Economic Globalization And Its Impact On Economic Development

With the rapid development of science and technology and economic standards, international trade, investment and cooperation, and the rapid expansion of the Internet, economic globalisation has intensified and become the mainstream of world economic development, optimising the industrial structure, promoting the competitiveness of the world market, facilitating the restructuring of the world economy, increasing international coordination, improving bilateral relations, and providing more opportunities for developing countries in particular. Attracting foreign investment, access to technology, and management experience has eased employment conflicts (Milanovic, 2016). However, the most serious drawback of globalisation has been the widening of the gap between rich and poor. Anti-globalisation activists argue that the economic transition in developing countries has been shaken by decades of economic globalisation, which has led to ecological degradation and increased inequality and poverty, as well as imbalances in economic development and increased market competition and ethnic conflict. It was also argued that the entry of large amounts of foreign capital could trigger an international crisis and at the same time create inequalities in domestic income distribution (Mahutga, 2017).

Economists have different perspectives on the impact of economic globalisation. Economist Branko Milanovic notes that income levels in developing countries have risen over the past two decades, with the biggest gains coming from the emerging middle classes in countries such as China, India, Indonesia, and Brazil. But the lower and middle classes in high-income countries have suffered from stagnant real incomes (Milanovic, 2016). Angus Deaton, Nobel laureate in economics, points out that globalisation has brought greater income inequality, but much of the increase in income inequality has been welcome. He noted, for example, that in manufacturing, back-office services, and software development, giving China and India opportunities that have benefited millions of people. He argued that inequality had also increased to some extent in developed countries, but that this reflected better opportunities in another way, which come from changes from national to global markets. He stressed that these were patterns of progress and that to blame such inequalities was to blame progress itself (Deaton, 2016). Elhanan Helpman, an Israeli economist, indicated that trade liberalisation has had some negative effects on income inequality, there are also disparities among workers in rich countries in the distribution of wages by skill level, but the magnitude of these effects is relatively small (Helpman, 2018).

The liberal advocates for human community and works to promote cooperative relationships between nations, emphasising that the development of democracy and markets are important features of a nation's ability to maintain international relations, that humans as fundamental actors are fully capable of improving the political, economic, and social environment, and that through the spread of liberal democracy and market social relations, an economic community is formed in which nations are interdependent, cooperative and mutually beneficial. (Joseph, 2018). The liberal view is that with frequent positive interactions between countries, bilateral cooperation in various fields is on the rise, not only to maintain their respective national interests, but also to eliminate conflicts and wars, while improving the economic well-being and, more importantly, to promote world peace and prosperity (Joseph, 2018).

After the end of the Second World War, the economic factor has become increasingly important in international relations, cross-border economic activities and organisations have increased significantly, and the effective allocation of resources on a larger scale has become a strategic objective of cooperation among countries around the world. At the same time, the developed countries, by virtue of their great economic strength, have committed themselves to promoting trade relations as a means of building international and bilateral relations, and these initiatives have served as a model for developing countries. (Mahutga, 2017).

Marxists, in contrast to liberals, argued that economic relations determined social and political relations, that economic inequalities persisted and grew in the context of globalisation and international cooperation, and that in the international system, the rich industrial countries of the West had a vested interest, while the developing countries and regions were impoverished and people, especially the poor, had little or no access to the benefits of trade, investment, and finance. benefit from it (Joseph, 2018). Marxists believe that there is a disparity between the value of labour and wages, that labour profits are exploited by capitalism, and that workers do not receive the same reward for their efforts, and therefore advocate the overthrow of the capitalist class through the Industrial Revolution to change this (Joseph, 2018).

From an objective point of view, economic globalisation is both an opportunity and a challenge. Since the 1990s, the trend towards economic globalisation has expanded considerably, thus having a significant impact on the world economy and increasing the interdependence of national economies, forcing conceptual innovation, especially in terms of demonstrating the importance of the role of globalisation in the development of the world economy. For developing countries, the traditional concept of economic and trade interests between countries dares to challenge, and so presents both opportunities and challenges (Deaton, 2016). At present, economic globalisation has shown great vitality and has a tremendous impact on all economic, political, military, social, and cultural aspects of the world, including the way of thinking, and it has become an established fact that there is no alternative but to actively participate in adapting to it.

Against the backdrop of globalisation, developed countries have been shifting their labour- and resource-intensive industries to developing countries, mainly China, since the 1980s, and the rate of such shifts has increased sharply over the past few decades, prompting developing countries to attract large amounts of foreign investment in the world; economic globalisation, in particular, has fuelled China's transformation and accelerated its integration with the world, but China's rapid growth will, on the contrary, exacerbate global income inequality (Milanovic, 2016). On the face of it, China's large population is a hindrance to economic development, but it is an advantage. For example, since the implementation of the open-door policy and economic reforms by former Chinese leader Deng Xiaoping in the 1980s, China has grown from an exporter of primary commodities to an important supplier of intensive goods to the world market and is now the world's second-largest economy after the United States. The pressure on domestic employment is persistent and chronic, and the gap between the rich and the poor remains serious. On the other hand, after China joined the World Trade Organisation in 2001, it signed several commitments, but many of its commitments have yet to be implemented. As a result, American President Donald Trump questioned the fairness and legitimacy of the World Trade Organisation during his election campaign and waged a trade war from the start of his administration, demanding that trade agreements be renegotiated to end unfair trade, as well as raising tariffs on Chinese products to demand further implementation of China's commitments (Politi., 2020).

Economic globalisation is still prevalent in the 21st century and is irreversible, but the problem of uneven development still exists, which affects different types of countries in the world universally and brings them unequal benefits. For poor developing countries in Africa and South-East Asia, it is difficult to obtain direct investment from transnational corporations, which keeps their economies in stagnation and prevents them from developing (Milanovic, 2016). Therefore, on the premise of reducing environmental costs, it is extremely important to reshape the global economic order and rules so that the fruits of economic globalisation can benefit the world, which is also related to the transformation of the global governance system, and the rich countries with the strongest economic power should take up the responsibility to assist the poor countries in their economic development, so as to promote the sustainable development of economic globalisation, balance its benefits and risks, and reduce inequality.