

# Effects of globalization on economies of developing nations

[Business](#)



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Globalization is defined as the continued integration of overseas nations and markets. Globalization in developing nations has been a topic of discussion since people have different perceptions of it. It has both negative and positive effects depending on the economic level of the country.

Globalization creates job opportunities and thus reduces the unemployment crises in most developing nations (Kose 204). Globalization brings in international companies and hence increases the government's revenue. Increased government revenues translate into better economies.

Globalization leads to increased government lending by developed nations and hence the country is able to start and complete economic projects.

Access to funds improves various government aspects such as education, healthcare, and social services. Globalization reduces poverty since people are employed and have access to better education. Expansion of some companies to developed nations brings resources necessary to develop new industries and in the end, local industries grow more.

On the other hand, globalization also has negative effects on developing nations. According to Brown and Lauder, globalization limits the expansion of industries in developing nations (Brown and Hugh 14). Globalization leads to unfair competition that brings down local companies in developing nations.

Fallen companies, in turn, leads to an imbalance between exports and imports and hence such countries develop at a slower rate. Globalization leads to the export of knowledge such that the developing nations have no skilled labor for their industries (Kose 208). The salaries in developing nations are low as compared to developed nations. Since globalization allows

for movement of labor, most people tend to leave the undeveloped countries and go to developed nations to seek for employment. This hampers the industrial and economic growth of many developing nations.

In conclusion, globalization has both positive and negative effects on developing nations.