

**Review Article**

# Globalisation Has Double Sides on Developing Countries: The Benefits and the Harm

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**Abstract:** Aim: To review and discuss the positive and negative effects of globalisation on different countries especially on developing countries. Methods: Professional articles including original researches, theoretical studies, reviews or reports which were published on journals or websites or released publicly by governments or international organisations were reviewed critically and discussed. Results: Globalisation is growing around the world and benefit to all the people. But the negative influences of globalisation on developing countries are also considered at present. Globalisation transfers human capital from developing countries to developed countries, and contributes to environmental degradation in developing countries. Conclusions: Despite the benefits of globalisation offers developing countries, severe brain drains and environmental devastation caused by globalisation have become major concerns and cannot be ignored for these countries.**Keywords:** Globalisation, Developing Country, Benefit, Harm

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## 1. Introduction

Globalisation is developing at an unprecedented speed and has penetrated into people's daily life with positive or negative influences in both developed and developing countries. Even through a tiny application on cell phones, people can connect with each other over the world. It is revealed [1] that more than 80% of the Facebook users are living outside America and millions of photographs are shared worldwide each day. In fact, globalisation is an ancient concept and phenomenon. Das [2] believes that the famous voyages of Columbus, de Gama and other explorers tied continents over long distances, and then world trade occurred. The modern globalisation experiences two periods. The first period happened during the 1870s when international trades blossomed due to the use of transportation such as steamship and telegraph technologies. Comparatively, changes of policy regimes such as liberalisation have started the second period of globalisation from 1980 till now. Nowadays, according to medical experts, even some world-wide chronic disease should be studied in a global view [3]. It seems that globalisation is defined as an economic interconnection, but Anheier et al [4] argue that

some immaterial things such as refugees, emigrants and spread of images and electronic texts are also political and social definitions of globalisation. In a recent study, the authors examine the impacts of globalisation and economic freedom on the economic growth of a group of 24 developing countries from the Latin America and Caribbean over a time span ranging from 1995 to 2015, and have found that globalisation has had a positive impact on the economic growth, and also a negative impact resulting from economic freedom on the economic growth of these countries in the long-run [5]. With those various definitions, experts attempt to determine whether globalisation influences developing countries positively or negatively. Some critics believe that globalisation offers developing countries professional knowledge from developed countries and assistance from international organisations. Though globalisation enables developing countries to join the world, it still causes serious problems such as brain drain and environmental devastation which are detrimental to the development of these developing countries. This article reviews the both sides of globalisation on developing countries.

## 2. Methods

*Google Scholar*, *Bing Academic*, and *SpringerLink* were used as search tools and literature sources. Some documents collected in *The Chifley Library*, *Australia National University* were also used as references. Closely relevant professional articles including original researches, theoretical studies, reviews or reports which were published on journals or websites or released publicly by governments or international organisations were reviewed critically and discussed.

## 3. Results and Discussion

### 3.1. Globalisation Transfers Human Capital from Developing Countries to Developed Countries

In recent years, an increasing number of students and educated workers leave their home countries for developed countries to study and work, which causes shortage of human resources. Dee [6] reveals that the number of students studying in developed countries has tripled in the past 25 years and reached 2.3million in 2004. Reasons for that are evident. Rębisz and Sikora [7] reports that 59% of Ukraine students believe that studying abroad in foreign universities contributes to their further education, and 44.6% of them argue that a foreign university background promotes the chance of being employed. Additionally, according to Rapoport [8], people now are experiencing a new type of migration which is mainly from developing countries to developed countries. Workers move to developed countries for good working and living environment. Approximately 50% of the African immigrants who move to Australia aim to avoid wars or unstable political situations in their home countries [9]. Still in Africa, there is a decrease of more than 20,000 qualified people per year according to the report from United Nations Educational Scientific and Cultural Organisation [10]. Both studying abroad and immigration of the talented deprive human capital in developing countries. Living standards in those countries then decline. In India, the density of doctors, nurses and midwives in total is only 12 health workers per 10,000 people, which does not beyond half of the World Health Organisation benchmark (25.4/10,000) [11]. As a result, some people in India cannot obtain adequate medical services and suffer considerably from kinds of diseases. Clearly, globalisation transfers human capital from developing countries to developed countries and consequently causes severe brain drain in developing countries.

### 3.2. Globalisation Contributes to Environmental Degradation in Developing Countries

Developing countries are integrating into the world market; they are also encountering environmental devastation such as oil over-exploitation and deforestation. In Nigeria, oil export constitutes 45% of the nation's gross domestic product [12]. With the great global demand for oil, oil in Nigeria is over exploited and unavoidable oil spillage, gas flaring and oil

waste dumping cause ecological pollution in this developing country [13]. Shaaban and Petinrin [14] blame gas flaring in the Niger Delta for generating greenhouse gases like nitrogen oxide and sulphur dioxide which cause acid rain. Ebegbulem et al [15] reveal that rainfall pH value in Port Harcourt, Nigeria, is between 4.86 and 5.22. Such acid rain reduces nutrients in soil and some crops such as cassava and maize are dying. Without sufficient production, socio-economic life is destroyed in Nigeria [16]. In addition, developing countries have to export raw natural materials such as wood and rubber because of the lack advanced technology and skilled labours. As a result, deforestation appears in these countries. Ometto, Aguiar and Martinelli [17] claim that the Amazon Basin in Brazil owns an extraordinary plant density. There are 50,000 plant species and over half of them are endemic. However, 8,230 km<sup>2</sup> of natural trees change into degraded forest, pastures and crop lands [18] and these changes directly cause species extinction. According to a recent study, there are complex relations between globalization, energy consumption, financial development, economic growth, and carbon dioxide emissions [19]. To sum up, in the context of globalisation, developing countries gain market openness by exporting oil and agricultural products while such methods generate environmental degradation which is detrimental to both humans and other living species in those countries.

### 3.3. Benefits of Globalisation to Developing Countries

Despite these disadvantages, some critics argue that globalisation benefits developing countries. Firstly, they believe that globalisation promotes academic exchange among countries. In Tamil Nadu, Southern India, farmers with the utilization of mobile technology can reduce cost by applying seeds and soil recommended on the website by experts from other countries [20]. However, this opinion is based on the assumption that developing countries are equipped with advanced technologies. Actually, it is reported that more than 4 billion people from developing countries cannot use internet, and two thirds of the population in sub-Saharan Africa even have no electricity [21]. These mean some developing countries are marginalised from the world [22] while others are developing fast with worldwide communications. Secondly, opponents maintain that in the context of globalisation, several world organisations are established to solve issues for developing countries. For example, Commission for Sustainable Development (CSD) seems to have provided China with some policies and opportunities to discuss environmental issues [23]. It may be true that participation in world organisations offers developing countries various solutions on environmental problems, but according to Yasamis [24], most world organisations, such as the World Bank and the World Trade Organisation (WTO), concern little about the global environment. Heggelund and Backer [23] claim that the continuing degeneration of China's environment and depletion of natural resources attribute to its economic growth since China joined WTO in 2001 and participated in international trades. As a result, these world organisations contribute little to environmental issues in

developing countries. On the other hand, local culture cannot be influenced easily under globalisation. For instance, marriage settlement still exists in African countries, even the form of it has a minor change [25]. On the whole, globalisation deepens the development inequality and accelerates environmental destruction in developing countries.

## 4. Conclusions

Despite the global engagement globalisation offers developing countries, severe brain drains and environmental devastation caused by globalisation have become major concerns and cannot be ignored. Migration of students and professionals has depleted valuable intellectual resources in developing countries. It has also been shown that the destruction of environment such as oil-exploitation and deforestation is threatening the developing countries with acid rain and species extinction. While opponents believe that globalisation transfers professional knowledge from industrialised countries to developing countries. Also, they believe that some international organisations may help developing countries solve environmental problems under globalisation. Nevertheless, electricity and the internet are inaccessible to numerous residents in developing countries and many worldwide organisations are unable to eliminate and even worsen environmental problems. To change these negative situations, it is suggested that governments in the world should increase the reward for skilled workers, reduce the wage gap between developed and developing countries to encourage skilled workers to contribute to their homeland development. Education about internet or mobile technology should be popularised and local governments should establish more funds to let people access to the intelligent world conveniently. Awareness of environmental protection should be improved individually. Enactment of relative laws to prevent the public from destroying the already polluted environment is also highly recommended. In conclusion, the different opinions on this issue would exist for a long time, but the discuss on it will help people to try to balance the benefit and harm of globalisation on developing or developed countries.

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