

Forms of interdependence and resulting issues 3.2.1.2

ANSWERS

Q1	Match the abbreviation with its definition & write in the full name	
A	A trading bloc of over 25 countries that agree terms of trade and the social, economic and environmental framework that assists free flows	European Union
B	The revenue a government accumulates as GDP rises and the value of exports exceeds imports, which is then available for re-investment	Sovereign Wealth Fund
C	An arm of the United Nations that co-ordinates global action to improve health, reduce threats to health and prevent spread of disease	World Health Organisation
D	Investment that comes into a country from an external source – which may be involve large global companies or government wealth	Foreign Direct Investment
E	A business that operates across many countries. It may involve manufacturing, extraction & processing, services, finance, media etc.	Transnational Corporation
FDI SWF TNC WHO EU		

Q2	Match the type of global interdependence with the description	Interdependence type
A	Ireland has a significant reliance on inward investment by global corporations (many of them US) exporting products to an EU market	Economic
B	The shared nature of the oceans means that extraction of fish, release of waste and ocean acidification involve global responsibility	Environmental
C	The construction of hotels, offices, roads and retail complexes in the United Arab Emirates relies on workers from many Asian countries	Labour
D	NATO (North Atlantic Treaty Organisation) developed in the face of threat from the USSR as a defence of countries with similar outlooks	Political
E	The ties between the USA and many countries is based on significant immigrant groups from Mexico, Vietnam, Italy, Philippines, Cuba etc.	Social
Political Economic Labour Social Environmental		

Q3	Select whether each situation reflects a 'benefit' of global interdependence, or a 'problem'	Benefit	Problem
A	Fall in currency value where migrant workers are living, for families back home to whom they regularly send some of their wages		✓
B	Those seeking work in a location where FDI is being focused and leading to a construction boom	✓	
C	A TNC with specialist manufacturing plants in different countries, experiencing supply disruption by strikes in one particular country		✓
D	A country with surgeons & doctors who are feeling overworked and under-appreciated and who are being actively recruited elsewhere		✓
E	Employees in a country where major TNCs developed and are based, but which are relocating operations to lower-cost countries		✓

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Q4	<i>As a young adult in a highly interdependent globalised country, how may you be affected in these areas of your life?</i>	
	Positively: economically	Negatively: environmentally
	<ul style="list-style-type: none"> • FDI may mean more jobs are coming into your country for you to apply for • In host country of a major TNC the company may be expanding globally and offering more opportunities for promotion • In host country of many global TNCs, increased tax revenue may be invested in higher education courses you can apply for • Introduced technological ideas & innovations stimulate you to form a start-up company 	<ul style="list-style-type: none"> • Rapid development from FDI may lead to considerable air pollution from heavy construction projects & increase in traffic • New industries may be pollution-generating, such as recycling of electronic goods • Demands for more energy may lead to increased pollution from power stations • Waste may be exported elsewhere to be disposed of leading to unsustainable habits towards waste generation & disposal
	Positively: socially	Negatively: politically
	<ul style="list-style-type: none"> • A more culturally diverse set of colleagues to study/work amongst, opening the possibility of more global experiences for you • A chance to work and live in different countries as an employee of a TNC organisation – seeing more of the world • A greater range of consumer products becoming available to you as items made or produced elsewhere enter your country 	<ul style="list-style-type: none"> • A sense that decisions about developments are not being made by your government, but foreign firms &/or global organisations • A concern that investment may dry up and be switched to another country depending on the stance of your government • Reduced job security as TNCs relocate leading to political activism • Significant emigration as well as immigration may provoke public concern at change

Q5	<i>While some see globalisation as a very positive approach for their country to engage with, others are less convinced. Present the arguments on both sides of the case</i>	
	<i>Arguments in favour of your country engaging with globalisation</i>	
	<ul style="list-style-type: none"> • Greater opportunity for domestic businesses to sell to a wider foreign market • More likelihood of inward investment coming into your country • Greater efficiencies as firms operate at a larger scale and capture economies of scale • Tends to make goods cheaper as trade barriers and import taxes (tariffs) are lowered or completely removed • Offers opportunities to live and work in other countries (freedom of movement within the EU) • Encourages peaceful co-existence with other countries rather than aggressive competition 	
	<i>Arguments against your country engaging with globalisation</i>	
	<ul style="list-style-type: none"> • Dilutes the independence of national governments • Opens your national businesses to foreign competition that they may not succeed against • Emphasises the importance of market-driven decisions which may not be desirable • Dilutes the national culture to become a blend of common global influences • Assumes all countries wish to follow a capitalist, market-orientated development path • May generate flows of capital, labour, information, attitudes etc. that are not seen as desirable 	