran 1998).

GENDER AND GLOBAL POVERTY

Few societies in the world treat women as well as men. Inequality between men and women are not necessarily less in high income countries, but in disadvantaged countries on global scale, women are likely to be even more disadvantaged. Women in these countries experience double deprivation. The deprivation of living in a poor country and deprivation imposed because they are women. According to United Nations women represent 60 percent of world population and perform nearly two-thirds of all working hours, they receive only one-tenth of world income and own less than one percent of world property (United Nations Commission on the status of women 1980).

Further, across the strata women are more likely than men to be illiterate. It is estimated that 24 percent of the world’s adult population is illiterate, of that 30 percent of the world’s female adult population is illiterate. In low income countries the illiteracy rate for women is nearly 46 percent (United Nations Development Programme 1996). Indeed in most countries throughout the world, women are the most disadvantaged of the disadvantaged.

CHILDREN AND GLOBAL POVERTY

The burden of poverty is spread unevenly throughout the world with population of low income countries suffering is far greater due to more severe poverty than other countries in the global stratification hierarchy. In low-income countries the poorest households tend to be those with the greatest number of children or economically dependent members (elderly or diseased people). Twenty five million children between the ages of five and fourteen are in the paid labor free in virtually in all countries, including United States, it is particularly prevalent in Asia, where 150 million children are in the labor force and in Africa where approximately 80 million children are working (Renzetti & Curran 1998). According to Development Specialist Susan George (1999), “Half of these millions of child labourers working in “outrageous conditions” are under 14 years old. The advantage for corporations is that they receive “three compliant and defenseless children for the price of one adult. The result of repression is to drive down wages and replace adults”. For example in India, the numbers of working children
and jobless adults are roughly the same. The practice [i.e., child labour] perpetuates poverty. These children grow up to become the next generation of uneducated and untrained adults (Jehl 1997). With the World Trade Organization legislating for the rights’ of corporations in the name of “free trade: nations are unable to prohibit child labour without violating international trade rules enforced by Western institutions The response of the Western Powers to this state of affairs is instructive. The U.S. Government for instance has resorted only to the insignificant public relations stunt of requesting companies to adopt a ‘voluntary’ code of conduct (Collingsworth 1997). According to International Labor organization children’s work conditions are frequently exploitative and abusive. Work long hours in unhealthy environment for subsistence wages. In Pakistan, for example nearly 10,000 children under the age of fourteen work 10 hours a day hard-sticking leather soccer balls, for a daily wage of about $1.20 (Greenhouse 1997). Children beating, imprisonment, homeless, and abandonment by parents are common. Children of six years can be found on street. Nearly 13 million children on streets in Latin American countries. In most Latin American cities begging, selling sex or drugs or stealing is in order to survive. Children sleep on the sidewalks, in alley under bridges and even in sewer tunnels (El Nasser 1994). In Brazil, several hundred street children are murdered each year by the police (Larmer 1992).

“The rise of global inequality and impoverishment within the current order has therefore been enormous, systematic and relentless. Western pro-corporate policies are however, domestic as well as international, resulting in the increase in domestic impoverishment and inequality. Thus, even within the richest countries inequalities have widened and poverty increased “(Ahmed 2002., P. 13).

WHERE ARE WE WITH GLOBALIZATION?

The evidence suggests that in the past century more advances have been seen in global prosperity and more people lifted out of poverty than in all human history. There are many reasons for this achievement, but globalization has played an important catalytic role. World poverty has fallen dramatically in the past 30 years. For example, since 1970’s the development in China and India has played a significant role in reduction of the world poverty. However, economic growth is not balanced across the globe. Some countries have witnessed tremendous growth and others have fallen in poverty. For example the Sub-Saharan Africa requires greater focus to deal with poverty (Barro 2002). The present uneven economic growth trend has widened the gap between developed and developing countries. According to economic forecasts if the current pattern of uneven economic growth continues, the poorest countries of the world will grow even poorer while the richest countries will become even richer. For example it is estimated that by 2030, global production will triple. However in Sub-Saharan Africa, per capita income will fall to just $32 a year, whereas in high-income countries, average per- capita income will approach $40,000. Many of the countries of East Asia are expected to catch up to the high-income countries in terms of per-capita income. By 2050, china’s per capita income is not likely to approach that level until at least 2080, and India’s will not reach the $40,000 per capita mark until about 2130 the twenty second century (United Nations Development Programme 1996). The present world unbalanced and uneven
economic growth has raised a question can this gap between the rich and poor nations will be narrowed rather than widened in the future? This question has made professionals and global society to rethink about the impact globalization and future of rich and poor countries (Renzetti and Curran 1998).

RETHINKING AND SUGGESTIONS TO NARROW THE GAP

A number of social scientists believe that it is possible to narrow the gap, but they stress that our goals must be reordered. Instead of concentrating on the rate of economic growth, social scientists and policy makers should pay more attention to the quality of economic growth. Economic growth for the human development, such as improvement in health and education; higher standards of living, and sustain natural resources, should be the priority if we want to avoid future world “gargantuan in its excesses grotesque in its human and economic inequalities” (United Nations Development Programme 1996, P.8). If we continue to focus on the rate of economic growth only, we will likely to create a world where people will be “jobless, voiceless, rootless, futureless, and ruthless (United Nations Development Programme 1996).

Ahmed (2002), proposed that “ ----the only real way to address the escalating social, economic and political problems faced by the majority of the world’s population as a result of globalization is to transfer the unjust structures responsible for these problems. The current world order is geared inherently to fulfill the interests of corporate elite based primarily in the West, directly at the expenses of the rights, and well-being of hundreds of millions of people around the world. Unless World order undergoes a meaningful and drastic transformation of structure the basis of a fundamental re-evaluation of values, ethics and world view, this order will continue to be increasingly engulfed by a crisis of its own making with devastating consequences”(P. 27 ).

A detailed World Bank study (2000/2001) concluded that economic growth is crucial but often not sufficient to create conditions in which the world’s poorest people can improve their lives. But we also recognized the fundamental role of institutions and social changes to strength the development processes and the inclusion of poor people. The study made recommendations that the developing countries, governments at all levels, donor countries, international agencies, N.G.O.’s, civil society, and local communities mobilize behind three priority areas:

1. Opportunity: Expanding economic opportunity for poor people by stimulating economic growth, making markets work better for poor people and working for their inclusion, particularly by building up their assets, such as land and education (P.2.).

2. Empowerment: Strengthening the ability of poor people to shape decisions that affect their lives and removing discrimination based on gender, race, ethnically and social status (P.2.).
3. Security: Reducing poor people’s vulnerability to sickness, economic shocks, crop failure unemployment, natural disasters and violence and helping them cope when such misfortunes occur. Advances in these areas are complementary. Each is important in its own right and each
enhances the others. These priorities can allow the poor to have greater independence and security in their day-to-day lives: for example, (a) empowering women and other socially disadvantaged groups expand their range of economic opportunities, and (b) strengthening poor people’s organizations and their involvement in decision making processes enable them to press for improved services and for policy choices that respond to their needs. Finally, making poor people less vulnerable makes it easier for them to take advantage of potential market opportunities (P.2.). These priorities can allow the poor to have greater independence and security in their day to day lives, and would create opportunities to participate in the market.

Further, World Bank in World Development Report (2003) made the following suggestions to work with the problem of the poverty which involves cooperation at local, national and international levels.

1. New alliances are needed at the local, national and global levels to better address the problem of poverty. The burden for development must be shared widely.

2. Rich countries must further open their markets and cut agricultural subsidies that deplete income in third world farmers, and they must increase the flow of aids, medicines, and new technologies to developing countries.

3. Governments in the developing world in turn must become more accountable and transparent, and ensure that poor people are able to obtain secure large tenure, as well as access to education, health care, and other basic services. The burden of guaranteeing sustainable development must be shared locally, nationally, and globally.

4. Developing Countries need to promote participation and subscribe democracy; inclusiveness and transparency as they build the institutions, need to manage their resources.

5. Rich countries need to increase aid, cut poor country debts, their markets to developing countries exporters and help transfer technologies needed to prevent diseases, increase energy efficiency and bolster agricultural productivity.

6. Civil Society organizations contribute when they serve as a voice for dispersed interdependent provides independent verification of public, private and non-governmental performance.

7. Private firms contribute when they commit to sustainability in their daily operations, and create incentives to pursue their interests while advancing environmental and social objectives.

Lastly, the World Development Corporation (WDC) proposed a corporation of all multinational corporations to bring technology credit access to world markets and management know-how to improvised areas. Its projects would need to be subsidized at first but should become profitable in the long run. In addition, linking global corporations to local projects
would create profitable endeavors in order to reduce poverty permanently and irreversibly (Lodge 2002).

CONCLUSION

In sum, it can be concluded that globalization has significantly improved the world economy, but due to unbalanced and uneven economic growth the world’s social and poverty problems are magnified. The interconnectivity among world nations has created a need for a global collective action to combat the world poverty and create a humanitarian and sustainable global world in the 21st century. In order to make globalization sustainable and viable requires focus from below which involves interdependence at the grassroots level that aims to protect, restore, and nurture the environment; to enhance ordinary people’s access to the basic resources they need to live a dignified existence to democratize local, national, transnational political institutions, and to ease tensions and prevent violent conflict between power centers and authority structures (Brecher, Childs & Culter 1993).

BIBLIOGRAPHY


Biography

Shanta Sharma received her first M.A. in Political Science from Jabalpur University in India, and second M.A. in Sociology from Bowling Green State University, Ohio. PhD from Wayne State University, Michigan, and Post-doctoral from University of Michigan and Wayne State University. Shanta was a recipient of Fulbright Fellowship and was on Board of Fulbright Fellowship Committee in India. She received National Science Foundation, Department of Transportation, and Department of Education grants before came to Henderson State University. She taught at Wayne State University, Northern Michigan University, Shaw College, Alma College and University of Michigan, as an associate professor. In 1989 joined Henderson State University, and received, Faculty Excellent Award, two Faculty Merit Awards, President and Dean’s discretionary travel awards to present papers in International Organization. Since, 1989 Shanta has received 17 Faculty Research Awards, and a number of Faculty Development Awards. Chaired, organized and presented a number of papers in American Gerontological Scientific Society, Southern Gerontological Society, Mid-South Sociological Association, Southern Sociological Association, Michigan Sociological Association, and Arkansas Sociological and Anthropological Association. In 2002, Shanta was President of The Arkansas Sociological and Anthropological Association and since 2001 until 2004 was on Editorial Board of “Spectrum” which is a Mid-South Sociological Association Journal. Currently, she is a member of Women’s Committee, Minority Committee, and Professional Committee of Mid-Sociological Association, and Membership Committee of Southern Gerontological Society. Shanta has published numerous articles in professional journals; reviewed books, and abstracts for Gerontological Scientific Society, Southern Gerontological Society, and Southern Sociological Association.