

## Geography Department

### YEAR 2 - 3.2.1 Global Systems and Global Governance

#### BOOKLET 1 - GLOBALISATION 3.2.1.1



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



## 1. Defining Globalisation

### 1.1 Globalisation: What you need to know:

As part of this first section on Globalisation, you will be working towards the following learning outcomes:

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.

### 1.2 Your own definition...

**Discuss**, in pairs, what you think the word ‘**globalisation**’ means. Write your ideas in the second column of the 3–2–1 Bridge the table below.

#### 3–2–1 Bridge

|                  | Your initial responses to 'globalisation' | Your new responses to 'globalisation' |
|------------------|---|---------------------------------------|
| 3 thoughts/ideas |   |                                       |
| 2 questions      |   |                                       |
| 1 analogy        | Globalisation is like ...                 | Globalisation is like ...             |

Source: [Harvard Visible Thinking Routines 3-2-1 Bridge](#)

### 1.3 Globalisation is....

‘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/> )

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.

*Compare* the eight interactions in the table below. Recognising the concepts of globalisation in bold above, identify any similarities in the interactions.

*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         |

## 1.4 FORMS of globalisation

The globalisation matrix – make notes about the different forms of globalisation.



## 1.5 Opinion of globalisation

**There are diverse perspectives generated by globalisation.**

**View** the following videos. Consider what the videos illustrate about: trade, jobs, cultural identity, social justice, technology, multinational companies etc; and who is benefiting from the globalising process? Who is disadvantaged?:

[Biofuel and globalisation](#)

[Globalization: You're living IT](#) (YouTube video)

[Causes – Globalization animation](#) (YouTube video)

**Read** the following statements about globalisation and discuss the key concepts in each. What do you think the writer thinks about globalisation?

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1. It doesn't matter how far apart we might be geographically, economically or culturally, we're all held tightly together as members of the human race in an all-embracing web.
2. Jobs are leaving many of the developed nations and moving to developing nations. The money earned helps those developing nations move forward – more jobs, cheaper goods, more profits for research and development. Everybody wins.
3. I interact with other people who live in different countries when I'm playing computer games.
4. Countries which are open to external investment are able to develop their economies to generate incomes from exports and raise their standards of living.
5. Of the world's 7 billion people, 214 million are migrants, a phenomenon that has 'internationalised' many cities.
6. Young people around the world have adopted international brands and styles without discrimination. Their clothes are influenced by their favourite bands, they sing along to songs they don't understand and support values that don't belong to them. Culture is under siege!
7. Recently we have seen the collapse of undemocratic regimes, improvements in workers' rights, an increase in environmental awareness and responsibility, and an increased awareness of fair trade as a result of advocacy campaigns using social media.
8. Sixty-eight million people are served every day in McDonald's – 33,000 restaurants in 119 countries worldwide.
9. Globalisation has caused important changes in who makes decisions that affect our lives as multinational companies have more power than national governments.
10. Differences in local conditions require local solutions rather than an externally imposed and globally uniform 'one size fits all' solution.

**Add** comments or questions to your 3–2–1 Bridge Table.

## 2. Why is Globalisation Happening?

Technology, governments and corporations are important factors driving globalisation.

With reference to evidence, how has globalisation:

- accelerated *within your own lifetime*, compared with earlier decades?
- been driven by companies based in countries *everywhere*, and not just those found in the high-income countries of the northern hemisphere?
- been *managed* by national governments? It is not simply an assumed outcome of improved technology

**2.1 Produce a summary of the major changes throughout time:**

Using the card sort / PowerPoint- summarise the main changes that have taken place through the decades:

Since 2000

1980s and 1990s

Before the 1980s

**2.2 Flows of labour, capital, products, services and information**

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

**Information, Transport, Money, and People** – these are connections that enable a global world.

| 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     |   |
|    |  | <b>Information flows      Service flows      Capital flows      Product flows      Labour flows</b> |

**To show understanding of these connections, use the PowerPoint and read pages 280-287 from the Hodder textbook to explain and give 2 brief examples of each of the following:**

**Flows of capital (money) – mention FDI, Aid and Remittance**

**Flows of labour – define economic migrants, note positives and negatives of migration**

**Flows of products / services (include mention of containerisation)**

**Flows of information (mention the influence of different technology on the flow of information)**

### 2.3 Globalisation in your high street

Refer to the research in the enrolment booklet on how globalisation may have impacted your local high street, along with last year's clone town survey.

Can you see evidence of globalisation in your own high street? Give some examples.

### 2.3 Global Marketing

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

When a company decides to embark on global marketing:

- 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=jmNrvIQ73pU](https://www.youtube.com/watch?time_continue=8&v=jmNrvIQ73pU) - watch with transcript here: <http://www.geographypods.com/7-global-interactions-at-the-local-level.html>)



### 3. Globalisation – good or bad?

#### 3.1 Discussion - Is globalisation a good thing?

- 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.]

The table below shows different outcomes of globalisation. Some are clearly negative for certain groups of people. A few are less obviously positive or negative, such as growing cultural diversity in large cities. Consider how different groups of people (characterised by age, identity, occupation or beliefs) are likely to feel about the changes.

|  |  |  |
|--|--|--|
| Local societies and landscapes have sometimes gained enormously in cultural diversity. The arrival of migrants, global retail chains and new kinds of modern architecture means that British cities today look every different than in the past.         | Technology and transport allow western businesses to move their factories to countries where labour is cheaper, like Indonesia. This takes traditional factory jobs away from cities like Sheffield and Detroit. Geographers call this ‘deindustrialisation’.            | In recent decades, the United Nations has worked to bring countries together to solve a range of issues, from climate change, to the Millennium Development Goals. U.N. peacekeeping troops help restore order in countries where there is conflict.     |
| The internet allows some local cultures to survive and strengthen. Musicians from Mali upload films onto YouTube where many people view them, helping keep Mali’s traditions alive. A South Korean song, Gangnam Style, spread globally through YouTube. | McDonald’s sells burgers in India using a business model called a ‘joint venture’. Half of the company’s Indian stores are locally-owned, so half the profits stay in India. The other half of the profits are taken back to the USA, where McDonald’s is headquartered. | Globalisation has sometimes led to conflict between different cultures. Terrorists in Kenya and Nigeria have claimed that they are trying to stop the spread of ‘western values’, which they say include consumerism and greater independence for women. |
| ‘Sweat shop’ is a term that is sometimes used to describe some of the very worst   | Some local traditions struggle to survive in a globalised world. Young   | Technology companies in China and India sometimes pay workers as much as £500  |

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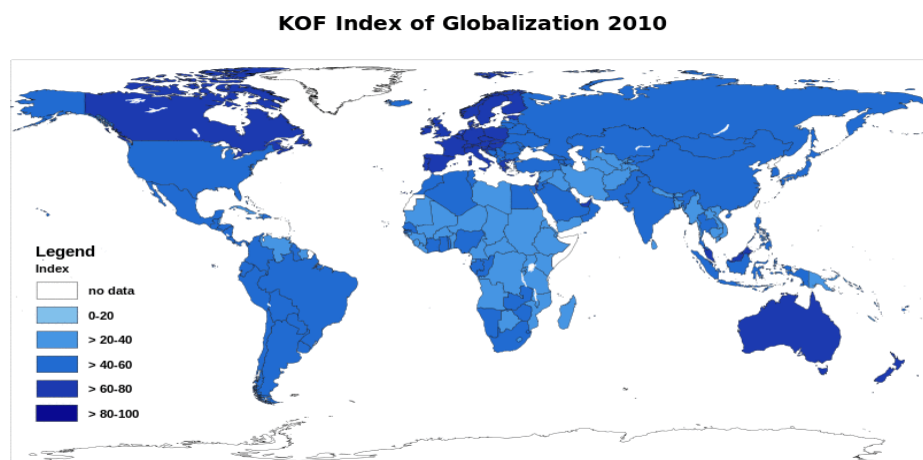
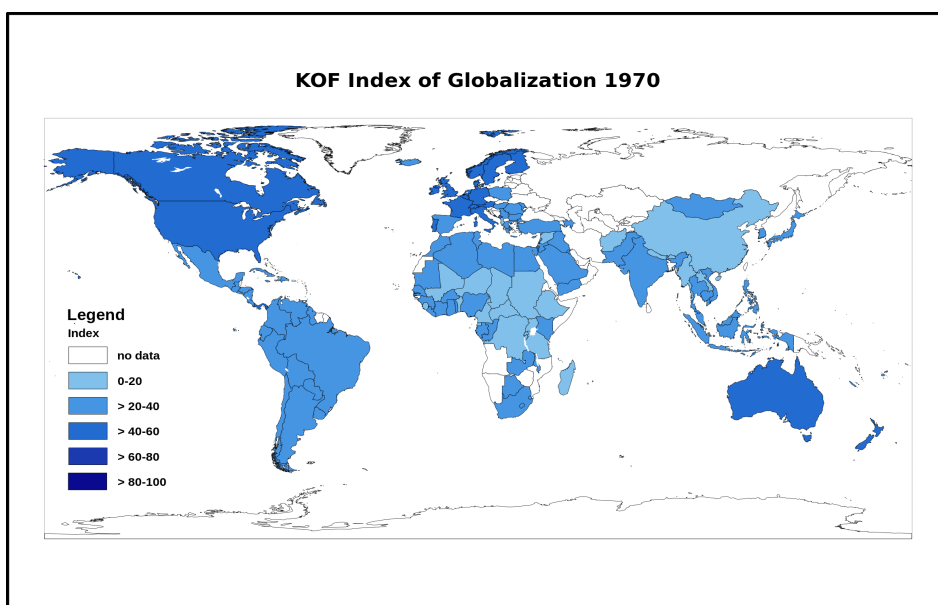
|   |  |  |
|---|--|--|
| conditions endured by men and women working for long hours in unsafe textile factories in Bangladesh. They may even earn wages of no more than just £2 a day. | people may abandon customs followed by their parents. In some cases, languages have become extinct as more young people start speaking English or Spanish. | a month producing Apple phones and other quality products. These countries have their own technology companies too, whose owners are, in some cases, billionaires. |
|---|--|--|

**Make notes on the benefits and concerns here:**

## 4. Measuring Globalisation

### 4.1 KOF Index of Globalisation

- 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** – flows of goods, capital and services; **Social** – spread of ideas, information, people; and **Political** – diffusion of government policies.
- 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'*



**Task:** Analyse the data shown in the KOF maps from 1970 and 2010.(6 marks)

- Explore further – go to the website (<https://www.kof.ethz.ch/en/news-and-events/media/press-releases/2018/01/kof-globalisation-index-globalisation-down-worldwide-in-2015.html>)

### **Plenary: globalisation and wealth**

As the preceding material has shown, there is no easy and obvious conclusion that can be arrived at regarding the merits, or otherwise, of globalisation. However, five ‘big picture’ statements about the changing global distribution of wealth give food for thought.

During the last 30 years:

- over half a billion people in China have escaped poverty, following their leaders’ decision to embrace economic globalisation
- many African nations such as Nigeria have finally begun to achieve strong economic growth
- the proportion of people in sub-Saharan Africa living in absolute poverty has not changed
- India has developed its own space mission, yet half a billion Indians still lack a flushing toilet
- corporations like Apple and Microsoft have seen their global profits soar.

## 5 Further Guidance: References

### 5.1 Further reading

#### Globalisation 'in the news'

Students can take this study further by undertaking independent research. They can investigate some recent news stories that link well with the study of globalisation.

- ✓ *Economic globalisation update* Chinese and French companies are working together to develop a new nuclear power station at Hinkley in the UK:  
<http://www.bbc.co.uk/news/business-24561325>
- ✓ *Social globalisation update* A good starting point for the latest news stories about international migration is: <http://www.theguardian.com/global-development/migration>
- ✓ *Political globalisation update* The leading G8 group of nations met in December 2013 to discuss the challenge of dementia and how best to coordinate their efforts to tackle it:  
<http://www.bbc.co.uk/news/health-25318194>

Townsend, J. (2013) 'Remittances: an economic lifeline' in *Geography Review*, 26: 4.

Jones, P., Comfort, D. and Hillier, D. (2013) 'Data centres and globalisation' in *Geography Review*, 26: 3.

Adams, K. (2011) 'Hip hop: a culture and globalisation case study' in *Geography Review*, 25: 2.

**(Geography Review can be accessed in the Library)**

### 5.2 Videos

#### **Globalisation explained:**

<https://www.youtube.com/watch?v=JJ0nFD19eT8&vI=en>

RGS Lecture on: 'Made in Britain': <https://www.rgs.org/geography/online-lectures/made-in-britain/>

Post war Britain Manufacturing: <https://www.rgs.org/schools/teaching-resources/globalisation-of-manufacturing-in-post-war-britain/>

## 1.1 What is globalisation?

In this section you will learn about dimensions of, and factors in globalisation

Some words or phrases are so commonly used that we rarely think about the complex processes that the term describes. For example, sustainability, climate change – even geography! Whilst globalisation is not new, most geographers would argue it is a lot more than just 'the world becoming global'.

*Globalisation* is a term used frequently within trade and economics and describes a process of opening up world trade and markets to **transnational companies (TNCs)** and an increasingly interconnected world (Figure 1). However, a definition of globalisation should also involve the associated effects of this process on people, culture, political systems, environment and the quality of life of every human on the planet!



▶ **Figure 1** Globalisation describes the often complex processes associated with an increasingly interconnected world

### Dimensions of globalisation

Globalisation has many interconnected aspects. Some of these are outlined below, with some examples.

#### Flows of information, technology and capital

- ◆ Cheap, reliable and near instantaneous communication between virtually all parts of the world allows for information and capital to be shared at unprecedented levels.
- ◆ Money flows electronically around the world. **Highly developed economies (HDEs)** invest in **less developed economies (LDEs)** to take advantage of cheaper production costs.
- ◆ Technology, for example the internet and associated mobile technologies, largely ignores political boundaries when connecting people and places (see 1.3).
- ◆ Countries such as India provide a range of financial and IT services for higher income countries (so-called outsourcing).

#### Flows of products and labour

- ◆ Global transport systems have never been cheaper or more efficient in moving both people and goods.
- ◆ High speed rail networks (such as HS1 in the UK), international airport hubs (Dubai has now overtaken Heathrow as the world's busiest airport) and containerisation, for example, have revolutionised travel.

- ◆ People move around the world for employment. This includes specialised workers, for example, who move between different units/companies of a TNC on a short-term basis and unskilled migrant workers using a range of transport modes.
- ◆ Tourists now travel increasing distances to more remote and exotic locations, encouraged by global marketing and low-cost flights.

#### Flows of services and global marketing

- ◆ Services, such as global marketing, follow the flows of capital, information, people and products.
- ◆ Marketing is now globalised and uses international strategies to deliver inter-continental imagery/messages
- ◆ TNCs use the same adverts to advertise their products in different parts of the world.
- ◆ **Global products**, such as Coca-Cola or Nike, rely on a common global brand with the same identity the world over.

#### Patterns of production, distribution and consumption

- ◆ TNCs dictate where their products are made – generally where labour costs are cheaper in LDEs.
- ◆ Products are distributed around the world to meet the demands of consumers in HDEs.

## ANOTHER VIEW

**Colonialism**

In reality, Christopher Columbus followed the Russians, Chinese and even Vikings when he accidentally 'discovered' the Americas (somewhere near the Bahamas). But the half-truth persists and he set out a model for the 450 years of European **colonialism** that followed. Historians might argue as to the long-term effects of such globalisation, but most would agree that colonialism sought to extract as much wealth as possible

from the land, and also the people. In the 1890s, Cecil Rhodes put the case for British colonialism as 'We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap labour that is available from the natives of the colonies. The colonies (will) also provide a dumping ground for the surplus goods in our factories'.

**Factors in globalisation**

Globalisation is influenced by a number of factors. Some of these are outlined below.

**New technologies, communications and information systems**

- ◆ Information can now be shared easily and cheaply with an audience of billions at the click of a button.
- ◆ Mobile phones are one of the most important technologies for LDEs as they connect different people, markets and so trade, in ways that were previously not possible (see 1.2).

**Global financial systems**

- ◆ Banks and financial services operate across the world. They are linked together by vital transmission systems that allow lending and flows of money.
- ◆ The 2007 collapse of US house prices led to a credit squeeze (when banks no longer wished to lend money) and then a global banking crisis in 2008.

**Transport systems**

- ◆ The world has never been more accessible. A global transport network allows the movement of people and goods across vast distances.
- ◆ Without the friction of time and space, there are both new opportunities as well as new threats (such as the spread of disease).

**Security**

- ◆ As national boundaries have become less of a barrier to more mobile and better informed populations, traditional security measures have reduced in relative significance.
- ◆ High profile leaks of sensitive information have brought the issue of cybersecurity to greater prominence due to our reliance on information systems in all walks of life. For example, in 2016 the leak of 11.5 million financial and legal records exposed wrongdoing on a global scale.
- ◆ In the UK, the average cost of the most severe online security breaches for big corporations now starts at nearly £1.5 million.

**Trade agreements**

- ◆ Without a system of global trading rules, countries would resist some foreign imports whilst possibly favouring others.
- ◆ The **World Trade Organisation** (1994) oversees over 97 per cent of world trade. It provides a forum for negotiations and ensures that trade agreements are followed. The WTO agreement is over 26 000 pages, which hints at the complexity of world trade today.

**ACTIVITIES**

- 1 Why is the term 'globalisation' so widely used yet still so difficult to define?
- 2 Search the internet for a list of the top TNCs in the world. How many have you heard of? Evaluate the information you find (look at the sectors of industry and the countries of origin) and draw conclusions about why they have been so successful.

**STRETCH YOURSELF**

In groups or in pairs, discuss whether you think that globalisation is something that we should be worried about. Think of advantages and disadvantages and compare your findings with the other groups.