

Globalisation

Advances in technology such as mobile phones, airplanes and the internet have made the growth of transport and communication networks possible. This means that people and countries can exchange goods more quickly and in a less complicated way.

This process is called globalisation. Globalisation comes from the word 'globe' and means the worldwide coming together of countries and nations. We will look at the positive and negative impacts of globalisation.

The Positives of Globalisation

Business is becoming increasingly international.

Multi-national companies do business around the world.

Companies like KFC can be seen on high streets in most cities.

A global economy means free trade between countries.

Goods are produced in one country and sold in many others.

Globalisation can also create opportunities for employment.

It encourages investment in less developed countries.

It could reduce poverty in the developing world.

Globalisation spreads music, film and literature.

Globalisation can strengthen political relationships.

Key Vocabulary

Invest - *to put into use for the purpose of making money.*

Goods - *things that are sold.*

Poverty - *the condition of being poor; a lack of money.*

Free-trade - *trade between countries that has few restrictions.*

Multi-national company – *a large company that operates in more than one country.*

Developing Countries - *a poor agricultural country that is seeking to become more advanced economically and socially.*

Developed Countries – *a country that is advanced economically and socially, and has a high standard of living.*

Summary

Globalisation has many positive impacts across the world.

Firstly, free trade between countries makes everyone wealthier. Trade agreements allow countries to sell their goods and services abroad. This increases a country's income. For example, Sri Lanka can sell tea all over the world. It also allows nations to buy goods from abroad that they don't have, and to purchase them at affordable prices. A good illustration of this is oil; countries which don't have oil reserves can import it from places like the Middle East.

Globalisation encourages investment in less developed countries. Because businesses can operate across borders, a company can set up offices in multiple countries. In order to make this successful, the company may need to invest money in a country; for example, to help pay for infrastructure. This helps the country to develop.

Globalisation allows us to broaden our mind. It offers us the chance to (travel) experience media from other countries. It gives us the opportunities to learn about music, films and novels from different cultures. This gives us a broader range of media to consume. It also makes travel easier, so we can travel to different countries.

Finally, globalisation can create stronger political ties between nations. This is important, because if countries can communicate then they are less likely to start wars. For example, the United Nations offers a forum for discussion between nations.

The Negatives of Globalisation

Globalisation is not always beneficial for everyone.

Companies can move to countries where labour is cheap.

This creates redundancies, or job losses.

Employees cannot be confident that they have stable jobs.

Companies sometimes exploit their employees in developing countries.

Global trade creates more waste and pollution.

Key Vocabulary

Beneficial - *having a good or favorable effect.*

Labour – *a group of workers.*

Redundancies – *workers being let go by employers.*

Stable - *fixed, firm, or steady in position; not shaky or easily moved.*

Exploit - *to use for one's own advantage and in a way that is unfair to the thing or person being used.*

Summary

Globalisation has many negative impacts across the world.

Firstly, corporations can exploit workers in poorer countries. They often move production to countries where they can pay workers the least amount of money. This leads to oppressive and dangerous working conditions.

Furthermore, relocating factories and businesses causes job losses and redundancies. For example, if a car company moves their factory from America to China, the city in America will suffer. This means that there is less job security worldwide and corporations are constantly shopping around for the poorest paid workforce.

Globalisation is creating a standardised global culture. This is destroying cultures from around the world, which reduces diversity. For example, Hollywood movies dominate the global cinema market, and these generally have a very American perspective. It would be good to see well-funded film industries in other countries.

Globalisation can also make countries less independent. When countries sign up to large governmental organisations like the United Nations, they must follow certain rules and policies. This means that those countries have less freedom to make their own rules, and it can therefore be argued that these countries become less democratic.

Practice Question

It has been said that the world is becoming a global village in which there are no boundaries to trade and communication. Do the benefits of globalisation outweigh the drawbacks?