PREVIOUS YEAR QUESTION UPSC 2022 · 10 marks

What are the main challenges faced by the developing countries in the era of globalisation?

FLOW SNAPSHOT — how the answer moves

Intro routes
R1 globalisation promised integration → but redistributed economic power → developed nations dominant → challenges = unequal terms of entry R2 South enters late and weak → openness on others' terms → dependency, not partnership

Body flow
economics first → skewed balance of trade (imports > exports) → job losses despite higher productivity → village/small-scale industry crushed by MNC technology → poverty + income gaps → **Wallerstein**: drain periphery → core = development of underdevelopment → dependence on developed nations + IMF/WTO (favour industrialised) → sovereignty eroded, external shocks → cultural erosion + environmental degradation + labour exploitation

Counter-view
Sen and **Bhagwati** → right mix of openness, regulation, infrastructure, governance → developing countries can gain

Conclusion routes
R1 not globalisation but its present terms → vulnerable states need regulation + equitable distribution → exposure into benefit R2 challenge is management, not rejection → strategic planning turns integration from trap into opportunity

Globalisation promised worldwide integration, but for developing countries it has redistributed economic power, leaving already-developed nations dominant. The main challenges flow from the unequal terms on which the South enters this order.

The pressures are first economic. Imports tend to outpace exports, producing a skewed balance of trade. Despite higher productivity, job losses have grown on an unprecedented scale and village & small scale industries cannot compete with MNC technology, accelerating poverty & widening income gaps.

Immanuel Wallerstein argues that globalisation drains wealth from the periphery to the core, producing the development of underdevelopment. This dependence on developed nations and on institutions like the IMF and WTO seen to favour industrialised nations.

It erodes economic sovereignty and exposes states to external shocks. Alongside run cultural erosion, environmental degradation from lax regulation and labour exploitation by MNCs.

Amartya Sen and Jagdish Bhagwati hold that with the right mix of openness, regulation, infrastructure and governance, developing countries can gain. The challenge is not globalisation but its present terms.

It means being more valuable, low-income countries need robust regulation and equitable distribution to turn exposure into benefit.