

Economic Globalization doesn't Bring Prosperity to Everyone

By Harun Yahya

February 1, 2018

Marco Polo was pioneering the global economy 700 years ago when he brought products from China to Italy via the Silk Road. Since then, with the development of transnational trade, the globalization of the economy has gained increased momentum. Today, it is not at all surprising for a company to produce goods in a country other than its homeland and then to sell its products around the world.

The global economy has become so widespread that it has started to affect state politics, international relations, international law and social dynamics. But, did economic globalization, which had such a profound effect on the world, bring prosperity to the people?

This question is answered differently by the advocates of globalization and its opponents. Advocates of classically liberal economics argue that competition and the possibility for high profit in the markets will naturally lead to the most efficient distribution of resources. According to them, economic globalization is an opportunity to increase the worldwide level of prosperity. Since the greatest advantage of economic globalization is that the game is played out between the winners and other winners, one of central ideas was that globalization would make wealthy richer and poor less poor.

The argument of those who support globalization is based on the following assumption: A transnational company will prefer less developed countries with lower labor costs for production. In this way, unemployment, the chronic problem of underdeveloped countries, would be eliminated and with increasing employment, the concerned country would develop rapidly. Even though it sounds fairly reasonable on paper, the reality is not always so optimistic.

Many multinational, globally recognized brands have moved their production to countries like China, Indonesia and the Ivory Coast through subcontractors in order to benefit from by using cheap workforce. However contrary to what was claimed, manufacturers caused the conditions in these countries to go from bad to worse. An activist named Jeff Ballinger published a report in 1991 in Indonesia documenting the low wages and poor working conditions for employees in one of the world's most famous athletic shoe brand factories.. According to the report, the company's subcontractors were exploiting the employees by giving them a wage lower than the minimum wage in Indonesia while it enjoyed record-high profits. On top of that, child workers were also employed in production and women workers were sometimes beaten by their supervisors with shoes due to trivial sewing errors and this punishment was a common occurrence. Another example of abuse in economic globalization was observed in Ivory Coast. Chocolates were being produced for the world's most famous food brand from local cocoa, collected by children who had been kidnapped from their families or sold by their parents to child abusers. Moreover, this company continued to employ children under the age of 15 for ten more years after declaring its commitment to end child labor.

The globalizing economy hasn't created prosperity but only problems for underdeveloped countries in every period in history when the reins were in the hands of those with exploitative mindsets. It is possible to give similar examples: The article by The Guardian in April 2017, entitled "Threats, Bullying, Lawsuits: the tobacco industry's dirty war for the African market" about the international tobacco companies in Africa, describes the threatening and bullying methods employed by the largest tobacco companies in the world to prevent or impede the implementation of legislation for the prevention of smoking in eight African countries. A similar article in The Independent describes the activities of large tobacco companies in Africa as follows:

Tobacco firms have taken advantage of lax marketing rules in developing countries. They aggressively promote cigarettes to new, young consumers, while using lawyers, lobby groups and

carefully selected statistics to bully governments that attempt to quash the industry in the West.

Similar problematic practices can be seen with international mining companies operating in Africa as well. These companies pay very little tax to the government despite earning enormous incomes. Most of their employees are employed from their own countries, and most of their goods and services are again bought from their own countries. Thereby, not only do they not make any contribution to the economy or the employment of that country, they also pay ridiculously low prices to take possession of trillions of dollars worth of the natural wealth that rightfully belongs to the people of that country. In the end, the true owners of that natural wealth are worse off as time passes. An obvious system of exploitation continues to oppress people before the eyes of the whole world.

Indeed, the concept of a globalized economy shouldn't be blamed solely for the negativity it brings. Increasing international trade volume, production, transnational mutual investment and employment capacities and creating employment possibilities for the unemployed workforce worldwide are among the opportunities that the global economy offers for the benefit and prosperity of all people. However it seems that honest and trustworthy administrators, as well as internationally binding – and enforceable – legislation that prohibits the negative repercussions such as exploitation of wages and worker abuses are essential requirements in order to bring to fruition such benefits.

<https://web.archive.org/web/20180421122211/http://indianmuslimobserver.com/2018/02/01/economic-globalization-doesnt-bring-prosperity-everyone/>

https://www.harunyahya.info/makaleler/ekonomik-kuresellesme-herkese-refah-saglamiyor-24531_9079