

## »» Megatrend globalisation: what is the role of developing countries?

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The term "globalisation" refers to the process of increasingly intensive, global interactions in economic, political, ecological and cultural activities. In the past, and especially since the middle of the last century, the essential drivers of globalisation have been a strong growth in global trade and the increasing awareness of planetary limits (environmental and climate protection). In both these issues, developing countries have played a relatively subordinate role so far. Should we therefore consider them as the losers of globalisation?

### **In economic terms: growing share of developing countries in global trade and capital flows**

The more intensive economic interactions especially since the Second World War mark the first wave of globalisation.

Significant trends are as follows:

- Global trading has increased by a factor of fifteen in real terms since 1960. Since the start of the new millennium, in particular, the share of developing countries and emerging economies in global commerce has increased from 31 % (2000) to 43 % (2015) of global exports.
- The increasing economic interactions can be seen most clearly in international capital movements. International financial markets, new products such as financial derivatives, players such as private equity funds and direct investments by internationally active companies have multiplied the number of global financial transactions. Here again, the share attributable to developing countries and emerging economies has increased since the turn of the millennium, e.g. from 4 % (2000) to 23 % (2010) of the global gross capital inflows. Despite the volatility of the capital movements, the estimates of the World Bank suggest that this share will continue to increase in the long term.

Overall, the global focus of economic activity is shifting more and more from the

classic industrial countries to the developing and emerging economies. At present, this trend is still being shaped very strongly by individual emerging economies (such as China, India, Brazil, Mexico, Turkey, South Africa). In light of the regional distribution of dwindling natural resources and manpower, however, relatively poor developing countries are also increasingly becoming more intensively involved.

### **In political terms: representation on global committees and increased significance for the United Nations**

The process of political globalisation was also given a major stimulus at the end of the Second World War with the founding of the United Nations, although it then progressed less dynamically than economic globalisation.

At the United Nations, every country has precisely one vote, and so the developing countries and emerging economies have a clear majority. In actual fact, however, global policy is often decided by other bodies (G8, WTO, IMF, World Bank), which are mainly dominated by the economically more powerful countries. The significance of the United Nations has tended to increase in recent years (World Security Council, Agenda 2030, climate conventions, etc.), and with the increasing economic strength of several developing countries their influence in global political bodies is also rising (quota increase at the IMF, foundation of the G20).

### **In cultural terms: local diversity under pressure but global availability of knowledge**

Many developing countries and emerging economies are characterised by extremely rich cultural diversity. Local languages and traditions are recognised and, in some cases, also selectively promoted much more frequently nowadays; however, on the international stage, English is asserting itself more and more as the global lingua franca, while the Internet is establishing

itself as a global communications tool. Although the Internet is increasing the possibilities for making music, theatre and art from developing countries better known, these cultural offerings have so far only played a niche role in global terms. Essentially, it is primarily Western culture that is disseminated via the Internet. An indisputable advantage of the Internet, on the other hand, is that nowadays information and knowledge can be made available all across the world virtually in real time. Moreover, after lagging behind in terms of Internet saturation, developing countries are rapidly catching up.

### **In ecological terms: the battle on biodiversity and climate change is being decided in developing countries**

Up to now, the most significant consumers of resources and causers of anthropogenic climate change have been the industrial countries. However, it is often the developing countries that are particularly affected by the negative effects (droughts, hurricanes, rising sea level, etc.). The economic patterns of the industrial countries are not sustainable and can only be rectified today with considerable effort. With the support of industrial countries, many developing countries could strike out on different development paths from the outset. This applies both to climate protection and also to the efficient use of resources such as water, soils, raw materials or the maintenance of biodiversity.

### **Conclusion: so far, the developing countries have not been the main winners, but are beacons of hope**

In many areas, developing countries have not been able to participate adequately in globalisation processes up to now; indeed, in the area of climate change, they have even been clear losers. However, this could change: their economic, political, cultural and ecological significance in the globalisation process is increasing in all areas, and therefore their prospects of benefiting more from the process in future are also improving. ■