

Impacts of Globalization on the Developing Countries

ALEŠ KOCOUREK
ales.kocourek@tul.cz

Structure of the Course

1) Definitions of the Main Concepts

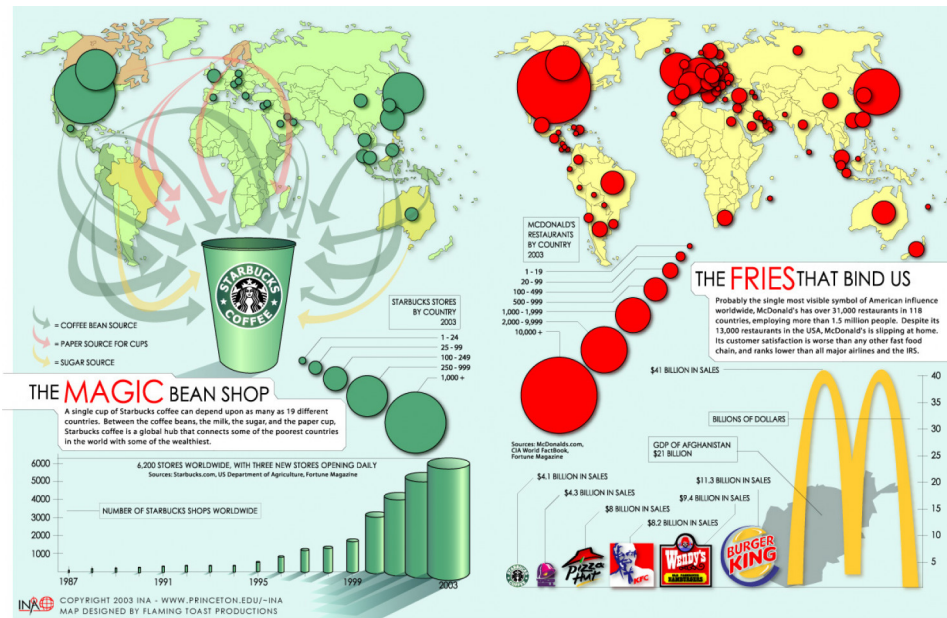
- Developing Countries vs. Developed Market Economies
- Theories of Economic Development

2) Globalization

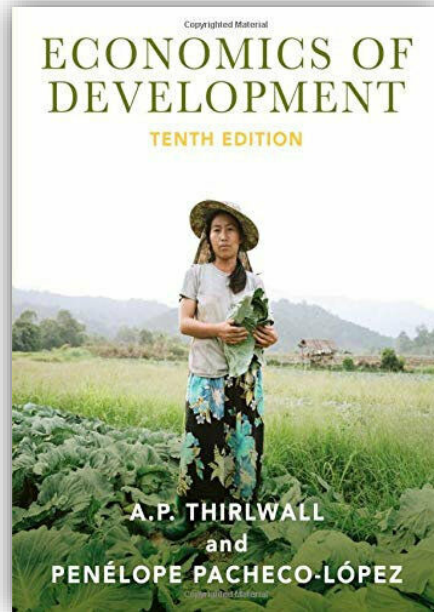
- Causes and Outcomes of Globalization
- Global Issues

3) Impacts of Globalization on the Developing Countries

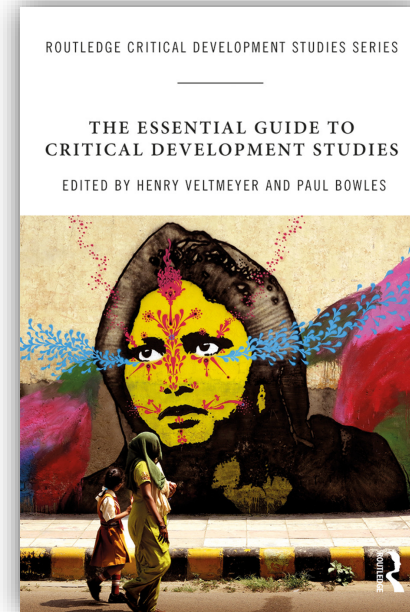
- Case Studies



Literature



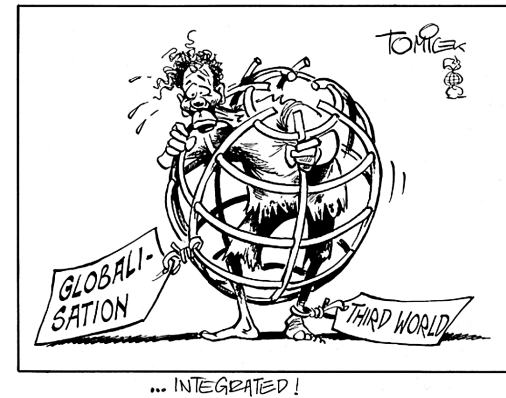
THIRLWALL, Anthony P. and Penélope PACHECO-LÓPEZ. 2017. *Economics of Development: Theory and Evidence*. London, UK. ISBN 9781137577948.



VELTMEYER, Henry and Paul BOWLES. eds. 2017. *The Essential Guide to Critical Development Studies*. Oxford, UK. ISBN 9781138049970.

Requirements for Students

- 1) Work hard. [Study systematically](#). Be [online](#) on time.
- 2) [Choose the right topic](#) of your presentation.
- 3) Prepare a presentation for 20–30 minutes on the selected topic.
- 4) [Submit the presentation](#) by March 31st, 2021.
- 5) Give the presentation during the April lectures. **Be original!**
- 6) Get the total score for the submitted presentation and for the way you perform it at the lecture.
- 7) Improve your score by a short written test (10 questions, multiple-choice) on May 5th, 2021.

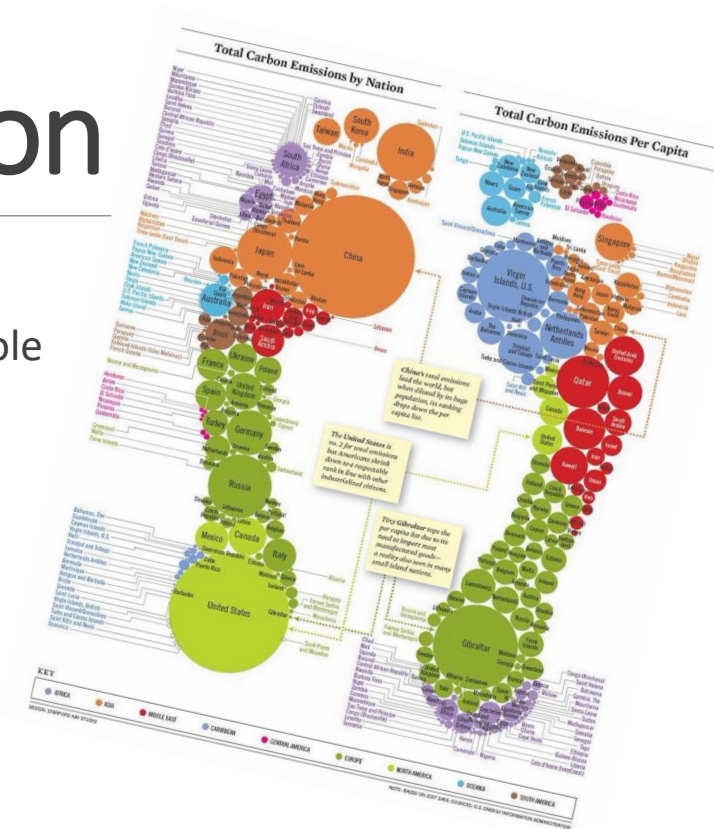


Students' Presentation

- 1) **The first part** will be focused on the share of the whole group of countries on:
 - the global population,
 - the global area,
 - the global GDP,
 - the global exports,
 - the global imports,
 - the global foreign direct investment,
 - the global debt,
 - the global CO₂ production, etc.

It should also introduce the specific properties and characteristics of this particular group of countries with respect to the name of the group.

- 2) **The second part** of the presentation should be devoted to **interesting, unusual, unique** case studies showing the impacts of globalization in any (one or more) of the listed countries. The case studies should explain the main links (the chain of causes and consequences) that led to a positive or a negative impact of globalization on the economy, society or environment of the country.



Definitions of the Main Concepts

Developing Countries

Take the term 'developing country', which refers to countries that are lacking in development, whether or not they are actually 'developing' in an understandable sense. The usage clearly does confound the need for development with its occurrence – it is like defining a hungry person 'eating'.

→ *Amartya Sen*



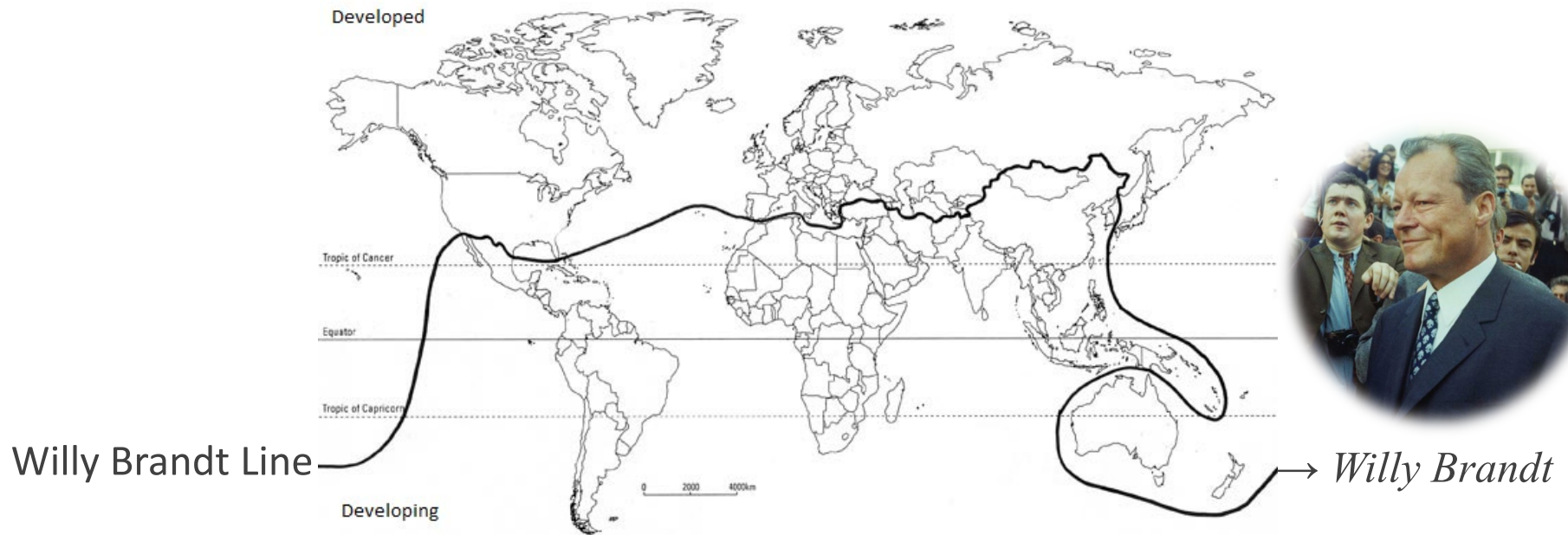
Developing Countries

- Rise of the „third world“ in the 1950's and 1960's when the colonial domination broke down and the national liberation movements lead to independence in many African and Asian countries.
- Historically → 1st world = North Atlantic Treaty
→ 2nd world = Warsaw Pact
→ 3rd world = Other countries
- Since then → backward countries
→ less developed countries
→ underdeveloped countries
- Later on a) developing countries
 b) developed market economies



Developing Countries

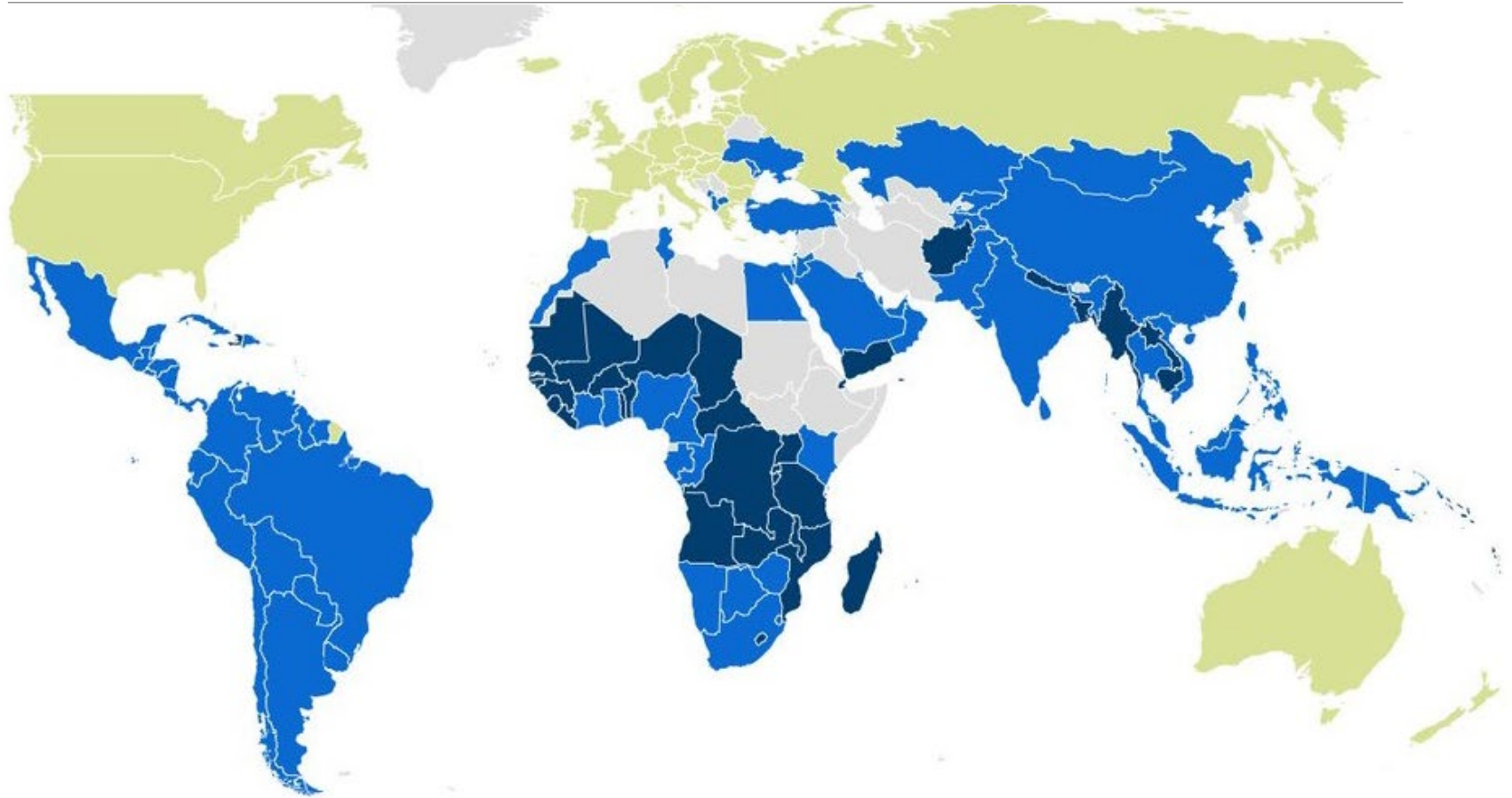
- In 1980's, attempts to divide the world to the North and the South and keep the terminology emotionally neutral and politically correct.



Developing Countries

- No definition: World Trade Organization
 - A country is classified as a developing one when it considers itself for a developing country.

Developing Countries

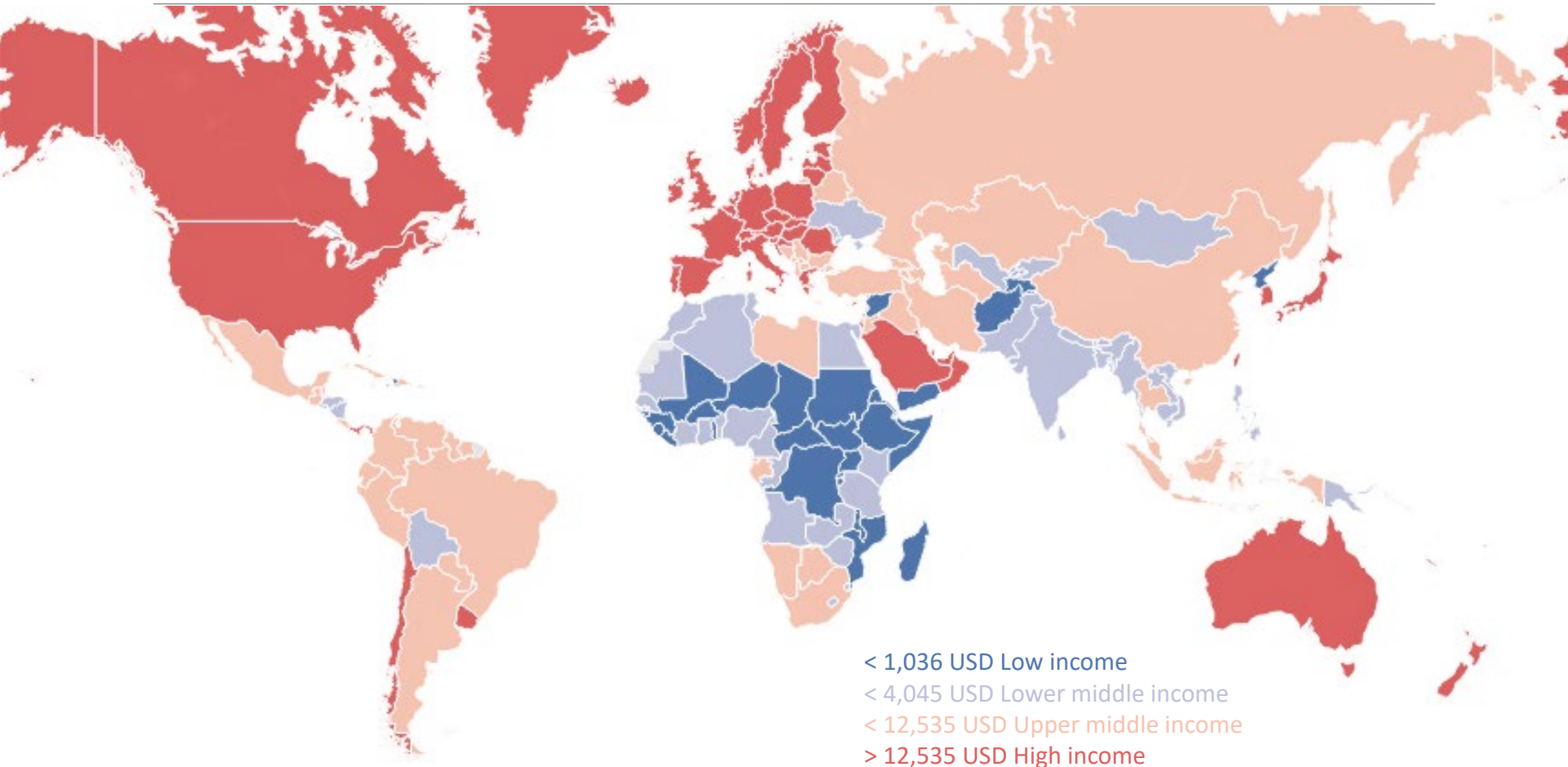


WTO members identifying themselves as [developing countries](#) / least developed

Developing Countries

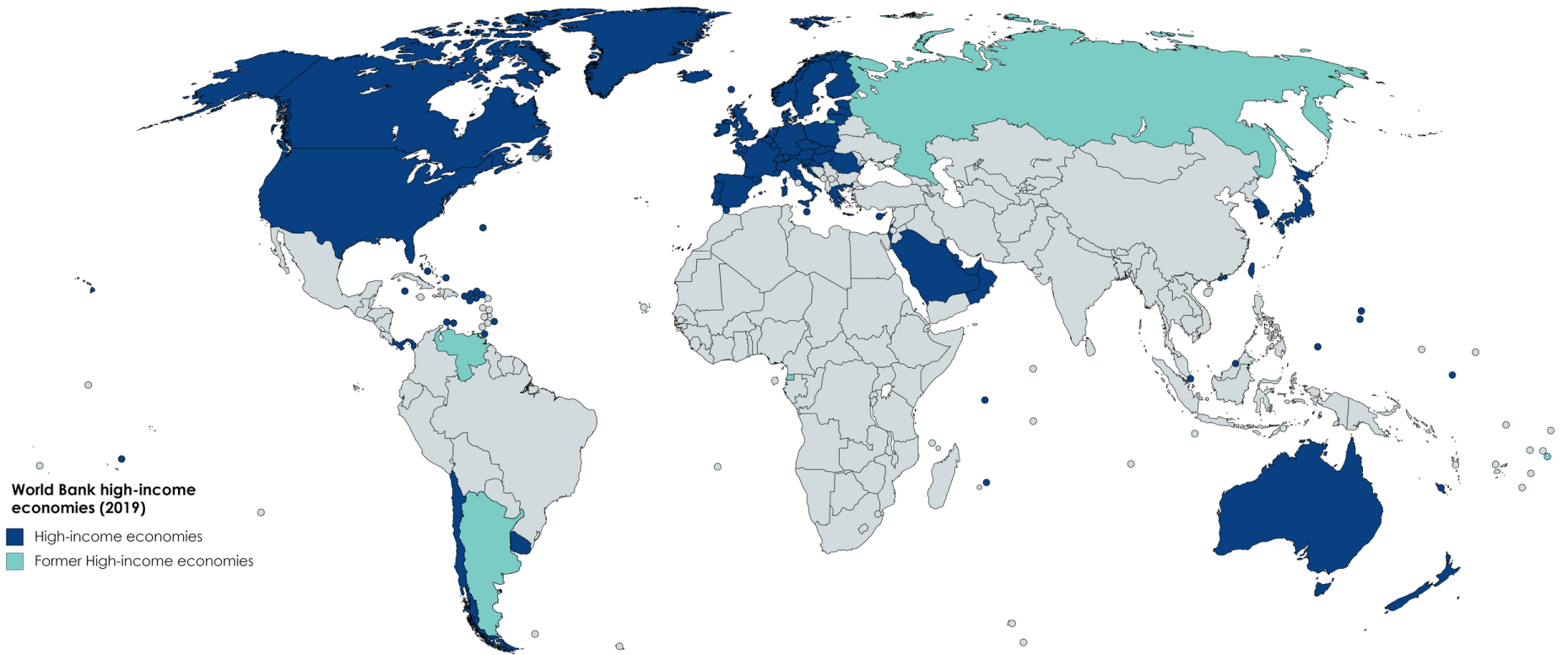
- No definition: World Trade Organization
 - A country is classified as a developing one when it considers itself for a developing country.
 - Wide definition: World Bank Group
 - A country is classified as a developing one when its GNI per Capita is lower than 12,535 USD (for the fiscal year 2020/2021)
 - Low income < 1,036 USD
 - Lower-middle income 1,036 USD – 4,045 USD
 - Upper-middle income 4,046 USD – 12,535 USD
 - High income > 12,535 USD
- } **developing countries**
- = developed market economies

Developing Countries



< 1,036 USD Low income
< 4,045 USD Lower middle income
< 12,535 USD Upper middle income
> 12,535 USD High income

Developed Market Economies



Countries with GNI per Capita higher than 12,535 USD = developed market economies

Developing Countries

- No definition: World Trade Organization
 - A country is classified as a developing one when it considers itself for a developing country.
- Wide definition: World Bank Group
 - A country is classified as a developing one when its GNI per Capita is lower than 12,535 USD.
- Narrow definition: United Nations
 - A country is classified as a developing one when:
 - it is a former colony
 - it has a low GDP, large share of which is generated in the primary sector
 - it is dependent on the developed market economies (usually formal colonial powers) in international trade

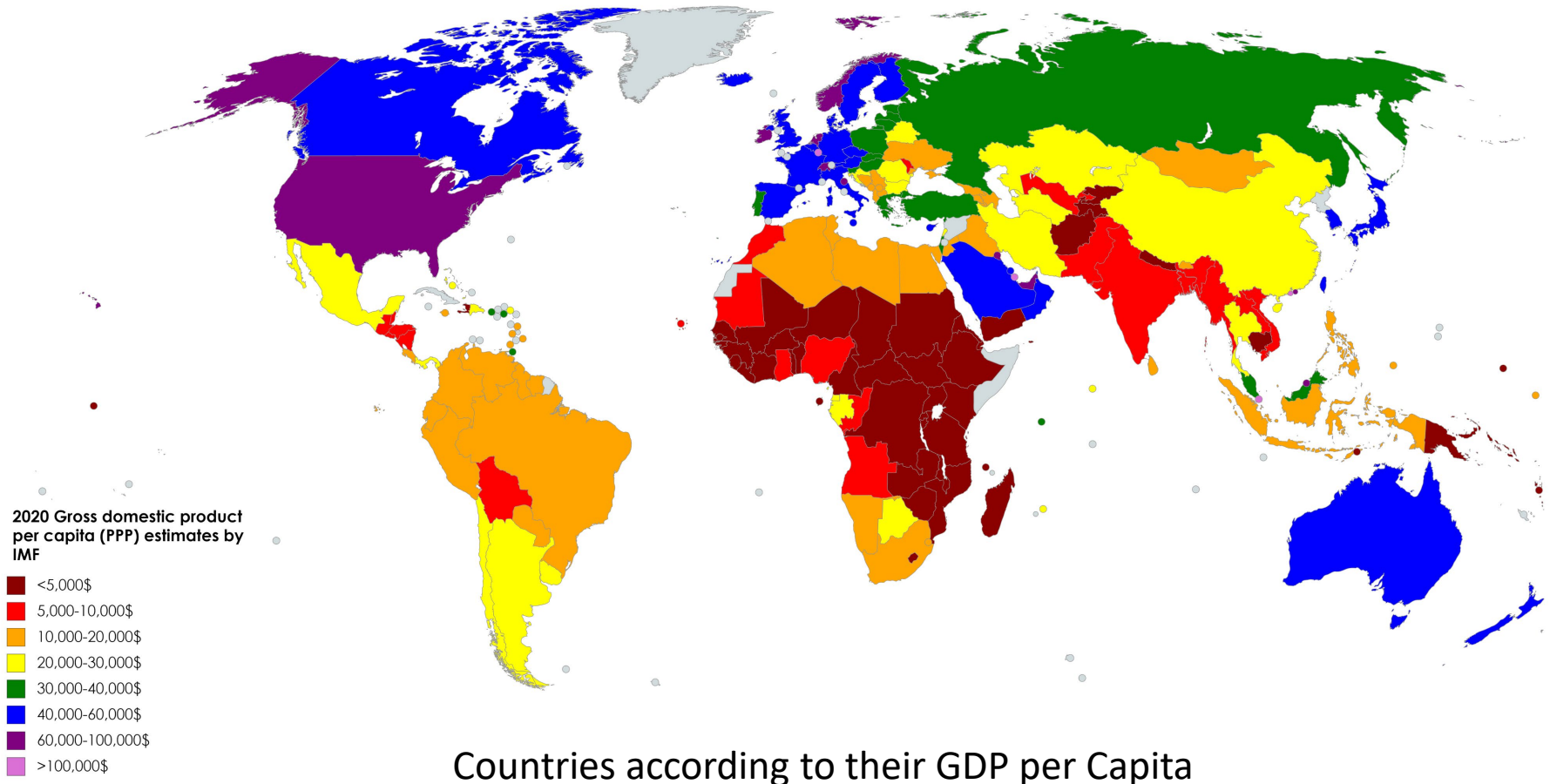
Developing Countries

List of countries that have gained independence from the United Kingdom

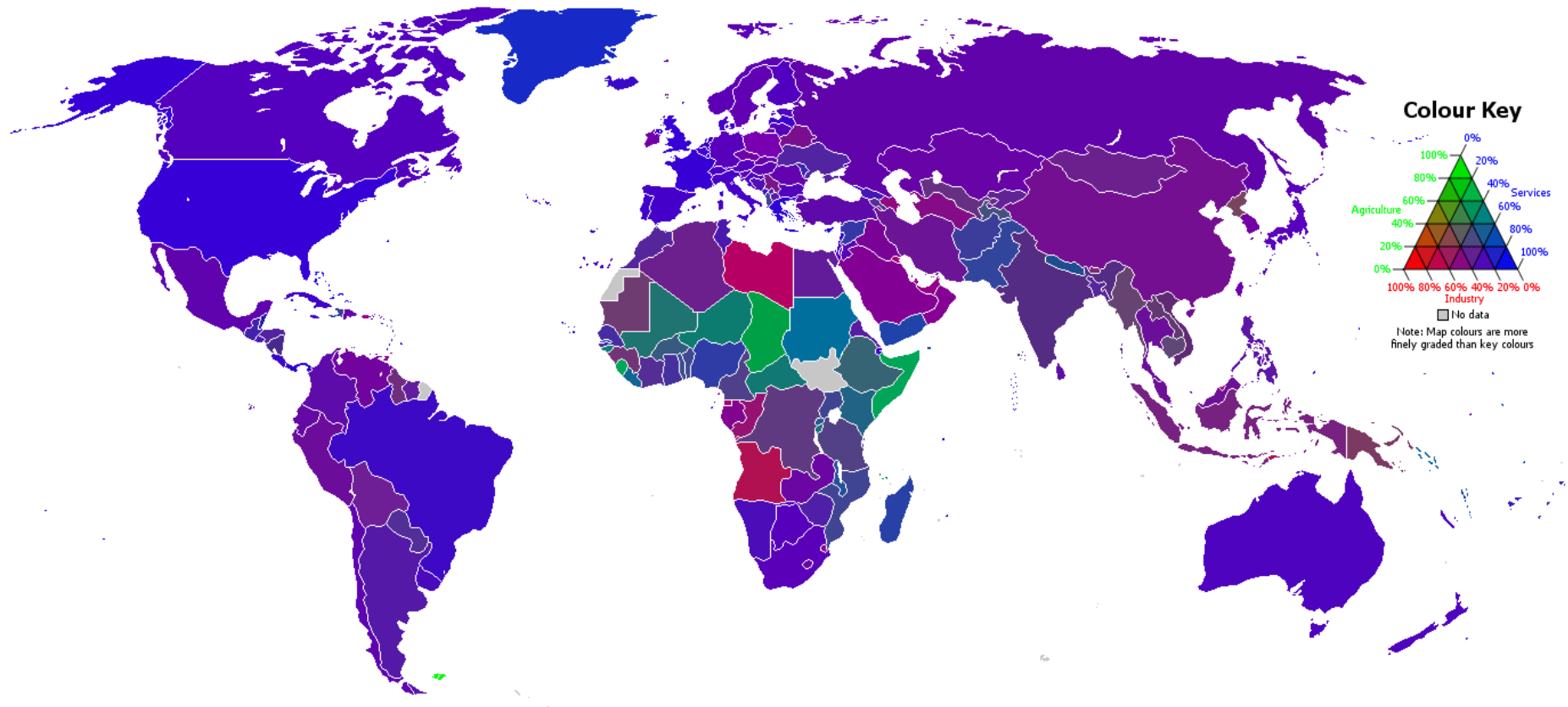


Former British Colonies and the Year of Their Independence

Developing Countries

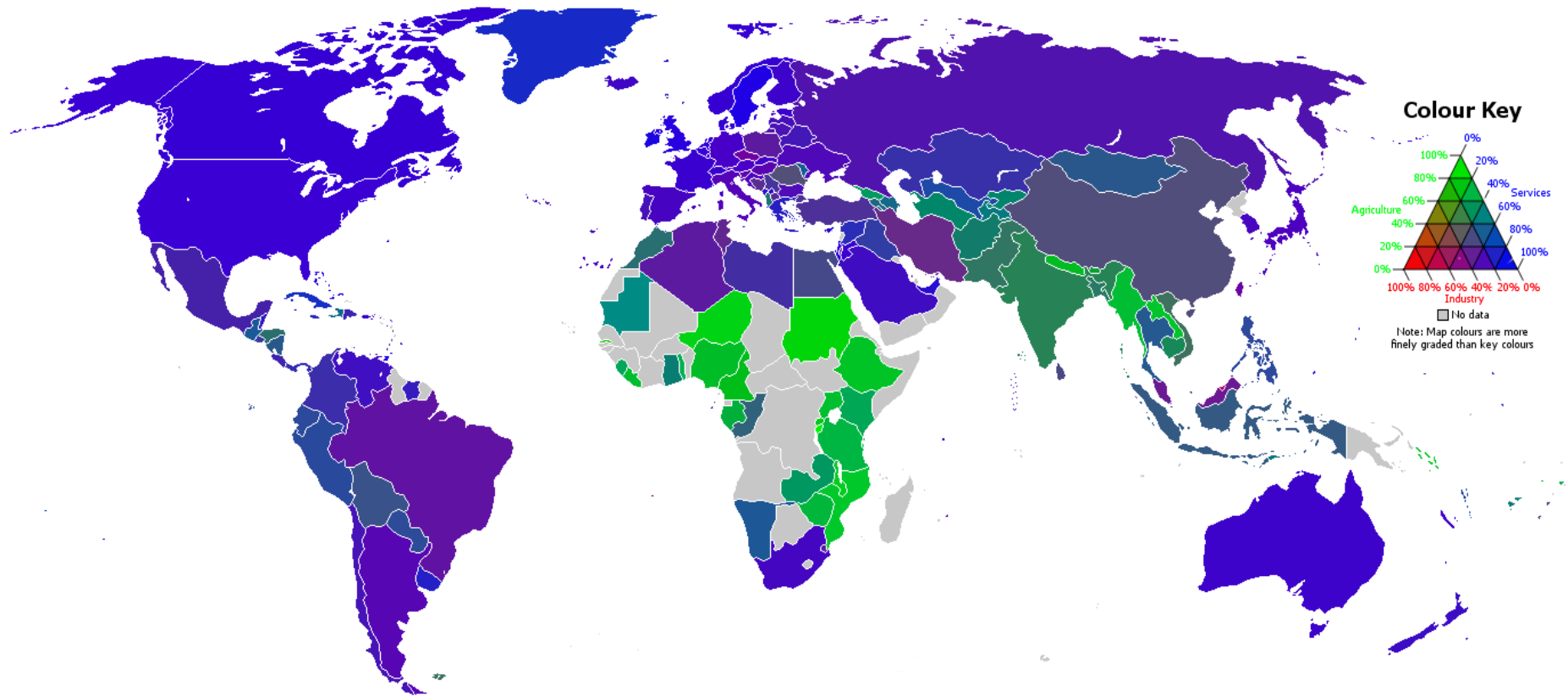


Developing Countries



GDP Structure by Sector

Developing Countries

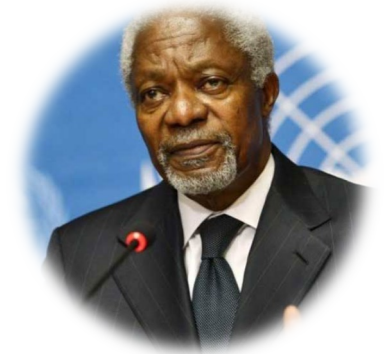


Employment Structure by Sector

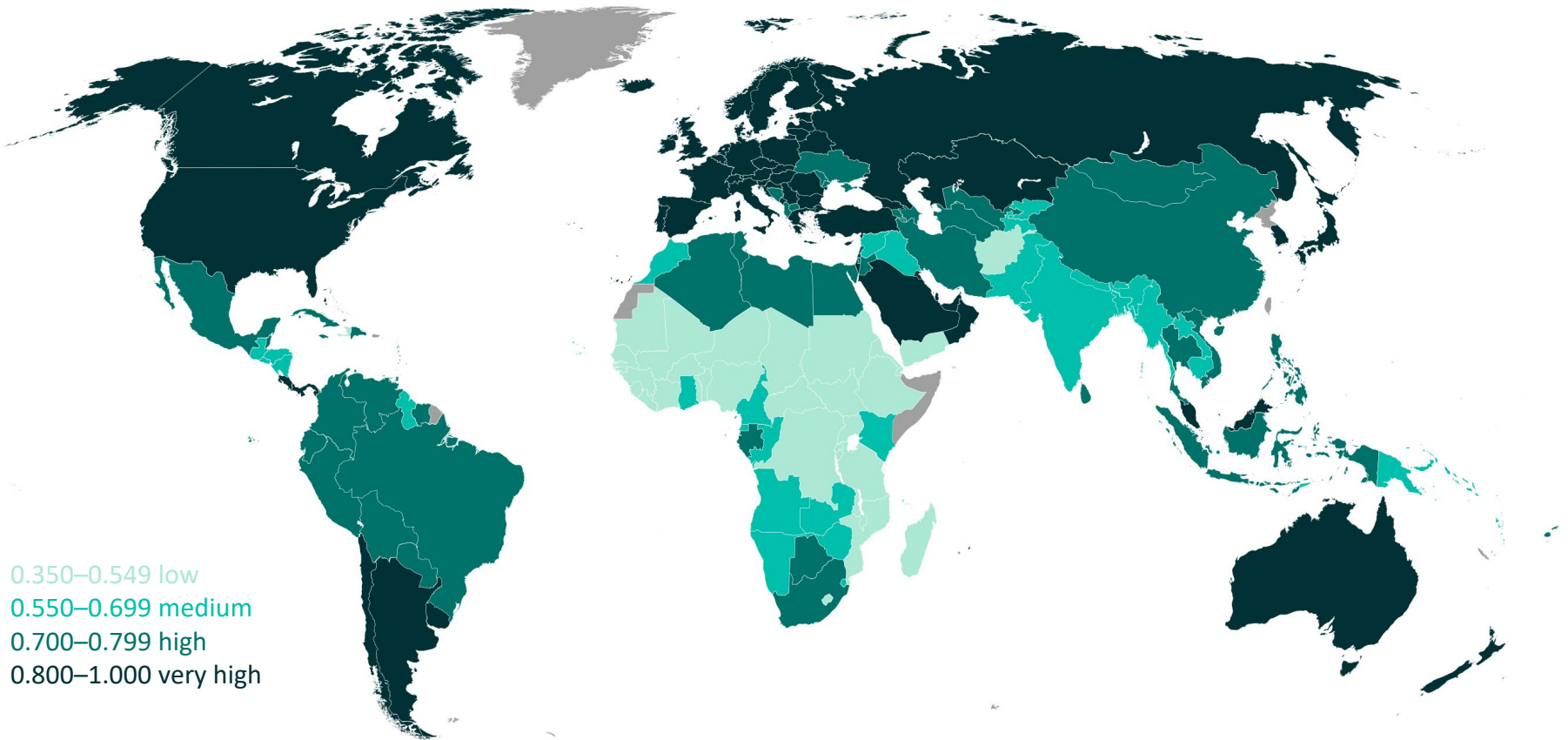
Developing Countries

A developed country is the *"one that allows all its citizens to enjoy a free and healthy life in a safe environment"*.

→ *Kofi Annan*

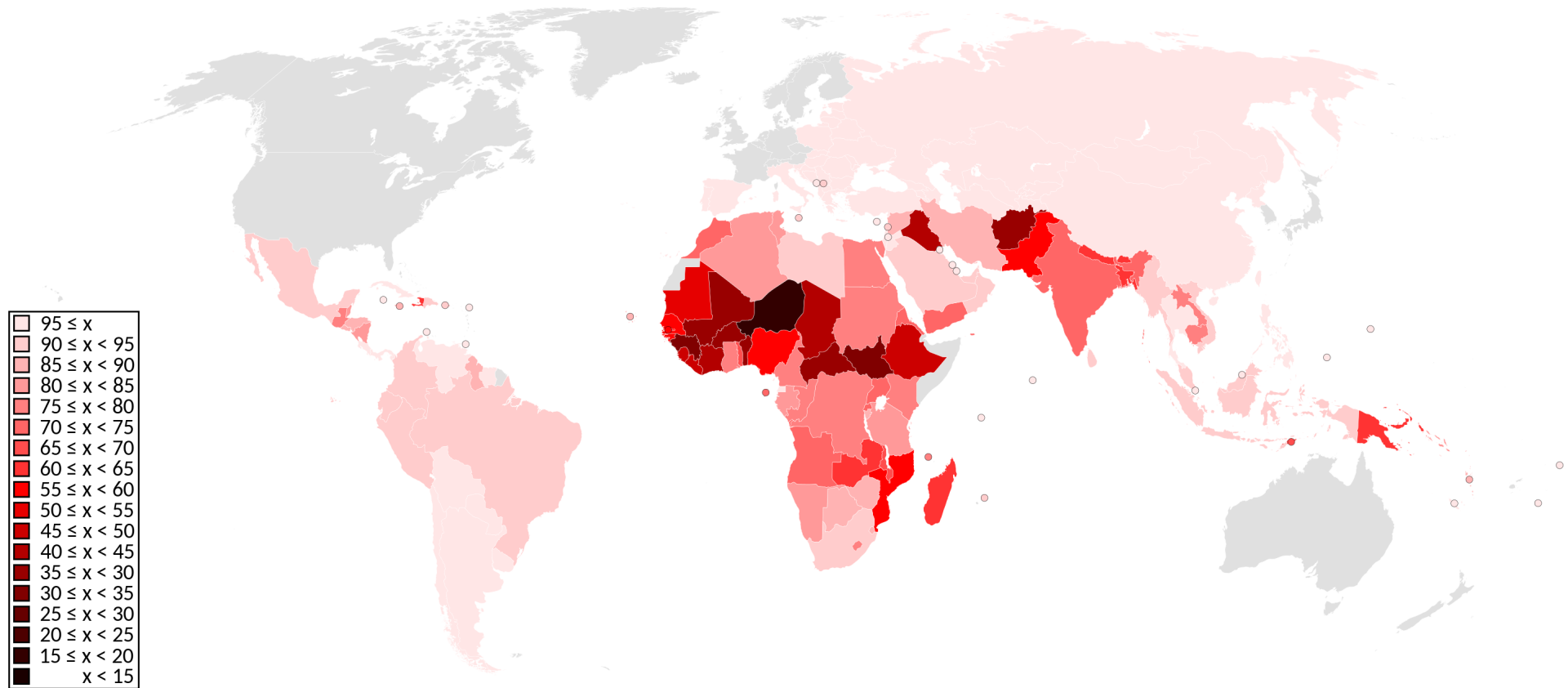


Developing Countries



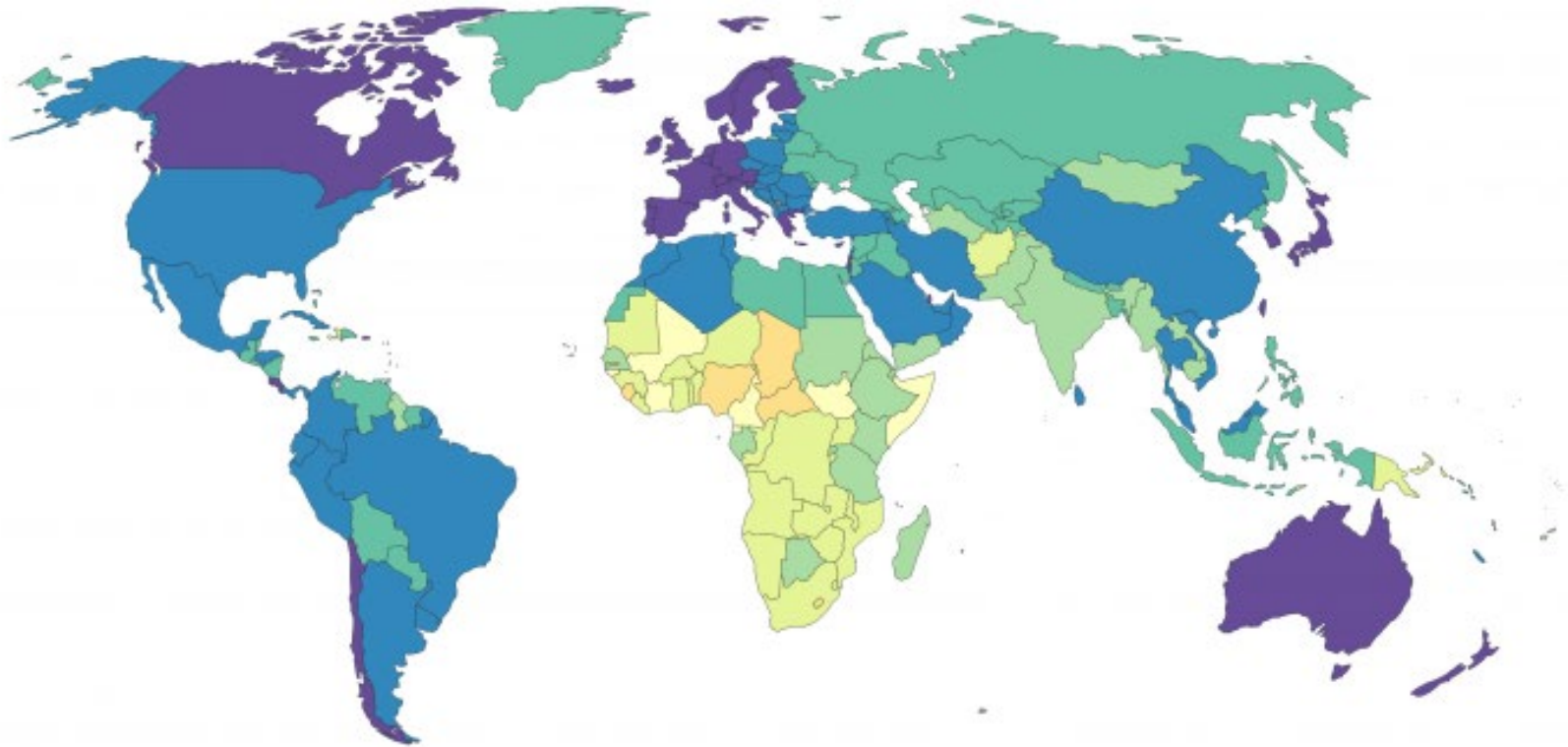
Countries according to their Human Development Index

Developing Countries



Countries according to their Literacy Rates

Developing Countries



Countries according to their Life Expectancy at Birth



Developing Countries

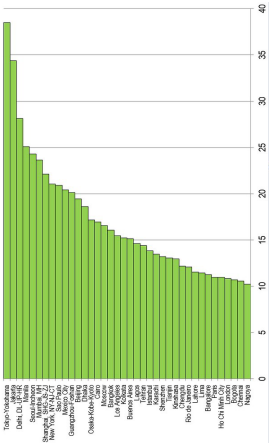
■ **Common Challenges:**

- Poor governance, corruption, political instability
- Education, illiteracy, gender gap
- Health care, public health
- Population growth, high fertility rates, high infant mortality rates
- Pollution, water, hygiene, sanitation
- Poverty, vulnerability to external changes/shocks
- Energy inefficiency, environmental issues
- Low foreign exchange earnings, reliance on raw exports

Developing Countries

- A very colorful list of countries with often dramatically different economies and societies.
- Access to resources and to technology has a strong influence on economic development and also on the living standard.
- Education and health care are two main prerequisites for building human capital of a country.
- Urban/Rural population ratio often corresponds with the country's level of development.

Developing Countries

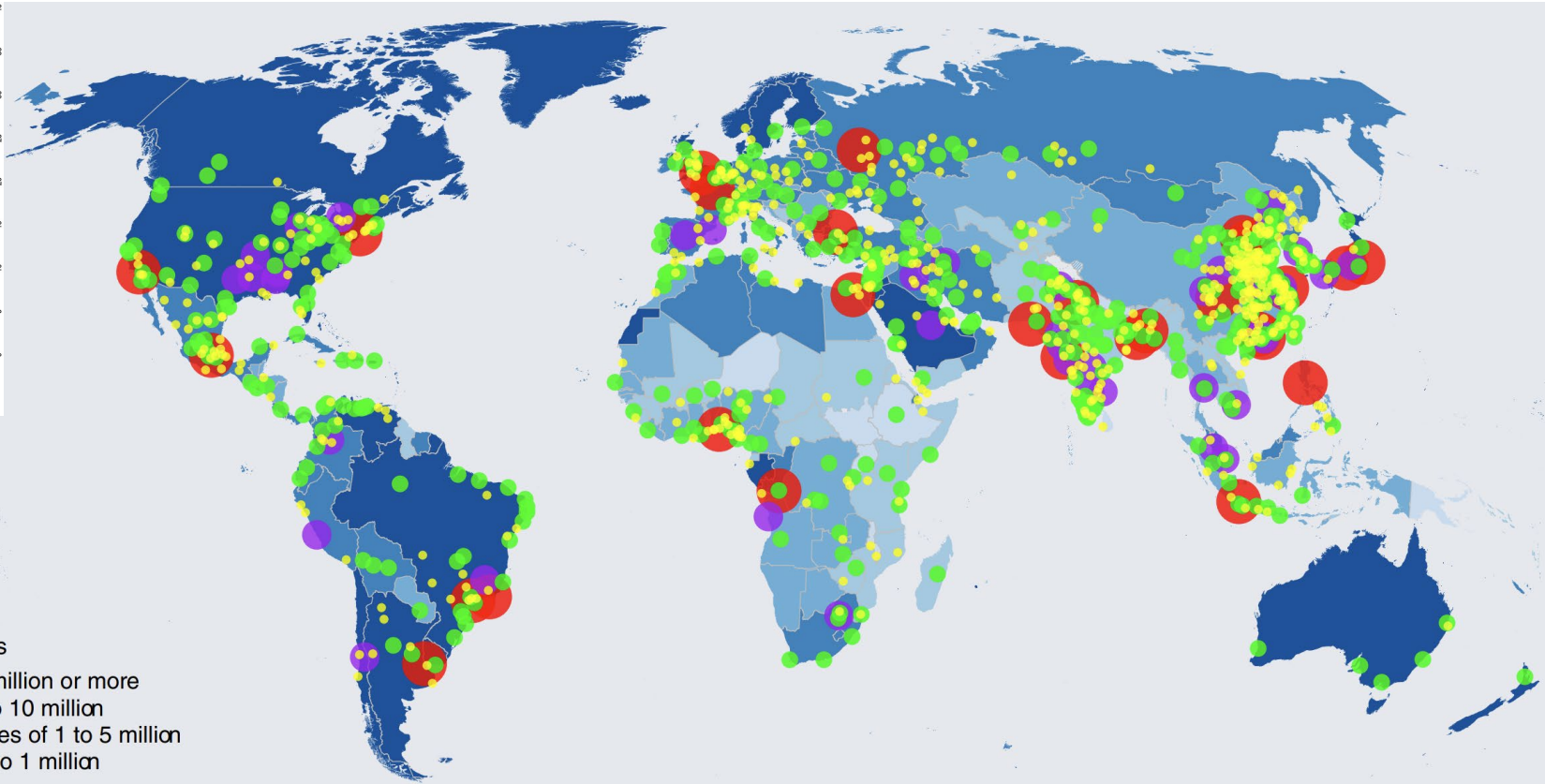


Percentage urban

- 80 or over
- 60 to 80
- 40 to 60
- 20 to 40
- Less than 20

Urban agglomerations

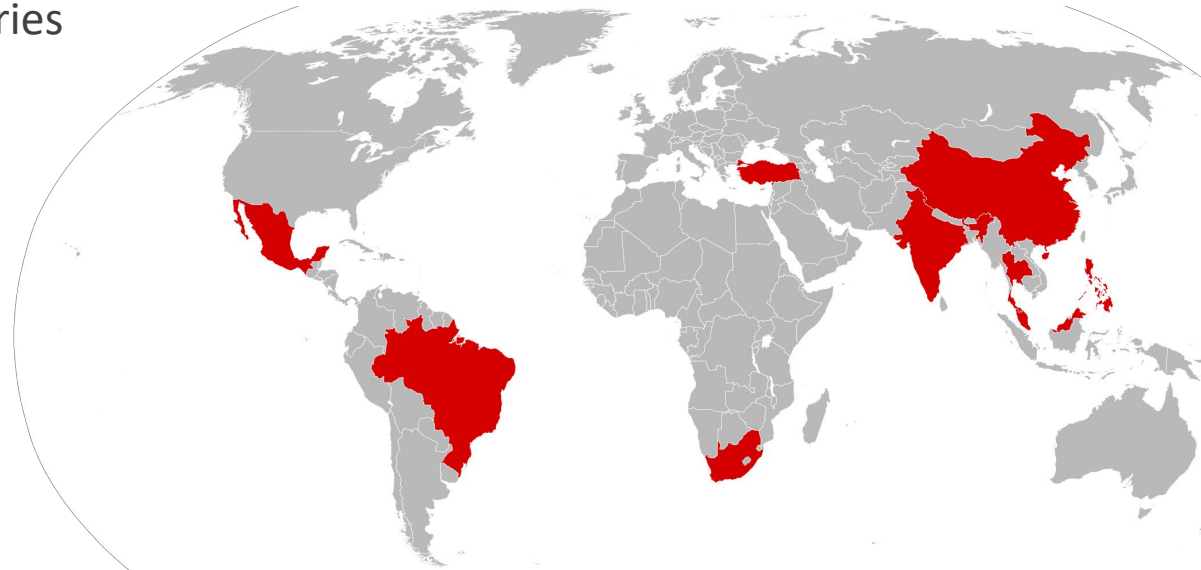
- Megacities of 10 million or more
- Large cities of 5 to 10 million
- Medium-sized cities of 1 to 5 million
- Cities of 500 000 to 1 million



Urban Agglomerations across the World

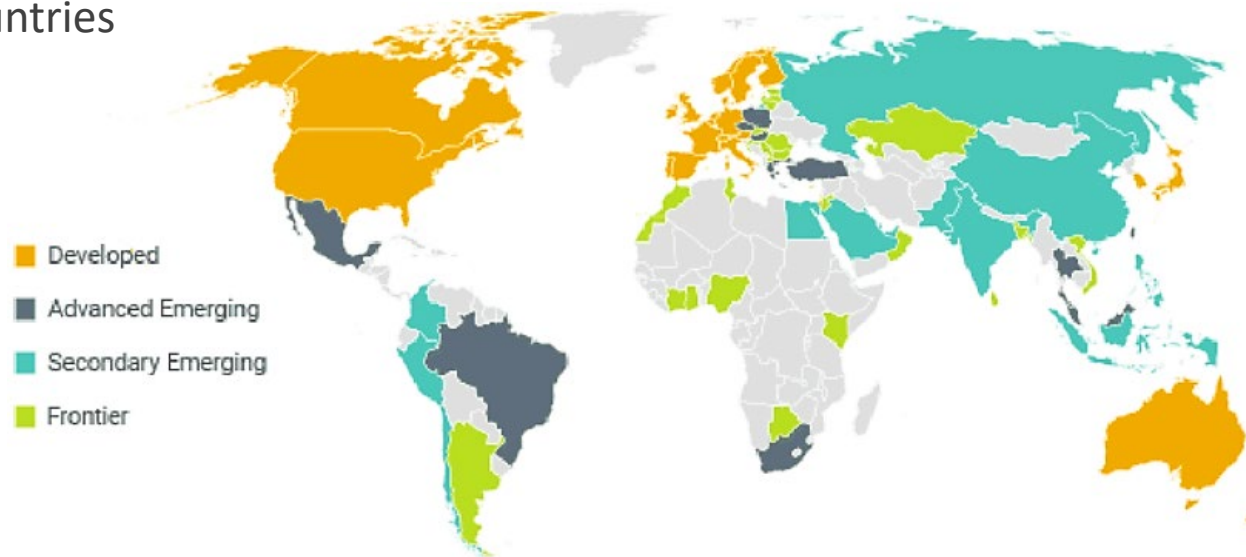
Developing Countries

- Classification by market development and economic growth:
 - **Newly industrialized countries**
 - Emerging markets
 - Frontier markets
 - Least developed countries



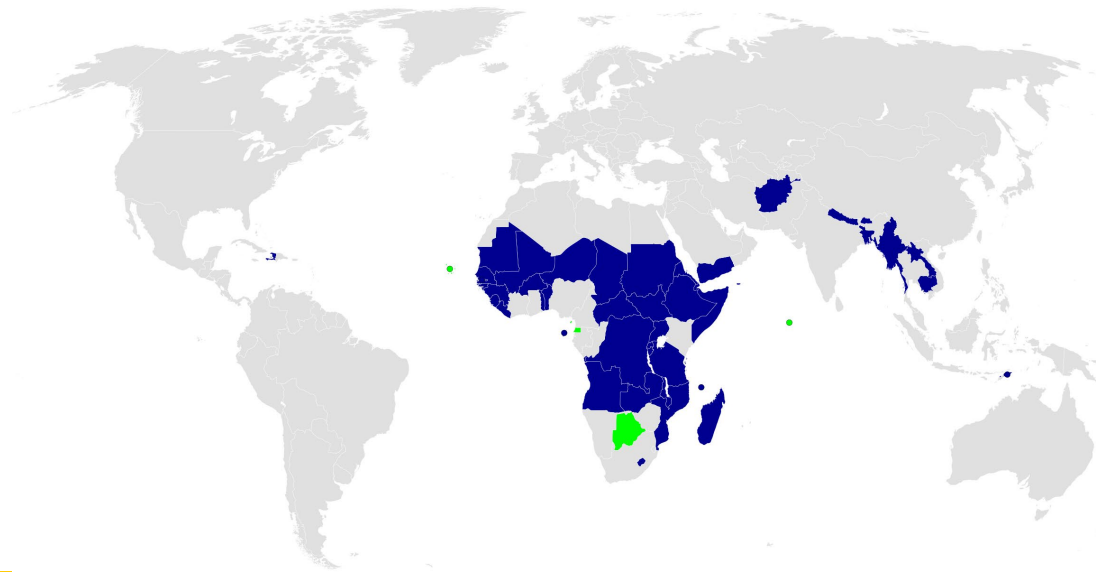
Developing Countries

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Developing Countries

- Classification by market development and economic growth:
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 - **Least developed countries**



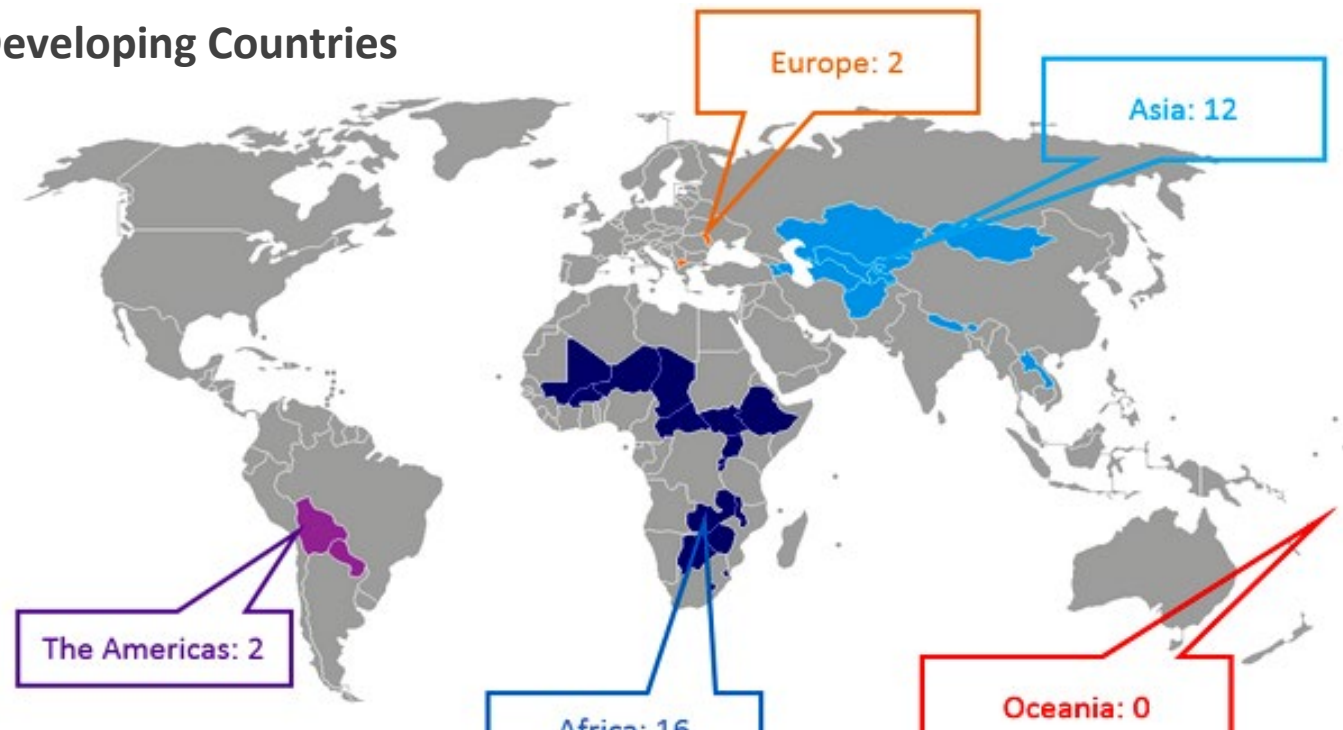
Developing Countries

- Classification by geographical predispositions:
 - **Small Island Developing States**
 - **Landlocked Developing Countries**



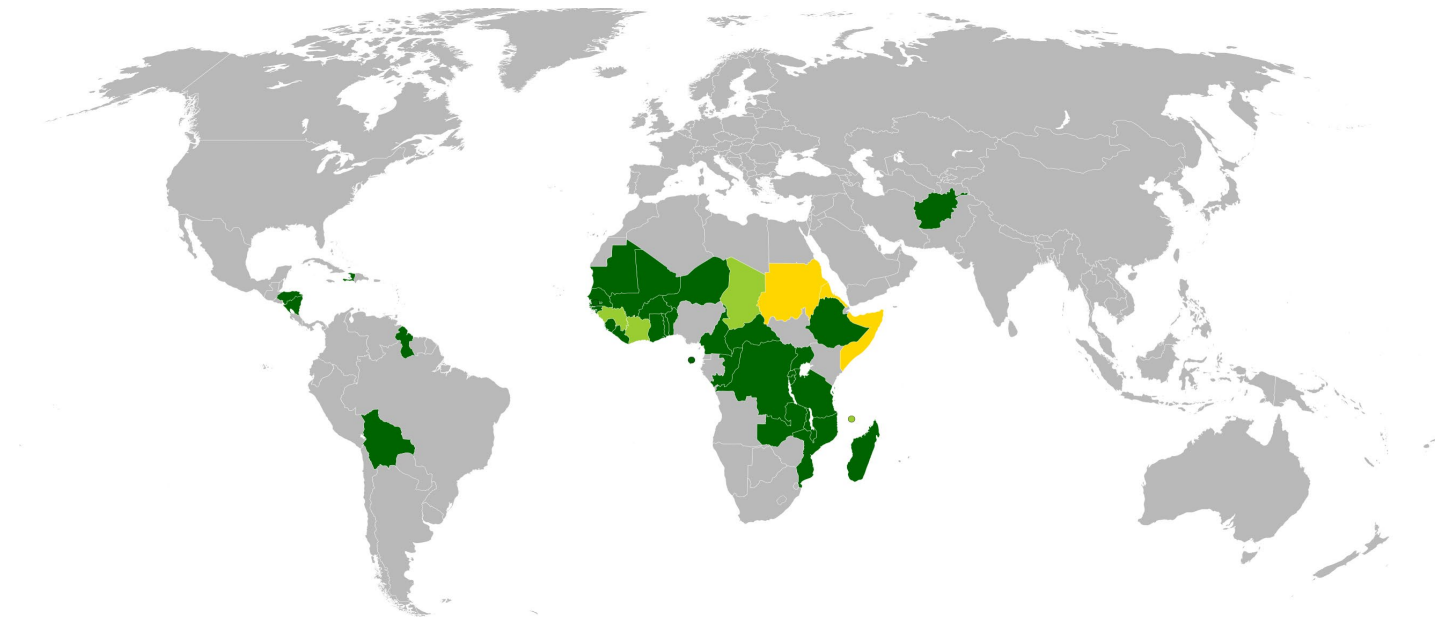
Developing Countries

- Classification by geographical predispositions:
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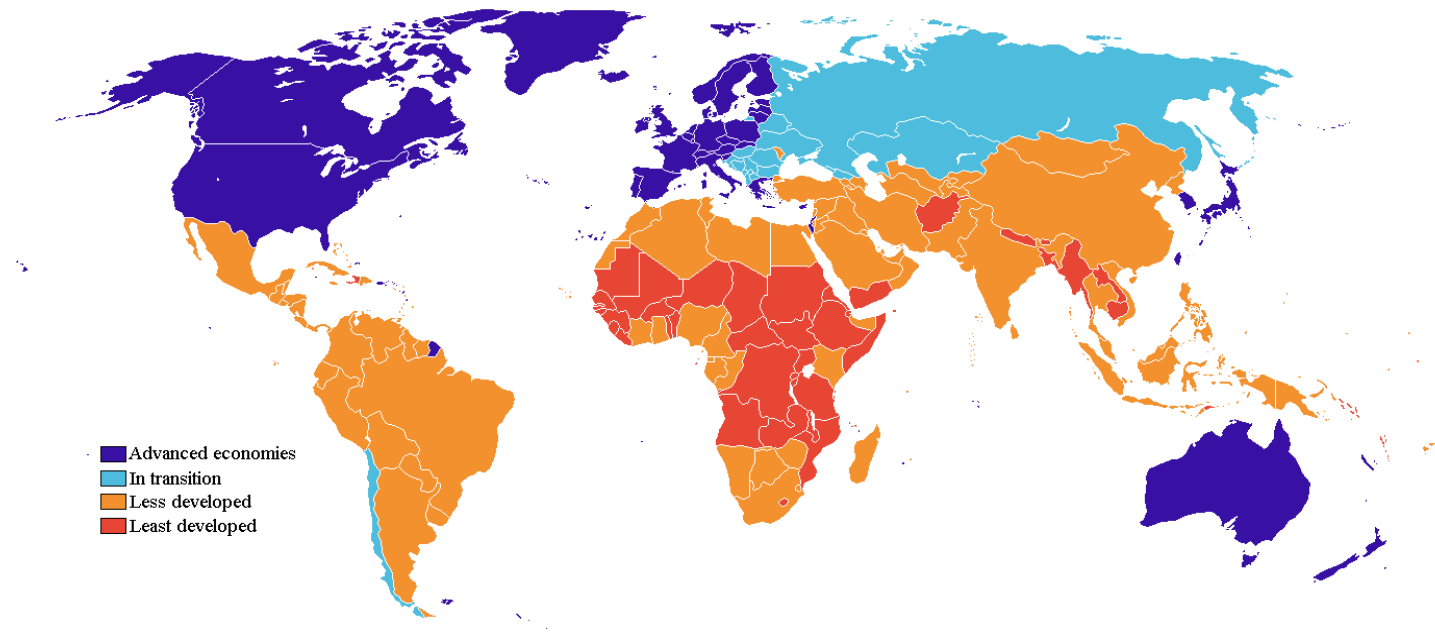
Developing Countries

- Classification by structural parameters:
 - **Heavily Indebted Poor Countries**



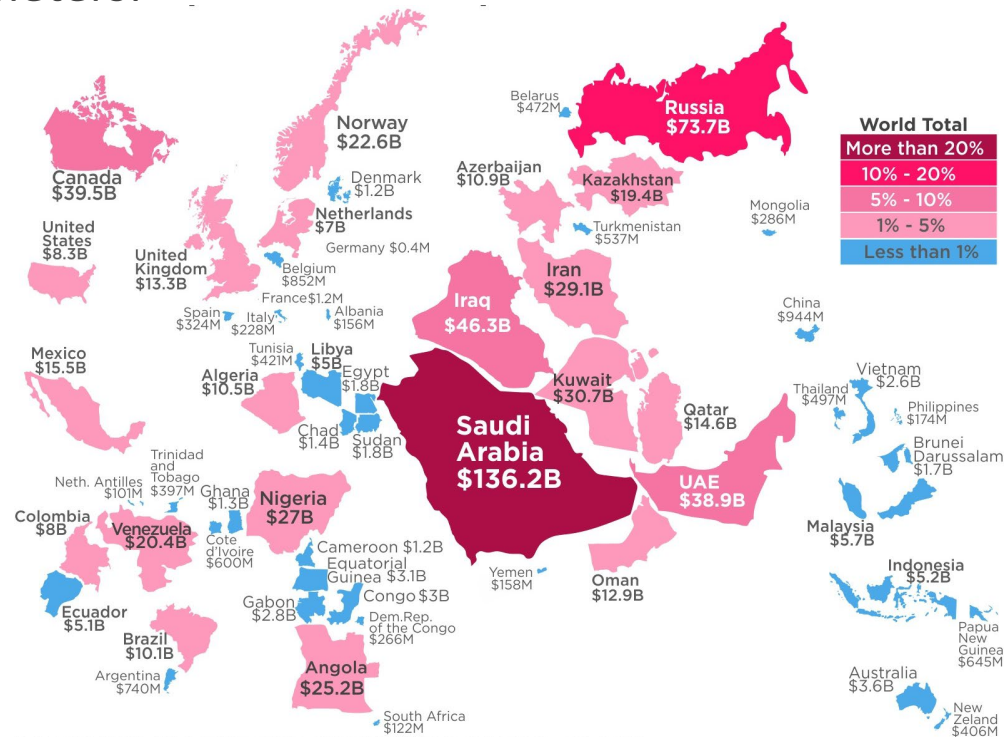
Developing Countries

- Classification by structural parameters:
 - Heavily Indebted Poor Countries
 - **Transition Economies**



Developing Countries

- Classification by structural parameters:
 - Heavily Indebted Poor Countries
 - Transition Economies
 - Oil-Exporting Countries



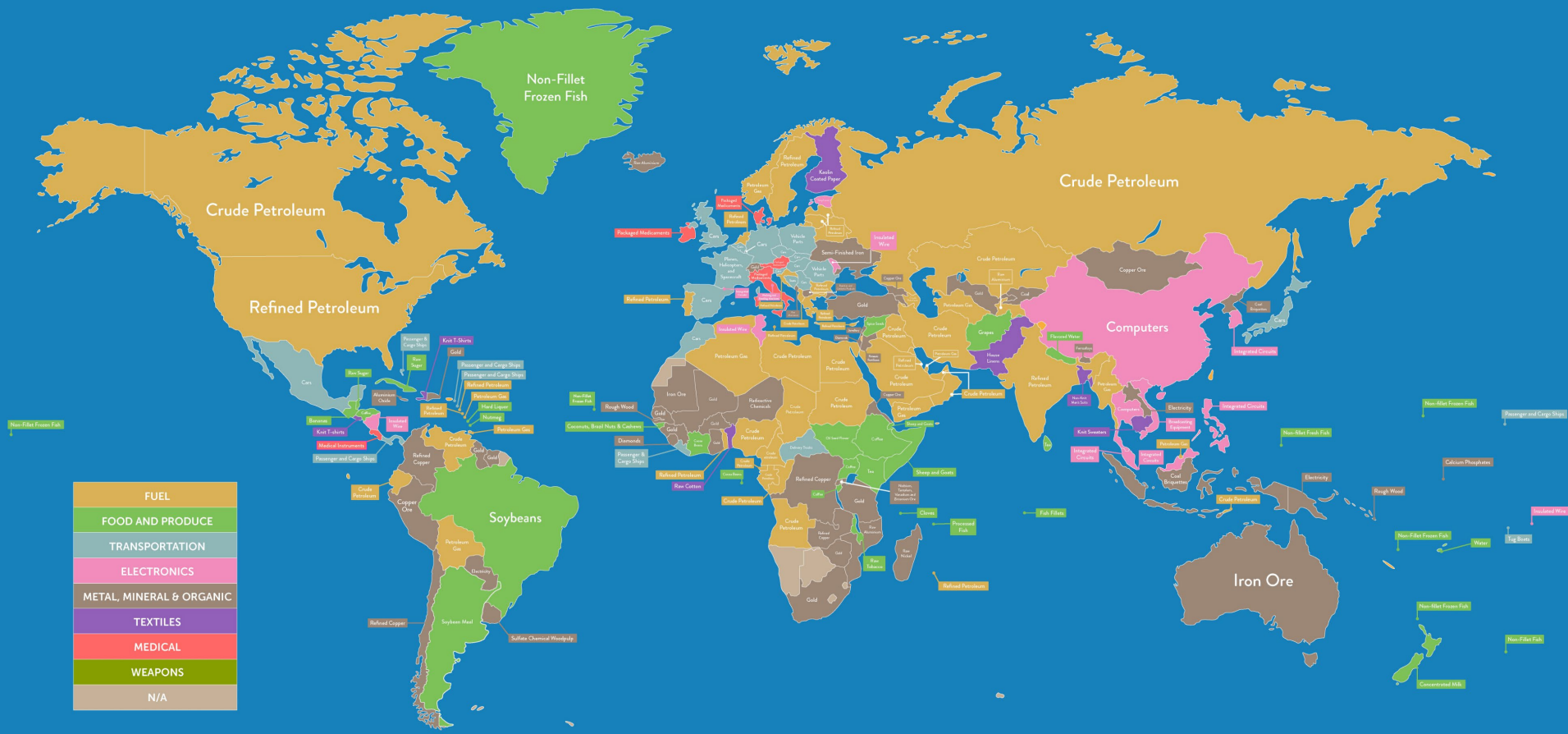
World Total
More than 20%
10% - 20%
5% - 10%
1% - 5%
Less than 1%

How to read this map: Countries appear bigger as their crude oil exports are higher. E.g. Saudi Arabia. Conversely, countries with smaller crude oil exports appear smaller. E.g. South Africa. The colour shows the percentage of total of crude oil exports.
Source and Article:
<https://howmuch.net/articles/world-map-of-crude-oil-exports-2016>
<http://www.worldstoexports.com/worlds-top-oil-exports-country/>

Developing Countries

- Classification by structural parameters:
 - Heavily Indebted Poor Countries
 - Transition Economies
 - **Oil-Exporting Countries**
 - **Mineral-Resource Exporting Countries**
 - **Agricultural Producing Countries**

Every Country's **BIGGEST EXPORTS**



FUEL
FOOD AND PRODUCE
TRANSPORTATION
ELECTRONICS
METAL, MINERAL & ORGANIC
TEXTILES
MEDICAL
WEAPONS
N/A

See you next week!
