THE MYTH OF PROSPERITY:
GLOBALIZATION AND THE SOUTH

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Abstract

Despite many important advances since the “Bretton Woods” agreement, the state of Third World development remains extremely unsatisfactory. About a billion people live in extreme poverty and more than 800 million do not get adequate nutrition. Third World Debt looms large on the horizons of most underdeveloped nations and development continues to benefit the Third World elites, the developed nations, and their multinational corporations. The North-South divide continues to widen with very little “tricking down” to the poor majority in many nations. It is strongly believed that one-third of the world’s poor are getting poorer.

The conventional approach to development theory and practice, focusing on economic growth, investment, trade and free markets continues to benefit developed nations. Even in nations where free trade and markets have spurred growth, the net results of globalization have not reached the majority. Globalization defined as the “economic, social, political and environmental integration of nations” creates some major imbalances in a world system increasingly based on liberal market economies.

Ultimately, the IMF-WTO corporate globalization model has failed to deliver for developing countries, severely punishing those least capable of protecting themselves – the billions living on $ 400 million annually. Market access is only useful to countries at a stage of development that allows for their engagement in world markets, in a manner
that promotes improved standards of living for their populations. The promise of market access is a distraction that has served to create a myth of prosperity.

This research seeks to raise issues regarding the impact of globalization on North-South imbalances highlighting the crucial gaps in the globalization process. Initially, the research outlines the parameters and theories surrounding the globalization process and then progresses on to demonstrate the imbalances of the global system, highlighting the key areas of impact that adversely affect the development of Southern nations. Using India’s economic liberalization as a case in point, this thesis attempts to unveil the growing myth of prosperity that is being propagated in relation to the issues of globalization and the South. Finally, the thesis attempts to draw pertinent theoretical lessons that would contribute towards a better understanding of the effects of globalization on the South.
DECLARATION

This work contains no material which has been accepted for the award of any other degree or diploma in any other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library, being available for loan and photocopying.

SIGNED: ------------------------------------ DATE: -------------------
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