Economic instability. The negative effects of globalization on the global economy

Introduction

Globalization connects people from core countries like the United States and Europe to the periphery countries in Latin America and Africa.

One of the driving forces of globalization is **capitalism** which is having a negative impact on the world.

Globalization is **bad** for the world economically because of uneven development, the exploitation of resources from underdeveloped countries to core countries, and how overseas manufacturing is affecting America domestically.

An example about England and India

Globalization is bad for the global economy because of how it creates **uneven development**. The concept of globalization debatably started with the European **colonization** of Latin America, Africa, and India.

In the 15th century when colonization began. Major world powers such as England and Spain took advantage of the **abundance of recourses** found in these new territories.

England continued to tax India heavily and export its recourses. India had to export their recourses to England in the form of raw materials only to buy them back at a higher price, after they had been manufactured into goods.

An example about the economic decline of Brazil

Globalization also results in the **exploitation** of underdeveloped countries to benefit core countries. Core countries rely on underdeveloped countries for cheap labor and raw materials.

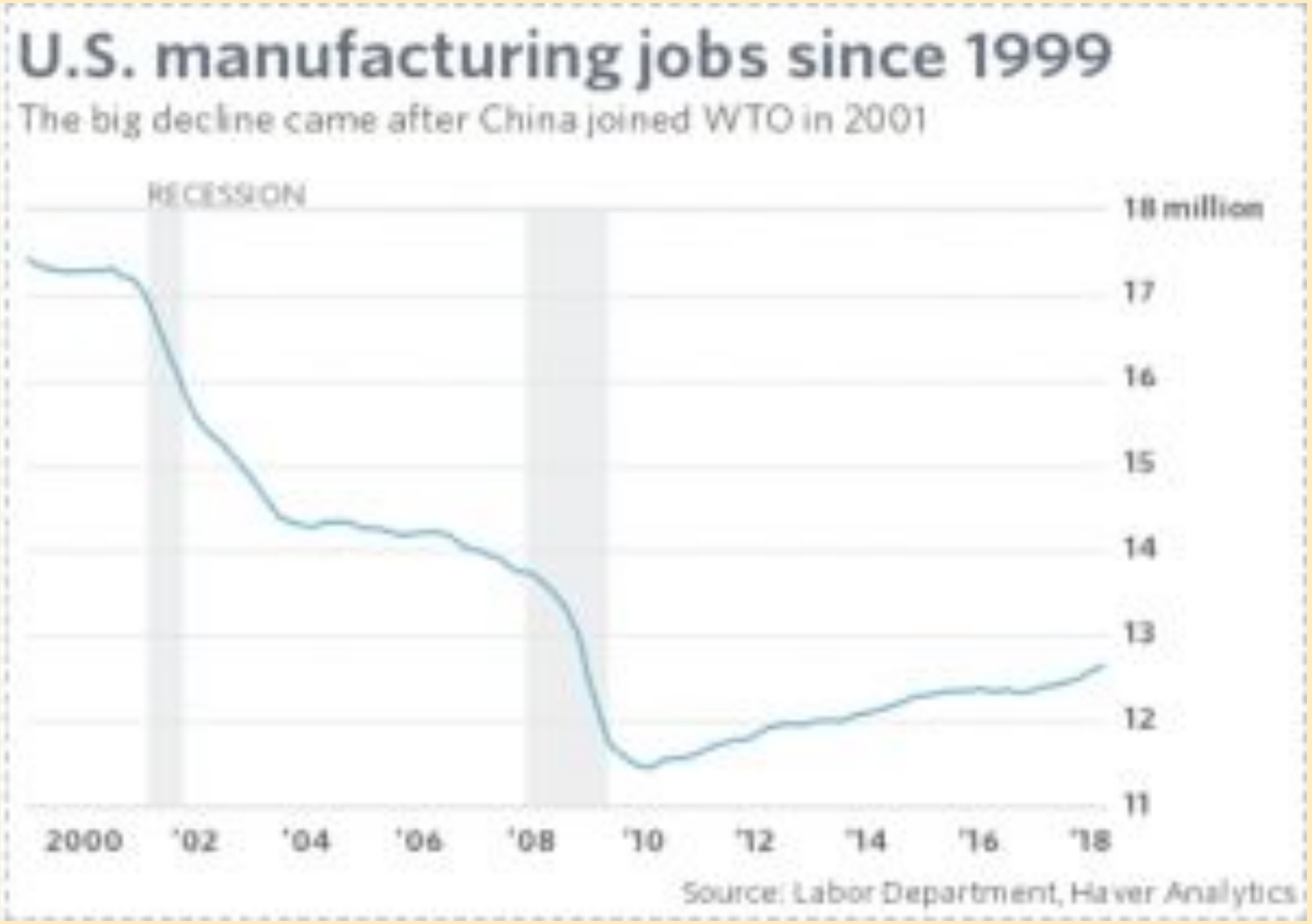
For example, the coffee trade was a major factor in boosting Brazil’s economy during colonization. However, shortly after its small economic success Brazil faced an economic decline. This is because during colonization Brazil had a stable trade with European countries; however, when Brazil **was on its own** it could not sustain the small economy it had built. As a result of this, Brazil’s dependency has prevented the economy from growing. Brazil was exploited to benefit European countries, and when the core countries brought their trade elsewhere, it had a negative and long-lasting impact on Brazil’s economy.

An example about China and the USA

Globalization and capitalism directly resulted in suppliers in the United States **looking overseas for cheap labor, materials, manufacturing**. This caused the *loss of millions of jobs in America and a trade war with China*. Globalization is bad for the global economy because it pins countries against each other in an effort to preserve their economy.

So due to cheap labor and materials overseas, it is cheaper for products to be manufactured in countries like China than exported to the United States. Because of this shift in manufacturing millions of American jobs have been lost.

As you can see, there's economical decline (job loss) in the USA after China joined World Trade Organization



Conclusion: the negative effects of globalization on economy

Globalization is bad for the world economy. For decades, it has been **prohibiting developing and underdeveloped countries from developing.** It promotes **overseas manufacturing which steals domestic jobs**. Globalization also **encourages core countries to exploit the resources in underdeveloped countries**. And there are **trade wars** as a result of capitalism and cheap labor overseas.

Conclusion: the present time

Even though globalization and colonization occurred almost a hundred years ago, the negative economic effects can still be felt in underdeveloped countries. While India and Brazil are working to fix their economies after colonization they still have a long way to go before they will be considered economically developed. In a more modern sense the negative impact globalization had on China and the United States is a on going issues that is effecting the worlds global market. Overall globalization had a *negative* impact on the worlds economy.

Thank you for your attention