

human resources property rights of enterprise legal person or employment units and laborers.

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## **Economic Globalization and Interest Game: Upon the Perspective of Developed and Developing Countries**

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**Abstract:** Compared with no ongoing economic globalization, economic globalization could give rise to an increase of global welfare, that is, "the interest of economic globalization". The existence of the interest of economic globalization provides all participators the possibilities for multilateral win or win-win. Under the conditions of economic globalization, interest game between developed and developing countries is the positive-sum game, but it does not mean that the interest relationship of both is the game of win-win, or it may be the game that the winner wins more than the loser loses. However, developing countries, maybe as the losers, should actively participate in economic globalization, and try to adjust the way of participating in economic globalization to share more interest of economic globalization when they participate in economic globalization to enhance the interest of economic globalization with developed countries.

**Key words:** Interest of economic globalization; Developed countries; Developing countries; Interest game

Economic globalization is the most prominent features in the world economic development and an irreversible trend of economic development nowadays. Economic globalization has gone along the globalization of capital to the globalization of human and technique from the original globalization of trade. Global economy has been increasingly intertwined, integrated and interdependent and has gradually developed into a unified whole. With the economic globalization, markets, competition, information, personnel and rules, etc. are beyond the individual country or regional boundaries. Therefore, whether a

national welfare is increasing or not, how fast a national welfare is increasing, and for what expense a national welfare is increasing are all closely linked to global economy.

Nowadays different countries or regions participate in economic globalization in varying degrees and in different ways, while economic globalization has also affected different countries or regions in varying degrees. Then, when the economy has been beyond the borders of countries or regions for globalization, whether is the world's total welfare the faster growth or not? Whether does every country share the interest of economic globalization or not? What about the share proportions? What about the factors to influence the share? and so on. These issues need to be further researched and answered from the theory and practice. This paper attempts to discuss these issues from the perspective of developed and developing countries.

## **I. Economic globalization and global welfare**

In this paper, first of all the question to be answered is that whether the economic globalization brings about the increase of global welfare or not? Or more accurately stated as, compared with no ongoing economic globalization, whether does economic globalization bring about the increase of the whole global welfare? The answer to the question will provide the basis and premise to discuss the distribution of interest followed, so the question must be answered firstly.

1. Compared with no ongoing economic globalization, if the increase of the whole global welfare is zero for ongoing economic globalization, the interest game between participators in economic globalization is zero-sum game. From the view of the two participators: developed and developing countries, the result of interest game must be the game that one's gain is equal to the loss of the other side.

2. Compared with no ongoing economic globalization, if the increase of the whole global welfare is negative for ongoing economic globalization, the interest game between participators in economic globalization is negative -sum game. From the view of the two participators: developed and developing countries, the result of interest game must be the game that at least one side has loss.

Therefore, if the economic globalization doesn't bring about the increase of whole global welfare, either developed or developing countries participating in economic globalization will usually reduce their own welfare.

This paper holds that the important reason why the process of economic globalization is continuously deepen is that economic globalization has brought an increase of whole global welfare compared with respectively enclosed economies, which causes are:

- (1) Optimizing allocation of resources for utilizing resources in the larger scope.
- (2) Improving labor productivity for practicing the division of labor in the larger area.
- (3) Bringing about economies of scale by the economic for enlarging the market in the larger extend.
- (4) Promoting technical exchanges and technical progress for implementing competition in the larger sphere.
- (5) Enjoying more varieties of consumer goods for exchange in the larger domain.

Economic globalization brings about the increase of whole global welfare, which decided the interest game between participators of economic globalization is positive-sum game. From the view of the two participators: developed and developing countries, the result of interest game exists three possible situations:

(1) Both developed and developing countries share the interest of economic globalization, that is, a win-win game as we usually say.

(2) One side not only wins the whole interest of economic globalization, but also snatches the interest from the other side. That is, one side wins more than the whole interest of economic globalization, or in another say, one side wins more than the loss of the other one.

(3) One side obtains the whole interest of economic globalization, the other side neither obtains nor loses.

The third situation is a small probability event, therefore, the result of interests game between developed and developing countries is mainly in the former two situations.

## **II. Strategy to participate in economic globalization for developing countries**

There may be two outcomes of interest game for developing countries: obtain or loss if they participate in economic globalization. However, they have neither gain nor loss if they do not participate in economic globalization. Facing economic globalization, developing countries should have a decision-making whether to participate in economic globalization or not firstly, then, have the second decision how to participate in economic globalization?

### **Firstly, whether should developing countries participate in economic globalization?**

This paper holds that developing countries should actively participate in economic globalization.

(1) The interest game between participators in economic globalization is positive-sum game, so both developed and developing countries participating in economic globalization can possibly obtain, that is, "win-win". Facing many adverse conditions, the developing

countries may obtain less than the developed, that is, "non-equal win-win", even suffer losses in the interest game with developed countries, but only developing countries do participate in economic globalization, they could have an access to the interest of economic globalization.

(2) Economic globalization is the outcome of social productive forces improvement and the inevitable trend of global economy development. It is impossible to keep away from economic globalization, so developing countries should face and participate actively in it.

(3) How much the developing countries participating economic globalization can obtain depends on their own way of participation and own economic conditions. Therefore, developing countries should consider and adjust their way of participation in economic globalization to seek for more interest of economic globalization.

### **Secondly, why are developing countries participating in economic globalization at a disadvantage?**

Developing and developed countries participate in economic globalization through the commodity trade, capital investment, human mobility and technology transfer, etc. Developed countries have many favorable conditions so as to obtain more easily and also actually obtain the most of the interest of economic globalization Compared with developing countries. The reasons are below:

(1) In international trade, developed countries mainly produce and export the technology-intensive and capital-intensive manufactured goods, while developing countries mainly produce and export primary or low-end labor-intensive production.

(2) In the international capital investment, developed countries are mainly exporters of capital, and developing countries are mainly importers of capital. Capital-exporting developed countries have the initiative and active power to choose different scales and ways of investment into developing countries, while developing countries can only choose the concessionary and preferential level to foreign investors and the degree of opening to foreign investment;

(3) In the international human capital mobility, the talents with high human capital mainly flow from developing countries to developed countries;

(4) In the international technology transfer, the developed countries mainly transfer mature technology rather than advanced technology to developing countries.

### **Finally, how do developing countries participate in economic globalization?**

Developing countries themselves can take the following strategies to acquire more interests of economic globalization:

(1) To choose industrialization policies of products export suitable for their own factor endowment, and to improve continuously the structure of export products.

(2) To better continuously investment environment to reduce the concessionary and preferential level to foreign investors, and to improve the competitiveness of their own national enterprises.

(3) To pay much more efforts to attract their own overseas talents to come back, and even to attract foreign talents to flow in.

(4) To enhance their own R&D capabilities through the introduction, adoption and assimilation of foreign technology so as to speed up technology transfer and technological progress.

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