

Edexcel IAL Geography

Going Global Essential Notes

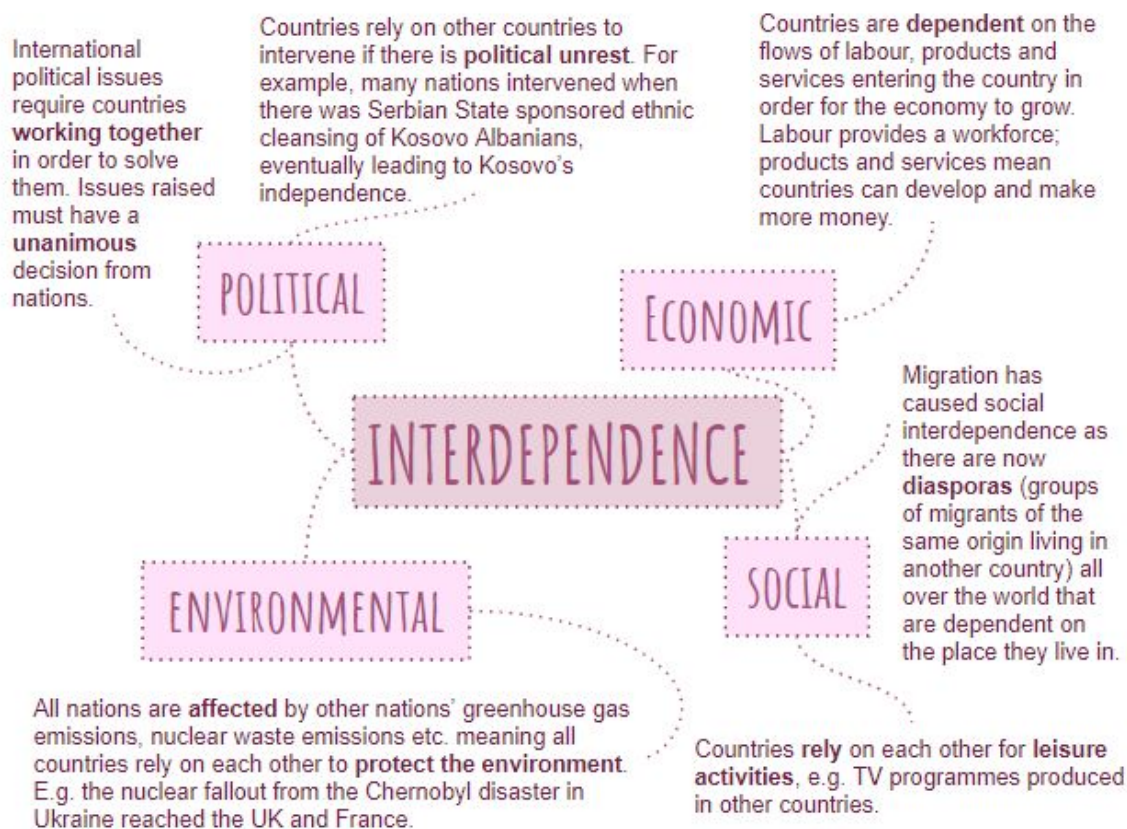


The Shrinking World

Globalisation is known as the **increasing interdependence** between countries through flows of **capital, trade, goods and services** as well as **culture and ideas**. There are many causes for accelerating globalisation and the apparent 'shrinking' of the modern world:

- Transnational Companies (TNCs) - with operations and manufacturing across several different countries.
- Increasing Online Shopping
- Trade Blocs - encouraging trade and political alliances between member nations (e.g. NAFTA, EU)
- The movement of people internationally (migration, business travel and tourism) has become easier, with the reduced cost of flights and increasing number of airports.
- Social Media sites accelerate the spread of information across the globe.





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.
- **Containerisation** – There are more than 200 million container movements every year. Containers allow large volumes of goods to be transported quickly by train or freight ship.

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 use 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 led 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.

Governance and 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
<ul style="list-style-type: none"> - Landlocked countries cannot be independent in trade (they must rely on its neighbours to travel through 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) 	<ul style="list-style-type: none"> - The political agenda and governance of a country may limit flows of people or culture (anti-migration 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. 	<ul style="list-style-type: none"> - LEDCs, with little finance extra, cannot afford to invest in ports, infrastructure, incentives for 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.



IMF – International Monetary Fund

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.

The World Bank

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**.

The WTO – World Trade Organisation

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.

Attitudes and Actions of National Governments

There are many ways that a government can encourage globalisation, with different success:

Free Market Liberalisation - It is the belief that **government interventions** in markets would **hinder** economic growth and development in the long term.

Privatisation - Government-owned **assets** - water companies, banks, energy plants - are sold to private companies, providing the government with revenue but can cost the quality of service provided or the price to consumers.

Encouraging business start-ups - Around the world, **incentives** (grants, tax breaks, infrastructure constructed) are provided by governments in order to **attract businesses**.

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)

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:
<ul style="list-style-type: none"> Businesses have a larger potential market to sell to, and so larger potential revenue to make. 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). 	<ul style="list-style-type: none"> 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. Trade Blocs still don't guarantee fair treatment within. For example the relationship between Mexico and USA has not strengthened through trade bloc NAFTA.

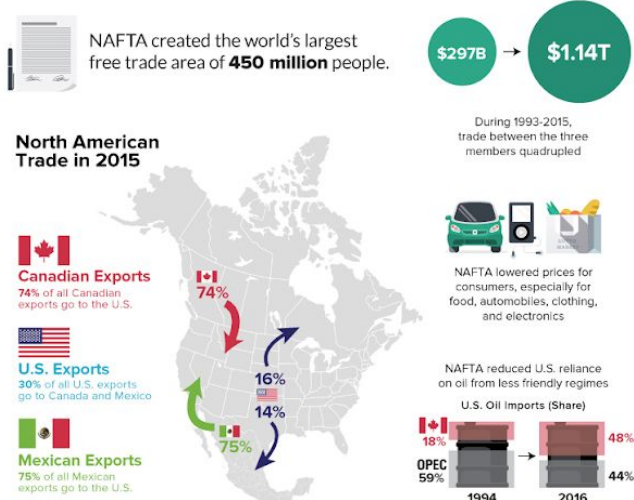
Trading products is expensive due to the **controls and restrictions** put on imports and exports. These restrictions include:

- **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**

NAFTA'S MIXED TRACK RECORD

A cheat sheet summing up the results of North American trade since 1994



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

<p><u>KOF Index</u></p> <p>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.</p>	<p><u>AT Kearney Index</u></p> <p>AT Kearney Index is a measure of globalised cities, by a London business. It considers political, communication, technology and political factors.</p>
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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.
- **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:

- **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 and Losers - TNCs

TNCs, to put it simply, are companies operating **across multiple countries**. 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.

- 👍 TNCs produce raw materials, goods and services efficiently
- 👍 Provide jobs and help to develop a country's economy
- 👍 TNCs can contribute to the spread of culture
- 👎 TNCs can gain political influence, pressuring governments to provide incentives and relax regulation
- 👎 There is inequality in opportunities provided by TNCs - Headquarters and Research and Development tends to be based in MEDCs, whereas manufacturing plants tend to be based in LEDCs
- 👎 Can be prone to exploitation of workers and the environment, to keep their costs minimised

TNCs create **links** between countries and with other companies. Linkages are created in order to **benefit the TNC**, and often includes **expanding** the company. TNCs are likely to outsource or offshore their operations, to best benefit their business and minimise costs.

- **Outsourcing:** Paying another company to complete part of the TNCs product, producing a specific part of a product or offering a service (e.g. call centres).
- **Offshoring:** Moving operations to another country, often to reduce costs.

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 and 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.



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.

Global Population and Migration

Global Population

It is thought that the population of the world will continue to grow, with the population reaching **11.2 billion by 2100**.

Predictions become more **uncertain** the further into the future scientists try to predict. This is mainly due to uncertainty in birth and death rates.

Growing global populations could have **implications for the planet** since:

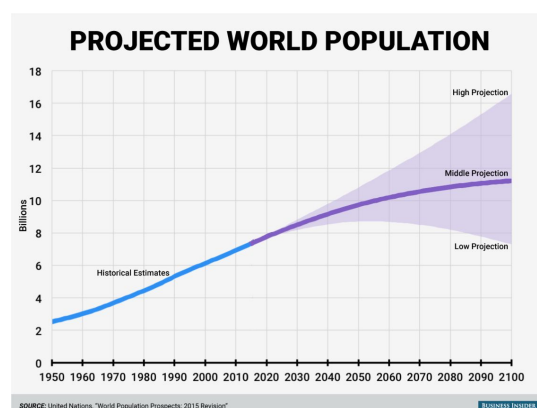
- **Land available** to live or grow food will be reduced.
- There could be **shortages** for food, energy and clean water sources.
- **Waste management** could become increasingly difficult.
- The **risk of pandemics** and the spread of contagious disease will rise.

Future Challenges for Populations

Countries face different future populations and challenges. For **ageing populations** (large proportion of the population are over 50), the country should expect:

- Increasing **pressure on medical care** as elderly people need more prescriptions, GP visits and can suffer from isolation.
- **Skills gaps**, since the working population is small and so some industries may suffer loss of productivity, some public-funded services may be reduced or international migration encouraged to fill employment gaps.
- **Dependency** on younger relatives can put pressure on them to support their elders.

Japan and Russia both have ageing populations, which are set to worsen in the future due to the long life expectancy in Japan and the lack of inward migration into Russia.



Alternatively, a population could have an **growing working population**. This is good for a country's economy and productivity, as businesses and TNCs will be attracted to the large available workforce. However, a younger population demands **education, housing and health services**, especially if they are on a low-income so the government must subsidise these services.

India and Nigeria are both examples of populations with large working populations.

Types of Migration

There can be a variety of reasons for migrants to move, either internally or internationally. The cause of migration can affect how governments treat them or how the public perceive them.

International migration can result from a variety of causes:

- **Voluntary Economic Migration** → People relocate to try to improve their wealth and quality of life.
- Often, an economic migrants' family may follow them in the aim of **joining their family**.
- **Refugees** → People forced to relocate due to war, conflict, persecution.
- **Asylum seekers** → People fleeing for international protection.
- **Environmental Refugees** → People specifically relocating due to tectonic disaster, natural events (wildfires, flooding) or Climate Change's impacts (desertification, sea level rise, etc.)
- **International Students** - Within recent years, there has been a large increase in the volume of young people migrating to study elsewhere.
- The rise of **smugglers** in recent years means that migrants need money to migrate illegally across borders. Smugglers only operate across strict international borders, such as the Mexican-US border or across the Mediterranean Sea (towards Europe).

The flows of international migration will continue to change over time, as **environmental, political and economic** events occur and a country's **development** improves or declines.

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
- Services
- Infrastructure
- Transport links

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

- Poverty
- Lack of employment opportunities
- Conflict (*e.g. Darfur, Sudan*)
- Agricultural Modernisation
- Climate and Natural Disasters



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

If migration occurs over a border, there will be both benefits and costs for both the host (migrants move here) and source country (migrants are leaving here):

	Host Country	Source Country
Benefits	<ul style="list-style-type: none"> - Can help fill skills gaps. - Working migrants contribute to the economy through paying taxes and buying goods and 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. 	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ Rise of far right organisations, hate crime and racial tensions IF lack of understanding 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 	<ul style="list-style-type: none"> - Brain drain due to skilled workers leaving - 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



Attitudes to Migration

Some countries wish to restrict migration into their country, for different reasons or perceptions:

National Culture - Migration can lead to cultural diffusion, which could lead to the loss of their national culture or historical demography.

Employment - Some governments may encourage migrants to fill skills gaps or improve economic activity. However, especially in areas with high unemployment rates, locals may **blame** immigrants for the **loss of job opportunities** in their area.

National Security - Recent events (such as terror attacks on major cities and the so-called War on Terror) has caused political controversy regarding national security. Many people fear that freely allowing migrants to enter their country could pose a security risk.

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.

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**.

Globalisation Causing Growing Conflict and 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.

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 indigenous communities have strengthened their identity. **Tourists** are attracted to experience their culture or witness their traditional lifestyle (e.g. Papua New Guinea). Alternatively, **indigenous** (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.

Urbanisation

Increasing migration towards global hubs leads to **rapid growth** of cities. Rapid urbanisation can impact the surrounding lands and people:

- **Resources and people** are moved from rural to urban areas mainly for construction - timber, construction workers, etc.
- In the event of **limited housing** for a large influx of migrants, **slums and shanty towns** may be constructed by the migrants themselves. This may be in unfavourable locations (steep hillside, next to railways) and constructed poorly (using corrugated steel, little planning).
- The **logistics** in moving resources and people across the urban city can cause a decrease in air quality, causing increased respiratory conditions within the population.
- **Services** can be put under pressure as more people demand services such as education, healthcare and employment.

