

Global Systems and Global Governance

Human Geography: Year 2

How many countries does it take to make a jar of Nutella?

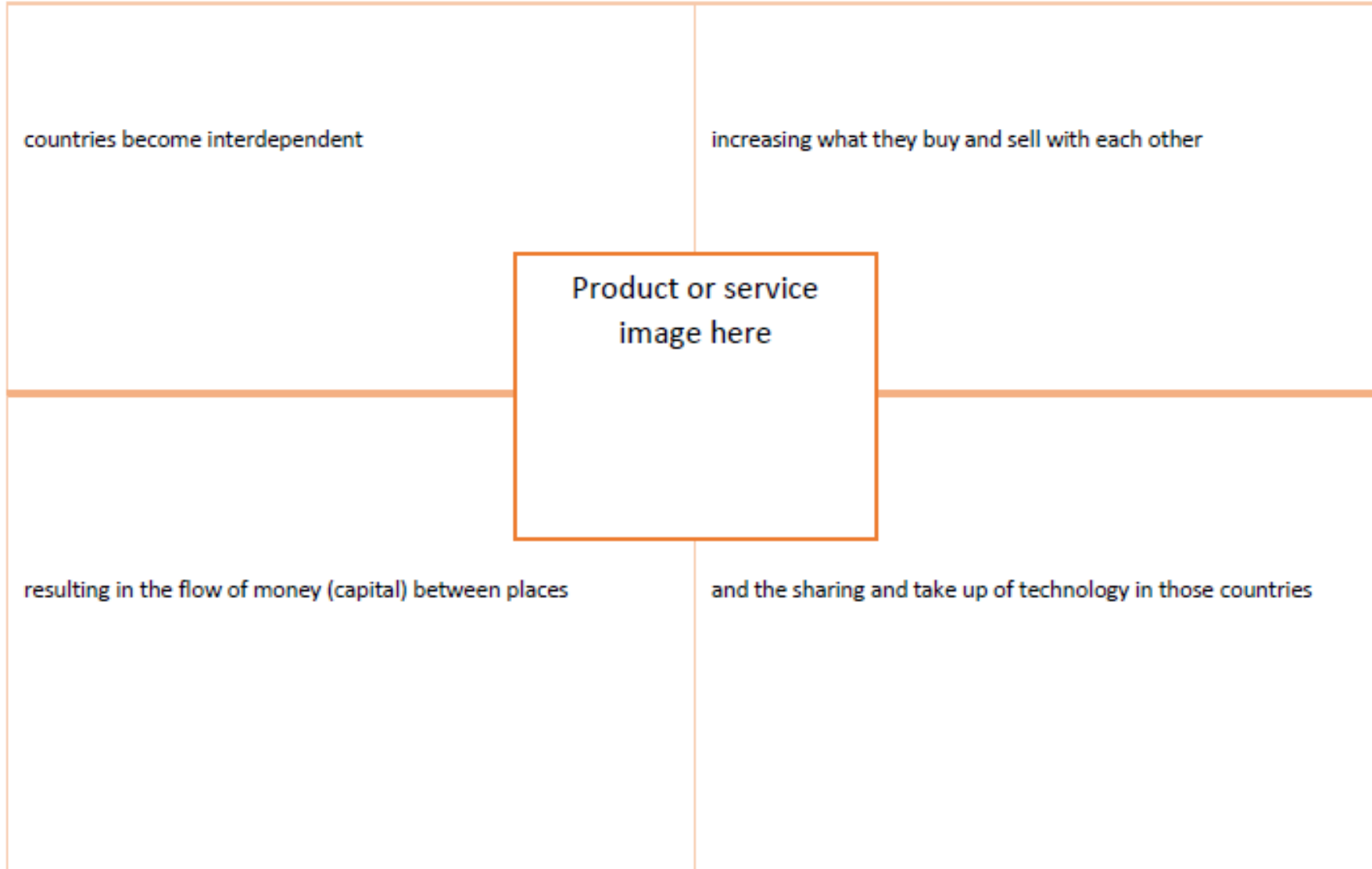


Figure 6. The Nutella® global value chain



Source: Ferrero, Sourcemap and various on-line sources.

Can you identify how a product (e.g. Nutella) / service, encapsulates each element of the definition?

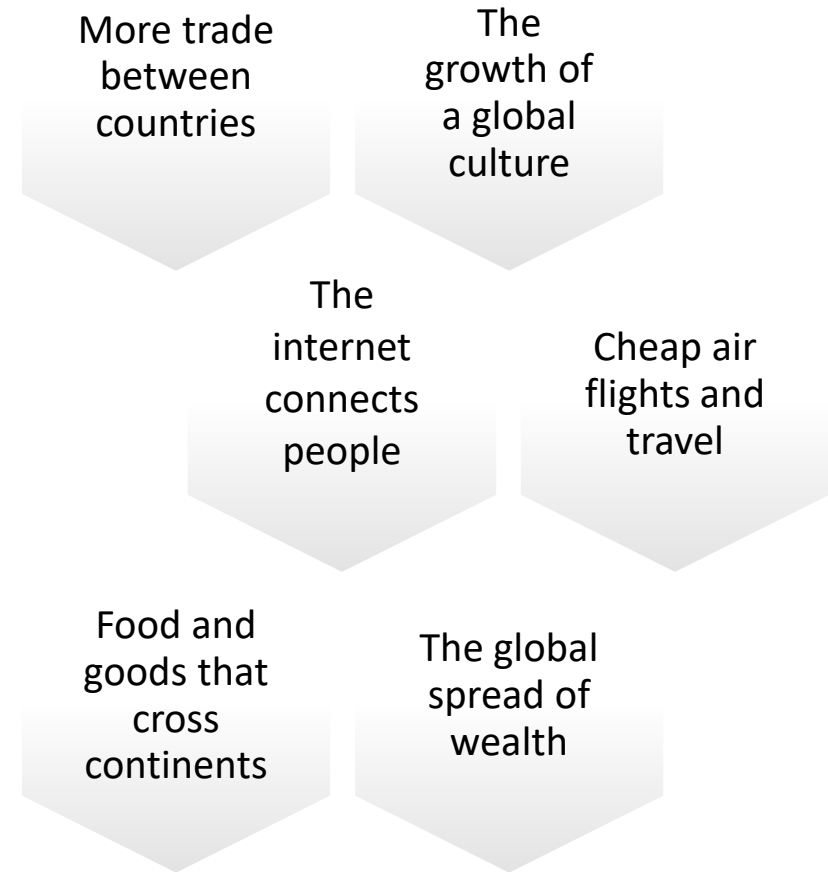


Globalisation:

1. Globalisation – define it and research its interconnected elements (own lifestyle and experience) and scales of the global economy.
2. Globalisation how has it accelerated within your own lifetime, driven by companies based in countries all over the world
3. Discuss the advantages and disadvantages of globalisation.

What is globalisation?

- People are always using the word 'globalisation' but what does it mean?
- Before we go any further, each student should try and write his or her own definition of the word (use OneDrive or Classnotes as instructed)
- Compare statements and look for common themes such as those shown opposite.
- Complete the second column of the 3-2-1 bridge table (page 2)



Globalisation defined

‘Globalisation is the increasing connections between places and people across the planet, established through trade, politics and cultural exchanges, and helped by technology and transport.’

(RGS website: <https://www.rgs.org/schools/teaching-resources/introducing-globalisation/>)

Watch the following Video link -

<https://www.rgs.org/schools/teaching-resources/what-is-globalisation/>

Breaking down the definition

- Countries become interdependent
- Countries increase what they buy and sell with each other
- This results in the flow of money (capital) between places
- The sharing and take up of technology in those countries starts to happen



Globalisation is

- Different types of **connection** or **movement** are **linking** people and places together
- These connections and movements can be forged across a **global-scale** distance, or **space**
- These connections and movements can make different places **interdependent** on one another for trade or other forms of support
- Places are becoming **dynamic**, as societies and cultures begin to **mix** and **change** as a result of connections and movements.

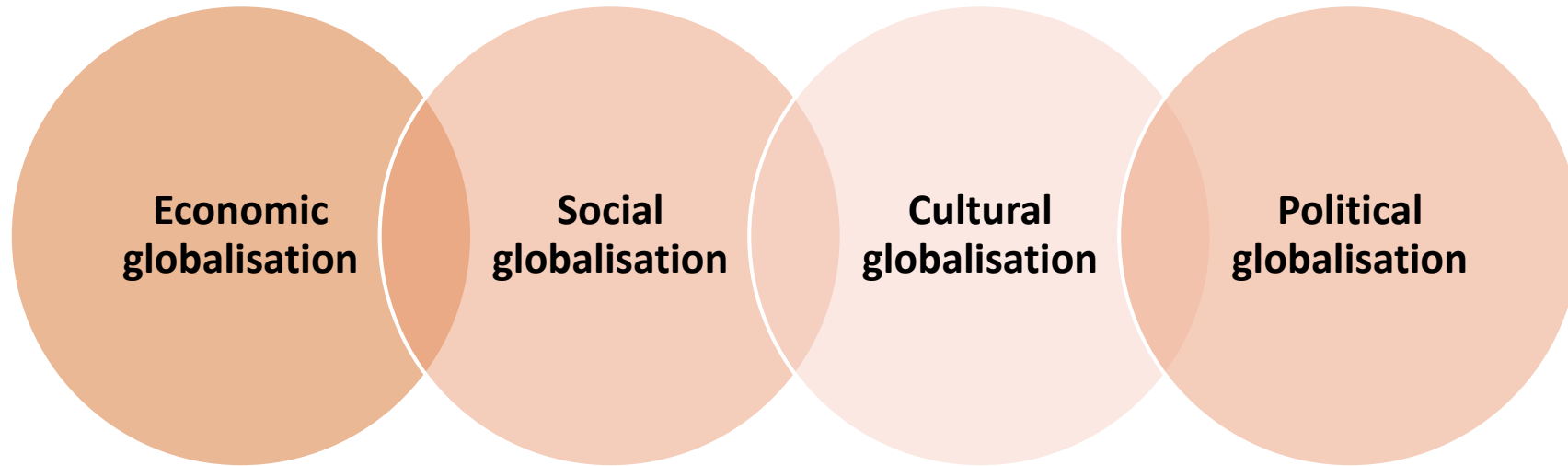
GLOBALISATION IS....

Think about the concepts of globalisation and then *compare* the eight interactions in the table below, looking for similarities / themes.

Table 1 Eight interactions that contribute to globalisation: what are the common themes?

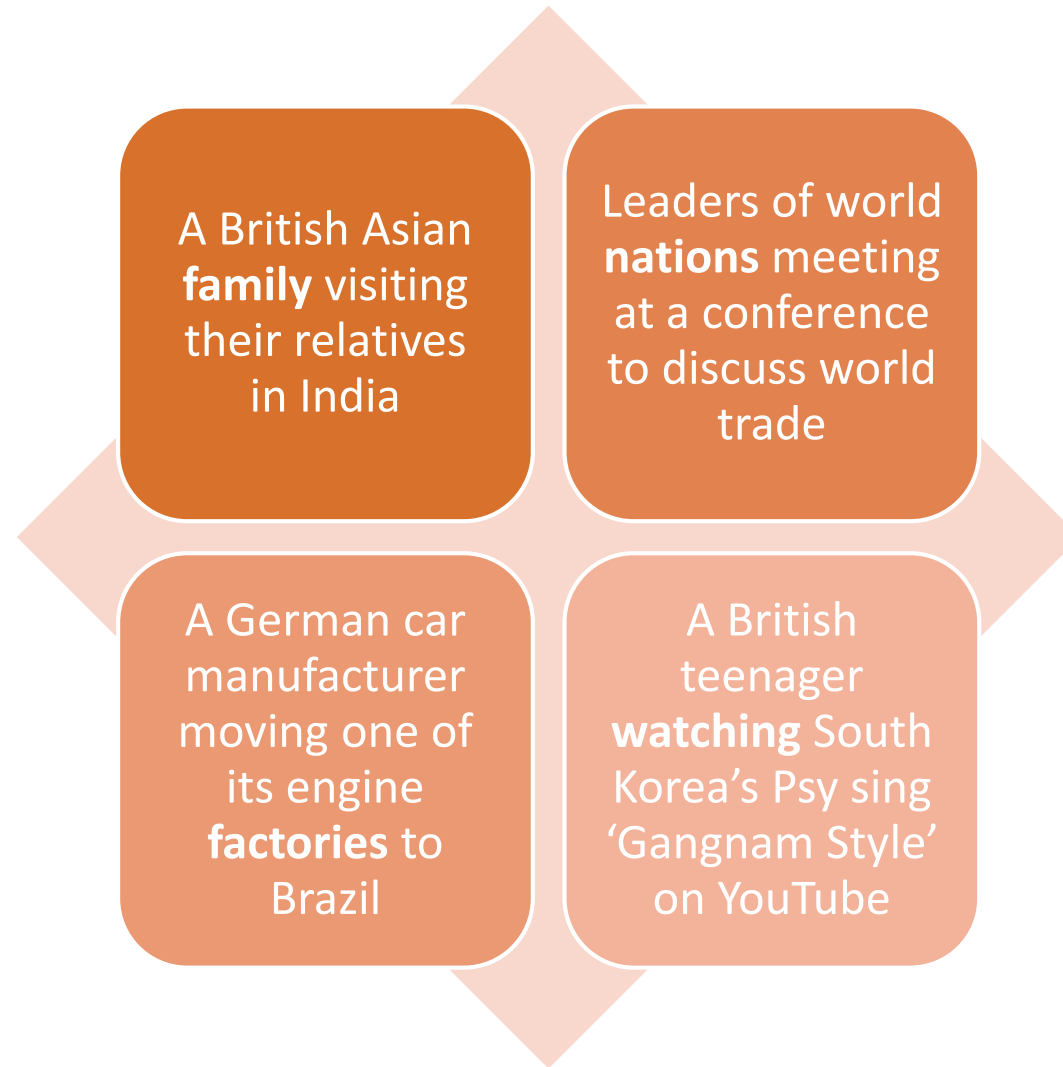
- A French person eating a banana from Ecuador while on holiday in Egypt
- The leaders of world nations meeting at a conference to discuss world trade
- Children with Indian, Polish or English roots all attending the same UK school
- An American citizen 'liking' the Facebook page of a South African citizen
- A British teenager watching South Korea's Psy sing 'Gangnam Style' on YouTube
- A German car manufacturer relocating one of its engine factories to Brazil
- A Chinese company building a new nuclear power station for people in the UK
- A Latvian electrician fixing a wiring problem in a house in Manchester

Forms of globalisation



- What do the different words – economic, social, cultural and political – represent?
- Can you suggest an example of each?
- The next slide shows four examples. Match them with the words: economic, social, cultural and political

four examples of globalisation

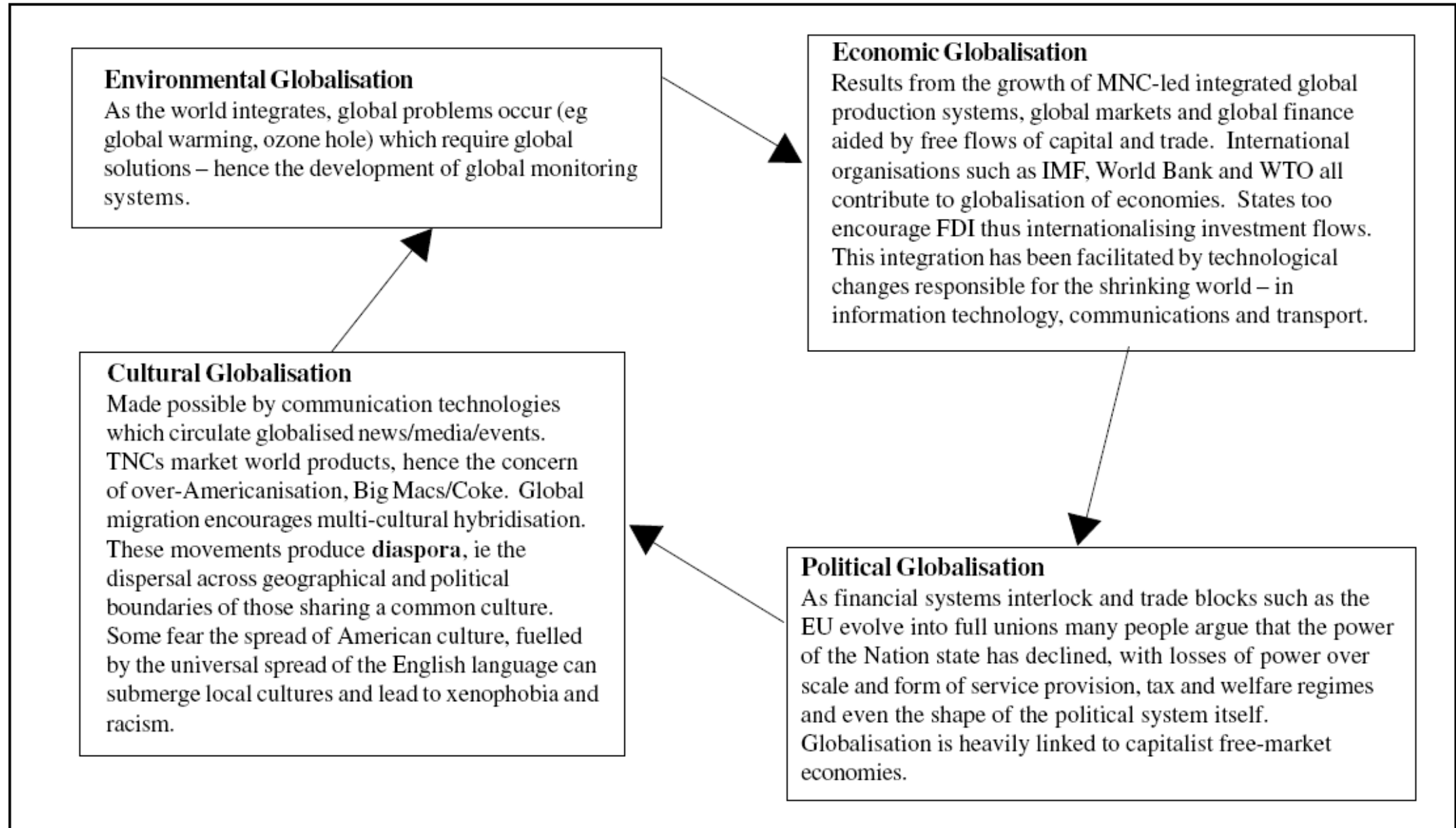


Forms of globalisation

Economic, cultural, social and political processes all operate alongside one another.

Form of globalisation	Process caused by:	Characterised by:
Economic	increase in free trade growth of transnational corporations faster, cheaper transport global marketing	long distance flows of goods, capital and services as well as information and market exchanges
Cultural/social	migration global communication networks impact of western culture through media, sport, leisure and celebrity	spread of ideas, information and images
Political	growth of Western democracies and their influence on poorer countries decline of centralised (communist) economies (though communist political control is still strong in China and Russia)	the diffusion of government policy and development of market economies in former communist states

Forms of globalisation further ideas



Opinion of globalisation

- **View the following videos:**
 - [Globalization: You're living IT](https://www.youtube.com/watch?v=g2Sei7F61U8&feature=related) (YouTube Video: <https://www.youtube.com/watch?v=g2Sei7F61U8&feature=related>)
 - [Causes – Globalization animation](#) (YouTube video – A film about a butterfly)
- Consider what the videos illustrate about trade, jobs, cultural identity, social justice, technology, multinational companies etc.
- Who is benefiting from the globalising process? Who is disadvantaged?

Your thoughts

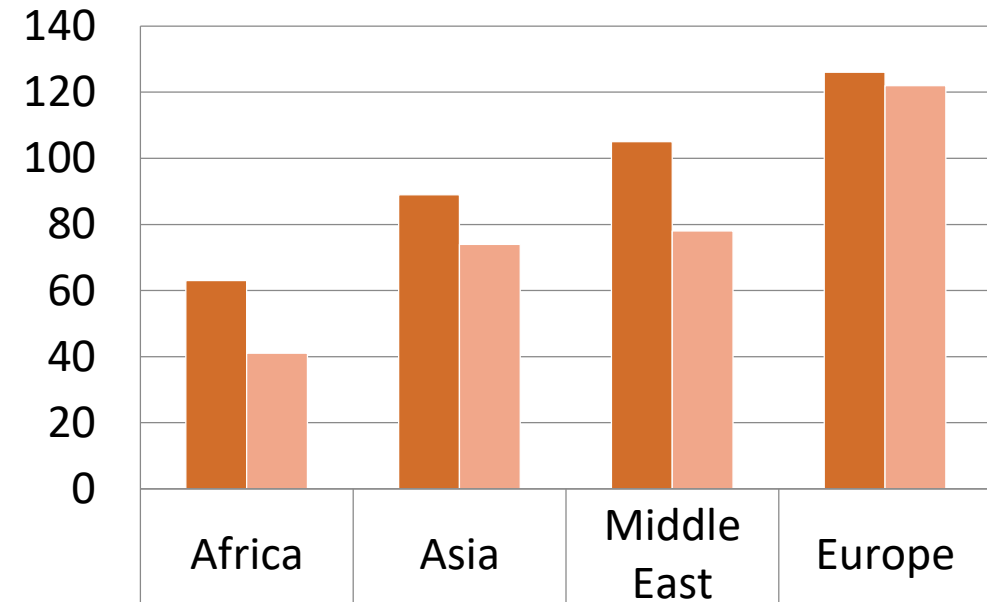
- There are diverse perspectives generated by globalisation. Read the statements on page 5 of the booklet. What do you think the writer thinks about globalization?
- Does opinion vary from person to person –how would your parents, grandparents responses differ?
- What is the impact of globalisation on your life?

Why is Globalisation happening?

Graph showing how technology drives change

When and why has globalisation occurred?

See [page 9 of your booklets](#) – discuss and answer the questions and Task 4.



■ Mobile phones per 100 people 2013	63	89	105	126
■ Mobile phones per 100 people 2010	41	74	78	122

In just three years, mobile ownership has soared in Africa from two-fifths to almost two-thirds. In Europe, many people have two phones (for work and home)

time 1

1945-1980

- The 'post-war' era
- Setting the rules for world trade



time 1

1945-1980

- The 'post-war' era
- Setting the rules for world trade

1944

- World Bank is founded after World War II

1948

- Jamaicans begin to move to the UK

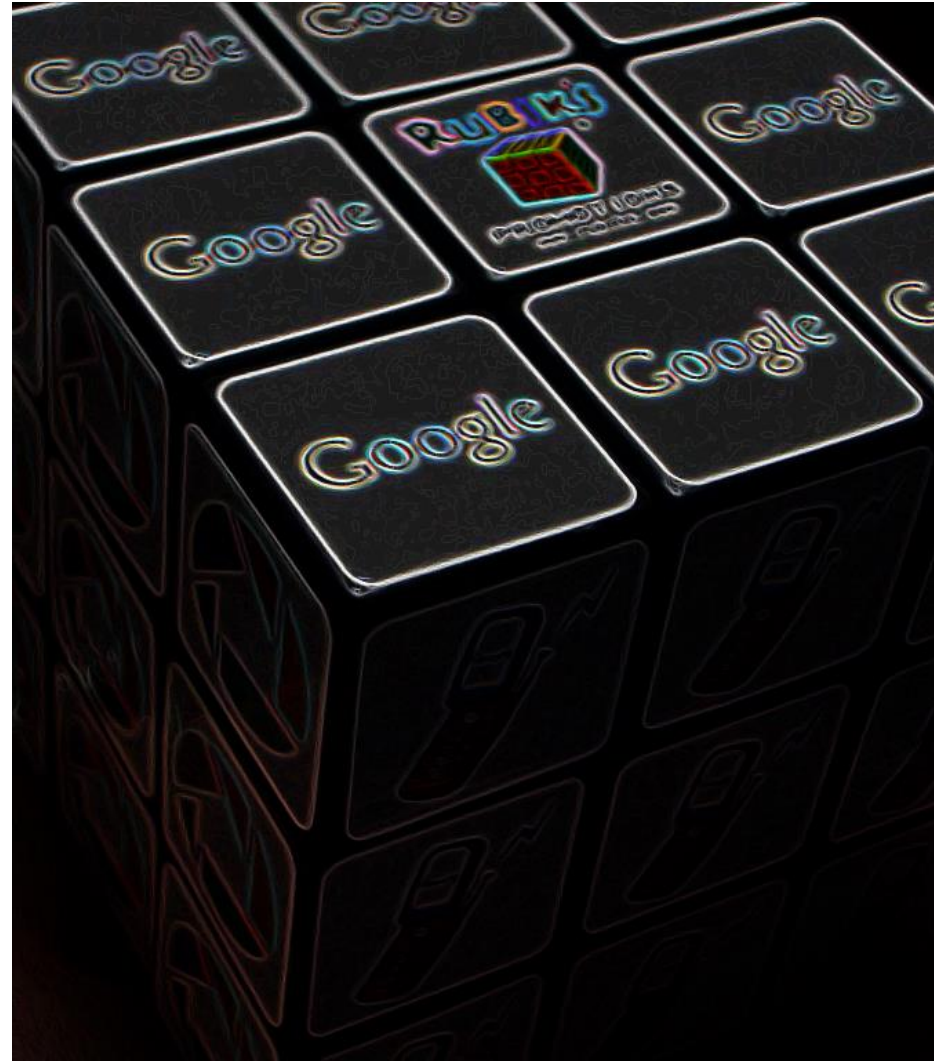
1975

- UK joins what will later be the EU

time 2

1981-1999

- Big companies move overseas
- Internet revolution begins



time 2

1981-1999

- Big companies move overseas
- Internet revolution begins

1990

- First proper Windows computers

1996

- Broadband available for homes

1998

- Tesco opens first overseas store in Asia

time 3
2000-now

- Technology takes off
- Rapid development in Asia and Africa



time 3
2000-now

- Technology takes off
- Rapid development in Asia and Africa

2000

- Millennium Development Goals launched

2004

- Facebook is launched

2011

- China becomes second largest economy

Globalisation

Our world is more connected now than it ever has been. The global economy and society have altered significantly in recent years as a result of the process of **globalisation**. Arguably, this has been positive for overall economic development but has also produced some negative consequences in terms of socio-political conflicts and environmental sustainability. There are few subjects either as controversial or as in need of better awareness than attempts to manage and govern human affairs on a global scale.

Flows of labour, capital, products, services and information

Globalisation involves people and places becoming more interconnected with one another by different kinds of global flow:

Q2	Each of these is a different type of globalisation 'flow'. Identify which.	Flow
A	Movements of working people, as internal migrants or emigrants/immigrants	
B	Transfers of goods across international borders from places of production to places of assembly and on to places of sale	
C	Conveying money through financial transactions and dealings in stocks and shares, government bonds, and investment banks	
D	Obtaining transmissions and downloading material from servers located around the world as well as interacting with others globally	
E	Provision of assistance, advice and guidance from people located far from the user and often operating in different time-zones	
		Information flows Service flows Capital flows Product flows Labour flows

Using the following slides and the Hodder textbook pages 280-287, give brief examples of each connection / flow that enable a global world

Flows of capital

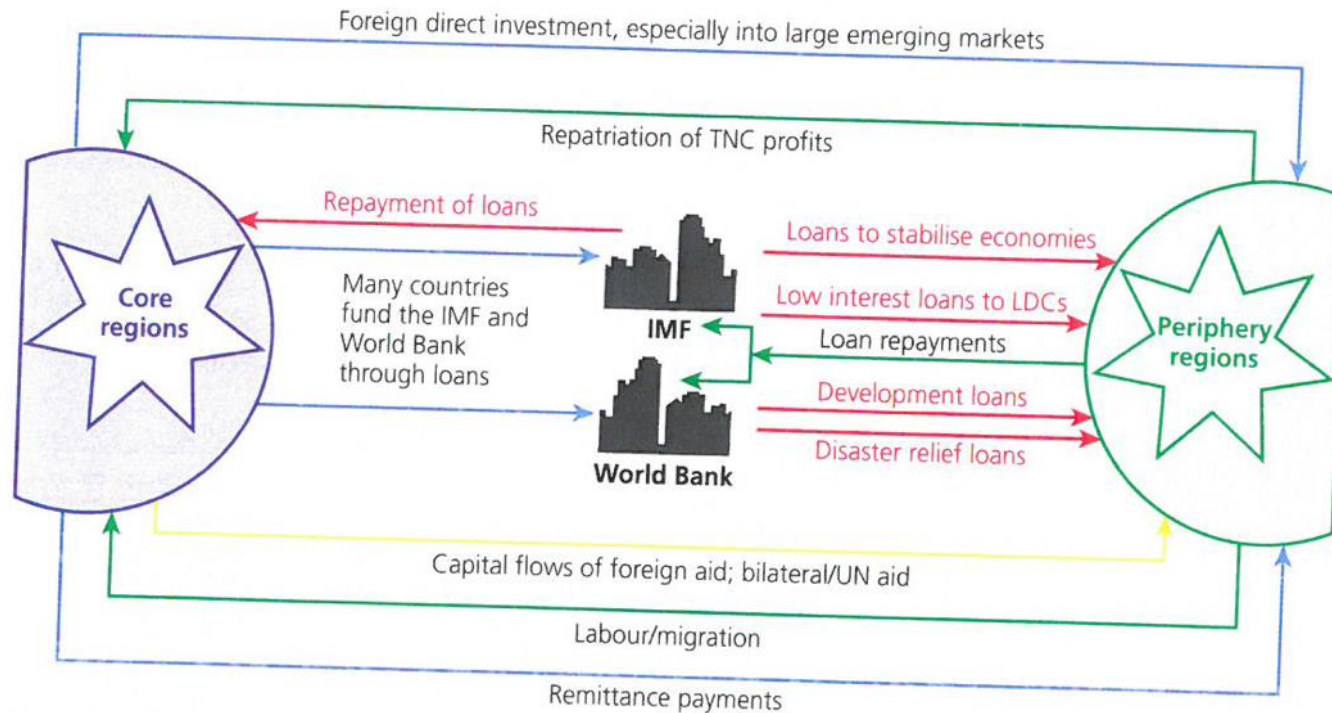


Figure 7.4 Flows of finance and capital between regions in the global economy

The flow of global finance increased from around \$2.5 trillion in 2002 to almost \$4 trillion in 2012, an increase of about 60%.

Figure 7.4 shows the capital flows experienced in the global economy system. It distinguishes between a 'core' area and a 'periphery' based on Frank and Wallerstein's core-periphery model of a world system. This assumed that global power is concentrated in the hands of a relatively small block of developed nations which they called the 'core'. Periphery countries were seen as those that are less developed and have been exploited and have suffered from a lack of investment, **leakages** and out-migration.

However, this concept is largely outdated because of growth in medium-income economies (BRIC and MINT). The global pattern has changed....

Flows of capital

- What changes to the global pattern can you identify – note these down in your booklets.

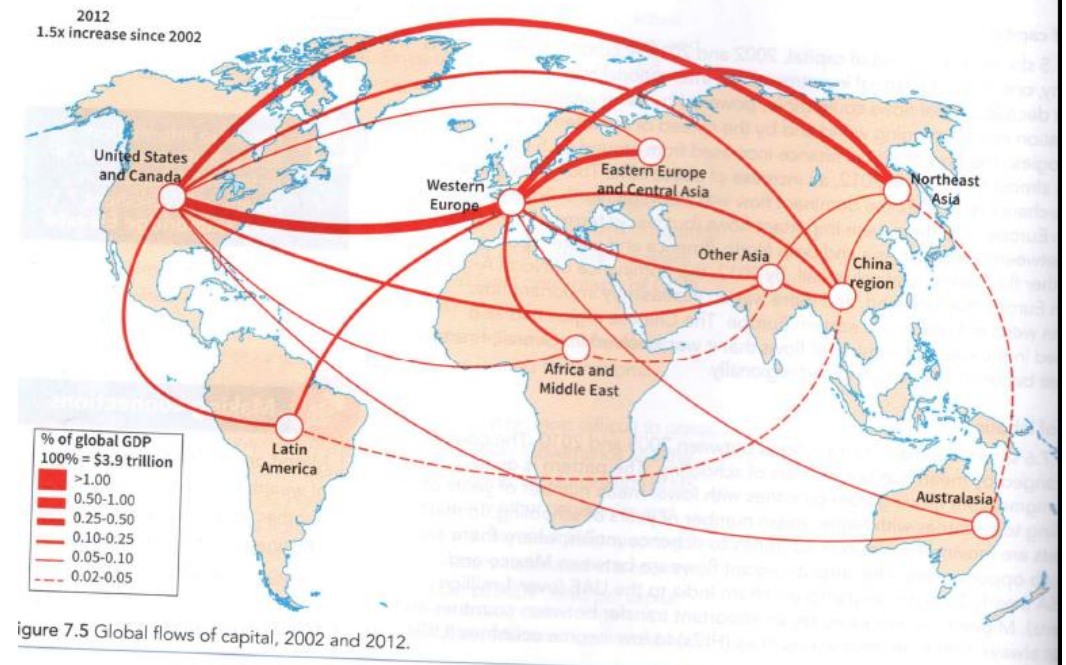
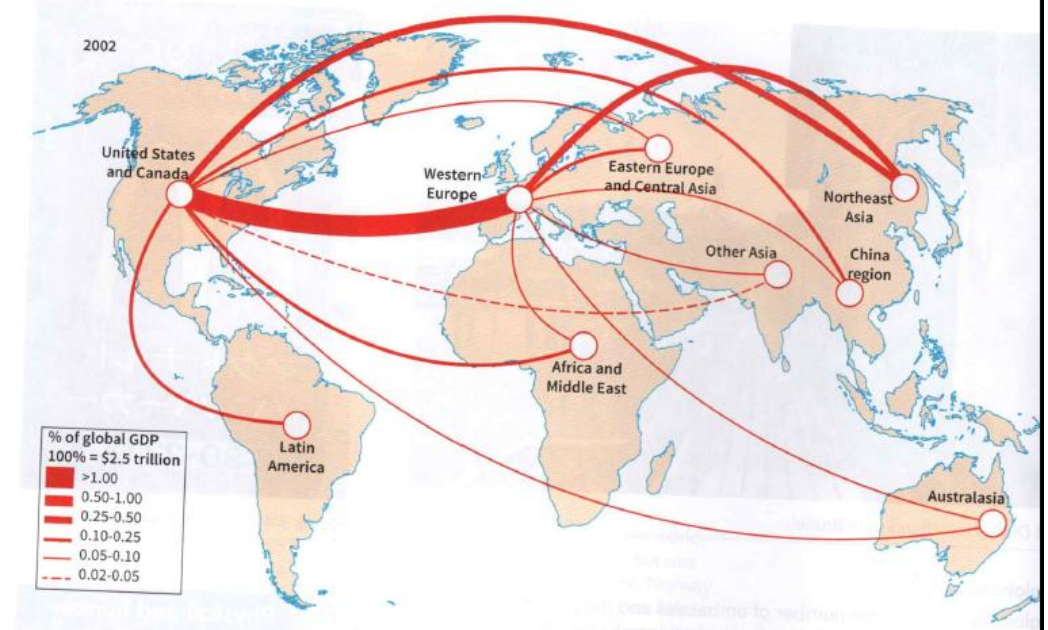


figure 7.5 Global flows of capital, 2002 and 2012.

Flows of capital

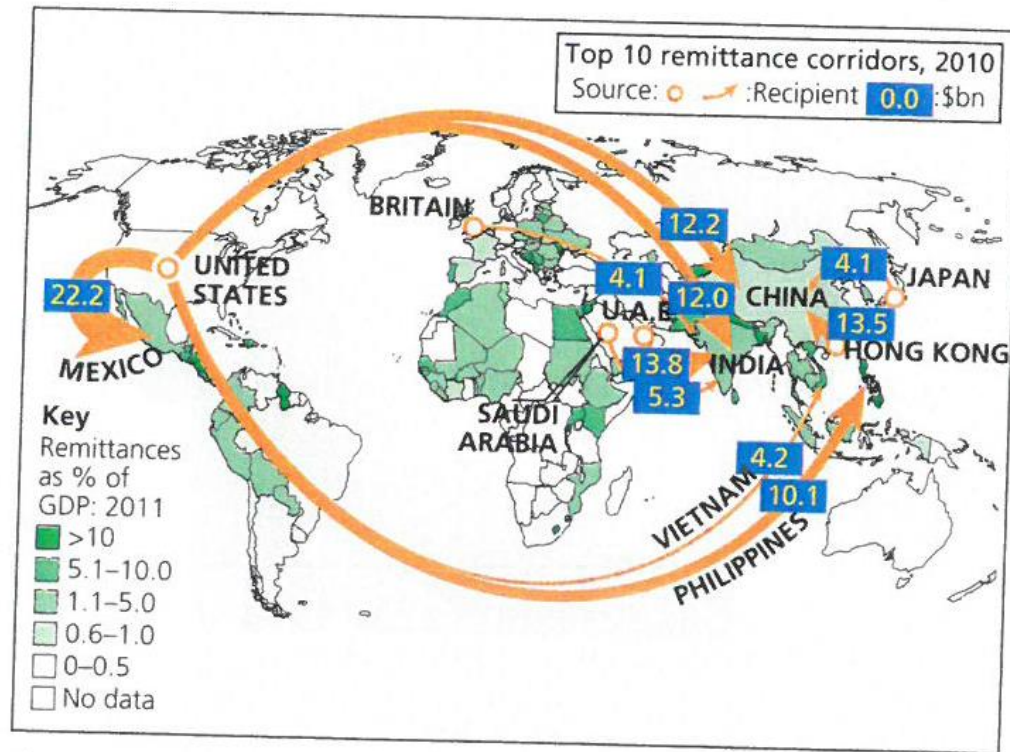


Figure 7.8 'Rivers of gold' – the top 10 remittance corridors in the world

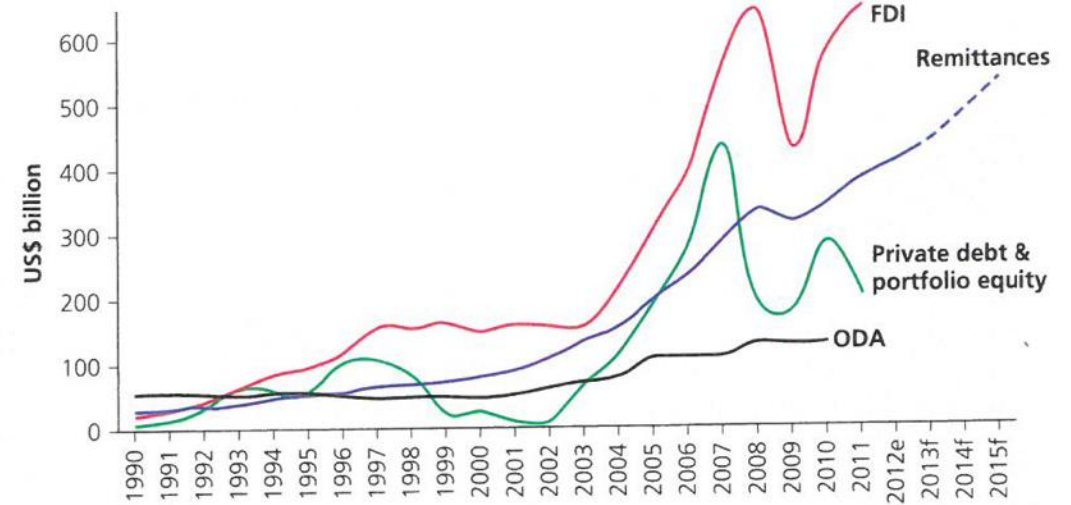
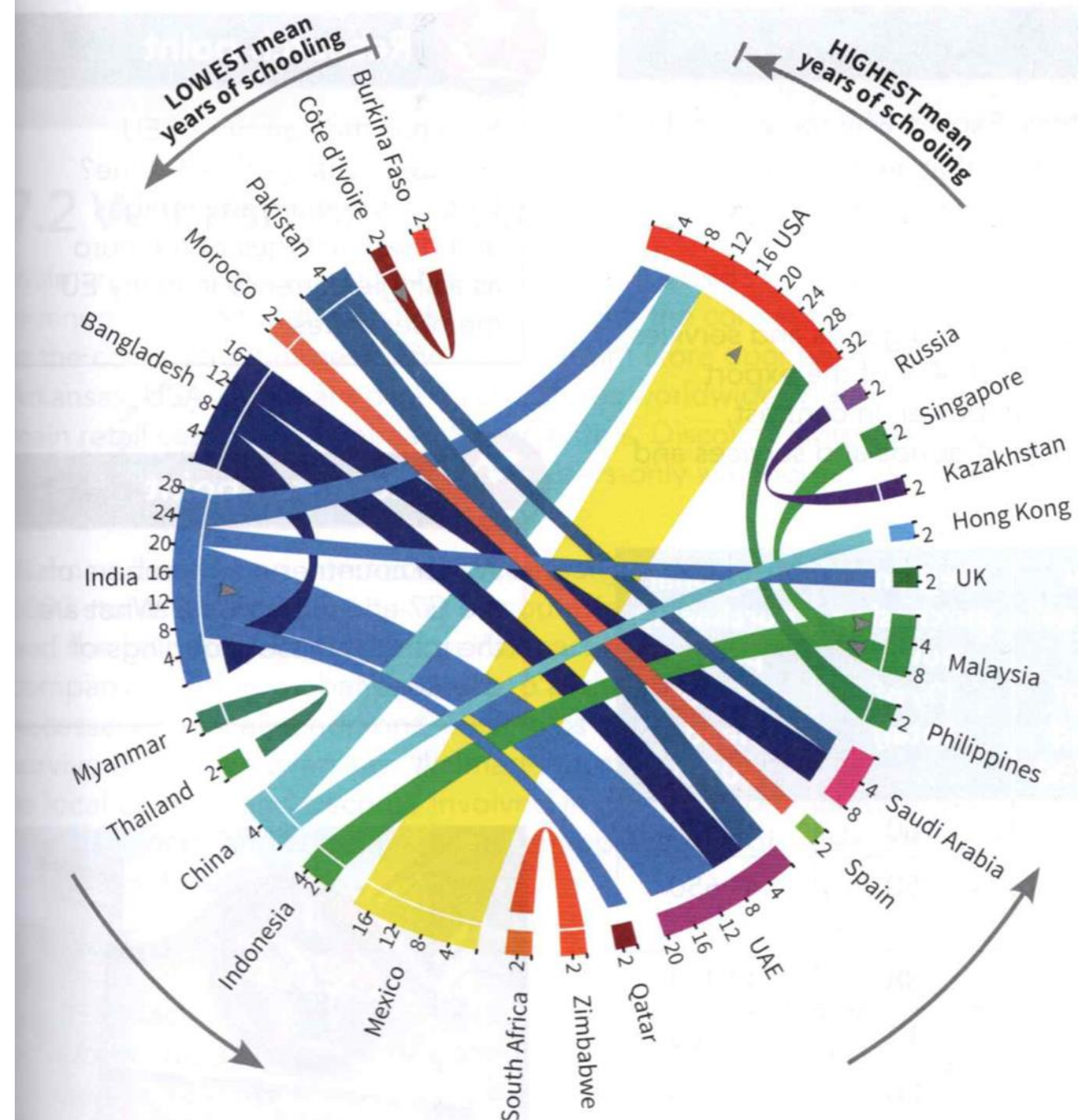


Figure 7.5 Remittances are becoming an increasingly important source of income for developing countries. Unlike FDI, remittances did not dip as significantly during the global financial crisis of 2008–09
 Source: World Development Indicators and World Bank estimates

Flows of labour

- Migrants are moving from poorer countries to richer countries, where there are more job opportunities.
- Where are the largest migrant flows?
- Migrants' remittances are an important transfer between countries and are not always from HICs to LICs.



Flows of products, services and information

International movement of **products** is facilitated, especially for developing countries, by reduction in costs of trade, which includes transaction, tariffs and transport and time costs.

Services are economic activities that are traded without the production of material goods, e.g. financial or insurance services. HSBC Holdings – a transnational service conglomerate in banking and finance.

Information flows are governed by the movement of people through migration and by the speed of data and communication transfers. Transfer of cultural ideas, language, industrial technology, design and business management support – all made possible through digitization and satellite technology with increasing significance in advancing research and development by highly educated groups.

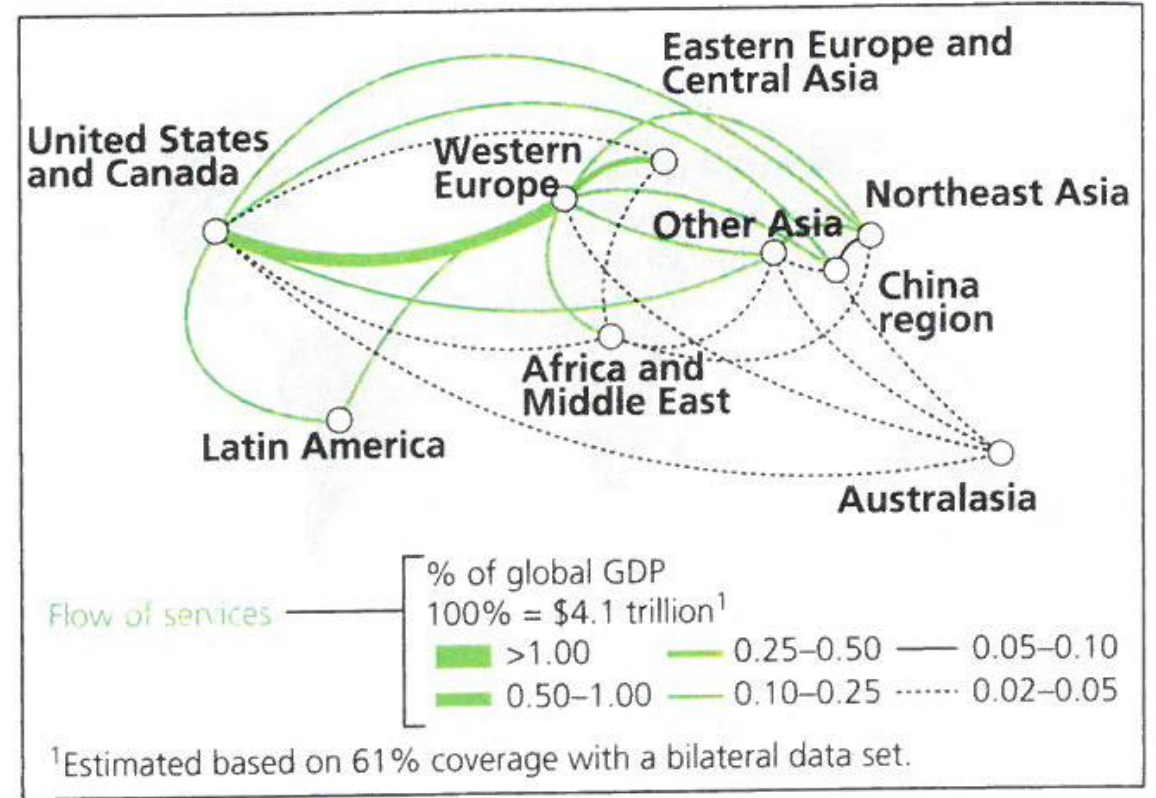


Figure 7.9 Global flow of services 2011

Source: UN Comtrade; IMF Balance of Payments; World Development Indicators, World Bank; Mckinsey Global Institute analysis

Globalisation is evident through global marketing

When a company decides to embark on global marketing

(<https://www.youtube.com/watch?v=SgZUaLTSAQI>):

- it views the world as one single market
- it creates a recognisable 'brand' and advertises through one marketing strategy for global consumption (same thing, same way, everywhere)
- Same product, same way, everywhere generating 'economies of scale' – saves money
- It creates products that fit regional marketplaces – **glocalisation....** : *The adaptation of a global product for a local market place. The word comes from an amalgamation of the words globalisation and localisation.*

(https://www.youtube.com/watch?time_continue=8&v=jmNrvlQ73pU - watch with transcript here: <http://www.geographypods.com/7-global-interactions-at-the-local-level.html>)

“Glocalisation”

Starter - McDonalds in India

Girl : Are we both girlfriend and boyfriend.

Boy: No.

Girl: Why?

Boy: Because girlfriends are too demanding, " I want this, I want that", doesn't suit well.

Girl: But all i want is Mc Aloo Tikki

Boy: is it?

Girl: Yes

Boy: Then its ok.



Globalisation in the high street

- Reflecting on the induction work and last year's clone town survey – is there evidence of globalisation in your high street?
- Can you give examples of globalisation?
- Do you feel this has accelerated in your lifetime?

Globalisation: For or Against?

- 'Globalisation is irreversible and irresistible' (Tony Blair, UK Prime Minister)
- 'Globalisation, which centralises power, destroys livelihoods, and creates displacement of people and environmental destruction' (V Shriya, Indian environmentalist)
- 'Globalisation is not a policy choice, it's an economic and social-cultural fact' (Bill Clinton, ex US President)
- 'Globalisation is generating great wealth, which could be used to massively reduce poverty world wide and global inequality' (Director of Nike)
- 'Globalisation is destroying millions of livelihoods. We must fight back for our survival' (Sarath Fennando, Movement for Land & Agricultural Reform, Sri Lanka)
- 'Far from being the cause of poverty and other misery, globalisation is the solution' (Singapore Prime Minister)

Review

Sort them into for, against and neutral and explain why each has their opinion.

Review of Globalisation – good or bad?

- What do we mean by globalisation? [Which aspects are under discussion, for instance? Economic globalisation or cultural globalisation?]
- What is meant by ‘good’ in this context? [Globalisation may bring a relative improvement in some people’s quality of life, yet still leave them in a poor economic position when compared with people living in richer countries.]
- Which different perspectives, or viewpoints, could we consider when answering the question? [Someone in Liverpool, whose job has been lost overseas, may take a different viewpoint from someone who owns shares in McDonald’s or Facebook]
- **See page 9 in the booklet – read the different boxes and consider how different groups of people are likely to feel.**

benefits

Globalisation has made the world a better place for many people

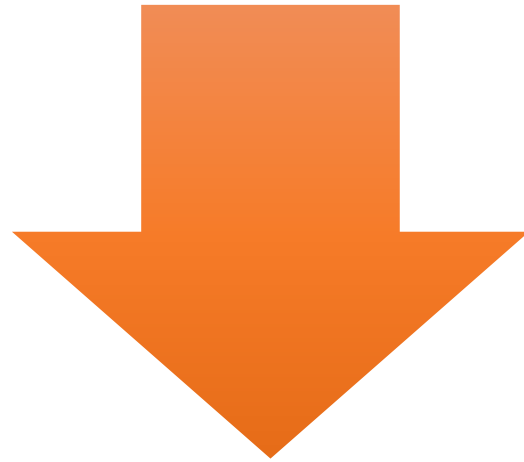
- Over recent decades there has been the fastest reduction in poverty in human history. This coincides with rising levels of global trade and investment
- Since 1990, the population of developing countries living in extreme poverty (less than US\$1.50 per day) has halved to just 21%
- Life expectancy in many developing countries has risen to 70 years or higher

concerns

Not everyone has benefited from globalisation yet. Some people may even be worse off

- 1.4 billion people still live in poverty, both in rural areas and slums of cities
- Income inequality has increased in most countries
- Polluting industries have moved from Europe and North America to Asia and Africa
- Many factory and farm workers in Asia and Africa endure hard working conditions for low pay

What's your global view?



Tough work
conditions for
some 'sweatshop'
and farm workers
in Africa and Asia



Rising income for
billions of people
and increased life
expectancy almost
everywhere



	Pros	Cons
Environment	<ul style="list-style-type: none"> • Diffusion of good values of environmental conservation and human rights. • Global consciousness has led to greater ecological awareness. • International co-operation in the management of the environment eg CITES. • Improved technologies for monitoring. 	<ul style="list-style-type: none"> • Many global economic activities are exploitative and degrade and pollute the environment. • Global competition → overuse of environmental resources. • Development → global ecological changes which lead to biodiversity loss and have led to fear and uncertainty about the future.
Improving quality of life	<ul style="list-style-type: none"> • Global capitalisation has led to many countries having rapid economic growth (NICs, RICs, some LEDCs) but bypasses LDCs. • Greater extremes of inequality and also internal disparities. 	<ul style="list-style-type: none"> • Many LDCs have just got poorer and face economic restructuring in order to solve their debt crises. This has hampered efforts to alleviate poverty of their citizens.
Economy and employment	<ul style="list-style-type: none"> • TNCs and globalised industries have generated millions of new jobs in NICs and LDCs. 	<ul style="list-style-type: none"> • Relocation of branch plants has brought job losses and fear for job security. • Global capitalism is generally less labour intensive.
Culture	<ul style="list-style-type: none"> • Global links have increased opportunities for self development in global travel and tourism. • Global technologies have reinvigorated some declining cultures. 	<ul style="list-style-type: none"> • Globalisation has led to loss of some traditional cultures/ religions. • Globalisation has become cultural Americanisation (hamburgers and cokes). • The speeding up of social life with greater insecurity and fear of the future.
Political	<ul style="list-style-type: none"> • Greater global co-operation to deal with problems in a structured way. e.g UN and wars in Africa 	<ul style="list-style-type: none"> • Decline of the nation state.

Fig 4 shows the globalisation balance sheet. As can be seen from the case studies, there can be both good and bad effects. Indeed a good effect for some people may be bad for others. Also public opinion can change. Currently in an era of single Super Power supremacy there is much anti- American feeling, and this leads to associated protest about cultural globalisation as it is seen as McDonaldisation, or there is strong anti EU feeling throughout Europe, perhaps especially in the UK.

Measuring Globalisation

Uneven levels of globalisation can be measured using indicators and indices. These include both:

- KOF ([KOF Index of globalisation](https://www.kof.ethz.ch/en/news-and-events/media/press-releases/2018/01/kof-globalisation-index-globalisation-down-worldwide-in-2015.html) - (<https://www.kof.ethz.ch/en/news-and-events/media/press-releases/2018/01/kof-globalisation-index-globalisation-down-worldwide-in-2015.html>)
- AT Kearney World Cities Index

The KOF index of Globalisation

- KOF defines globalisation as *'the process of creating networks of connections among actors at multi-continental distances, mediated through a variety of flows including people, information and ideas, capital and goods'*

The Swiss Institute for Business Cycle Research, KOF, produces an annual index of Globalisation (from 2002), which measures the three main dimensions of globalisation:
economic, social and political.

Calculating globalization using KOF index

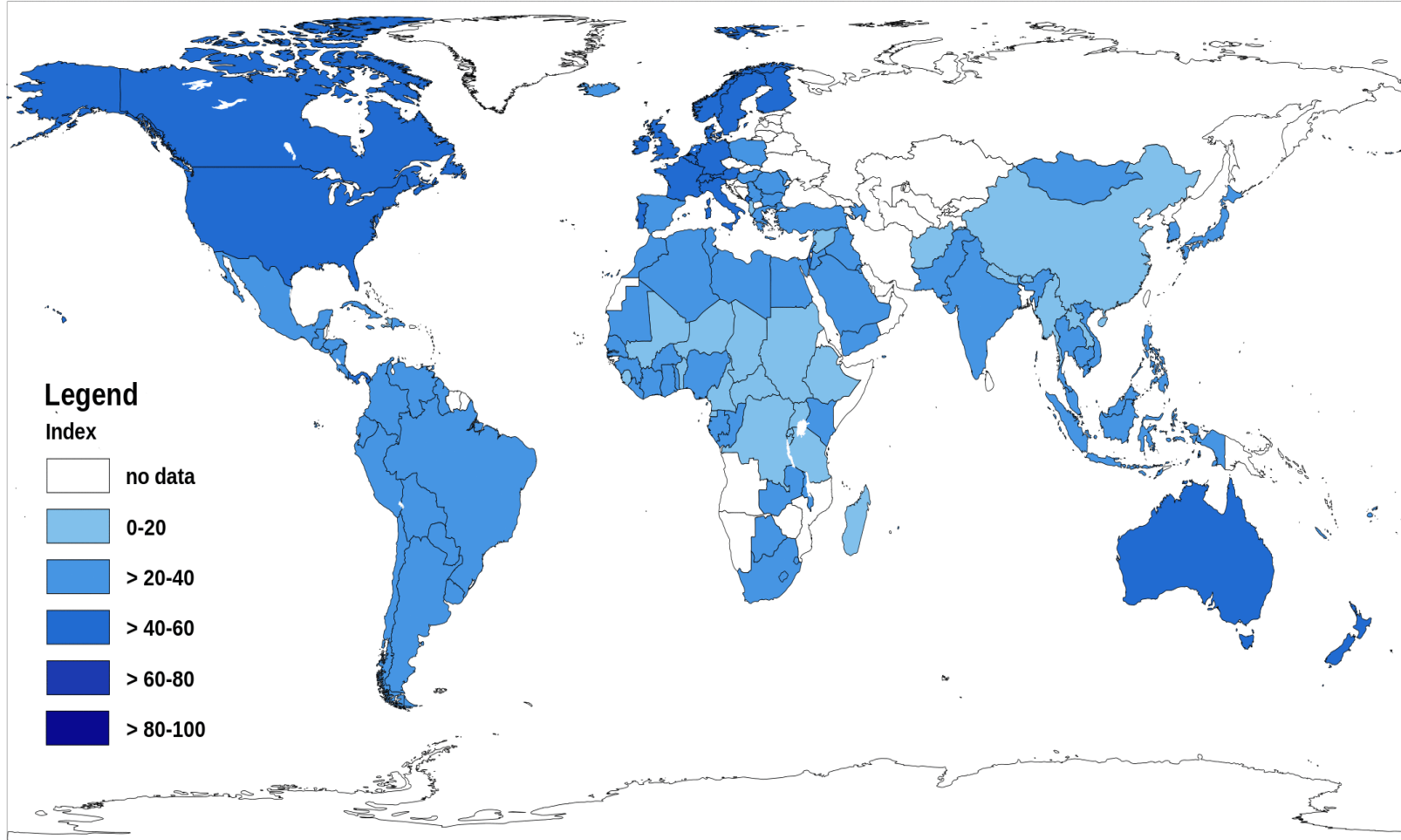
Table 12.6 Calculating a country's globalisation score using the KOF index

1	<p>Collect data relating to:</p> <ul style="list-style-type: none">● economic globalisation (trade and FDI figures from the World Bank; import tariff rates)● political globalisation (the number of foreign embassies in a country; the number of UN peace-keeping missions a country has participated in)● social and cultural globalisation (the volume of international ICT traffic, tourist flows and international mail; households with a TV set; imports and exports of books)
2	<p>Analyse the new data by:</p> <ul style="list-style-type: none">● converting all 24 variables into an index value with a scale of one to 100● substituting missing data with the most recent data available● averaging the individual scores to give a final score out of 100
3	<p>Compare the new scores with previous scores dating back to 1970</p>

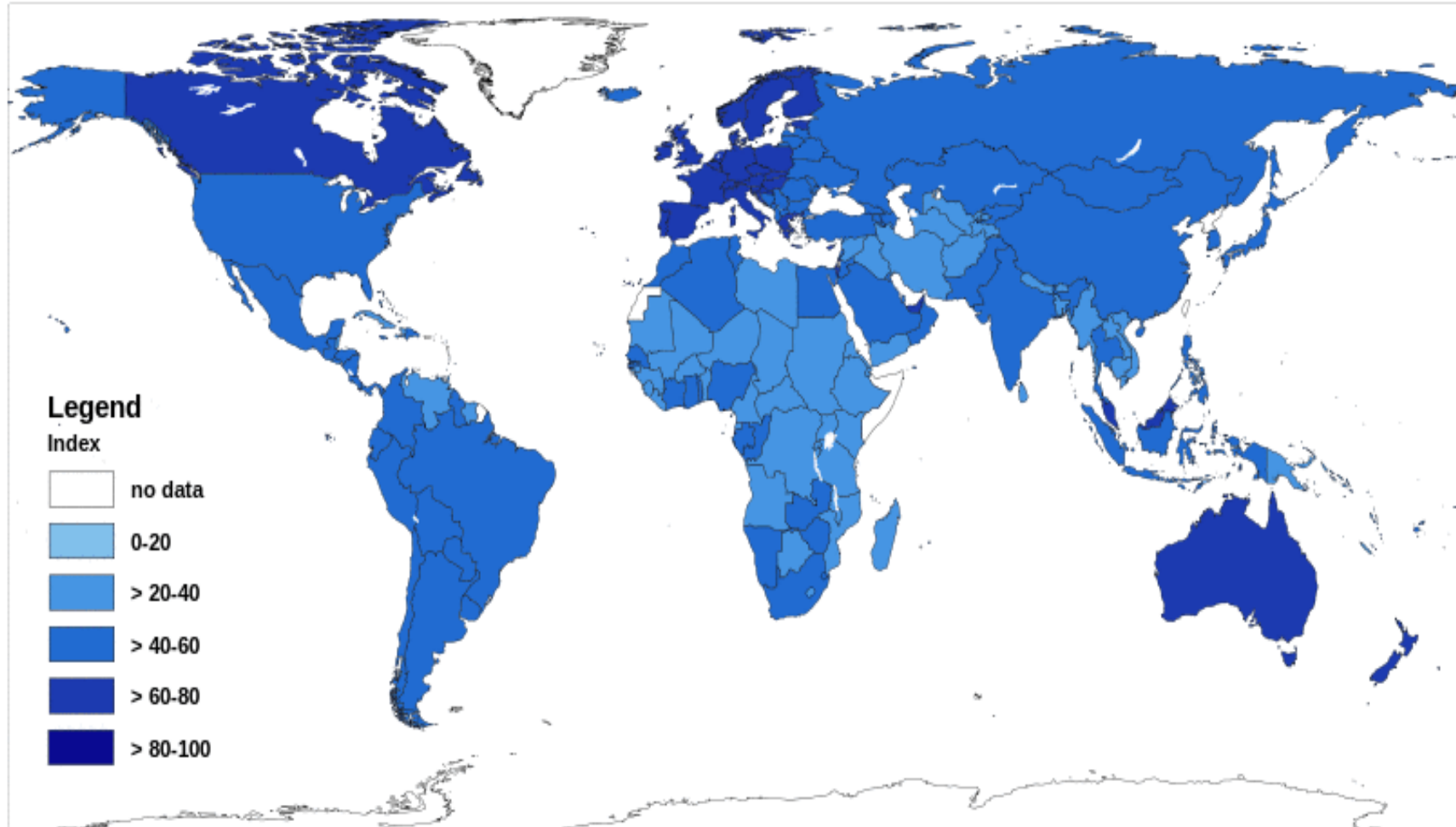
KOF index mapped

Look at the KOF maps from 1970 to 2010 showing global progress in globalisation. What is the general global pattern of spread?

KOF Index of Globalization 1970



KOF Index of Globalization 2010



Analyse the distribution of globalisation as shown in the maps from 1970 and 2010.

Usefulness of KOF

- The index allows comparing degree and changes in globalisation over a large number of countries and more than 30 years.
- The KOF Index of Globalisation is available for 158 countries over the period 1970–2010,
- It is calculated on the basis of 24 variables.

Research

- Read the section 1.1 What is globalisation? On pages 8-9 of the Oxford textbook (included on pages 14-15 in the booklet).
- Answer activities 1 and 2.
- Complete the document: Globalisation Additional Home Learning 2020