Edexcel Geography A-level

Globalisation

Detailed Notes

The Shrinking World

Globalisation is known as the **increasing interdependence** between countries through flows of **capital, trade, goods and services** as well as **culture and ideas**. The rate of globalisation is increasing, with LEDCs becoming more involved in global markets and forums, whilst MEDCs become increasingly interdependent on one another. There are many causes for accelerating globalisation and the apparent 'shrinking' of the modern world:

Economic
The volume and influence of **transnational companies (TNCs)** has increased - many TNCs have incomes higher than GDPs of many countries.

Online purchasing between countries is becoming increasingly common.

Stocks are traded from across countries and countries invest in each other **(Foreign Direct Investment).**Some financial businesses (pension funds and investment banks) **trade large amounts of currencies** in order to make profit

Political
Trade blocs (e.g. NAFTA, EU) have become more influential and have reduced tariffs and other protectionist measures.

IGOs (e.g. IMF, WTO and the World Bank) work to harmonise economies, whilst promoting democratic ideology.

Political views and ideology are expressed in **worldwide media outlets** e.g. BBC, Fox, CNN.

Migration
International migration has led to extensive family networks living across the globe, leading to the **spread of culture and finance** (through remittance).

International **tourism** has increased - more people can travel abroad for holidays due to **lower transport costs.**

Cultural
Americanisation and **Westernisation** of other (often developing) parts of the world.

Flow of Commodities
Goods can easily be **imported**, increasing countries interdependence on one another (some UK bottled water is imported from Fiji, which is 10,000 miles away)

The volume of **manufactured goods** has increased rapidly due to low cost countries such as Bangladesh and Vietnam

Technology
The **internet** has rapidly allowed the spread of information and knowledge.

Social networking sites have become very popular (Facebook had 1.5 billion users in 2015). Networks can allow the spread of culture, ideology and opportunities for migration and tourism.

Enormous **server farms** exist currently (e.g. Microsoft's data centre in Washington) which store substantial amounts of data

TYPES OF GLOBALISATION

ECONOMIC

- Transnational corporations (**TNCs**) trade products internationally and use international **outsourcing** and **offshoring** to lower costs.
- Industries moved to **developing** countries to save money on labour, bringing economic growth there.
- **Trade blocs** create economic integration between states and promote development.
- **Sources of income** from international companies.
- **Global transactions** of money, e.g. buying something that is shipped from China.

POLITICAL

- Governments form **connections** to trade, such as **trade deals** and **trade blocs**.
- **Western democracies** especially have had a global influence on political ideas, such as development of **market economies** in former communist states.
- **Deregulation** (removing state regulations) policies allow markets to grow with an international reach.
- International **organisations** exist to harmonise national economies and political relations, e.g. the UN

CULTURAL

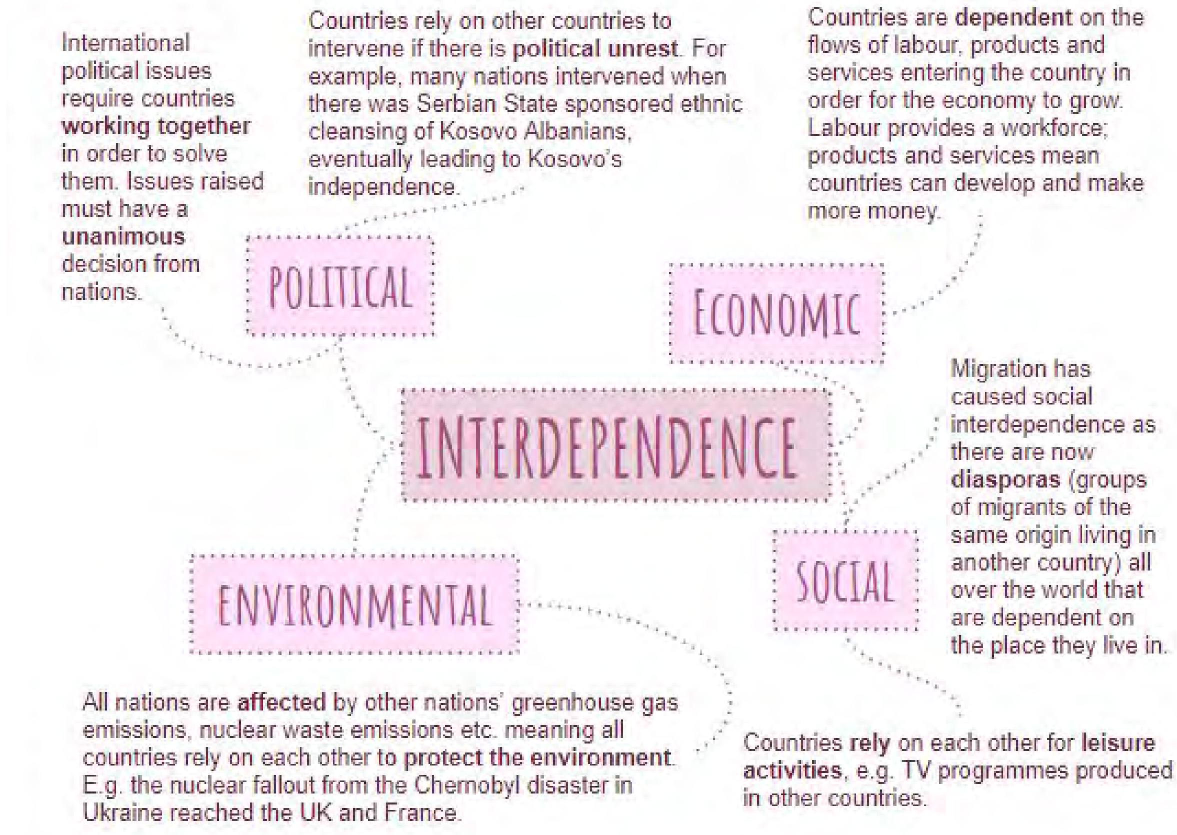
- Exposure to **media sources** such as television and social media allow a recognition and understanding of other cultures.
- The ability to **travel internationally** lets people experience cultures.
- Individuals have a greater **awareness** and understanding of world events due to education and news sources.
- **Westernisation** - the domination of western cultural traits in non-western areas, e.g. well known western brands like Starbucks seen in Asia.

SOCIAL

- International **immigration** is creating **multicultural** societies where people share and adopt cultures (e.g. cultural food shops).
- **Social networking** has revolutionised human connections, as tech platforms enable **interactions** with people living in different countries and access to international information.
- Global **NGOs** and charities are involved in the global improvement of education and health, such as the World Health Organisation and Amnesty International.

Globalisation had led to:

- The **lengthening of connections** - people can now travel further afield and goods are brought in further away.
- The deepening of connections where connections are penetrating more in depth into **most aspects of life**.
- **Faster speed of connections** - people can now talk in real time from different parts of the world and you can travel much faster than previously between different countries etc.



Increasing globalisation throughout history

19th and 20th Centuries

Important innovations in transport include:

- **Steam power** – In the 1800s, Britain was leading the world in the use of steam technology. This allowed the British to move their goods and armies very quickly into key areas, such as Asia and Africa.
- **Jet aircraft** – Newer and more efficient aircraft have allowed goods to be transported quickly between countries. Increasing competition between affordable airlines (e.g. EasyJet, RyanAir, Jet 2) has led to more people being able to travel abroad.
- **Containerisation** – There are more than 200 million container movements every year and this is extremely important to the global economy. All sorts of goods are transported across the world, lower costs of transport is beneficial for both businesses and consumers.

There were also technological advancements, which include:

- **Telegraph** – The first telegraph cables were laid across the Atlantic in 1860s, which allowed for almost instantaneous communication and revolutionised how businesses operated.

21st Century

Transport and technology continues to advance in the 21st Century, allowing for instantaneous communication and interactions across the globe:

- **Telephones** - Mobile phone use is very common across the world with smartphones becoming even more popular which has allowed better global communication

- **Broadband and fibre optics** – Since the 1990s, large amounts of data can be transferred very quickly via cables laid out along the ocean floor. The introduction of fibre optic cabling for domestic abuse has accelerated telephone, internet and television speeds for the home.
- **GPS** – Satellites have allowed companies and people to track goods across the world. GPS has become an essential feature of modern cars, and has lead to the success of Google Maps.
- **Internet** – The internet is now extremely important - approximately 40% of the world's population have access to it. Social media is extremely influential and, due to their large numbers of users, has led to the rapid spread of news, knowledge and opinions.

Dimensions of Globalisation

When countries **share** things with one another, it's known as a **flow.** This is because things are **flowing (moving)** from one country to another. Flows can be physical like people or products, but they can also be ideas and concepts such as money (capital), services, or information.

The different flows in globalisation are: **capital, labour, products, services and information**. These flows are the **dimensions** of globalisation - they are the reason globalisation exists.

Capital	Capital flows are the movement of **money** for the purpose of **investment**, **trade** or **business production.**
Labour	Flows of labour are the movement of **people** who move to **work** in another country.
Products	Flows of **physical goods** from one country to another.
Services	Services are '**footloose**' industries, meaning they can locate anywhere without constraints from resources or other obstacles. Services flow as they can be produced in a **different country** to where they are **received** (e.g. international call centres).
Information	Any type of information can **flow** from one place to another via the internet, SMS, phone calls etc. For example, international news.

Governance & Decision Making Influences Globalisation

Switched-off areas are usually excluded from global flows of trade, capital, labour and information and these countries are generally left behind whilst other countries prosper and benefit from globalisation. Some countries are **switched off** from globalisation for a variety of reasons:

Environmental	Political	Economic
- **Landlocked** countries cannot be independent in trade (they must rely on its neighbours to travel through	- The **political agenda** and **governance** of a country may limit flows of people or culture (anti-migration	- LEDCs, with little finance extra, **cannot afford to invest** in ports, infrastructure, incentives for

before participating in trade) - Poor fertility of land, mountainous or arid conditions, limited land space can all reduce a country's ability to **produce a commodity** for trade - Some countries are **vulnerable to Climate Change**, and so the natural environment could change to unfavourable conditions (sea level rise, desertification, etc)	policies, censorship, etc) - **Terrorism or active conflict** within a region can be hugely detrimental to their global connectivity. - **Corruption** within the government means money is lost rather than invested.	TNCs nor education to improve the skills of its labour force. - Countries with **unstable markets** or **weak currencies** will deter investment and businesses.

In some countries, global flows may be seen as a threat because:

- Importing raw materials and commodities could hurt domestic suppliers and industries
- Migrants from abroad could create tensions as they may not be wanted
- Foreign information could be seen as a threat (e.g. China's Great Firewall)

Inter-Governmental Organisations (IGOs)

Some organisations aim to enable switched off countries to become more globalised. However, IGOs can be controversial in their ways.

<u>IMF – International Monetary Fund</u>

The IMF is an organisation based in Washington that **loans money to poorer developing nations**. One of the key conditions for recipient nations is that the country opens up its markets and industries from government control, which in turn leads to **privatisation**. TNCs now have the opportunity to enter those markets more easily which would generate financial activity and tax, but mainly for their host country (which tends to be an MEDC).

The IMF can be seen as more of a hindrance than help; LEDCs fall into debt with their industries privatised, which in turn could lead to profits leaving their country and **potential environmental or workforce exploitation**. Countries which struggle to pay their debt will have to cut back on funding in key areas such as education and healthcare, which further damages the country's economy and welfare.

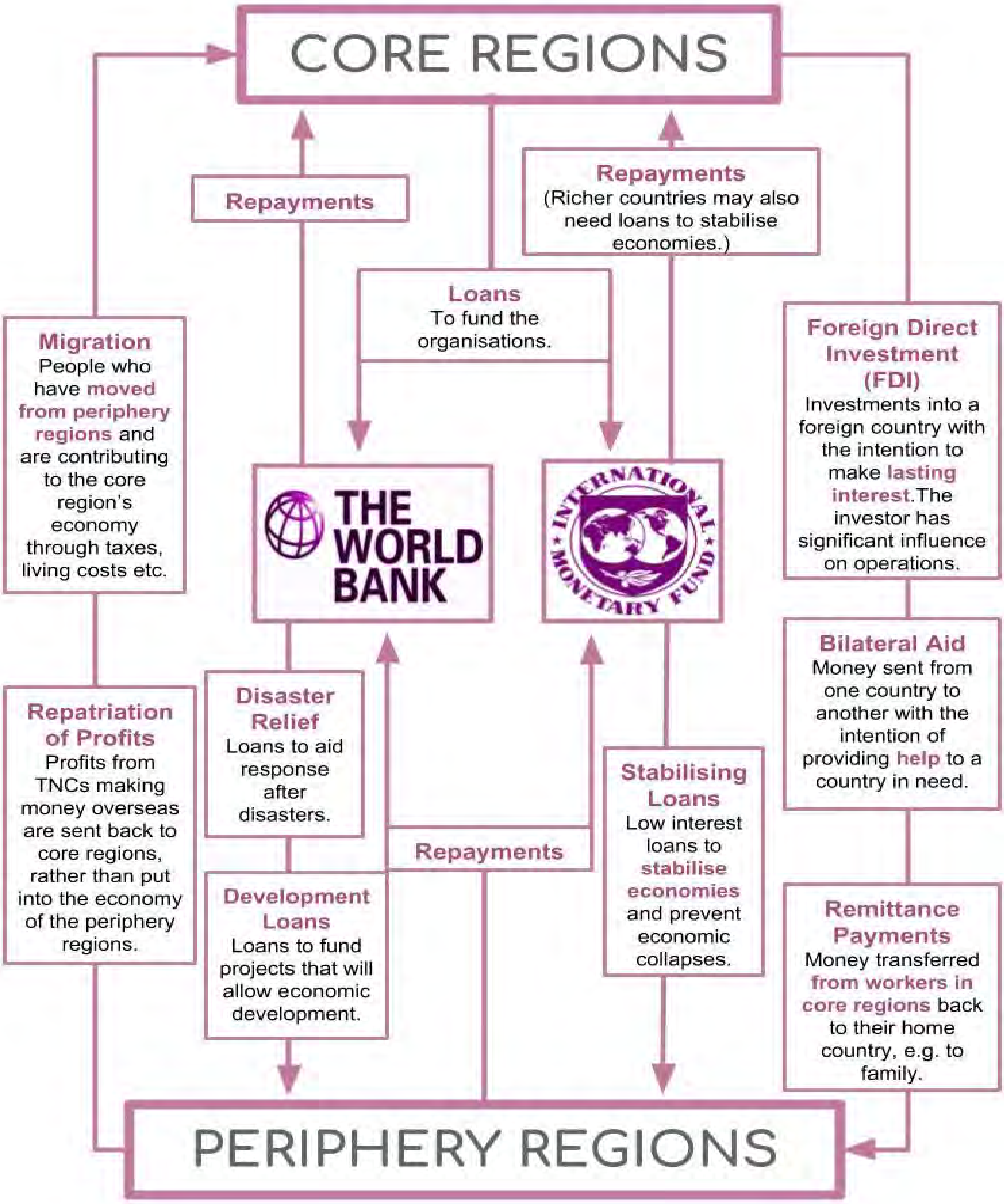
<u>The World Bank</u>

The World Bank, similar to the IMF, **loans money to developing nations** with the aim of improving development, and so enabling globalisation. Like the IMF, The World Bank is also seen as controversial and many critics say both these organisations don't benefit developing countries. Instead, they promote LEDCs to increase their **debts** and limit the **government's sovereignty.**

<u>The WTO – World Trade Organisation</u>

The WTO is headquartered in Geneva, Switzerland which aims to **liberalise trade** by **removing tariffs, subsidies and quotas**. The WTO has been criticised because it has failed to prevent the EU and USA from implementing protectionist measures like subsidies, and so it has been unsuccessful from creating **equal opportunities** for all countries to trade.

The interplay can be seen in the flow diagram below:



Attitudes and Actions of National Governments

Free Market Liberalisation - This is governance model strongly associated with the policies implemented by **Ronald Reagan in the US and Thatcher in the UK**. It is the belief that government interventions in markets would **hinder** economic growth and development in the long term. As a result of market liberalisation, the banking and finance sectors were deregulated in the UK which led to London becoming one of world's major financial centres.

Privatisation - Until the 1980s, important assets in the UK, such as **railways and utilities**, were owned and run by the government. Thatcher privatised these state-owned industries; **private companies bought and ran** these services, which has continued to the present day. Privatisation allowed the government at the time to raise a lot of **money**. However, some critics believe that privatisation **compromises the quality** of services (such is the case for northern rail, despite raising prices for consumers there are increasing strikes which are negatively affecting commuters).

Encouraging business start-ups - Around the world, **incentives** (grants, tax breaks, infrastructure constructed) are provided by governments in order to **attract businesses**. After Sunday trading began in the UK, many foreign businesses (e.g. Disney) were attracted to establish shops here to profit from this lucrative opportunity.

Foreign Direct Investment - There are several kinds of FDI, all of which involve TNCs increasing economic or industrial activity within a country.

- **Offshoring** – TNCs set up production facilities in developing countries, which have large, cheap workforces (e.g. Bangladesh)
- **Foreign Mergers** – TNCs from different countries join to form one larger company
- **Foreign Acquisitions** – A TNC acquires another company from abroad, often in a hostile way (may involve local job loss, lack of interest in the local environment, etc)
- **Transfer Pricing** – TNCs sometimes channel their profits through subsidiaries in tax havens (e.g. Ireland)

Alternatively, national governments can hinder or limit the effects of globalisation through policies.

Censorship - The government restricts the flow of **information and knowledge** through state-controlled media outlets and internet restrictions. Censorship can be used to limit a population's knowledge of foreign culture and ideas (such as democracy) which could undermine a **dictatorship** government.

Limiting Migration - Most countries have some sort of **border control** and migration monitoring. With the rise of right-wing, extremist views, (as discussed later in the notes) more countries have adopted strict migration controls.

Trade Protectionism - Trade protectionism involves subsidies, tariffs and quotas which help a country to **protect domestic industries**. For example, in 2016 Chinese steel flooded global markets at very low prices - "**dumping**" - due to Chinese government subsidies. This caused major problems for steel industries around the world including the UK Tata Steel Works, which closed and sold all of its plants as it lost £1 million every day.

Free Trade Blocs

In order to trade more freely between nations, governments may sign **agreements** with each other in order to **reduce restrictions** of the flow of **capital and goods**. Free trade may also encourage the movement of people, culture and knowledge.

Benefits of Trade Blocs:	Disadvantages of Trade Blocs:
▪ Businesses have a **larger potential market** to sell to, and so larger potential revenue to make. ▪ As businesses cater for more demand by increasing their volume of production, many **other businesses can benefit** by providing raw materials, skilled workers or providing outsourcing opportunities. Hence increased business for one may in turn benefit many in a **positive feedback loop**. ▪ Trade of essential materials or services become more **reliable** within a trade bloc. There may be less economic risk and **better pathways** for essential imports (food, energy, etc).	▪ The interests of countries within major trade blocs are focussed upon themselves. Outside trading countries become **excluded** and find it very difficult to join in trading. Foreign industries and suppliers can be **directly damaged** as a result of competition or lack of opportunities due to trade blocs forming. ▪ Trade Blocs still don't **guarantee** fair treatment within, for example the relationship between Mexico and USA has not strengthened through trade bloc NAFTA.

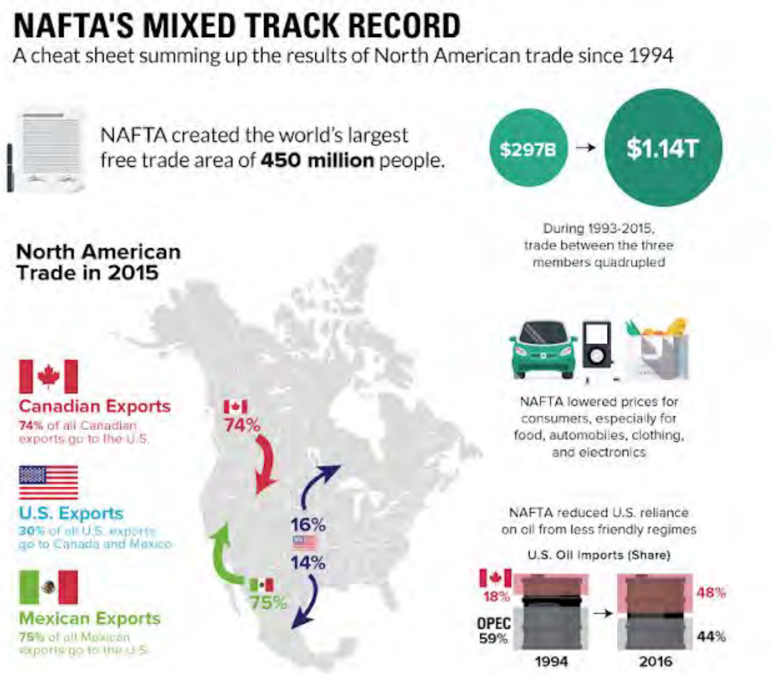
Trading products is expensive due to the **controls and restrictions** put on imports and exports. These restrictions are include:

- **tariffs** (a tax for importing and exporting goods);
-**non-tariff barriers** (NTBs), such as **quotas** (a limit/fixed number of goods) or requirements;
- and outright **bans** on products or country import/exports.

To lower the costs of trade, countries can enter **trade agreements**, which work to benefit all parties that are involved. In trade agreements, certain **restrictions can be removed** or lessened in return for another country doing the same. All trade agreements are overlooked by the **World Trade Organisation (WTO)** to ensure they are **fair**.

An example of a trade agreement is the **North American Free Trade Agreement (NAFTA)**. This agreement has lowered and removed tariffs on imports and exports between Canada, the USA, and Mexico. NAFTA has been criticised for its **effectiveness**.

(Source:http://www.visualcapitalist.com/nafta-mixed-track-record/)



Uneven Globalisation - Winners and Losers of Globalisation

Measures of Globalisation

KOF Index	AT Kearney Index
The KOF index measures globalisation of **countries** for political, economic and social indicators. It's measured on a scale from 1 to 100, where 100 is the most globalised nation. ▪ **Political** (39% weighting on overall score) -Membership of international organisations and trade blocs like EU, WTO, IMF, NAFTA -Number of foreign embassies located in the country -Participation in international treaties ▪ **Economic** (37% weighting on overall score) -Long distance flow of goods and services and capital -Flows of FDI ▪ **Social** (24% weighting on overall score) -Personal contact through international phone calls and tourist numbers -Information flow through the number of internet users per 1000 people -Cultural proximity through things like the number of McDonalds	AT Kearney Index is a measure of globalised **cities**, by a London business. It considers political, communication, technology and political factors. ▪ **Economic integration** -Imports and exports -FDI ▪ **Personal contact** -Telephone traffic -Travel and tourism -Remittances ▪ **Technological activity** -Internet users -Internet hosts -Secure servers ▪ **Political engagement** -Membership of international organisation -Signatories to international treaties -Number of embassies

Other Measures

Simple measures are based upon one single factor, and are the most common statistical measures of wealth and productivity:

- **GNI** (Gross National Income) is the **value of goods and services** by a country; similar to GDP, but GNI also takes into account overseas earnings.
- **PPP** (Purchasing Power Parity) is the **expenditure** of a country's population and reflects the cost of living.
- **Income per capita** is the **mean average income per person** (income of the country by population size). This average can easily hide inequality; the few high earners have a larger influence of GDP than a majority of low earners.
- **GDP** (Gross Domestic Product) measures the total **value of goods and services** produced in a country. Using GDP as a simple economic measure may be inaccurate as GDP doesn't include any informal earnings or black market economies.

Furthermore, GDP is measured in US Dollars, therefore can vary as exchange rates vary daily.

Alternatively, **composite measures** consider a range of factors, therefore are more reliable statistical measures of development:

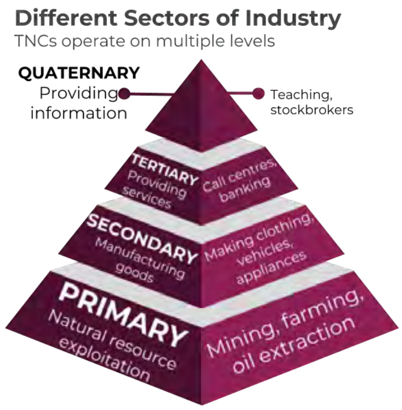
➔ **Economic Sector Balance** considers all four main economic sectors - Primary, Secondary, Tertiary, Quaternary - and describes the composition of a country's industry (often displayed as a bar chart). As a country develops, primary industries usually decline and their earning reduce whilst secondary and tertiary become more important (according to the Clarke-Fisher Model).

➔ **Gender Inequality Index (GII)** measures female participation and treatment within society and considers:
- Reproductive health – Maternal mortality ratio, adolescent birth rates
- Empowerment – Proportion of parliamentary seats held by women,
- Employment – Labour force participation rates of women

➔ **Human Development Index (HDI)** is a measure of social development and considers:
- Life expectancy
- Wealth (GDP per capita)
- Education (Literacy levels and average number of years in education)

Winners & Losers - TNCs

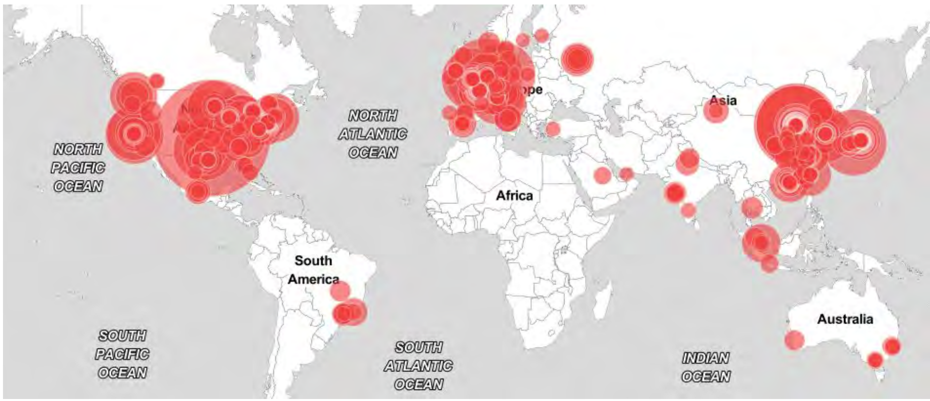
TNCs, to put it simply, are companies operating **across multiple countries** (*trans-* = across, *-national* = nations). These companies usually work by having their headquarters, production, and sales all in **different countries across the globe**, meaning they are a crucial aspect of globalisation.



These corporations can provide raw products, manufactured goods, services, or information - they exist in different **industries (sectors)**. Overall, TNCs make **products**, produce **jobs**, **invest** in countries, and sometimes contribute to **cultures**. Some TNCs are very powerful, and can even have **political influence**, e.g. the pressuring of some countries to reduce taxes and create SEZs so that the TNC will invest there.

TNCs are very influential to a country's level of globalisation and interconnectivity; some TNCs have larger revenues than entire countries' GDPs. Furthermore, in 2016, the top 200 TNCs accounted for 25% of the world's economic activity but only employed 1% of the world's population. However, TNCs are not entirely beneficial, as some exploit the environment and population in favour of maximising profits and manufacturing efficiency.

The Headquarters of TNCs are usually located in **high income countries**. HQ is responsible for the **big decisions**, such as **investments**, **meetings with global organisations** etc.



(Source: http://fortune.com/global500/visualizations/?iid=recirc_g500landing-zone1)

This map shows the Headquarters of Fortune 500's largest companies. The majority of headquarters are heavily concentrated within the USA, Europe, Japan, as well as many in the emerging economy of China.

TNCs create **links** between countries and with other companies. Linkages are created in order to **benefit the TNC**, and often includes **expanding** the company.

Links through FDI: TNCs create links with other countries by **investing in them,** which benefits the country as this creates jobs and contributes to the economy. TNCs can be investments into a factory, for example, but they may also take the form of mergers and acquisitions.

Links through integration: TNCs often **expand** their company by creating linkages between other companies. There are two types of integration:

- **Horizontal integration:** taking ownership of part of the **supply chain,** e.g. buying a plantation
- **Vertical integration: taking ownership of another company**, often one that is in a similar industry. The food industry is a prime example of vertical integration. A lot of large companies control the majority of smaller companies, which can be seen on this map (http://www.convergencealimentaire.info/map.jpg)

The implications of TNCs has become increasingly more known to consumers, earning certain TNCs **bad reputations**. **Natural disasters** (e.g. 2011 Tohoku Tsunami) can disrupt supply chains which in turn can affect production and hit profits. A TNC's need for interdependence and global logistics can have major implications on global markets. Alternatively, the collapse of the **Rana Plaza factory** in Bangladesh in 2013 (1134 people were killed) impacted many garment TNCs. The TNCs relying on the garment factory lost profit and their production source, and the whole industry faced **intense scrutiny** over TNCs exploiting workers and providing unsafe working conditions.

Products that are made for **consumer audiences**, such as smartphones, use global supply chains as a way to **spend less money on manufacturing**. TNCs may often **invest in the source of raw materials** also in order to save money in the supply chain. E.g. many TNCs that provide food (like fruit) invest in plantations to lower the cost and remove the 'middle man'.

- **Outsourcing:** TNCs that provide **tertiary industry** products (services) will often **outsource** tasks to other companies in order to save money and time. TNCs like Apple outsource their manufacturing process so that profits can be maximised.
- **Offshoring:** Companies that make **manufactured products** will often have their factories in LICs due to lower labour costs, better taxes, weaker regulations for workers and weaker environmental regulations. This leads to much dispute about the **ethical issues** with TNCs exploiting poorer citizens in order to maximise their products.

Glocalisation

The **adaptation** of goods or services by a TNC is to meet **local needs or tastes**, which would increase custom within a select region. There are many examples of glocalisation:

- Grocery shops based in Bangladesh don't wrap their vegetables, because customers judge their purchases on the feel of the food (called a wet market)
- McDonalds have created a menu without any beef or pork burgers in India, due to the large population of Hindus and Muslims
- Car makers must change the orientation of the car to suit which side of the road a person will drive on.

Winners & Losers - Economic Change

The **global shift** refers to how manufacturing and industrial activity has shifted from different parts of the world. Prior to the 1960s, manufacturing industries were located in the west in Europe and the US. However after the 1960s, industries relocated to the East in countries like China and India, due to their large, unskilled workforce.

Outsourcing of Services to India

Many Indian citizens can speak fluent English ("the language of business") and the Indian government have invested in infrastructure such as broadband capacity, which has attracted high tech companies.

Benefits of Outsourcing	Costs of Outsourcing
Workers receive middle class wages which has meant that their **disposable incomes have increased** Other businesses have seen more customers and more spending, especially the likes of shopping malls and nightclubs - **positive multiplier effect**. People running the companies where services are outsourced to have seen **increasing profits**.	Many workers believe that they are **exploited**, with long shifts and still lower pay than MEDC workers. Employees have become **demotivated** due to the repetitiveness nature of their work. The **inequality** between the richest and poorest is increasing as the poorest are not well educated and cannot benefit from outsourcing jobs.

Outsourcing of Manufacturing to China

In the 1990s, cities such as Shenzhen and Dongguan offered investors a **large pool of cheap labour** for manufacturing and other **secondary** employment. Since then, the volume of TNCs outsourcing to China has vastly increased.
Sweatshops - that previously have accelerated China's globalised status - have now become less popular due to cheaper labour elsewhere and the bad reputation Chinese products have. Instead, sweatshops are moving to Bangladesh and Vietnam, whilst new technological outsourcing opportunities move into China, offering higher wages.

Benefits	Costs
New **production methods** and techniques brought by TNCs have now been adopted by local companies, so causing local economic development. Locals, especially in rural areas who would otherwise be dependent on **subsidence farming**, now earn a **wage**.	Many employees have been **exploited** and their working conditions are **dangerous** - chemical contact, long hours, limited human rights, relaxed health & safety regulations. The environment has been **degraded**. Rivers and waterways become **polluted with arsenic, lead** and other dangerous chemicals. The air becomes polluted with **particulates**, that increase asthma suffers and pollution-related fatalities.

Deindustrialisation

During the 1970s, many factory workers in Europe and America lost their jobs as TNCs relocated or outsourced their manufacturing to the East. This caused a variety of **social and economic impacts**, which can be seen in cities such as Detroit and Glasgow:

- **Dereliction and Contamination** - Many textile companies located in UK Northern cities closed and so the building they previously occupied became **abandoned and derelict**. Other areas suffered from abandoned **chemical and industrial waste**, which has infiltrated the soil and local waterways.
- As a direct consequence of companies moving away, rates of **unemployment** will increase. This can lead to **depopulation**, as residents migrate away to find alternative employment. Furthermore, **deprivation** of inner city areas especially will increase and **crime rates** may increase.

Rural → Urban Migration

The migration of people within a country to seek better **employment** opportunities or a better **perceived standard of living** tends to be from rural areas to urban cities.

Urban Pull Factors - Migrants are attracted to the city for:

- **Employment Opportunities**
  Large businesses and TNCs provide a wide range of jobs, with the opportunity to be promoted to better roles and so higher wages.
- **Services**
  There is a better **access** to services in urban cities, as the distance needed to travel is reduced and there is more likely to be **specialised facilities** in the city than in rural areas. This can include education, healthcare, government embassies and offices, etc.
- **Infrastructure**
  Transport links - roads, railways, bus routes, etc - are faster and more reliable in urban areas. There may be less **congestion** (if you are moving from a honeypot village, congested due to tourists, to the suburbs). Also, there is better **internet and broadband connection** in urban areas, due to the ease of installation here rather than in the countryside. There are usually **street lights** which makes people feel safer to go out at night.

Rural push factors - Migrants are deterred from rural living by...

- **Poverty**
  People may not able to earn enough (decreasing earning of farming, seasonal tourist employment) and there are very few job opportunities, therefore there can be high **poverty and deprivation** in rural regions.
- **Conflict** *(e.g. Darfur, Sudan)*
  There may be a **scarcity of resources** which can cause conflict between different groups, as they fight for resources (such as water, land for agriculture or natural resources) and wealth.
- **Land Reform**
  In some regions, locals are unable to **prove** that they own the land they claim to own, thus TNCs (with government support) claim the land instead. This is very common with **native, indigenous communities**, who have little voice against powerful TNCs.
- **Agricultural Modernisation**
  An increase and advancement of **agricultural machinery** has meant that less people are required on farms, causing rising unemployment and so forcing economic migration of the unemployed.
- **Climate and Natural Disasters**
  A rare circumstance, but the occurrence of **droughts or crop failures** can force migration in search of food or water. Alternatively, for regions regularly affected by **earthquakes, storm surges, landslides**, etc. families may feel pressured to move elsewhere to avoid economic loss or fatalities.

It is important to remember that push and pull factors are only **perceptions**; it is not definite that migrants will experience a better quality of life in urban areas. Often, migrants are disappointed when they reach the urban city, potentially struggling to find employment, affordable living and tensions between themselves and prior residents.

Challenges faced by growing cities:

- **Strain on services** like education and healthcare
- **Overcrowding** and the development of "slums"
- Rising **crime** rates
- **Poor sanitation** due to open sewers and defecating outdoors
- Lack of green space
- High levels of **congestion**, which causes air pollution

International Migration

- **Elite International migrants** – Generally **skilled** or very **wealthy** people, with the ability to move to global hubs (e.g. London, Paris, New York). An example of elite migrants would be **Russian Oligarchs**, who pay Investors Visas and purchase properties in Mayfair, Kensington and Belgrave. (It is thought that Oligarchs purchasing elite property in London has caused UK house prices to escallate, which questions the **'trickle down' theory** that they're money would eventually improve other UK citizens, through business and tax)

- **Economic International migrants** – Many cities like Riyadh, Dubai, London and New York attract workers who work for very little and are skilled in a particular profession (often **construction**). Economic migration can fill **skills gaps** and advance a country's development. However, unless carefully monitored, could lead to escalating urban populations and a rise in **illegal migrants**.

	Host Country	Source Country
Benefits	- Can help fill skills gaps. - Working migrants contribute to the economy through paying taxes and buying goods & services. - Increase in cultural and demographic diversity. - Young migrants can help to balance an ageing population, or increase a dwindling population over time. - Businesses have a larger pool of potential employees or customers.	▪ Migrants send back remittances which can aid in development and reduce poverty without government intervention. ▪ Migrants become skilled and can come back to set up their own businesses, encouraging local economic growth and employment opportunities. ▪ Reduced service spending for the government as population declines
Costs	▪ Rise of far right organisations, hate crime and racial tensions IF lack of understanding	- Brain drain due to skilled workers leaving

	between migrants and original population. ▪ There could be strains on services (e.g. healthcare, education) due to an increasing population ▪ House price inflation due to higher demand	- Migrants tend to be young, so elderly family are left behind and can become isolated - Decline in services due to low customer numbers, which can lead to the negative multiplier effect, in turn reducing other businesses and services - Agricultural land not taken care of, with potential dereliction

Culture and Social Globalisation

Historically, **cultural imperialism** and government control over religion has been necessary for successful **imperial control**. However, through the increasing interconnectivity of nations, a growing ‘**global culture**’ is emerging.

Culture is composed of several key features:

- **Language** – National languages as well as different dialects and accents.
- **Traditions** – Everyday behaviour and manners that have been passed down through generations.
- **Religion** – There are major religions across the world.
- **Food** – National dishes and diet reflect animals, crops, spices that are found locally.

Culture can be influenced by the **media, migration, TNCs** and businesses and **social media**. However, within recent years, there has been large change to cultures and ideologies for developed and developing populations.

Traditional Asian diets, for example, are low in meat. However, as China develops, the middle class population is growing and so people are starting to adapt their diets to western influences (introduced by Western TNCs). From 1990s till 2015, meat consumption per capita rose from 5kg to 50kg. This change to Chinese diet has had various impacts:

- **Obesity** has increased, especially within this growing middle class population.
- A rise in cattle rearing has led to a rise in **methane emissions** which in turn is increasing Global Warming.

Alternatively, changes to culture aren’t always for the worst. In China, research conducted showed that only 25% of disabled people were employed which suggested stigma against disabled individuals. However, in the 2012 Paralympics, the Chinese came first with their team. The Paralympics could show how global attitudes towards disabilities positively.

Cultural Erosion

Communities being exposed suddenly to a new culture can face **sudden change or reduction** to their own culture. Young people are especially vulnerable to **cultural diffusion** or **erosion**. Due to the sensitivity and value of culture to some communities (such as indigenous communities) this can cause **conflict**.

Resisting Cultural Change - Examples

France – The French government has attempted to control globalisation by restricting foreign language media (40% of all broadcast must be French).

China – 'The Great Firewall of China' prevents information unfavourable of the government or foreign media outlets. Within China, you cannot access the BBC, use Facebook or search for politically sensitive information (such as Tiananmen Square).

Iran – In the early 2000s, the government banned Barbie dolls and confiscated them all from stores as they weren't seen as appropriate for the Islamic State.

Widening Inequality Gap

- **Average incomes have risen** in all continents since the 1950s but the poorest parts of Africa have seen very little and slow growth.
- The increase in wealth of Europe and North America has resulted in the **widening gap** between the richest and poorest in the world.
- Absolute **poverty has fallen** across but still is **high**.

Since the 1970s, income per capita in Asia has risen significantly due to Japan and South Korea's modernisation (In 2010, income per capita in Asia stood at US$7000).
Incomes in some African countries - especially sub-Saharan countries - has remained stagnant. However, within Africa there are big disparities and so Africa (like other continents) should not be viewed as a whole. In Northern Africa, countries like Algeria and Tunisia are much wealthier than Southern African countries due to natural oil wealth.

The **Gini Coefficient** measures the inequality wealth shared across a population and scores a country from 0 to 100.
0 represents perfect equality, whereby everyone has the same income.
100 represents perfect inequality where one person has all the income.

Globalisation Causing Growing Conflict & Degradation

Within Europe, **far right** parties and organisations have become more popular and support for them has increased. This has accelerated since the **expansion of the EU in 2004** (eight Eastern European countries have been added) and so an increase in the flow of migrants. For example, Germany has accepted the largest number of migrants of any EU country but growing concern and tensions over such a large influx has lead to the rise of **Pegida**. In France, the **National Front** received 25% of the votes during a national election, which suggests the French's views towards migrants and cultural diversity is becoming less accepting.

Globalisation has **not** eased **environmental or political conflicts** between nations. The **Mekong River**, for example, flows from China through Myanmar, Laos, Cambodia and Thailand. Since the 1990s, various dams have been constructed along the river, causing increasing political tensions between the countries. Increasing pressures for national governments (increasing population, desire to develop, etc) will increase conflicts between states for: fossil fuels, rivers, islands for naval bases, land for living or farming.

Protecting Cultural Identity

Despite cultural diffusion and erosion, some cultures and indeginous communites have strengthened their identity. **Tourists** are attracted to experience their culture or witness their traditional lifestyle (e.g. Papau New Guinea). Alternatively, **indigeonous** (live in one location) or **nomadic** (travelling between locations) have grouped together, to support each other and maintain their traditional lifestyles. Despite TNCs threat to drill for oil within their territories, indigenous communities continue to prosper in Canada (called the First Nations), Siberia and Alaska.

Sustainability and Localism

Globalisation is linked to many **environmental issues**, including growing insecurity over energy, food and water. An **increasing middle class** and the **growing global population** will continue to increase demand.

TNCs have developed **global production networks** through cheap labour and low transport costs, which has helped TNCs to minimise costs and maximise profits. However, many people criticise the environmental costs (e.g. **high carbon emissions**) associated with TNCs success and instead adopt "**localism**" as a way of life. Localism is the reduction of globally sourced goods instead purchasing locally-sourced, sustainable products to protect the environment and vulnerable individuals.

Advantages	Disadvantages
▪ Local suppliers can generate **more revenue** and they can provide more jobs for locals. ▪ **Lower carbon emissions** are food transported over shorter distances. ▪ Deliveries can be much **quicker** and may cost less.	▪ Foreign suppliers in **developing countries** may lose out and jobs may be lost abroad. ▪ Overall **cost is higher**, due to higher wages and manufacturing costs. ▪ Low income families may not have the financial ability to **afford** local produce.

Transition Towns

Totnes, in Devon, is the world's first transition town which has its own **currency** (the Totnes Pound). The Totnes Pound encourages spending in independent stores, therefore benefiting the local economy rather than chains or TNC stores.

Transition towns aim to **support local economies** and they promote:

➔ Reducing **consumption** through reusing and recycling
➔ Reducing **waste, pollution** and **environmental damage**
➔ Meeting local needs through local production

Fairtrade

Fairtrade aims to secure **better pay to producers and growers** and includes coffee, cocoa and bananas. The Fairtrade certification provides **consumer confidence** that suppliers are being paid a fair price for what they produce. However as the scheme continues to grow, it's increasingly difficult to ensure profits are distributed properly to the growers and producers.