Is Globalisation Affecting the Quality of Life?
A Review of the Literature

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Abstract: This review reveals that: significant changes arising from Globalization (G.) affect the quality of life; contradictory views due to a lack of consensus on the appropriate methodology and tools purposing to define and measure such an impact, and an enormous complexity of parameters characterising both issues, impede proper estimations of its nature; the appropriate strategies and policies -national or individual- towards G., can differentiate such an impact. The review also gives suggestions regarding future avenues of further research.

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1. Introduction

Globalisation (G.), during the two last decades has became one the most contentious subjects, and has been considered the cause of changes which affect the quality of human life (Henderson, 2000; Batou and David, 2002; Jegede, 2001; Shultz et al., 2004; Tsakiri, 2009). The social-economic aspects of G. have been studied extensively, utilising a variety of theories, criteria and methodological approaches (Verne, 2002). However, these studies usually focus on assessing the impact of some particular consequences of G. on an specific parameter of QOL. As a result, most of these works are not able to give a clear answer as to the impact of G. on Quality of Life (QOL), and therefore cannot offer useful information to the academic community as well as to ordinary people with respect to its effects on their lives. Further, the studies which explore the consequences of G on QOL usually produce contradictory results, creating further confusion, uncertainty, and anxiety. However, there is great concern from scholars, governments and people to know

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how G. functions, influences, and changes the QOL of ordinary people.

The confusion regarding the consequences of G. on QOL arises mostly from: (a) the complexity and multi-dimensionality of the concepts of ‘G.’ and ‘QOL’; further, both consist of a variety of factors with a huge number of parameters with a diversity of significance, making the concepts themselves extremely difficult, preventing them from forming solid conclusions regarding the effect of the one on the other; (b) a continuous state of flux that characterises both concepts, making the future course of G. quite unpredictable, as it is constantly affected by all kind of changes in political and social-economic conditions, and (c) the confusion resulting from the contradictory arguments about G., their real basis, and the increasing opposition against it, resulting in such extreme and violent demonstrations as those in Seattle, Prague and Genoa. In this context, it is also worth considering that all mass protest demonstrations against G. have partly been organised by people with “anti capitalist” and “anti-corporate” ideas rather than by people who have actually been affected negatively by it (Sanz and Martinez i Coma, 2006; Bhagwati, 2004).

This literature review, attempting to give as clear an answer as possible to a basic question such as whether G. influences ordinary people’s QOL, proceeds as follows. Firstly, we define the concept of G. and its main positive and negative aspects. Secondly, we describe QOL and its major dimensions, and thirdly, we attempt to detect the impact of G. on QOL, going on to make our conclusion.

2. The Concept of Globalization and its Positive and Negative Aspects

G. in literature, characterised as a rather ‘fuzzy’ and ‘contentious’ concept, has been perceived in various ways (Salzano, 2003). The diversity of its definitions shows how differently authors have seen the term and notion of G., indicating the variety of its dimensions, and the extent of changes that it produces. Likewise, the impact of G. and the changes produced by it have been perceived in a variety of ways summarised as follows: (a) some authors and institutions have assumed its impact in a generally positive view. E.g., as “… a panacea that will provide economic freedom to billions of consumers and producers” (Shuja, 2001), and as “… a key to future world economic development” (IMF, 2000). We can also refer to the ‘cultural identity’, resulting from G. as much more its product than its victim (Tomlinson, 2007); (b) some others perceive changes caused by G. in totally negative terms, e.g., as “… a large scale catastrophe” (Luhmann, 1997), “modern slavery” (Quraishy, 2004), “a conspiracy” (Delivanis, 2003), and “a trap for democracy” (Martin and Schumann, 1997); (c) a great number of writers and institutions support that G. represents at the same time opportunity and threat (IMF, 2000; Jegede, 2001; Verne, 2002; Clarke, 2003; Schultz et al. 2004; 2003; Tsakiri et al, 2005). E.g., IMF (2000) -besides its arguments about the positive impact of G.- also accepts that “… in some circumstances, it diminishes living standards and social progress”; Jegede (2001) -apart from his negative arguments about G.- also supports
that G. “has led to the emergence of shared sets of political values”, stimulating people’s awareness about human rights, environmental protection, legislation and decision-making process; Verne (2002), although accusing G. of being responsible for relative poverty and inequalities, however does not support absolute poverty; and, ICMD-8 (2003), stating that most people tend to see “... G. as the movement that makes good things better and bad things worse” (Schultz et al. 2004). Positive and negative changes on QOL due to G. are expected by participants in our study (Tsakiri et al, 2005).

The negative aspects of G. have been defined by a large number of researchers, who accuse it as being responsible for: (a) creating unemployment and insecurity to people, threatening their health (Michel, 1999; Jedele, 2001; Kodolkо, 2001; OCDE, 2001; Batou and David, 2002; Mofid, 2003; Habasonda, 2003; Quraishy, 2004; Müller, 2007; Sanz et al., 2008); (b) increasing inequalities within and between nations and rich and poor individuals (Boff, 1999; Kodolkо, 2001; Jedede, 2001; Strange, 2007; Verne, 2002; Müller, 2007; Bairoch, 2002; Mofid, 2003; Habasonda, 2003; Anderton, et al., 2006); (c) generating global environmental damage regarding non-renewable resources (Danilo, 1995; Goto et al., 1993; Onishi, 1998), and “... generating a gigantic deterioration in the quality of every life form” (Boff, 1999); (d) producing “a new form of polarisation affecting the current world system” and changing the way that nation states function (Jedele, 2001; Amin, 1998; Martin and Schumann, 1997; Dunning, 1993; Hirst and Thompson, 1999); (e) leading to the erosion of the sovereignty and authority of the state and as producing negative changes to the way that states function (Jegede, 2001). Of course there are many who blame G. as being responsible for producing successive international economic crises, such as 1993, 1997 as well as the current crisis from 2007.

In the preceding review, it is evident that: first, no one can deny that G. produces crucial changes on all aspects of human life, having significant impact on QOL as well; further, these changes -depending on how positive or negative they may be- could also affect the prioritisation of people’s basic human needs as well (Tsakiri, 2009); Second, diametrically opposed views and perceptions exist, ranging from a “miracle solution” to an “absolute disaster” (Bairoch, 2002). This may also originate from the authors’ different social-economic background and ideology, meaning that researches which are pro-market system tend to claim that the influence of G. is rather more positive than negative. On the contrary, those that have been convinced that a socialistic economic system is preferable (e.g. Marxists), probably argue that G. produces negative results rather than positive.

3. Quality of Life

3.1 Perceptions of Quality of Life

In the relevant literature, the notion of QOL has been perceived as a notion particularly broad, amorphous, elusive, and basically dynamic, and is characterised by conceptual ambiguity, complexity, perplexity and uncertainty. Also, apart from
‘eudaimonia’ in Aristotle’s concept of QOL, this seems to have an affinity and to be interchangeable with several similar notions, such as ‘life satisfaction’, ‘well-being’, ‘social well-being’, and ‘happiness’ (Rojas, 2007; Bowling, 2004; Hagberg, 2002; Batou and David, 2002; Bowling and Windsor, 2001; Diener and Suh, 1997).

According to D. Brock (1993), the following philosophical approaches determine QOL. The first is based on religious, philosophical, or other systems, the second on the satisfaction of people’s needs; and the third “… is in terms of the experience of individuals”. According to Lawton (1991), QOL is closely related to material and financial circumstances, social capital, the external environment, and the political fabric of society; also, it reflects objective, subjective, macro-societal, and micro-individual positive and negative influences which interact together. So, as QOL entails a diversity of perceptions, aspects and approaches from different theoretical angles, it is almost impossible to be perceived by a unique and simple concept (Bowling, 2004). The most representative definitions of literature, perceive it as: “the extent to which nations provide conditions deemed good for people, such as economic prosperity and political stability” (Veenhoven, 1999); “… how well people thrive” (Veenhoven, 2003); “… an individual’s level of satisfaction and happiness with life” (Bowling, 2004); the degree to which “hopes and ambitions are matched by experience” (Calman, 1984); and the way “a person experiences… life as good and desirable” (Diener and Suh, 1997).

The objective criteria in use about what is a good or bad QOL, refer to the conditions of life of a country where people live and work (Veenhoven, 1999; Bowling, 2004). The subjective ones, depends on individuals’ personalities and experiences (Diener and Suh, 1997; Bowling and Windsor, 2001; Bowling, 2004). The above, apart the complexity of the concept of QOL, indicate the importance of its aspects, domains and criteria.

3.2 The Assessment of Quality of Life

The assessment of QOL has been approached by a ‘mushrooming’ of research, utilising a variety of methods, programs, strategies, information systems, and research models, implementing a huge number of ‘objective’ and/or ‘subjective’ indicators (Ohnishi, 1994; Diener and Suh, 1997; Clarke, 2003; Veenhoven, 2003; Fernàndez-Ballesteros, 2003; Clarke and Paech, 2004). A systematic taxonomy conducted by Ann Bowling (2004), has classified the various approaches into the following categories of models: Psychological, health and functioning, social health, social cohesion and social capital, environmental, and ideographic or individualised. A different approach to classify the numerous assessment methods of QOL appearing in relevant literature is to summarize them into: the “input methods”, the “output”, and the “throughput methods” (Veenhoven, 2000).

A wide range of significant conditions and imperatives characterises and modulates the approaches aiming at the assessment of QOL. In an attempt to summarise them as briefly as possible, we have to refer to a number of circumstances, arguments and conclusions that indicate a kind of frame which
determines the margins in which the assessment approaches operate.

In this regard we consider the following: a) the total absence of a generally accepted theory and measurement instrument of QOL, able to compare the available data and methodologies in order to evaluate its positive and negative dimensions (Veehoven, 1999; Hagberg, 2002; Bowling, 2004); b) the overall assessment of QOL, has been characterised by a lack of consensus among authors on a worldwide standard of information system, able to replace those developed by different governments (Veenhoven, 1999; Henderson, H., 2000; Brown et al., 2004); c) the knowledge required from various disciplines to fully understand how the objective conditions influence people’s evaluations of their lives in order to have sound data (Diener and Suh, 1997).

The above key points remark that, the assessment of QOL remains complex, due to the wide range of its several aspects. So, many hypotheses have been expressed by authors as to whether development and GDP should be considered as sufficient in assessing QOL, such as the argument by: J.E. Stiglitz (2009), that GDP is a misguided accounting number; Freidman (2005), that economic growth makes people happy, by promoting liberal morality; Etzioni (2001) -even if not denying that economic conditions are a factor in determining QOL-, also claims that these have a rapidly declining marginal utility above the given level of wealth; Rojas (2007), support that there are basic human needs which do not require income for their satisfaction; and, Clarke and Paech (2004), arguing that there are countries experiencing high well-being without economic development, and others which have economic development while their well-being is worsening.

Considering all points of view mentioned above, in assessing QOL, apart from the economic conditions, it should also take into account factors such as income inequality, employment conditions and insecurity, health expenditure, corruption and public debt (Mitchel, 1999; Clarke, 2003; Rojas, 2007). Although, it is obvious that economic conditions, GDP and national income will remain, some significant and simple means in assessing QOL as a whole, given that approximately 62% of its variance is accounted for by GDP (Diener and Suh, 1997).

4. The Impact of Globalisation on Quality of Life

Just a few studies refer to the impact of G., considering it as a whole, upon all aspects of QOL, while, most of the relevant works explore the influence of a specific aspect of the first on a specific one of the second. Several restrictions, and limits arising from both subjects, dissuade researchers from undertaking the assessment of the impact of G., considered as a whole, on all aspects of QOL. Specifically, most of the works focus on the impact of some ‘economic’ aspects of G. upon some aspects of QOL which have a kind of material nature (Tsakiri, 2009). That is mainly justified by the fact that at least on a macro level, both concepts, G. and QOL, can mostly be expressed in economic terms. The most significant reasons explaining why researchers do not undertake the assessment of the impact of G. -
considered as a whole—on all aspects of QOL, are: the immense ambiguity and complexity that characterise both issues; a lack of consensus between authors about the content of both notions and, the significant degree of dynamism and changeability that characterises both concepts interacting with each other (Bowling, 2004; Rojas, 2007).

The frame formed by the conditions mentioned above, raises some limits on the extraction of some accurate results as whether the impact of G on QOL is positive or negative. Thus, at least indirectly, the impact in question can be approached by the changes observed during the acceleration of G.’s process on some essential economic indices, assessing to some extent people’s welfare and poverty, such as: (a) the global per capita GDP, that during the twentieth century has increased almost fivefold (IMF, 2000), permitting the relatively poorer population groups to attain higher living standards than those of a hundred years ago (Kodolko, 2001); (b) between 1965 and 1990, global prosperity increased tenfold, while the world population only doubled (Boff, 1999). Besides these rather favourable changes it should also be added that people living in the more integrated countries express more satisfaction with their lives and a greater sense of personal progress than do people living in less integrated nations (Pew Global Attitudes Project, 2002). These considerations drive us to conclude that the impact of G. on QOL is rather positive than negative.

However, many authors reject that G. has increased economic development, causing a positive impact on QOL. They, mainly focus on the following: a) the increasing inequalities between rich and poor people and countries which created a significant widening of the income gap (Kodolko, 2001; Verne, 2002; Bairoch, 2002; Müller, 2002; Habasonda, 2003; b) the existing poverty of nearly 20% of the world’s population who exist on less than 2 dollars a day (Mofid, 2003), and the growing poverty in sub-Saharan Africa where between 1987-2000 the people living below the absolute poverty line increased by 80 million (Nyman, 2001).

A first conclusion to be drawn from the above review might suggest that G. produces positive results for the richer countries and people but negative ones for the poorer. However, poverty exists today even in the USA, one of the most integrated and developed economies of the world, where 15% of the citizens go hungry daily, and 26% have no healthcare benefits. Further, it is true that many so-called ‘poor’ countries in East Asia which have applied export-oriented policies and are integrated with the G. process have been transformed from among the poorest economies in the world, to societies with rapid economic growth, less poverty, and great prosperity (IMF, 2000). On the other hand, the poor countries in Africa which continue to experience increasing poverty and inequality have not integrated with G., and have maintained introverted economic policies (IMF, 2000). However, conditions in favour of increasing inequalities, a widening income gap and expanding poverty, which characterise most poor countries, are also related to the circumstances of existing intensive ethnic conflicts, political instability, a low level of education and wide corruption. Hence, according to the above, the arguments
against G. for increasing poverty and inequalities cannot be verified, nor can the positive changes in economic terms observed during globalisation’s acceleration be rejected. On the contrary, the relevant literature leads us to admit that the positive or negative impact of G. on QOL depends on whether human decisions regarding G. are suitable and proper in handling successfully the changes, favourable or unfavourable, introduced by G. (Shultz, Rahtz, Speece et al., 2004). A very characteristic example justifying the above argument is provided by the existing difference between citizens in North and South Korea, concerning the revenue per capita varying from 200 dollars – in the case of North Korea - to 20,000 dollars – in the case of South Korea.

5. Conclusions and Discussion

The literature demonstrates that G. creates substantial and rapid changes to all aspects of human life, causing simultaneously positive and negative consequences to its quality. The positive ones regard the economic development and a reduction in poverty, mainly in countries which have been integrated into the G. process. The negative ones refer mainly to: (a) the enormous inequalities emerging within and between individuals and states leading to domination of the weaker by the powerful; (b) the sheer scale of unemployment, resulting from the intense concurrence among companies and the global economic crisis that has also been favoured by G., increasing ‘structurally’ poor people and poverty; (c) the worsening of working conditions, causing problems such as uncertainty and fear of losing employment which threaten the worker’s safety and health; (d) the overuse of the natural environment creating serious impediments to the normal function of the ecosystems; and (e) the reinforcement of problems, and the social-economic cost resulting from the increasing violent opposition against the negative effects of G. including those of the economic crisis.

The literature overview shows that the negative consequences of G. on QOL predominate over the positive ones, regarding the variety, frequency and significance of their results. Although, it is also clear that the most part of the negative results, regarding mainly countries that have been by-passed by G.’s process, emerges from the economic power that get a few big economic establishments and some privileged people. Those, almost without limits, utterly reap the fruits of the economic development arising from G. producing an enormous extent of economic inequalities (Müller, 2002). Further, the state seems gradually to lose its power and ability to take control and face the serious problems resulting from this situation. Thus, the QOL for billions ordinary people, considering the effects of the global economic crisis as well, is worsening as they lose any chance to profit from the positive aspects of G.

The impact of G. on QOL, positive or negative, seems mainly to depend on ‘human decisions’ (Hederson, 2000; Jedele, 2001; Kodolko, 2001; Batou and David, 2002; Shultz et al., 2004; Sanz et al., 2008; Tsakiri, 2009). Thus, governmental
authorities by the appropriate decisions can deal with globalisation’s negative effects, and further take advantage from the opportunities arising from it. This is the case of some East Asian countries such as N. Korea, Thailand, Malaysia, and China. For that, every state, according to the social-economic and political conditions, have to initiate the most proper national strategies and policies, aiming to: (a) define and apply the suitable national role that their country should play in the global scene (Kanter, 1995); (b) inspire people to support governmental initiatives regarding G.; (c) create a clime of effective collaboration between all agencies of public and private sector, various institutions, non-governmental organisations, individuals, and scholars; (d) exploit some conditions of G., such as the convergence, interdependence and interrelation of the economies all over the world, to have a solid system of collaboration among them; (e) to protect and support the state, in order to regain the power that it had, and fight against illegality and corruption. Thus, authorities should discover suitable ways to face the negative impact of G. upon the QOL of ordinary people, and also take advantage of the welfare emerging from G.

The scientific world has a significant role to play in surpassing any kind of barriers which limit the improvement of QOL, as the negative consequences of G. and the economic crisis, e.g. unemployment, poverty and inequalities. A closer collaboration among scholars and governmental authorities all over the world can support the appropriate approaches towards the negative impact of G. on QOL. Also, it will contribute in facing the serious problems arising from the strong oppositions to G. and the social disturbances that it causes. More, it is even probable for the global world community to face for a second time in its history the catastrophic results of a new International War (Schumann and Grefe, 2008).

Additionally, this literature overview has persuaded us that the impact of G. on QOL will remain for academicians among the most significant issues challenging them for further and systematic research.
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