

## Globalisation dimensions and factors 3.2.1.1

### ANSWERS

Q1	<b>Match the abbreviation with its definition &amp; write in the full name</b>	
A	An agreement amongst three countries in North America that eases trade in goods and services between them by reducing import tariffs	<b><u>N</u>orth <u>A</u>merican <u>F</u>ree <u>T</u>rade <u>A</u>greement</b>
B	An organisation (HQ in Washington D.C.) with membership involving most of the world's countries that fosters international financial stability & co-operation and to facilitate international trade	<b><u>I</u>nternational <u>M</u>onetary <u>F</u>und</b>
C	An organisation (HQ in Geneva, Switzerland) with over 100 countries as signatories that helps provide a framework for countries negotiating international trade agreements and helps resolve disputes	<b><u>W</u>orld <u>T</u>rade <u>O</u>rganisation</b>
D	An indicator of productivity within a country, usually measured over a year, indicating the financial value of all goods and services produced from within the national area in that time	<b><u>G</u>ross <u>D</u>omestic <u>P</u>roduct</b>
E	A single corporation may develop global operations, having its HQ and some functions in a host country, but branch plants operating in other countries building on the advantages each location offers	<b><u>G</u>lobal <u>P</u>roduction <u>N</u>etwork</b>
<b>WTO                      IMF                      GDP                      GPN                      NAFTA</b>		

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

Q3	<b>Which of these statements accurately describes the key elements of globalisation?</b>	<b>T/F</b>
A	Globalisation is seen by all major players as a beneficial force to be encouraged <b><i>There are issues and problems associated with globalisation as the TUC notices</i></b>	<b>F</b>
B	Connections between people & places have become deeper, faster and shorter <b><i>Deeper, faster, and lengthened – connected to people/events further away</i></b>	<b>F</b>
C	The KOF index ranks countries on degree of integration into globalisation networks	<b>T</b>
D	Globalisation tends to lead to the separation of stages of production among countries	<b>T</b>
E	Post-war developments in transport have been a key factor in facilitating globalisation	<b>T</b>

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Q4	<i>Consider why some governments might be wary of/resistant to globalisation</i>	
A	<b>Economic reasons</b>	<ul style="list-style-type: none"> <li>• Aggressive competition with home-nation industries by global TNCs</li> <li>• Take-over of home-nation companies and service-providers by foreign companies</li> <li>• Increase in unemployment as home-industries close</li> <li>• Reduced revenue from home-nation businesses</li> </ul>
B	<b>Social reasons</b>	<ul style="list-style-type: none"> <li>• Social consequences of rising unemployment</li> <li>• Loss of highly skilled/educated migrants to host-country of TNCs</li> <li>• Hollowing-out of geographically-concentrated industrial communities (steel industry/ ship-building / car-making)</li> <li>• Concerns over perceived change to communities as a result of labour flows/immigration</li> </ul>
C	<b>Political reasons</b>	<ul style="list-style-type: none"> <li>• Perceived loss of control over national economy</li> <li>• Perceived loss of international influence</li> <li>• Reduced revenues to meet national expenditure needs</li> <li>• Pressure to solve arising issues</li> <li>• Increasing regional disparity as some regions are affected more negatively than others</li> </ul>

Q5	<i>What actions might a national government take to respond to globalisation forces?</i>	
A	<b>To engage with globalisation:</b>	
	<ul style="list-style-type: none"> <li>• Become a member of the WTO</li> <li>• Readily enter into low-tariff/free trade agreements with other countries</li> <li>• Promote the industries/services that can sell to international partners</li> <li>• Encourage Foreign Direct Investment (FDI)</li> <li>• Reduce barriers to investment decisions (planning laws, labour regulation etc.)</li> <li>• Promote the benefits of your economic, social &amp; political environment compared with alternative countries</li> <li>• Have low business-tax rates</li> </ul>	
B	<b>To secure itself against globalisation:</b>	
	<ul style="list-style-type: none"> <li>• Avoid entering trade agreements with other countries</li> <li>• Limit inward investment through regulation</li> <li>• Extend tariff barriers on imported &amp; exported goods</li> <li>• Have high business-tax rates</li> <li>• Limit labour movement through restrictive border controls</li> </ul>	