

Globalization and its Consequences on Developing Countries

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This paper examines the globalization and its impact on growth and development in developing countries giving special attention to Sri Lanka. From the economic point of view, globalization can be defined as the growing interdependence of all countries and the integration of national markets into one global market. The process of globalization facilitated by the inflow of foreign direct investment and the world wide operation of Trans National Corporations(TNCs), technological advancement, which have reduced the cost of transport, communications and information to allow TNCs to relocate and coordinate different of production in different countries. It is also facilitated by the liberalization policies pursued by most countries to open their markets for trade and investment. Although, the developed and a few developing countries have been benefited from globalization, most of the developing countries in the world are in a poor position to have much favourable impact on their economies. Sri Lanka also has no exception to acquire many benefits under the process of globalization.

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