Social and cultural impacts

- Globalisation has allowed for greater sharing of ideas, lifestyles and traditions. It means that people have greater access to foreign culture such as film, music, food, clothing and other goods and services that were not previously available domestically.
- The over-standardisation of many goods and services has led to increased cultural homogeny.
- In a bid to offset criticism of the standardisation of products on a global scale, a strategy called glocalisation has been adopted by some TNCs. This involves thinking globally but acting locally to reduce threats to cultural dilution. Products and services are likely to be more successful when they are customised for the local market. McDonald's is a commonly cited example of this strategy as the restaurant's menu is often customised to suit local tastes (Figure 7.32).

Key term

Glocalisation – A term used to describe products or services that are distributed globally but which are fashioned to appeal to the consumers in a local market.

- Increased awareness of global news and events – which can be positive in informing people of environmental issues such as climate change, but can be used negatively, for example, for propaganda purposes by terrorist organisations.

Figure 7.32 Glocalisation – global brands going local. McDonald's Mac Burrito in Mexico City

Environmental consequences

Environmentalists argue that globalisation is concerned primarily with economic costs and largely ignores environmental costs. Problems include:

- more transportation, which increases greenhouse gas emissions
- depletion of non-renewable resources
- TNCs outsourcing production to countries where environmental standards are less strict
- weak or non-existent controls allowing pollution of the air, land, rivers and seas
- more waste from packaging
- IMF-enforced spending cuts reducing many nations' spending on the environment
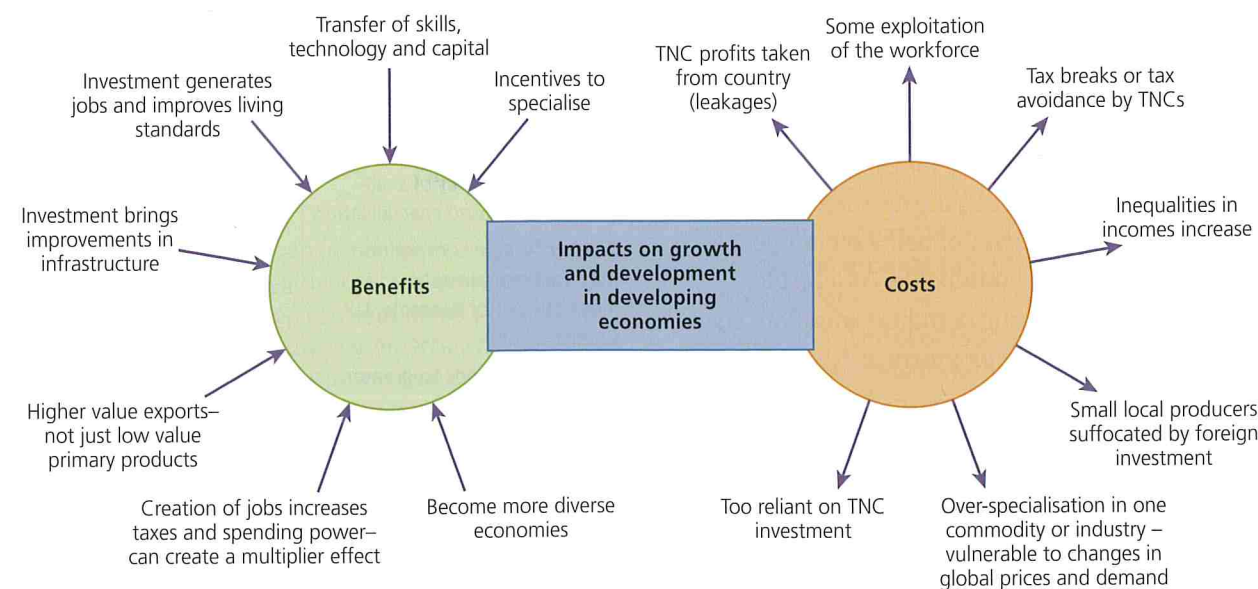- greater movement giving a higher risk of diseases and invasive species being introduced.

Figure 7.31 Benefits and costs of globalisation affecting growth and development in developing economies

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Review questions

11 Outline the key patterns of international trade and investment.

12 Explain the causes and consequences of differential access to markets.

13 Describe the main characteristics of TNCs.

14 Assess how international trade impacts on people's lives around the world.

7.4 Global governance

Global governance refers to the way in which global affairs that affect the whole world are managed. In international relations generally, consensus is usually reached between countries. They then agree to abide by similar rules given in signed treaties or international laws.

As the world becomes more interdependent, global governance is increasingly important for achieving sustainable development across all nations. This is especially true for governance of the 'global commons' where environmental sustainability is at the forefront of our concerns.

Regulating and reproducing global systems

Key terms

Environmental sustainability – A state in which the demands placed on the environment can be met without reducing the quality of the environment for the future.

Global commons – Resource domains or areas that lie outside the political reach of any one nation state.

Global governance – A movement of political integration aimed at negotiating responses to problems that affect more than one state or region.

Norms – The shared values, traditions and customs that govern individual and group behaviour in a society. They are the perception of what is acceptable or unacceptable in societies at all scales.

Reproduction – The way that existing global systems remain largely unchanged and are even extended and reinforced by regulation.

Global governance regulates interconnected global economic, social, political and environmental systems to keep them stable and in balance. Regulation means enforcing sets of rules that have been agreed by the nations involved. They will have committed to an agreement, such as the Antarctic Treaty System (ATS).

In response to tackling issues raised by increased integration, international agreements are established in the form of treaties, directives or protocols. These agreements are formulated, maintained and enforced by intergovernmental **agencies** or **institutions**, such as the UN, the World Bank, World Trade Organization (WTO) or similar organisations. The international **laws** (mandatory rules) or regulations contained within international agreements are based on the values and customs that exist and guide behaviour within society. These are also known as social **norms**. It is very difficult to establish laws or treaties that encompass social norms on a global scale as national or regional outlooks and societies differ so much. This may have consequences for how nations committing to international agreements interpret and enforce them.

Observers argue that the norms expressed and contained within international regulations are largely determined by the wealthier, more powerful and developed countries, mainly based in the western world. These norms are therefore based on free-market, capitalist economic systems (with varying levels of social intervention) and democracy. This suggests that for countries to access the benefits of being integrated into the globalised economy, they may have to adapt their economic and political systems. In this way, global systems are being **reproduced** to extend and strengthen their reach, which is in the interests of the wealthier countries that dominate them. This **reproduction** of global systems may help to keep them stable but arguably it may reinforce some of the inequalities and injustices that exist within the systems. In summary, regulation and reproduction of global systems take place through:

- the establishment of international legal agreements
- governance undertaken by intergovernmental institutions and agencies
- the extension and reinforcement of social norms on a global scale.

International agencies

A number of intergovernmental institutions and agencies take responsibility for global governance. Many of the organisations operating internationally are connected to the United Nations (UN).

United Nations (UN)

The UN is an international organisation founded in 1945, made up of 193 member states whose aim is to promote international peace, security and co-operation. Due to its unique international status and the powers vested in its founding charter, the UN is the intergovernmental institution with the greatest political authority at a global level.

The UN's work is guided by the principles contained in its charter, which include:

- taking action on issues that face humanity in the twenty-first century, such as peace and security, climate change, sustainable development, human rights, poverty and many more

- fostering co-operation by facilitating dialogue and negotiations between nations; the UN is a mechanism for solving problems and finding areas of agreement.

The UN comprises a number of other specialist bodies within its family. These are governed by the UN and take responsibility for managing specific global issues. Table 7.14 gives some examples.

Following the largely successful achievement of the Millennium Development Goals (MDG), UN members met at the Sustainable Development Summit in September 2015 and agreed a new **Agenda 2030** for global sustainable development, which defined a set of 17 **Sustainable Development Goals (SDGs)** from 2015 to 2030 (see details at https://sdgs.un.org/goals). An annual report and statistics on the progress of the SDGs is available at https://unstats.un.org/sdgs/report/2019/.

> ### Key term
>
> **Sustainable development** – Development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

Table 7.14 Examples of UN special bodies and responsibilities for specific global issues

Organisation or body	Main area of responsibility	Evaluation of work
UN General Assembly	• To develop good relations and co-operation between nations • Settling disputes within international law through the International Court of Justice	• Works as an independent arbitrator to uphold international agreements • Each country has a representative, but the UN relies on funding from more developed nations, which leaves it open to criticism about impartiality
UN Security Council	• To maintain world peace and security • Has five permanent members (China, France, Russia, UK and the USA) plus ten temporary members who are elected every two years	• Has facilitated nuclear disarmament since the Cold War • Promotes geopolitical stability, for example, by sending 'neutral' peacekeeping troops to intercede and de-escalate in regions where there is conflict • Does have a history of not agreeing on resolutions in some major conflicts (for example, in Syria and on Russia's annexation of Crimea)
World Health Organization (WHO)	• To manage international public health issues by combating and eradicating spread of global diseases • To monitor outbreaks of disease in countries and declare global pandemics	• Achieved eradication of smallpox and near eradication of polio • Praised for its co-ordination of the global response to the 2020 COVID-19 pandemic • Equally, criticised for lack of leadership and efficacy on COVID-19, as well as on the Ebola virus in the past • Critics have called for improved vaccine stockpiling and responses to epidemics
UN Development Programme (UNDP)	• The eradication of poverty and the reduction of inequalities and exclusion	• Led the efforts to successfully meet most of the **Millennium Development Goals (MDGs)** • These eight anti-poverty targets were set in September 2000 and the world committed to achieve them by 2015

Table 7.15 Differences in the role and functions between the IMF and the World Bank

IMF	World Bank
Regulates financial flows and stabilises the global monetary system	Promotes the reduction of poverty in developing countries by providing assistance for development
Offers financial and technical assistance to its members, employing economists who monitor the economic health of member countries	Provides long-term investment loans for development projects in developing countries – through the **IBRD** – **International Bank of Reconstruction and Development**
Provides 'bail-out' loans to countries to resolve problems that might lead to a global economic crisis – the international 'lender of last resort'	Provides special interest-free loans, via the **International Development Association**, to countries with very low per capita incomes
Provides loans to help members tackle balance of payments problems and to stabilise their economies	Encourages and advises start-up enterprises in developing countries
Financial reserves are drawn from quota subscriptions of its 189 member countries	Assistance is long term and financed, mainly by the wealthiest nations, through the issue of government bonds

In its 75-year history, the UN has achieved a great deal in maintaining stability, reducing poverty and organising global responses to inequality, injustice, climate change and sustainable development. It is, however, often criticised for:

- a lack of agreement and subsequent inaction on many security issues
- limited power to enforce compliance to regulations by national governments
- its organisation and funding – in a way that supports the status quo, with more powerful nations setting the agenda for their own self-interest.

The International Monetary Fund (IMF) and the World Bank

The intergovernmental finance institutions, the IMF and the World Bank, were also established in 1945 at the end of the Second World War to stabilise the global economy and to provide financial stability. Their functions are pivotal in regulating and acting as intermediaries in the flow of international capital (see Figure 7.4, page 286). Their roles are quite different but they both underpin the interdependency that exists in the global flow of finance.

Table 7.15 outlines how both organisations have contributed to stability, development and growth in many parts of the world, but both have also been criticised for their approach to their respective roles:

- IMF funding is paid by members and influence is determined by their wealth. Developing countries criticise this as the larger contributions give wealthier nations a more powerful vote on decisions.
- As part of their conditions for loans, the IMF has been known to impose severe cuts on spending by

governments in developing countries, adversely affecting education and welfare.

- Rescue loans are provided by the IMF only to stabilise international trade; eventually the borrowing country has to pay the loan back at high interest rates.
- Conditions attached to World Bank loans often insist on the reproduction of capitalist and free-trade market models in the loanee's economy, which do not always have the effect of reducing poverty.
- The World Bank has also been criticised for funding major '**top down**' projects, such as large multi-purpose dams to provide hydro-electric power, which have not helped to reduce poverty. The Bank now claims to support more sustainable '**bottom-up**' development projects.

> ### Key terms
>
> **Bottom up** – When local people are consulted and supported in making decisions to undertake projects or developments that meet one or more of their specific needs.
>
> **Top down** – When the decision to undertake projects or developments is made by a central authority such as government with little or no consultation with the local people whom it will affect.

The World Trade Organization (WTO)

The WTO came into existence in 1995 as the successor to the General Agreement on Tariffs and Trade (GATT), which was established in the wake of the Second World War. The WTO currently has 164 members and covers 98 per cent of world trade.

Table 7.16 Evaluation of the WTO Doha Development Round (2001–2015)

Problems	Progress

• Disagreement mainly between HDEs (USA, EU and Japan) and developing economies (especially Brazil, India and China)
  • HDEs insisted that, in return for free access, developing economies open their markets to 'western' manufactured goods
  • Emerging economies insisted on large cuts in subsidies paid to US and EU farmers; US farmers demanded more market access abroad in return for subsidy cuts
  • USA, China and India would not compromise on the size of their tariffs
  • USA would not agree to allow India and China to use 'safeguard clauses', which allowed developing nations to impose emergency quotas on imports
• Divisions among LDCs, between net importers and net exporters of agricultural produce
• HDEs disagreed among themselves; EU more willing than the US for agricultural trade to be opened up
• China transformed into a global export powerhouse but continued to claim developing country status
• HDEs, especially the US, accused China of unfair trade as much of their production is state-aided
	• A **bilateral agreement** was reached between the EU and Latin American countries to end a long-standing dispute about trade in bananas
	• WTO achieved its first trade **multilateral agreement** in nearly twenty years with the Bali Package – an agreement between all members to speed up the movement of traded goods and reduce costs by removing red tape in customs procedures
	• Nairobi Package: some decisions were made to benefit WTO's poorest members:
	  • export subsidies for farm exports were abolished
	  • preferential treatment given for LDCs in services trade
	  • safeguarding measures introduced to ensure food security in LDCs
	  • improved measures for LDC cotton traders
	  • some trade barrier removal on goods of LDC origin

The WTO is responsible for facilitating international trade. It provides stability and gives members confidence in the international trading system by:

- undertaking the liberalisation of trade by encouraging the removal of barriers and protectionist policies adopted by some governments and trading blocs
- resolving trade disputes between member governments
- providing a forum for trade negotiation
- administering trade agreements that become the ground rules for international commerce.

The WTO holds 'rounds' of talks to reach **multi-lateral agreements** to advance global free trade. The most recent of these was the **Doha Development Round**, which started in 2001 in Qatar and effectively came to an end in Nairobi in 2015. The Doha round focused on reforming trade in agricultural produce, especially between advanced and developing economies, with the aim of helping less developed nations out of poverty. The annual talks repeatedly stalled with meetings in Geneva (2008), Bali (2013) and finally Nairobi (2015). Some progress was achieved to redress inequalities in access for LDEs to HDE markets (Table 7.16) but overall, the difficulty of reaching a multi-lateral trade agreement with 164 countries, each with economic and political self-interest, proved insurmountable.

While the Doha round was ongoing, many countries pushed ahead with bilateral or regional deals. It seems that bilateral deals between governments or trading blocs is a more effective way to establish free trade. Such agreements can be expanded and eventually made multi-lateral under WTO rules.

Interactions of governance between different scales

Success in global governance and in regulating the extremes resulting from unchecked globalisation can be achieved if there is clear communication and understanding of strategies at all scales, from global to local. Governance is not just about control but is also concerned with mobilising organisations or individuals to follow guidelines, which may be set out in regulations or agreements. This involves informing people about issues and persuading them to follow an appropriate course of action.

Multiscalar power is the ability to influence behaviour and attitudes, through interactions at different scales, to encourage or prevent change. Multiscalar relationships operate in a complex way. They involve different tiers of government but other 'players' are involved in decision-making at each level, including **non-governmental organisations (NGOs)** and **civil society** groups as well as individual citizens, all of whom may influence, organise or mobilise each other to take action (see Figure 7.33).
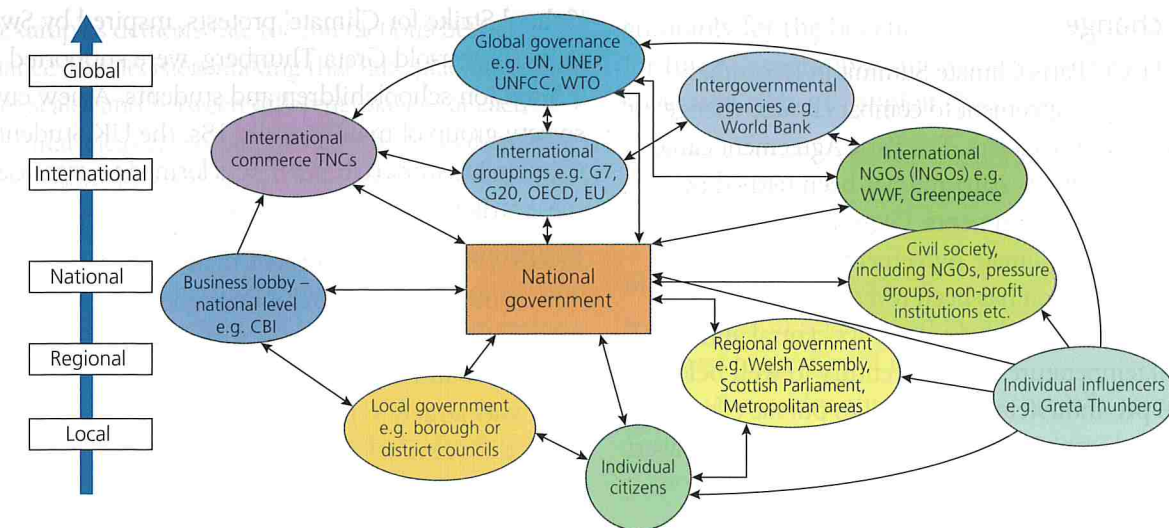
Figure 7.33 Multiscalar web of interactions that influence global governance

Key terms

Bilateral agreement – An agreement on trade (or aid) that is negotiated between two countries or two groups of countries.

Multiscalar power – When the ability to influence (or prevent) change is vested in citizens, governments, institutions and other interested groups (players) located and acting at different geographical scales.

Multilateral agreement – An agreement negotiated between more than two countries or groups of countries at the same time.

Non-governmental organisations (NGOs) – Any non-profit, non-commercial organisation with a common interest working independently of government influence. NGOs can be organised on a local, national or international scale.

Civil society – The 'third sector' of societal decision-making, distinct from government and business. It can include a wide array of non-profit organisations including NGOs, pressure groups, community groups, indigenous groups, charitable organisations, professional bodies and unions, etc.

One of the responsibilities of governance for the UN is to organise world summits, which bring together world leaders to agree on strategies to tackle global issues, such as sustainable development and climate change. These involve interactions at all scales and can be used to exemplify the multiscalar approach.

Sustainable development

At the **Earth Summit** in Rio de Janeiro in 1992, leaders of the international community adopted **Agenda 21**, a UN non-binding resolution that was seen as a blueprint for sustainable development for the early part of the twenty-first century. In total, 178 national governments signed up to follow the resolution. The plan focused on social and economic issues, such as combating poverty and the conservation and management of resources.

- Agenda 21 action plans were cascaded down from international agencies, such as UNEP, to national governments and then through to regional and local government decision-making, in order to influence the actions of individuals.
- Accordingly, each local authority in the UK has a Local Agenda 21 (LA21) strategy in line with the UN objectives and actions. The fact that most parts of the UK have various recycling options as part of their waste collection is a tangible outcome stemming from Agenda 21.
- It was seen as a '**top-down**' approach, which encouraged a '**bottom-up**' response, as the ideas are designed to filter down from the UN to encourage more sustainable lifestyles and behaviour.
- A feature of Agenda 21 was to strengthen the role of NGOs and civil societies in the decision-making process.

The interactions to influence behaviour seem to be in a '**chain**' from a global resolution down to individual response and can be traced linearly through the diagram in Figure 7.33. However, as the '**web**' diagram suggests, the interactions are more complex.

Implementation of Agenda 21 attempted to engage governments and individuals at all levels, on the basis that good governance is essential for sustainable development. It has now been superseded by Agenda 2030, which is supported by the 17 SDGs.

Climate change

At the UNFCCC Paris Climate Summit in December 2015, a landmark agreement to combat climate change was struck by world leaders. The Paris Agreement came into force in November 2016 and has been ratified by nearly all national governments. (Significantly, the USA withdrew from the Climate Agreement in November 2020, but this decision has been reversed by the new Biden administration.) The Agreement's central aim is to keep global temperature rise this century to **well below 2°C above pre-industrial levels** and to pursue efforts to **limit the temperature increase to 1.5°C** in order to avert the worst effects of global warming.

The perceived lack of action by many governments to impose measures that would address the climate 'emergency' gave rise to a series of citizen-led protests. Events were organised by environmental pressure (civil society) groups such as the newly formed 'Extinction Rebellion' and NGOs such as Greenpeace. From 2019,

Non-governmental organisations (NGOs)

Non-governmental organisations (NGOs) operate across boundaries and at all scales and are important participants in the interactions that influence global governance. They can mobilise strong support from individual citizens, giving them more authority to challenge the excesses of TNCs and national governments that threaten equality, justice or the environment and to influence governance.

With greater communication, including social media, to raise awareness of issues, NGOs have expanded their scope and have increasingly become 'international' organisations. In the twenty-first century NGOs have emerged as a global force to:
- democratise decision-making (encouraging governments to consider 'bottom-up' approaches)
- protect human rights
- provide essential services such as food, water or medical help to the most needy.

'School Strike for Climate' protests, inspired by Sweden's then 16-year-old Greta Thunberg, were supported by 1.5 million schoolchildren and students. A new civil society group of mainly under 18s, the UK Student Climate Network (UKSCN), was formed to organise these strikes.

In 2019, the UK government made a declaration of an 'Environment and Climate Emergency' as a result of pressure from citizens, civil society groups, NGOs and from local and regional governments. The declaration itself was largely symbolic with no legislation attached but it did acknowledge:
- the term climate 'emergency'; this has been used by activists in preference to climate change to signal that a more urgent response is required
- that politicians, at all levels, should increasingly engage with climate and environment issues, which should be a central and integral part of government policies, rather than an afterthought.

There is a distinction to be made between **operational** and **advocacy** (campaigning) NGOs. Both are funded by donations and subscriptions, but some also receive money from governments and others from businesses (though this may compromise their independence).
- **Operational NGOs:** those providing frontline support services to the needy (for example, Oxfam, Médecins sans Frontières); they tend to raise money for each project they undertake.
- **Advocacy NGOs:** those who focus on campaigns to raise awareness to gain support for a cause (for example, Greenpeace); derive money from donations and, in some cases, from subscriptions.

NGOs work increasingly in partnerships with other stakeholders, such as governments, international organisations and other civil society groups. They are becoming increasingly important in supporting development and are often the only co-ordinated organisations to provide a voice for the poor.
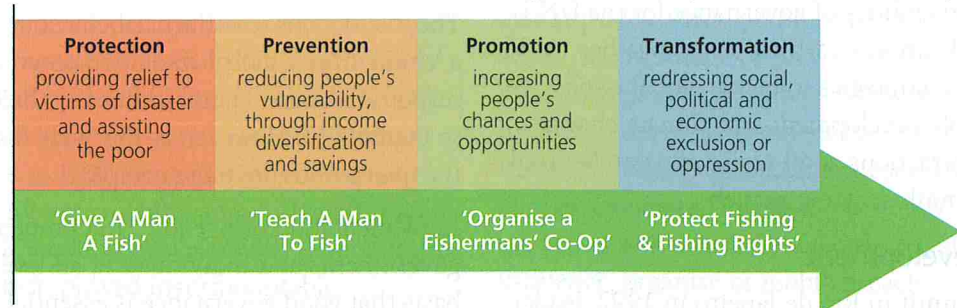
Protection	Prevention	Promotion	Transformation
providing relief to victims of disaster and assisting the poor	reducing people's vulnerability, through income diversification and savings	increasing people's chances and opportunities	redressing social, political and economic exclusion or oppression
'Give A Man A Fish'	'Teach A Man To Fish'	'Organise a Fishermans' Co-Op'	'Protect Fishing & Fishing Rights'

Figure 7.34 Different roles of NGOs

These examples demonstrate the interactions between governance and decision-making that take place at different scales and between different 'players' at each scale. Similar ideas can be applied to other global issues, such as the transmission of COVID-19 in the global pandemic. Not all issues affect all scales and although we live in a globalised world, most governance is retained at the national level. In the UK, for example, decisions about the building of a high-speed rail (HS2) link and stopping fracking for gas are made at national government level but are influenced from above and below.

Review questions

15 Give an example of how global systems are reproduced.
16 Evaluate the role of the IMF in promoting growth and stability.
17 Outline the key problems in achieving multilateral trade agreements on a global scale.
18 Explain the interactions that occur between different scales in global governance.

7.5 The 'global commons'

The 'global commons' refers to resource domains or areas that lie outside of the political reach of any one nation state. It is a term used to describe supra-national 'spaces' in which common shared resources can be found. International law recognises four global commons:
- the high seas
- the atmosphere
- Antarctica
- outer space.

Some commentators would argue that **cyberspace** has also emerged as a new domain which meets the definition of a 'global common' by being a resource that is shared by all but is not controlled by any single nation. This includes the development of the worldwide web, one of the main drivers of globalisation.

Rights and benefits of the global commons

International law relating to the global commons is guided by **the common heritage of mankind principle**. This principle affirms that the natural resources in defined territories or spaces are held in common by all nations. These resources are to be distributed

equitably for the benefit of everyone, including for future generations; individual nations have no sovereign rights to exploit them.

Historically, access to these resources (with the exception of fishing and whaling on the high seas) has been difficult.

More recently however:
- advances in science and technology have given easier access to a range of resources
- greater scarcity of resources, especially minerals, fuels and food has put increasing pressure on the global commons to provide resources for a needy and developing world.

These changes mean that the concept of common heritage is being put under increasing pressure.

'The tragedy of the commons'

This concept explains why shared 'common access resources' of any type are likely to be overexploited. If individuals act independently and according to their self-interest, this will be contrary to the interest of the whole group because the shared resource will become depleted.

This is exactly what has happened on a global scale to fish stocks, which have been overfished, leading to depletion, marine pollution and loss of sustainability.

The rights of all to the benefits of global commons can only be secured through sustainable development, which requires effective governance at a global level. Clear rules given by the UN will ensure that the commons are protected from over-exploitation and preserved for future generations.

Protecting the global commons

Each of the global commons is covered by a number of international laws or treaties of one kind or another:
- the high seas by the UN Convention on the Law of the Sea (UNCLOS)
- the atmosphere by the United Nations Framework Convention on Climate Change (UNFCCC), plus other international environmental agreements, including the Paris Climate Accord
- Antarctica by the **Antarctic Treaty Systems** (ATS)
- outer space by the Outer Space Treaty (1967).