

TRANSFORMATION OF THE ECONOMIES OF DEVELOPING COUNTRIES UNDER THE INFLUENCE OF GLOBALIZATION PROCESSES

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Abstract. This paper examines the transformation of developing economies under the influence of globalization processes. It analyzes key trends such as trade liberalization, digitalization, and foreign investment flows. The study highlights both positive effects and existing challenges for sustainable development.

Keywords: globalization, developing countries, economic development, inequality, technological progress.

In modern conditions, globalization has become a key factor in economic and social development, acting as a catalyst for profound structural changes. Its impact on developing countries is especially significant, as it creates both new opportunities for rapid growth and certain existential challenges. Today, globalization is widely discussed in both academic and public spheres, not merely as a trade phenomenon but as a total integration of societies. At the same time, its current stage generates new challenges that require not a simplified “positive or negative” assessment, but a deeper and more comprehensive analysis. Globalization is an inevitable process that requires significant economic, organizational, and social adaptation to remain competitive in the 21st century [1, 2].

Economic globalization is a historical process resulting from technological progress and human innovation. It refers to the increasing integration of national economies through the movement of goods, services, capital, labor, and knowledge across borders. In addition to economic aspects, globalization also includes cultural, political, and environmental dimensions, creating a complex web of interdependence. The term became widely used in the 1980s, reflecting rapid technological development that facilitated international trade and financial flows. It describes the expansion of market forces beyond national borders, which have historically existed at all levels of economic activity—from local markets to global financial centers [3].

Globalization plays an important role in expanding economic opportunities and strengthening international cooperation. It contributes to the international division of labor, more efficient allocation of resources, and higher productivity through the adoption of global best practices. As a result, it supports economic growth and improves the general standard of living in emerging markets. In addition, globalization

allows economies of scale in production, which leads to lower costs and increased efficiency for local manufacturers. It also facilitates the transfer of technologies and innovations. Through cooperation with international companies and research institutions, developing countries gain access to advanced technologies, which contributes to the modernization of production and the growth of high-tech sectors, often allowing them to "leapfrog" certain stages of industrial development [4, 8].

At the same time, globalization has both positive and negative effects on developing countries, often creating a "dual economy" structure. On the positive side, it contributes to improving living standards, expanding access to global information networks, and increasing competitiveness. However, it may also intensify economic inequality, increase dependence on developed countries, and weaken local industries that cannot compete with global giants. In many cases, its benefits are concentrated in developed countries and among highly skilled groups, while developing economies with weak industrial bases, insufficient infrastructure, and low labor productivity face significant competitiveness challenges. Additionally, globalization can negatively affect cultural identity through "Westernization" and may accelerate the spread of global crises or diseases, increasing their transmission across borders [5, 6].

To better understand these impacts, it is necessary to examine the characteristics of developing countries as a specific economic category. They represent a diverse group of national economies with different social structures but shared vulnerabilities. Compared to developed countries, they are characterized by lower GDP per capita, a high share of employment in agriculture, and limited domestic technological development. Their economic performance is assessed using indicators such as inflation, unemployment, and poverty rates, but also human capital indicators like education and healthcare accessibility. In this regard, the Human Development Index (HDI) is widely used to assess socio-economic development. From a geopolitical perspective, these countries often have limited influence in global decision-making and remain sensitive to the monetary policies of developed nations [2, 7].

Moreover, the modern stage of globalization is characterized by the rapid digitalization of economic relations. For developing countries, this provides a unique chance to integrate into global value chains through outsourcing and IT services. However, it also creates a "digital divide" – a gap between those who can access new technologies and those who are excluded due to poor infrastructure. The role of transnational corporations (TNCs) is also crucial, as they bring foreign direct investment (FDI) but can also repatriate profits, leaving limited long-term benefits for the local economy.

In conclusion, globalization is a complex and multifaceted process that defines the trajectory of modern history. Its impact on developing countries is dual in nature: it provides opportunities for unprecedented growth and technological modernization, but also creates risks of economic dependence and social stratification. Despite these challenges, developing economies can strengthen their position through strategic participation in global trade, export diversification, and investments in education. The successful integration of these countries into the global economy requires a balanced approach aimed at maximizing the benefits of globalization while minimizing its negative effects. A deep understanding of these processes is essential for ensuring

sustainable, inclusive, and resilient development in an increasingly interconnected world.

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