

"Global interaction bring negative effects, rather than positive effects, to every part of the world." Discuss this statement.

### Introduction

- I. Define "global interactions": interconnectedness and interdependence of the global community through cross-border transactions in goods and services and international financial (development aid, loans, remittances) and labour flows (migration).
- II. Core-Periphery model: Friedmann 1966, Core: more developed and affluent, Periphery: underdeveloped and usually poor. These regions are affected (if they are effected) differently by global interactions.
- III. Aim: To discuss whether global interactions have more negative rather than positive effects on the world as a whole or if there is a spatial difference in effects.

### Main Body

#### P1: Development aid and loans

- I. Core (stronger economies) to periphery (poorer, need aid to boost economy and development)
- II. Can be through international organizations (IMF and World Bank), multilateral, often development aid through loan provision, which helps service debts and allows increased spending in infrastructure, economy, healthcare and education. Loans are conditional and involve SAP's, which harm the relieving country, as markets are opened too fast and natural resources are exploited by donor countries and TNC's.
  - A. Programme in Ghana, Africa (Main donor: USA), 2015 \$918 million loan to back growth and job provision (to help growth, but is arguably doing the opposite), extended until 2019 in 2017.
  - B. Rice farmers in north suffer from reduction of agricultural subsidies (loan condition), the USA flooding the market (biggest rice market for the US in Africa), gov. spending on imports increases, hence benefiting the USA and not Ghana (farmers are losing jobs, extreme poverty, migrating youth, etc.)

#### P2: Humanitarian aid

- I. Enabled through global interactions (MDG's and SDG's), without international assistance, disasters and famines would have more negative impact and quality of life, mainly in peripheral regions would be worse. (POSITIVE effects of global interactions!!)
- II. International Community has helped periphery combat Malaria
  - A. > 900 million insecticide treated mosquito nets to malaria-endemic countries in sub-saharan Africa between 2004 and 2014, >6.2 million malaria deaths averted between 2000 and 2015, global malaria mortality rate decreased by 58%
  - B. Tenfold increase in international financing for malaria since 2000, MDG malaria target was reached.

#### P3: International Trade

- I. Economic globalization (define as increased interdependence of the world in terms of flows of goods and services as well as financial flows)
- II. Profit for core regions, they can take advantage of emerging global economy and make profits (TNCs, global expansion of markets, outsourcing to reduce costs) they

have the necessary capital to invest in transport and communications systems needed to connect globally, also powerful in organizations (trade blocs (EU) and WTO)

III. Periphery is excluded from positive effects

- A. doesn't experience globalization and increased interactions to a great extent
- B. Core exploits periphery, Ghana – agricultural subsidies in EU and USA make it hard for periphery (Ghana) to sell goods, issue discussed at Doha round of WTO, no significant conclusion

P4: Global finance

- I. has made questionable deals easier to conceal
- II. It's increasing the hardship of poor population in African countries
  - A. Multinational corporations and the elite formed by colonial powers are exploiting the D.R. of Congo: rich in terms of valuable natural resources which are being controlled by western TNC'S and the corrupt government, materials extracted by poor
  - B. Wealth and profits do not trickle down, hence no positive effect for majority of Congos population, all profits go to TNC's, originating from the core.

P5: Labour Flows and remittances

- I. International Migration: Mexico (semi-periphery, in transition) to USA (core)
  - A. Mexico: brain-drain, loss of young workers deplete economy of workforce, migrants providing 2<sup>nd</sup> largest source of GDP through remittances sent back home, multiple billion \$ every year (allows bottom up development benefiting local economy, not subject to corruption. Families receiving money spend it, often for education, healthcare or improvement of housing. Boosts the economy and improves the quality of life, helps development in the long term.
  - B. USA: access to cheap workforce which occupies unwanted, low-skilled jobs, multiculturalism, bilingual states at border to Mexico, however has to deal with migrant populations, social tensions and political debates, high costs (border patrol, education, healthcare, welfare programs, which Trump is trying to reduce)
  - C. Mexico: Positive effects! USA: ~Neutral

**Conclusion**

- I. All areas of the world are experiencing both positive (periphery: Sub-saharan Africa, Malaria; semi-periphery: Mexico, remittances) and negative (core: USA, migration) effects, positive ones overweigh in core regions, as they benefit from increased interactions, e.g. USA (increased profits and new markets due to globalization), peripheral regions experience more negative effects (exploitation, increasing debt, poverty) e.g. Ghana, they are excluded from the global economy.
- II. Unless this disparity is decreased drastically, it will stay this way in the future
- III. The statement is not true in its entirety, as global interactions do have overwhelmingly positive effects in core regions.