Globalization

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

Author Note

[Include any grant/funding information and a complete correspondence address.]

**Absolute poverty**

It is the state where a person does not have enough amount of income to meet the basic requirements and lacks basic needs such as shelter, food, clean water, basic education and medical care. It is also called as extreme poverty, typically discussed in the developing countries.

**Relative poverty**

It is also described as “relative deprivation” because people suffering from relative poverty are not totally poor which means they have money to meet their basic needs but can not afford anything else apart from these basic needs. This type of poverty mostly depends on the economic growth of the country and is changeable.

**Subjective poverty**

It is an individual’s perception of deprivation based on his/her financial situation(“Objective and Subjective Poverty | SpringerLink,” n.d.). It depends on the feelings of an individual, for example, if somebody says they feel poor, then this means subjective poverty.

**Debt bondage**

Debt bondage also is known as bonded laborasa form of slavery where people give themselves as security specifically against a loan and are expected to work in brutal conditions.

**Dependency theory**

A theory based on the Marxist view of the world is the exploitation of cheap labour and their resources in order to make the developed countries economically stable(“Dependency Theory—An overview | ScienceDirect Topics,” n.d.). It means that there is a dominant world that relies on the poor ‘peripheral’ countries which makes the poor poorer and the rich richer.

**First world**

The first world refers to the countries that were aligned with the United States and other western countries during the cold war. Back in 1991, these countries were in opposition to the Soviet Union and its allies. It also refers to the countries which are developed than the other countries.

**Second world**

The term second world refers to the countries which were associated with the Soviet Union. It also refers to the countries that are more stable and more developed than the third-world countries but less stable than and developed than the first world countries.

**Third world**

It is a phrase that emerged during the Cold war and is used to describe the developing countries. Those countries who do not have the same view as of the NATO or the Soviet Union likethe countries in Asia and Africa fall under the category of the Third world.

**Fourth world**

It is used to describe the countries which are poverty-stricken, most underdeveloped and cornered regions of the world. These countries don’t have any diplomatic affairs with other countries and are nomadic in nature. They are called the fourth world due to their economic performance.

**Global stratification**

This happens when the resources and opportunities of a region are distributed unequally among people based on their class, position or social status.

**Modernization theory**

Emerged in the 1950s, it suggests that the development of a country depends entirely on the technology as well as on the political and social situation.

**Underground economy**

It is a type of shadow economy that involves the transaction of goods and different services without the involvement of government in order to escape tax collectors and regulators. It is more related to an illegal activity performed without any security.

**The global feminization**

This refers to the participation of female force in the labour market and the equal distribution of wages between both the genders. It is an era of flexibility where women are pushed to different forms of labor.

**References**

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