

Knowledge organiser: Globalisation

<p>What is Globalisation? Globalisation is the process by which the world is becoming increasingly interconnected as a result of massively increased trade and transfer of culture.</p> <p>Why has Globalisation happened?</p> <ul style="list-style-type: none"> • <u>Improvements in transport</u>: large cargo ships mean that the cost of moving goods between countries has decreased. It also takes less time to move goods and people. • <u>Improvements in communication</u>: the internet and mobile technology have allowed greater communication between people in different countries. • <u>Labour availability and skills</u>: countries such as India have lower labour costs and high skill levels. Labour intensive industries such as clothing and steel take advantage of these cheaper labour costs and reduced legal restrictions in LICs/NEEs. 	<p>Key words</p> <p>Globalisation: the process by which the world is becoming increasingly interconnected as a result of massively increased trade and cultural exchange.</p> <p>Shrinking World: the process by which the world is becoming smaller and more interconnected.</p> <p>Transnational Companies: companies that operate in more than one country.</p> <p>Consumerism: the buying of goods often for personal benefit. Consumerism has driven the rise in TNCs globally.</p>	<p>What are the positives and negatives of TNCs?</p> <table border="1"> <tr> <td data-bbox="1201 128 1626 364">TNCs help countries by providing new jobs and skills for locals.</td> <td data-bbox="1626 128 2072 364">TNCs operate in the interests of HICs, the role of LICs/NEEs is to provide the cheap labour and raw goods which earns them less.</td> </tr> <tr> <td data-bbox="1201 364 1626 556">They bring wealth which can be invested in local education, health and infrastructure.</td> <td data-bbox="1626 364 2072 556">Profits are often sent back to the HICs and can drive local companies out of business.</td> </tr> <tr> <td data-bbox="1201 556 1626 892">They lead to the sharing of ideas, experiences and lifestyles.</td> <td data-bbox="1626 556 2072 892">Lack of enforced laws in LIC/NEEs means TNCs may operate in an environmentally damaging way. TNCs can often pollute the environment, or create poor working conditions with low wages.</td> </tr> <tr> <td data-bbox="1201 892 1626 1078">Increased awareness, better communication means people are more aware of global issues.</td> <td data-bbox="1626 892 2072 1078">TNCs spread culture, this may threaten cultural diversity as it may drown out language and traditions.</td> </tr> </table>	TNCs help countries by providing new jobs and skills for locals.	TNCs operate in the interests of HICs, the role of LICs/NEEs is to provide the cheap labour and raw goods which earns them less.	They bring wealth which can be invested in local education, health and infrastructure.	Profits are often sent back to the HICs and can drive local companies out of business.	They lead to the sharing of ideas, experiences and lifestyles.	Lack of enforced laws in LIC/NEEs means TNCs may operate in an environmentally damaging way. TNCs can often pollute the environment, or create poor working conditions with low wages.	Increased awareness, better communication means people are more aware of global issues.	TNCs spread culture, this may threaten cultural diversity as it may drown out language and traditions.
TNCs help countries by providing new jobs and skills for locals.	TNCs operate in the interests of HICs, the role of LICs/NEEs is to provide the cheap labour and raw goods which earns them less.									
They bring wealth which can be invested in local education, health and infrastructure.	Profits are often sent back to the HICs and can drive local companies out of business.									
They lead to the sharing of ideas, experiences and lifestyles.	Lack of enforced laws in LIC/NEEs means TNCs may operate in an environmentally damaging way. TNCs can often pollute the environment, or create poor working conditions with low wages.									
Increased awareness, better communication means people are more aware of global issues.	TNCs spread culture, this may threaten cultural diversity as it may drown out language and traditions.									
<p>How does TNCs affect globalisation? Globalisation has resulted in many businesses operating in several countries. TNCs will have their headquarters in an HIC but they will invest within LICs/NEEs due to:</p> <ul style="list-style-type: none"> • Cheaper raw materials • Cheaper labour • Friendly Government Policies • Access to markets where the goods are sold. <p>Examples of TNCs include: Shell, McDonalds and Coca Cola.</p>	<p>Ethical Consumption: buying goods that have been produced fairly, with care for the environment, people and countries they are produced in.</p> <p>Local Consumption: buying goods, often food, that have been produced in the local area to reduce the impact on the environment and boost local economies.</p>	<p>Are there alternatives to globalisation? There has been a rise in protests, ethical consumption and shopping local as an alternative to globalisation. Ethical Consumption: people choose to buy ethically made goods to limit the impacts of TNCs. Local Consumption: people choose to buy local, because this supports local suppliers instead of TNCs, therefore reducing the negative impacts TNCs have.</p>								

