

A-Level Geography Resource Package

[Human >> Global Systems & Governance > 3.2.1.1 Globalisation]

What is Globalisation?

Key Term:

Globalisation is the increasing interconnectedness of the world's economic, cultural, and political systems. I.E. The world, at least in terms of humanity's progress, is getting smaller.

1.0 Starter:

Consider the effect of globalisation on the following:

- Accessibility of the world:
 - Advances in transportation, such as aircraft, vehicles etc...
 - Improvements to infrastructure on a variety of scales
 - Growing international wealth, production chains and economics
 - International Diplomacy
- Cultural changes:
 - Demographic shifts owing to increasing migration
 - Integration and / or marginalisation of communities
 - Ethnic diversity and tensions
- Information & Communications:
 - Development of modern technologies, such as phones, computers etc...
 - Changes to communication methods and speed



Welcome to Global Systems
& (Global) Governance!

What is globalisation?

'The increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders. There are also broader cultural, political, and environmental dimensions of globalisation.'

International Monetary Fund

'It might mean sitting in your living room in Estonia while communicating with a friend in Zimbabwe. Or it might be symbolized in eating Ecuadorian bananas in the European Union.'

World Bank

2.0 Dimensions Of Globalisation:

Social globalisation

- *International immigration* has created extensive family networks that cross national borders — world city-societies become multi-ethnic and pluralistic
- *Global improvements in education and health* can be seen over time, with rising world life expectancy and literacy levels, although the changes are by no means uniform or universal
- *Social interconnectivity* has grown over time thanks to the spread of 'universal' connections such as mobile phones, the internet and e-mail

Economic globalisation

- *The growth of transnational corporations (TNCs)* accelerates cross-border exchanges of raw materials, components, finished manufactured goods, shares, portfolio investment and purchasing
- *Information and communications technology (ICT)* supports the growth of complex spatial divisions of labour for firms and a more international economy
- Online purchasing using Amazon on a smartphone

Cultural globalisation

- *'Successful' Western cultural traits* come to dominate in some territories, e.g. the 'Americanisation' or 'McDonaldisation' of tastes and fashion
- *Glocalisation and hybridisation* are a more complex outcome that takes place as old local cultures merge and meld with globalising influences
- *The circulation of ideas and information* has accelerated thanks to 24-hour reporting; people also keep in touch using virtual spaces such as Facebook and Twitter

Political globalisation

- *The growth of trading blocs* (e.g. EU, NAFTA) allows TNCs to merge and make acquisitions of firms in neighbouring countries, while reduced trade restrictions and tariffs help markets to grow
- Global concerns such as free trade, credit crunch and the global response to natural disasters (such as the 2011 Japanese tsunami)
- *The World Bank, the IMF and the WTO* work internationally to harmonise national economies

Globalisation is the cornerstone aspect to Global Systems & Governance, so you absolutely must know all this content in detail as it interlinks in more detail to plenty of other sections.

Here is a good A* Example from the Geography Resource Bank Map:

[Understanding the role of the IMF and the World Bank](#)



MR WORLDWIDE
GLOBALIZATION



3.0 Flows In Globalisation:

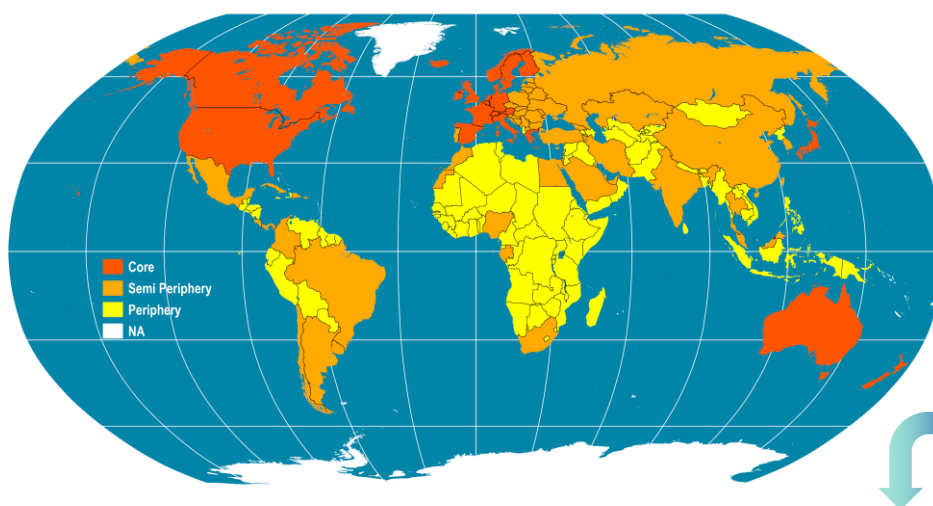
1.0 Flows Of Capital

These can be essentially split into two different concepts:

- On a large scale, it can reference transfers of money between the world's stock markets for investment, trade, or production.
- On a smaller scale, individual or regular payments between people for various reasons, for example as remittances, which when magnified has a large impact on the global economy.

Citizens, Investment Banks, Pension & Government Funds buy and sell shares and money between different currencies in order to make profits, which in a globalising world is becoming easier and easier; spurred on by deregulation of financial markets in the 20th Century. In 2019, this was valued at \$5.3 Trillion per day.

3.1 The Core - Periphery Model:



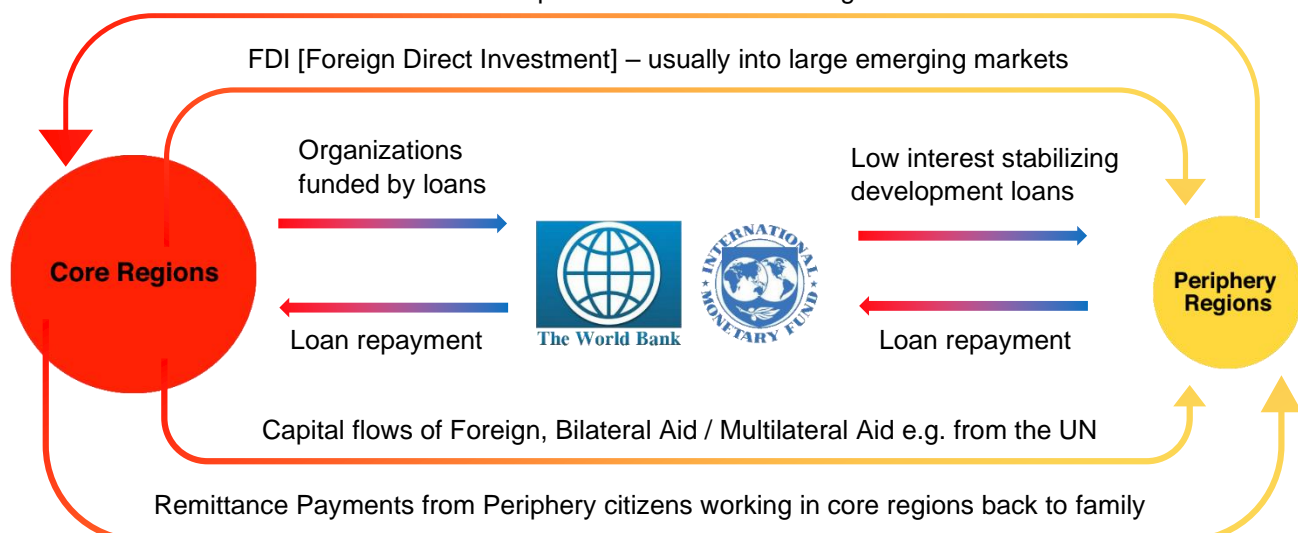
The figure to the left represents a concept called the 'Frank and Wallerstein Core – Periphery Model.' This assumes that global power is concentrated in the hands of a block of developed nations known as the 'core', and less developed supplier countries known as the periphery, whose development has been impeded by the 'middle income trap', lack of investment, leakages, outward migration and brain drain.

This figure is mostly outdated in today's world owing in part to the rapid growth of large medium-income economies such as the *BRICS* and *MINT* nations, many of which now have their own TNCs, supply chains, large domestic markets and have the ability to project their governance onto the world's stage.

3.2 Salient Flows Of Money In Detail:

It is important to remember that flows of money can be not only varying by scale, but also intention.

TNC Profit Repatriation and Labour / Migration



2.0 Flows Of Labour

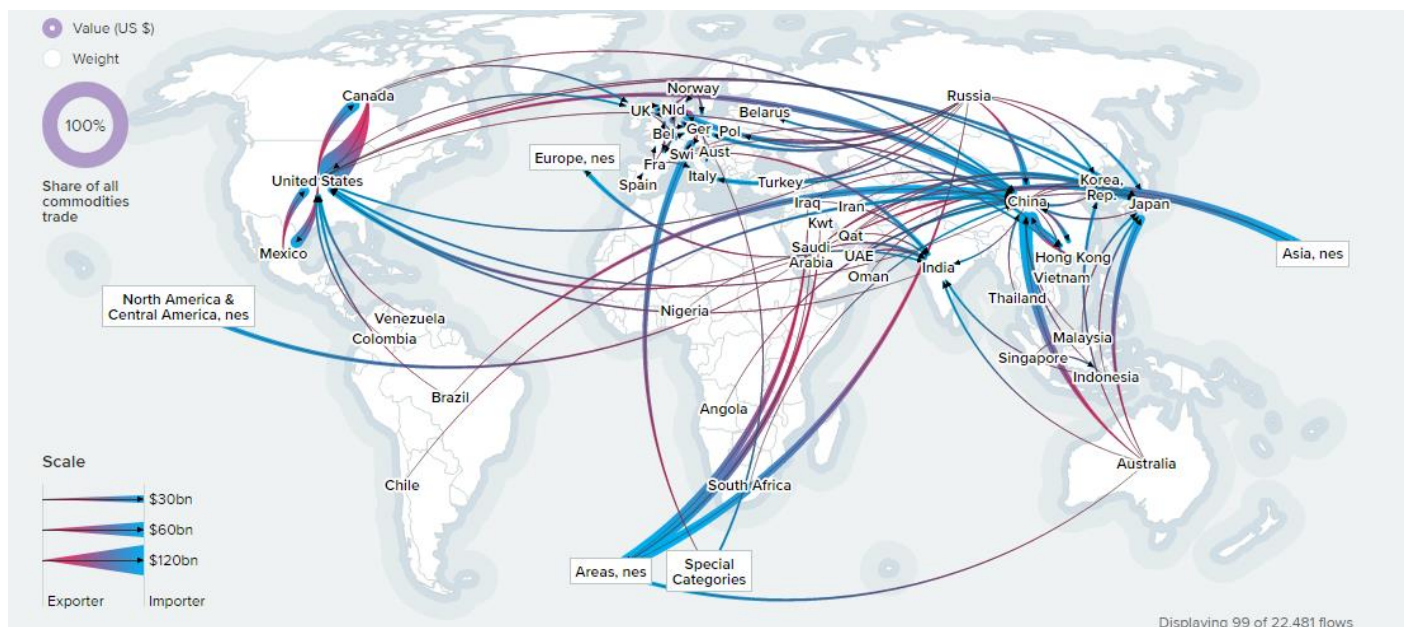
Despite the restrictions imposed by many governments, record migrations have been recorded in recent years. Soon there will be a quarter of a billion economic migrants in the world. Some states have a special need for migrant labour.

For example, Qatar is reliant on temporary construction workers, who are often from the Indian subcontinent. This is often a highly controversial business practice as it is often deemed as exploitative, and workers are rarely paid or treated fairly.

3.0 Flows Of Products

Flows of manufactured goods have multiplied in size in recent years, stimulated by low production costs in China and even lower-waged economies, such as Bangladesh and Vietnam.

In 2015, global GDP (Gross Domestic Product) fell just short of US\$80 trillion in value. Of this, around one-quarter was generated by trade flows in agricultural and industrial commodities between nations.



4.0 Flows Of Services

Similar to flows of products, many (mostly developed) nations have highly developed networks of flows of tertiary services, for example financial ties and transactions, communications etc... Increasingly, however, services are often 'subcontracted' out of a higher income core nation to those more on the periphery, where labour is cheap – for example:

By 2040, India is expected to be the second largest economy in the world and some of its economic success is attributable to the call centre services which Indian workers provide for large US and EU companies.

5.0 Flows Of Information

The internet has brought real-time communication between distant places, allowing goods and services to be bought at the click of a button. This is heavily interlinked with the other flows, particularly services in the 21st Century.

Facebook had 1.5 billion users by 2015, each generating countless numbers of "likes" daily. On-demand TV has increased the size of information flows greatly in recent years.



Marketing is the process of promoting, advertising, and selling a product or service. To become a global marketer, companies such as Coca-Cola have had to view the world holistically and then develop products which fit both within their brand strategy and regional marketplaces at the same time.

It will usually develop and internationally recognizable 'brand' and implements economies of scale to reduce marketing costs with one large, well known campaign in different languages where possible, as opposed to regionalizing everything.

The company, unlike some others such as McDonald's (which has numerous regional specialties) broadly focuses on one product line with few changes. The branding is kept consistent, albeit in foreign languages to aid accessibility of the product, as are the key ingredients.

Drinks sizing is one area where global marketing changes are evident owing to different government regulations, incentives, or usual behavior. As an example, portion and drinks sizes in America are typically around 30% larger than Europe.

In some parts of the world, Coca Cola also sometimes experiment by serving modified drinks from their linear product line, such as Green Tea Coke in Japan (although this is not normally the case.)



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