

Globalisation: a critique

3.2.1.6 Global systems and global governance

What you need to know
How globalisation can benefit world development
The negative impacts of globalisation on societies
The negative impacts of globalisation on physical environments

Introduction

The impacts of globalisation need carefully unpacking as part of any analysis. Referring back to 3.2.1.1., there are positive and negative impacts of *each* different aspect of globalisation to consider: the economic, social, cultural and political aspects of globalisation may all have positive and negative consequences for environments and societies at local, national and global scales. It may be useful, for instance, to draw a contrast between the ways that *economic* globalisation (trade flows and out-sourcing) affects places and the impacts that *cultural* globalisation can bring (e.g. cultural mixing due to worldwide use of social media).

The main foci of the AQA course are:

- the economic and political benefits of globalisation (economic growth and development, and the political integration and stability this may bring)
- the social and environmental costs of globalisation (inequalities, injustice, conflict and environmental degradation)

How globalisation can benefit world development

Globalisation is widely viewed as having brought economic growth and developmental benefits to many states and societies (though, not always in an evenly-spread way). According to neoliberal thinking, there has been a trickle-down of wealth from the “global north” to the “global south” resulting in many developing countries gaining emerging economy status. Notable examples include:

- Brazil, India and China (these members of the “BRIC” group have enjoyed considerable growth in per capita income since the late 1990s)
- Mexico, Indonesia, Nigeria and Turkey (this newer tier of fast-growth “MINT” emerging economies have become major inward investment hubs, although the falling oil price in 2015-16 has caused Nigeria’s growth to stall)

Overall, global income and wealth growth has accelerated in recent decades (the era of globalisation) at a faster rate than world population increase. At first glance, this fact suggests globalisation has benefited most people if the average person now enjoys a higher dollar income than in the past. The problem with this is that mean average data can conceal great inequality. The table below shows that income growth has, in fact, been highly uneven.

Globalisation: a critique

3.2.1.6 Global systems and global governance

People in Asia, Africa and Latin America who earn less than US\$2 a day	People in Asia, Africa and Latin America earning US\$2 to US\$20 a day	The developed world's working and middle classes	The global elite (the top one per cent of all earners in all countries)
LOW income growth	MEDIUM income growth	LOW income growth	HIGH income growth
The "bottom billion" have gained little from the golden era of globalisation; their lives may even be made worse as a result of globalisation's externalities, such as land grabs, conflict, resource depletion (and climate change, if one accepts the view that it has been exacerbated by globalisation). The poorest societies in sub-Saharan markets do not function as either producers or consumers in the global economy.	Worldwide, over one billion people have escaped poverty since 1990. The majority live in Asia. The term "new global middle class" is used to describe the growing mass of urban working people who have escaped rural poverty, often in Asia. They have benefited from the global shift of the manufacturing sector (e.g. to Bangladesh and China). Others belong to services industries in India and the Philippines.	Some people on lower incomes in Europe and North America may feel globalisation has "passed them by". This feeling partly helps explain the current lack of popular support in the UK and USA for international political agreements, such as the European Union and NAFTA. Factory workers have lost their jobs because of global shift. Many public-sector workers (teachers, nurses) have experienced little wage growth over the last 20 years.	The owners and managers of large TNCs have seen their wealth soar as their companies have grown and prospered. So too have workers in linked professional services, especially financial and legal service providers. This group of "global, corporate citizens" is not confined to developed countries. A small segment of society in every state has benefited from globalisation's connections and linkages

The negative impacts of globalisation on societies

The table above has already outlined some groups of "losers" in the global casino. From Baltimore to Bolton, **deindustrialisation** has had profoundly damaging economic and social consequences for urban places. In badly-affected ex-industrial districts, employment opportunities have re-located away or closed down entirely due to cheaper competition; social problems such as poverty and crime have multiplied as part of a **spiral of decline**.

Even the so-called "winners" can be adversely affected, however:

- In the early years of China's "economic miracle" human costs were high. Many workers were exploited in so-called "sweatshops". More recently, much unsafe and poorly paid work has migrated away from China to new lower-cost locations like Bangladesh, where the Rana Plaza factory-collapse disaster recently took place. The reasons for these moves are complex but include a series of protests by Chinese

Globalisation: a critique

3.2.1.6 Global systems and global governance

workers which led to wage increases of between 30 and 65 per cent. Also, strategic planning by China's government has helped some companies move further up the manufacturing value chain. The country's economy is maturing rapidly. Hi-tech manufacturing is booming, bringing improved pay for skilled workers. Increasingly, high-value products such as iPhones are made in China, not just throwaway cheap goods.

- However, China's population continues to be affected adversely by globalisation in other ways. In common with communities in other developing economies, major environmental problems are experienced as a result of global shift. Appalling air quality in China's major cities has been dubbed "airpocalypse".
- In 3.2.1.3 we learned previously about the way global trade has adversely affected people working in global agricultural supply chains, such as aquaculture labourers in Indonesia who endure tough working conditions living on coastal mudflats tending the prawn ponds.

The negative impacts of globalisation on physical environments

Alongside "airpocalypse", the health and well-being of people in many societies has suffered as a result of other forms of pollution and the dumping of industrial waste. Global shift has been driven by TNCs seeking low-cost locations for their manufacturing and refining operations. Environmental governance and legislation have sometimes become an important factor in this context. Unlike high-income nations (such as the UK, whose Environment Agency has power to fine industrial polluters), developing countries often have far less 'red tape'. In contrast, Nigeria's Niger delta is a highly-polluted site where 7,000 oil spills took place in the 1980s and 1990s as a result of poorly-maintained oil pipelines owned by foreign companies. This brought ruin to Ogoni people's farming lands and one of the world's most important coastal habitat zones. Other examples are shown in the table below.

Brazil	In 2015, two mining dams collapsed in Brazil's mineral-rich state of Minas Gerais. The town of Bento Rodrigues was swept away by 50 million cubic metres of toxic mud, killing ten people. The mine and dams were operated by Samarco Mineração SA, a global joint venture between the Anglo-Australian mining group BHP Billiton (the world's biggest mining company) and the Brazilian TNC Vale.
Ghana	In Accra, entire families undertake the dangerous work of breaking down old computer monitors imported from Europe and melt circuit boards down to extract the metals - while leaving behind large amounts of discarded waste.
India	Although it happened more than 30 years ago, the villagers of Bhopal, India, are still seeking compensation for an industrial incident that caused thousands of deaths. In 1984, a lethal plume of toxic gas escaped from a poorly-maintained factory owned by US company Union Carbide. Dow Chemicals now owns the Union Carbide brand but claims no direct responsibility for Union Carbide's past actions in India.
Ivory Coast	Tens of thousands of Ivorians suffered ill health after toxic waste, alleged to produce hydrogen sulphide, was dumped by a ship in the employ of Trafigura, a European TNC. A £28 million cash settlement followed.