

What would be the global benefit?

[Sociology](#), [Poverty](#)



The gap between the 'haves' and the 'have nots' has been growing steadily over time. The statistics are heartrending. Of the world's adult population, 2% own greater than 50% of the world's household wealth. Additionally, the upper 1% of the world's adult population, as of the year 2000, owned about 40% of all the world's assets. Further, 10% of the world's richest people account for 85% of the world's wealth. Sadly, the bottom 50% of the world's adult population only manages 1% of the world's wealth.

These statistics can only be described as dismal (Davies, Sandstrom, Shorrocks & Wolff, 2006). According to the World Economic and Social Survey carried out in the year 2006, the growth of the world's developing countries is dependent on domestic policies as well as the regional environment and global economic environment (Reducing International Inequality, 2006). Since it was found that developing countries are growing at a much less rate than their developed counterparts as far as technological advances are concerned, changes need to be made to make growth and development feasible.

These developing countries are finding it difficult to come up with new activities that will strengthen the country's economy (Reducing International Inequality, 2006). Some of the changes that need to be made include the following: There is a need for macroeconomic stability which does not just mean low inflation, but includes the avoidance of fluctuations in business cycles as well as financial crises and external imbalances. This will increase investment and encourage growth within the country (Reducing International Inequality, 2006).

The developing countries will also need to create new institutional reforms, guarantee property rights and create new markets. Institutional frameworks and regulations that are needful for the flourishing of markets must also be provided. The necessary public resources to ensure a thriving market should be put in place and rules must be fair across the board (Reducing International Inequality, 2006). Globalization has done a great job of opening up governments to the idea of a free-market. This in turn has opened up new opportunities in global trade as well as investment.

With new markets comes a new potential for production to meet the demand, hence more income for the individual and the country (What is globalization?). Globalization may help reduce the economic imbalances by renegotiating barriers that may be there in commerce, thereby establishing favorable agreements that will encourage trade in services, goods and investment. This is great for fostering foreign partnership with different corporations setting up shop in a developing country of choice bringing, employment opportunities and skills transfer to the people of the land which they can use in the future.

This then increases their household wealth and raises the standards of the people closing the inequality gap. Technology also has a great role to play. The internet for instance has made it possible for many people in developing countries to engage in e-commerce (What is globalization?). This has transformed the economic lives of many people, especially computer literate youth. The advantages of information technology are vast and touch the lives of investors, consumers and businesses. People in any nation are able

to learn about opportunities in a timely manner, which allows them to pursue the said opportunities faster.

Additionally, the analysis of economic trends is faster. Collaboration and communication with partners in far away countries is instant and assets can be transferred at the click of a button. All these are ways that globalization opens up developing countries to opportunities all over the world and if maximized, these opportunities can lead to economic uplifting. (What is globalization?). One cannot forget those that have no access to the internet though, or cannot afford it. According to the World Development Report 2007, majority of the world's poor depend on agriculture for their livelihood.

75% of the poor people in the world live in rural areas, of these 86% are dependent on agriculture (Boyne, 2007). Therefore one cannot speak of the development of wealth and equality without addressing the issue of agriculture. According to this report, in order to meet the millennium development goal of reducing poverty and hunger by 50% by the year 2015 in these poor developing countries, agricultural development is a must. In order to make agriculture the mainstay of rural development it is important that the local authorities in any country make the environment suitable and supportive.

Additionally, fair rules trade both nationally and internationally must be established, mitigating climatic changes as well as adopting to them and benefiting the poor (Boyne, 2007). The US being counted among the developed and richest countries in the world is often called upon to assist or give aid to countries that are less fortunate. The money used for such funding is gained from the American tax payer. If the nations of the world were more

stable due to equality in wealth distribution, it goes without saying that many of those countries would require only a fraction of the said funding or none at all.

The US could then use the funds to carry out other projects or fund social programs such as welfare for those within the country that need the help. Additionally, social security funds would not be used to fund other programs leading to a deficit and fear as the baby boomers reach retirement age. More funding would go into research, fortifying the military or homeland defense, as well as many other projects that would be beneficial to the country. This would ease political tensions and bickering and allow elected officials to work without distraction.

Internationally, it would enable to worlds countries to interact as equals. The dominance asserted by the nations lending aid to poor countries would cease. This would reduce anti American sentiment in many of these poor nations. The opening of global markets is the best way to deal with the issue of unequal wealth distribution. Setting fair international trade regulations will be of great benefit towards this endeavor and agriculture, the main livelihood of the very poor, must be addressed.

Benefits of this will be enormous to the US as it will enable the country to retain majority, if not all donor funds which can then be utilized for the benefits of the American people, who earned the money in the first place.

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