

Over the longer term, education levels will rise as the financial health of developing countries rise, but in the short term, some of the poor will become poorer. Not everyone will participate in an elevation of living standards.

2. Decreased employment. The influx of foreign companies into developing countries increases employment in many sectors, especially for skilled workers. However, improvements in technology come with the new businesses and technology spreads to domestic companies. Automation in the manufacturing and agricultural sectors lessens the need for unskilled labor and unemployment rises in those sectors. If there is no infrastructure to help the unemployed train for the globalized economy, social services in the country may become strained trying to care for the new underclass.

Globalization has impacted nearly every aspect of modern life and continues to be a growing force in the global economy. While there are a few drawbacks to globalization, most economists agree that it's a force that's both unstoppable and net beneficial to the world economy. There have always been periods of protectionism and nationalism in the past, but globalization continues to be the most widely accepted solution to ensuring consistent economic growth around the world.

References

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URBANIZATION AND ECONOMIC GROWTH

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The historical facts and statistics reveal that almost all of the developed countries have a higher level of GDP per capita and also a higher level of urbanization. Numerous studies have previously found that the level of urbanization is closely correlated with the level of GDP per capita [1]. Insufficient attention is paid to the dynamics of urbanization and the nature of growth, including the different ways in which cities can support growth and the varied forms or composition of that growth. The conditions necessary for this to occur are also neglected, along with the consequences of growth for poor communities and the depletion of natural resources. Public investment in infrastructure and the built environment can play a crucial role in shaping these patterns, and therefore in

influencing whether or not urbanization is functional for development. This will also influence the impact of urbanization on poverty and the environment.

Two key indicators are selected to measure development level: gross domestic product (GDP) per capita, and level of urbanization. Urbanization began during the Industrial Revolution, and refers to the increasing number of people that live in urban areas. Urbanization is not only about a simple increase in the number of urban residents, but also involves a series change from rural to urban styles in terms of industry structure, employment, living conditions, and social public services. Urbanization is often conflated with agglomeration, but they are not synonymous, especially if the fastest-growing areas are small cities and towns rather than major cities. China is widely held up as an example of how urbanization can fuel industrialization and transform living standards. Economic growth is the increase in the value of goods and services produced by a country or regional economy over time. China passed the historic milestone of 50 per cent of its population living in cities in 2011, up from only 20 per cent in 1980. The unprecedented speed of urbanization has reflected the strength of jobs growth in cities. Average household incomes in Chinese cities are now almost three times higher than in rural areas, largely because of higher productivity. The state's commitment to invest heavily in urban infrastructure has helped to limit the socially disruptive effects of this massive population movement. It differs from India and many other developing countries, where urban congestion, water shortages, squalid living conditions and public health problems are rife. In the early 2000s, China spent 12.6 per cent of GDP on infrastructure – more than twice that of India [2]. China's experience seems to bear out the broader argument that it is not urbanization per se that stimulates and sustains growth, but rather the form that urbanization takes and whether it provides an efficient enabling environment.

Indeed, the fact remains that some countries, such as China, have achieved rapid urbanization and dramatic economic growth at the same time, creating a global miracle. The explosive growth has stemmed partly from urbanization in terms of economic restructuring and economies of spatial agglomeration. However, there may be other and more immediate reasons that play a more important role in this evolution, such as reform and opening-up policies, institutional transition or educational development. Further, urbanization is a complex issue that must be assessed not only in terms of urbanization speed or effects of economic growth. In order to increase the quality of the urbanization process, the forward conditions and backward effects must also be explored.

References

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