

Globalisation

Enquiry question 1: What are the causes of globalisation and why has it accelerated in recent years?

Causes of Globalisation

- Globalisation refers to the way people and places across the world have become closely linked together. This has deepened global connections, interdependence and flows of capital, commodities, migrants and tourists.
- Globalisation has recently accelerated, creating new opportunities for businesses and people. Although inequalities are caused, globalisation has nonetheless increased the flow of ideas, goods and services, creating a unified global community.
- The factors accelerating globalisation are:



- **TNCs:** Have influenced global culture (such as McDonaldisation) and improved local economies by providing job opportunities. TNCs try to appeal to local markets by the process of glocalisation which means products are specially designed for the taste of the consumer. This is why McDonalds has produced the 'Maharaja Burger' and Marvel has produced the 'Indian Spiderman' (Google it!!) for Indian audiences. Additionally, TNCs develop new markets and take advantage of economic liberalisation by offshoring and outsourcing (basing manufacturing etc. away from the market country).



- **Transport and Communications:** Improvements in mobile communications, internet, social media and fibre optics have allowed people to connect together from all over the world. Transport development has produced cheap travel, reaching everyone and causing time-space compression (as transport is quicker than ever before).

- **Technology:** Computer-aided design and manufacturing have allowed technology to become more efficient and less reliant on human labour. This saves time but causes job losses.



- **International Organisations:** These provide aid and assistance to countries in need, forming a global community where countries try to support one another (the achievements of this perhaps requires evaluation as vested interest are often involved).

- **Markets:** Globalisation has made people richer, forming a larger global market who consume goods and services. This has led to stock growth in, for example, London and Shanghai.

- Developments in transport, such as the railway, and trade in the 19th century accelerated in the 20th century with the production of jet airway and containerisation (mode of shipping in excess). This has contributed to a 'shrinking world' where the world seems much smaller due to its interrelations. For instance, in the past it would have taken weeks to get to the other side of the world whereas it only takes up to a 24 hours today.

Political and Economic Factors

- International political and economic organisation, such as WTO and IMF, have contributed to globalisation by promoting free trade policies and foreign direct investment.
- National governments promote free trade blocs (such as the EU which we no longer belong to!) by removing trade barriers and forming international groupings.
- Additionally policies such as free-market liberalisation, privatisation and the encouragement of business start-ups help improve economic wealth whilst accelerating globalisation and global networks are formed.
- FDI has contributed to the wealth of emerging economies such as India and China.

The impact of Globalisation

- The degree of globalisation varies globally, producing winners and losers. This can be measured using indicators and indices such as the AT Kearney index and the KOF index.
- Some countries remain switched off from globalisation due to: Political corruption/ideology (e.g. North Korea), location (e.g. sparsely populated areas (Tibet)), **poor infrastructure, unskilled workforce, crime** (kidnapping of foreign workers in African countries), **weak market, debt and unstable currencies.**



Enquiry question 2: What are the impacts of globalisation for countries, different groups of people and cultures and the physical environment?

Winners and Losers

- ➔ Globalisation has encouraged western companies, such as Virgin Media, to gravitate towards Asia for cheap manufacturing and outsourcing.
- ➔ This has helped build benefits for Asian countries such as India, who have now seen improvements in infrastructure, wages, poverty reduction, education and training.
- ➔ However the costs of this have been: the loss of productive land as urban settlements grow, unplanned settlements leading to shanty towns (Dharavi in Mumbai) and environmental/resource pressure.
- ➔ Some communities in developing countries have experienced environmental problems such as air/water pollution, land degradation, over exploitation of resources and the loss of biodiversity which impacts human wellbeing and health. In Beijing (China), air pollution is so bad that in February 2016 the city was given a red alert, meaning that the air quality was a danger to health.
- ➔ For developed nations, globalisation causes deindustrialisation which causes job loss. This produces social and environmental problems as issues such as dereliction, contamination, depopulation, crime and high unemployment occur.
- ➔ A globalisation winner usually has an abundance of resources. For instance, Saudi Arabia have physical oil resources which produce petrodollar wealth from trade. China has cheap and skilled labour with a large market and growing industry.
- ➔ In comparison, Zimbabwe is a globalisation loser as it is landlocked in South East Africa so has poor access to coastlines, where trading occurs. Political instability and EU/USA trade sanctions exacerbate difficulties whilst many airlines refuse to fly there due to the numerous threats involved.
- ➔ Sometimes, odd winners and losers can form. For instance, Las Vegas in the Nevada desert is a populous tourist base where gambling is legalised, attracting wealth from all over the world. An odd loser is Sierra Leone in West Africa which, despite having diamond wealth, faces corruption and civil war, preventing access to global markets.



Economic Migration

- ➔ Rural-Urban migration is a result of push and pull factors and, when coupled with natural population increase, is responsible for the growth of megacities, such as Mumbai.
- ➔ Rapid urban growth creates numerous social and environmental problems such as overcrowding, stress on housing/healthcare/resources, the growth of the informal sector and diseases.
- ➔ The Zelinsky Model of Migration Transition claims that as a country develops, the type of migration changes. In more developed states, there is a rise in international migration which increases global hub cities (e.g. New York) and deepens interdependence (elite migration: Australia have a point system to decide who enters the country). There are large migrant flows from India to the UAE and the Philippines to Saudi Arabia.

Migration Pros to Source	Migration Cons to Source	Migration Pros to Host	Migration Cons to Host
Wealth from remittances	Reduced workforce	Larger workforce	Increased birth rate
Migrants improve lifestyle	Families forced to split	Large market	Rise in illegal migrants
Source country has international links	Reduced population size	New culture/ideas	Rise in hate crime/racism
	Forced labour abroad	Prevent ageing population	Stress on services

Westernisation

- ➔ Globalisation causes cultural diffusion as TNCs, migration, media and tourism spreads ideas/cultures.
- ➔ Increasing spread of western ideology (capitalism, fast food, Hollywood) erodes global diversity.
- ➔ Some locations face the loss of traditional foods, music, clothes, social beliefs and languages. There has been a reduction in tribal lifestyle in Papua New Guinea and stewardship beliefs, impacting the natural world.
- ➔ Globalisation issues have created anti-globalisation groups as well as special opportunities (The Paralympics)

Enquiry question 3: What are the consequences of globalisation for global development and the physical environment and how should different players respond to its challenges?

Globalisation and Development

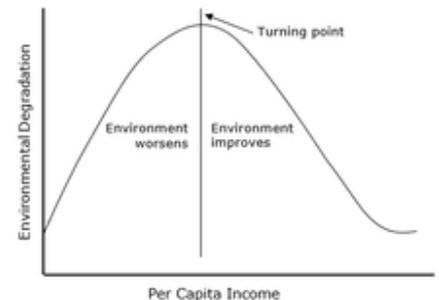
- Globalisation has led to economic growth for some countries whilst widening the development gap, producing disparities in environmental quality, wealth distribution and social wellbeing.



→ Some economic measures of development are; Income per Capita, GDP and Economic Sector Balance but these are often affected by anomalous data values which can make a country seem richer/poorer than it actually is. Social development measures include the composite Human Development Index, Gender Inequality Index and Environmental Quality. These measures take into account factors useful for everyday

without primarily focusing on wealth. The Social Progress Index uses both economic and social factors

- Global trends indicate a widening income inequality, measured using the Gini Coefficient, which reinforces the theory that globalisation has produced winners and losers throughout the world.
- According to Kuznets curve, as economic development increases, environment management improves. Perhaps this is why developed nations such as the UK are more conscious about their environmental impacts (for example there are regulations on carbon emissions, taxations etc.). As globalisation continues to occur, more nations will become wealthier; thus becoming more aware of their environmental footprints.



Social, Political and Environmental Tensions

- Open door policies (which the EU had), deregulation and FDI has created culturally diverse societies but also caused racial and ethnic tension. There has been a rise in extremism in Europe and transboundary water conflicts, especially surrounding The Euphrates.
- There was great social tension between African immigrants and Spaniards, heightening between 1991 and 2002 when 2 million were forced to flee their homes in Sierra Leone because of civil war.



→ Censorship, such as in China and North Korea, is done to control the spread of globalisation. Here the government has the greatest control as they restrict what can be viewed by the public. Reports claim that China pressurised Google to remove search results on sensitive issues such as human rights and freedom.

→ Under a business as usual future, tensions could stem from environmental concerns as sources become scarcer and key players compete for them. Currently, political and social tensions are the greatest but an environmental element is likely to come into to play in the near future.

- Some groups, usually political, try to regain their cultural identity and physical resources, such as First Nations in Canada and UKIP in the UK.



Unsustainability and Awareness

- One response to globalisation is to promote local sourcing which encourages sustainability. This is done by local groups and NGOs. Although locally sourced products reduce costs, food miles and pollution whilst providing employment; it nonetheless restricts the types of products available.
- Schemes such as Fair Trade and the Rainforest Alliance reduce environmental degradation, poor working conditions and global trade inequalities, allowing a larger market to contribute to globalisation. The benefits of these schemes seem to outweigh the costs but there are underlying issues such as debt, pressure to produce and food insecurity, as cash crops are favoured rather than individual food resources.
- Recycling manages resource consumption and ecological footprints but its effectiveness varies globally. Whilst places like Curitiba in Brazil have a strong recycling scheme, other places such as India have yet to develop a system. If implemented on a global scale, the rewards could be monumental for a sustainable future.