ESOL PROJECT

GLOBALISATION

SARA T.   LAURA M.   FRANCESCO B.

- increased international trade
- a company operating in more than one country
- greater dependence on the global economy
- freer movement of capital, goods, and services
- recognition of companies such as McDonalds and Starbucks in LEDCs

What is GLOBALISATION?

Technology

Capital mobility

Multinational companies

Labour mobility

Globalisation

Lower tariffs

Improved transport

www.economicshelp.org

GLOBALIZATION AND ITS IMPACT ON ECONOMIC GROWTH

BENEFITS
- TECHNOLOGICAL INNOVATION
- FOREIGN DIRECT INVESTMENT
- ECONOMIES OF SCALE

RISKS
- INEQUITABLE DISTRIBUTION
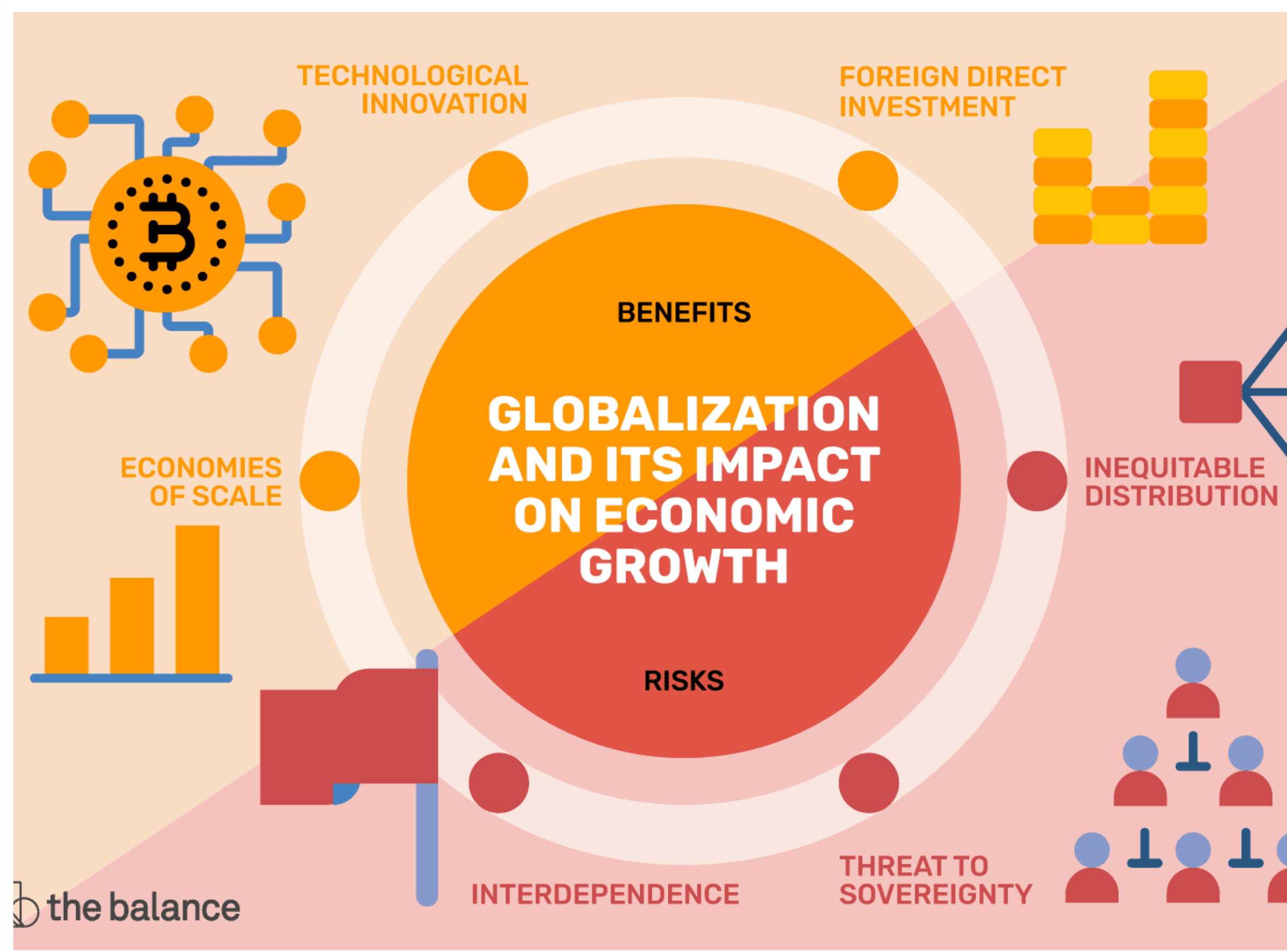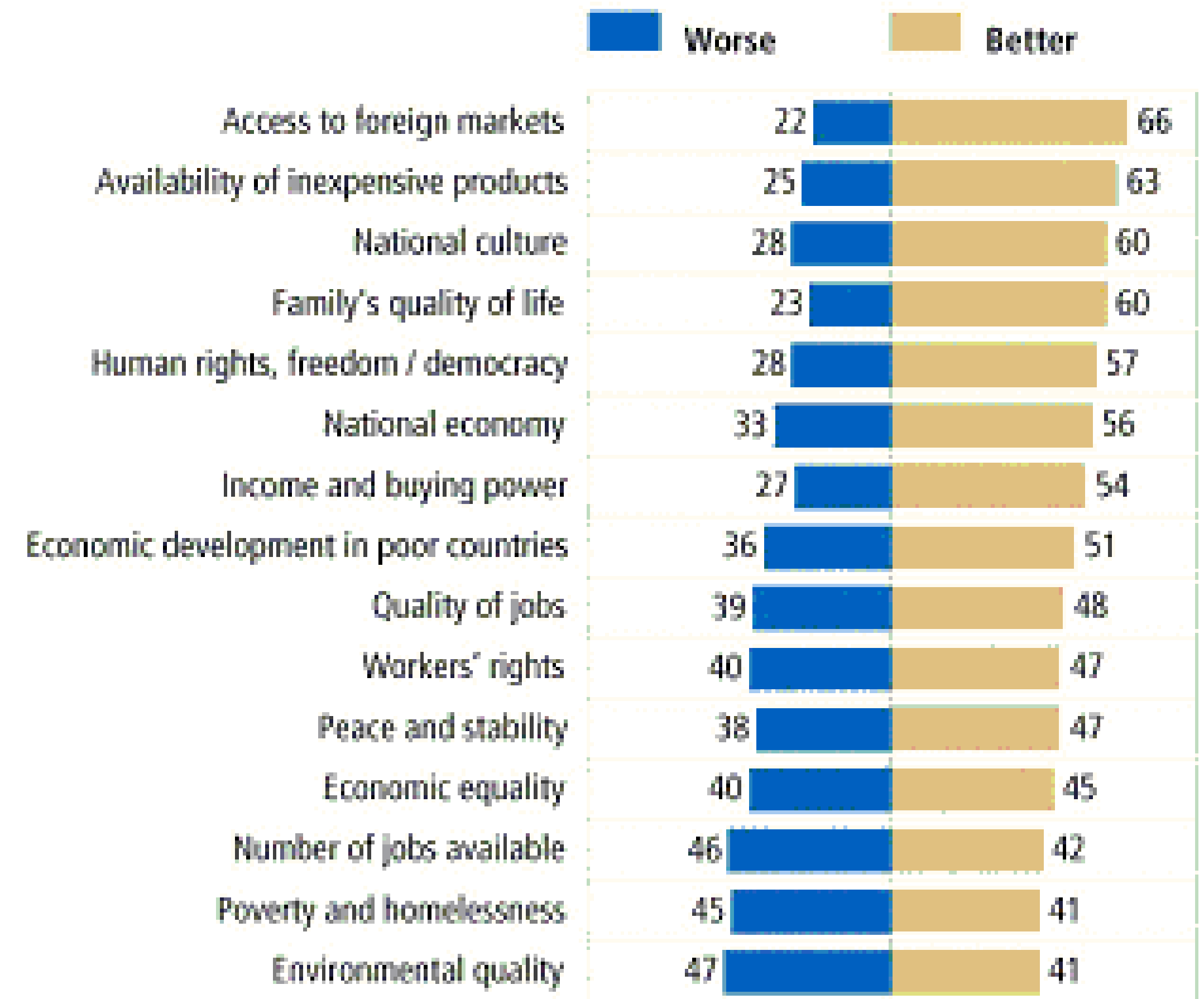- THREAT TO SOVEREIGNTY
- INTERDEPENDENCE

the balance

- Improvements in transportation;
- Freedom of trade;
- Improvements of communications;
- Labour availability and skills.

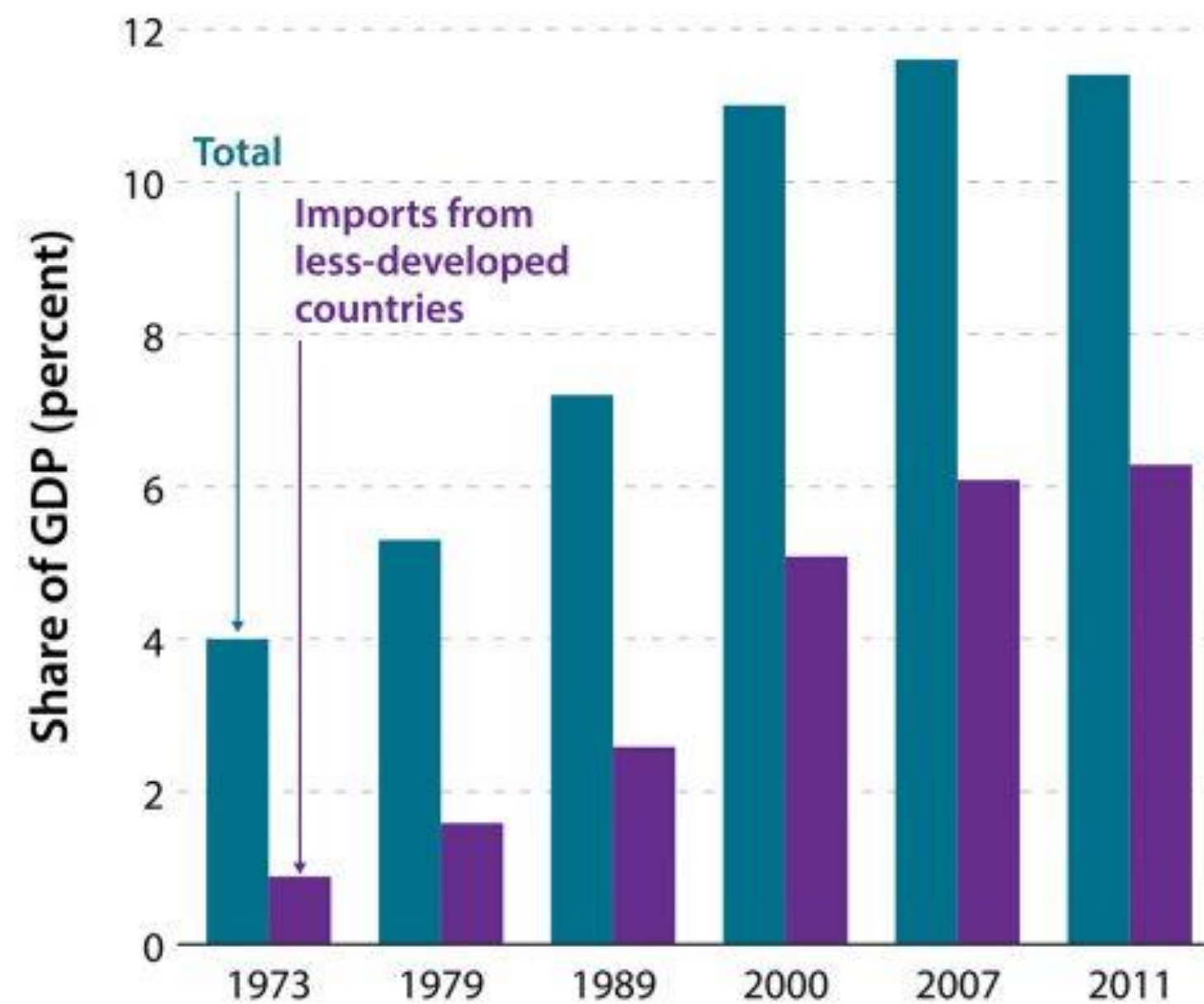**Effect of Globalization on…**
Percentage Saying "Better" or "Worse"
Average of 25 Countries Surveyed, (n=25,000)

Worse / Better

	Worse	Better
Access to foreign markets	22	66
Availability of inexpensive products	25	63
National culture	28	60
Family's quality of life	23	60
Human rights, freedom / democracy	28	57
National economy	33	56
Income and buying power	27	54
Economic development in poor countries	36	51
Quality of jobs	39	48
Workers' rights	40	47
Peace and stability	38	47
Economic equality	40	45
Number of jobs available	46	42
Poverty and homelessness	45	41
Environmental quality	47	41

HOW DOES TECHNOLOGY AFFECT GLOBALISATION?

Globalization and technological change affect low-wage workers.

U.S. Manufacturing Imports, 1973–2011

Total

Imports from less-developed countries

Share of GDP (percent)

Years: 1973, 1979, 1989, 2000, 2007, 2011

Source: Bivens (2013).

U.S. Manufacturing Output and Employment, 1973–2016

Manufacturing employment

Manufacturing output

Employees (millions)

Manufacturing output (trillions of 2009 dollars)

Years: 1973, 1980, 1987, 1994, 2001, 2008, 2015
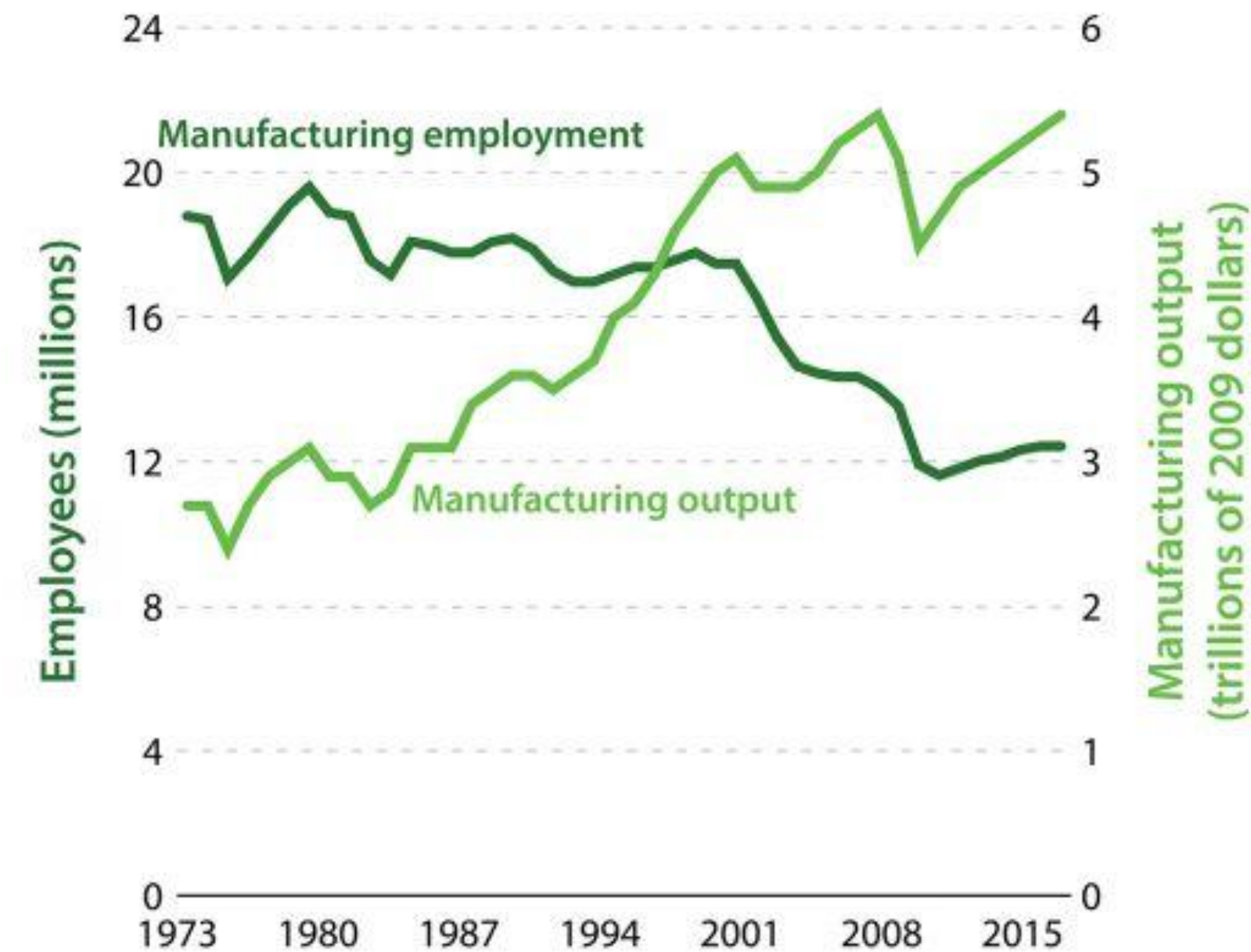
Source: Bureau of Economic Analysis (1973–2016); Current Employment Statistics, BLS (1973–2016).

Note: Manufacturing output is gross real manufacturing output, deflated by Haver Analytics for years prior to 1997.

THE HAMILTON PROJECT

BROOKINGS

Taxonomy of the globalisation of technology

| Categories	Actors	Forms
International *exploitation* of nationally produced innovations	Profit-seeking firms and individuals	• Exports of innovative goods. • Sale of licences and patents. • Foreign production of innovative goods internally generated.
Global *generation* of innovations	Multinational firms	• R&D and innovative activities both in the home and the host countries. • Acquisitions of existing R&D laboratories or greenfield R&D investment in host countries.
Global techno-scientific *collaborations*	Universities and public research centers	• Joint scientific projects and R&D networks. • Scientific exchanges, sabbatical years. • International flows of students.
	National and multinational firms	• Joint ventures for specific innovative projects. • Productive agreements with exchange of technical information and/or equipment.

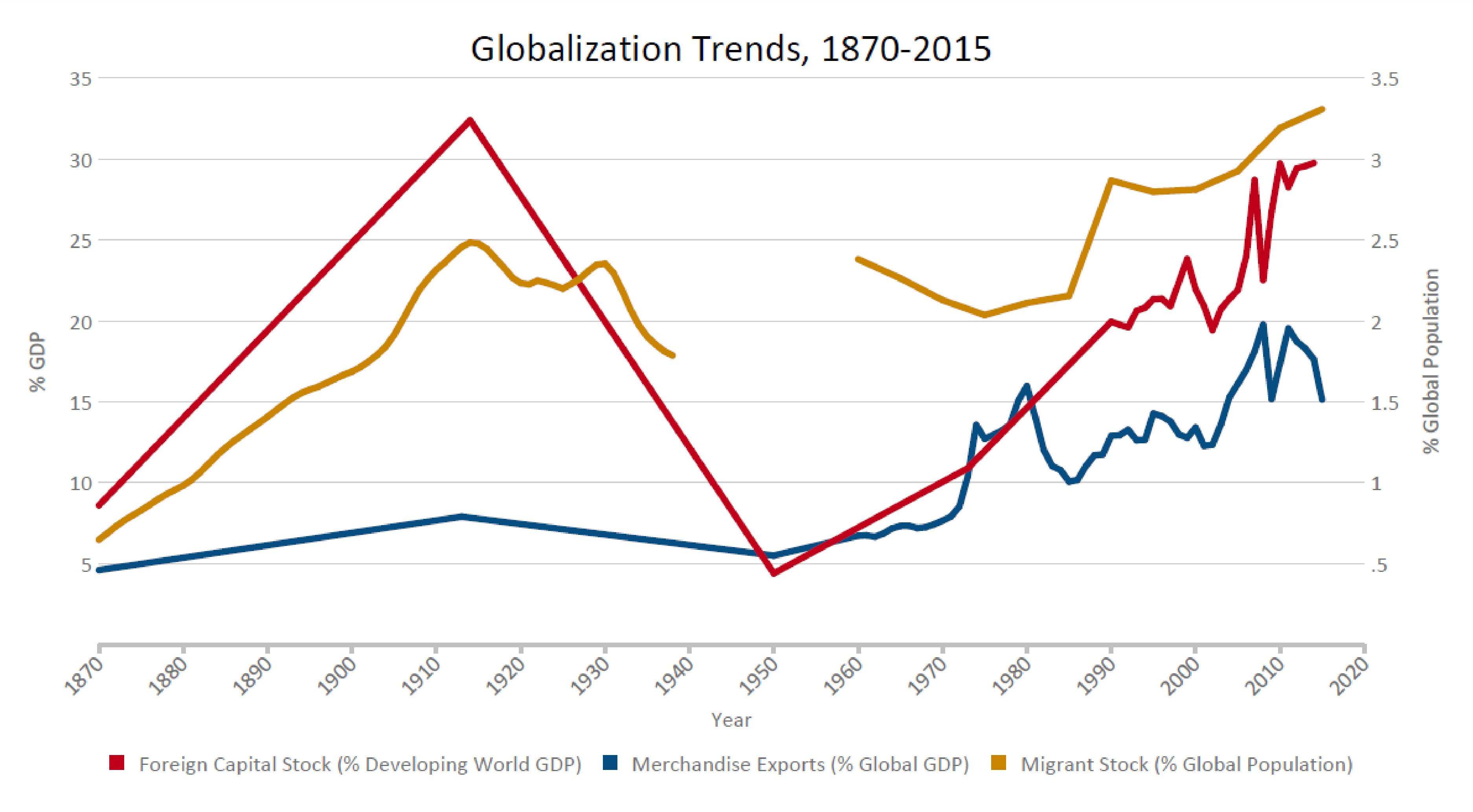# TRENDS AND CHANGES IN THE TOPIC DUE TO GLOBALISATION

Globalization and Deglobalization 1880-2022
(Openness of the world economy index numbers 2008=100)
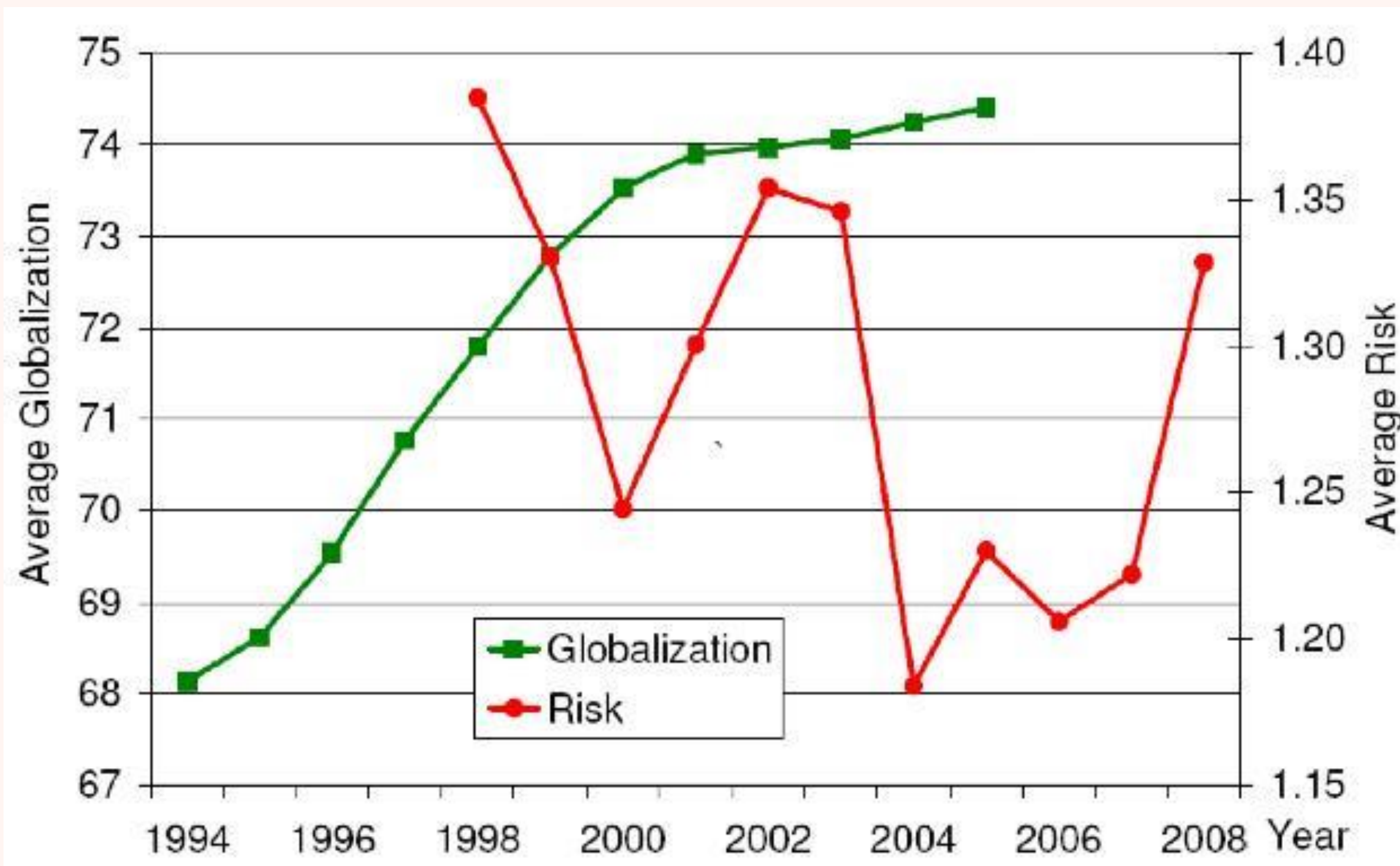
1. Aerial transportation
2. Open source
3. Bigger companies
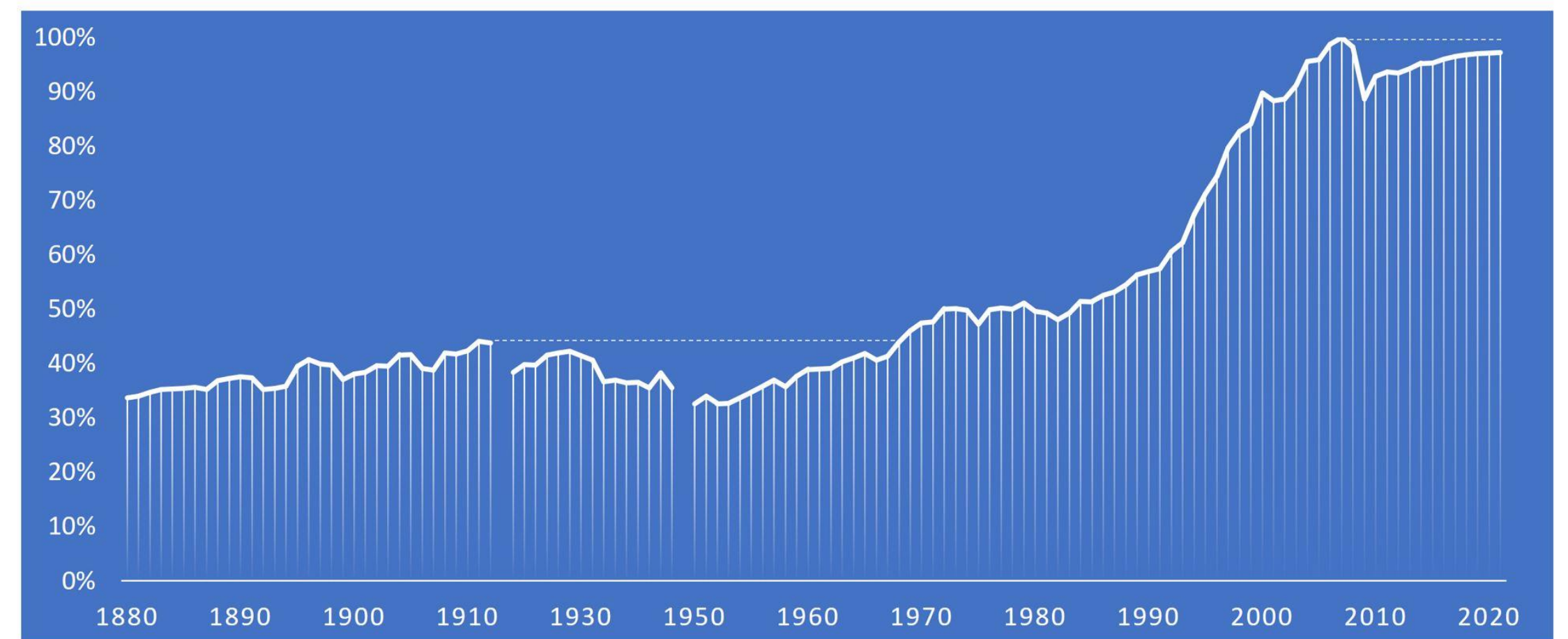
4. Trends and vogue;
5. A mix of technologies;
6. Worldwide market;
7. More discoveries;
8. Everything is connected;
9. Social.

Globalization Trends, 1870-2015

Legend: Foreign Capital Stock (% Developing World GDP) — Merchandise Exports (% Global GDP) — Migrant Stock (% Global Population)

CAUSES AND EFFECTS OF THESE TRENDS

Singapore - Annual GDP Growth
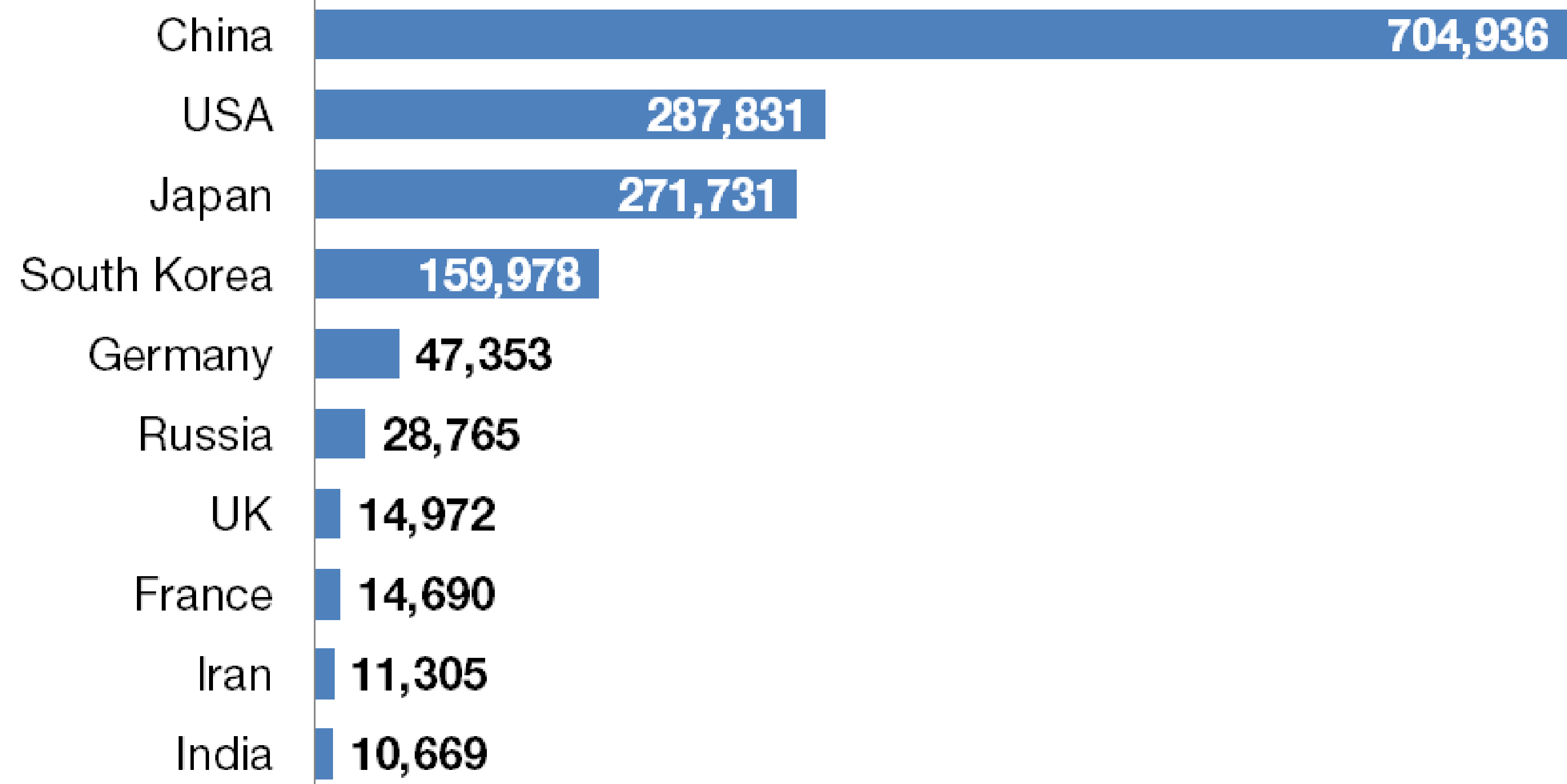5 year moving average
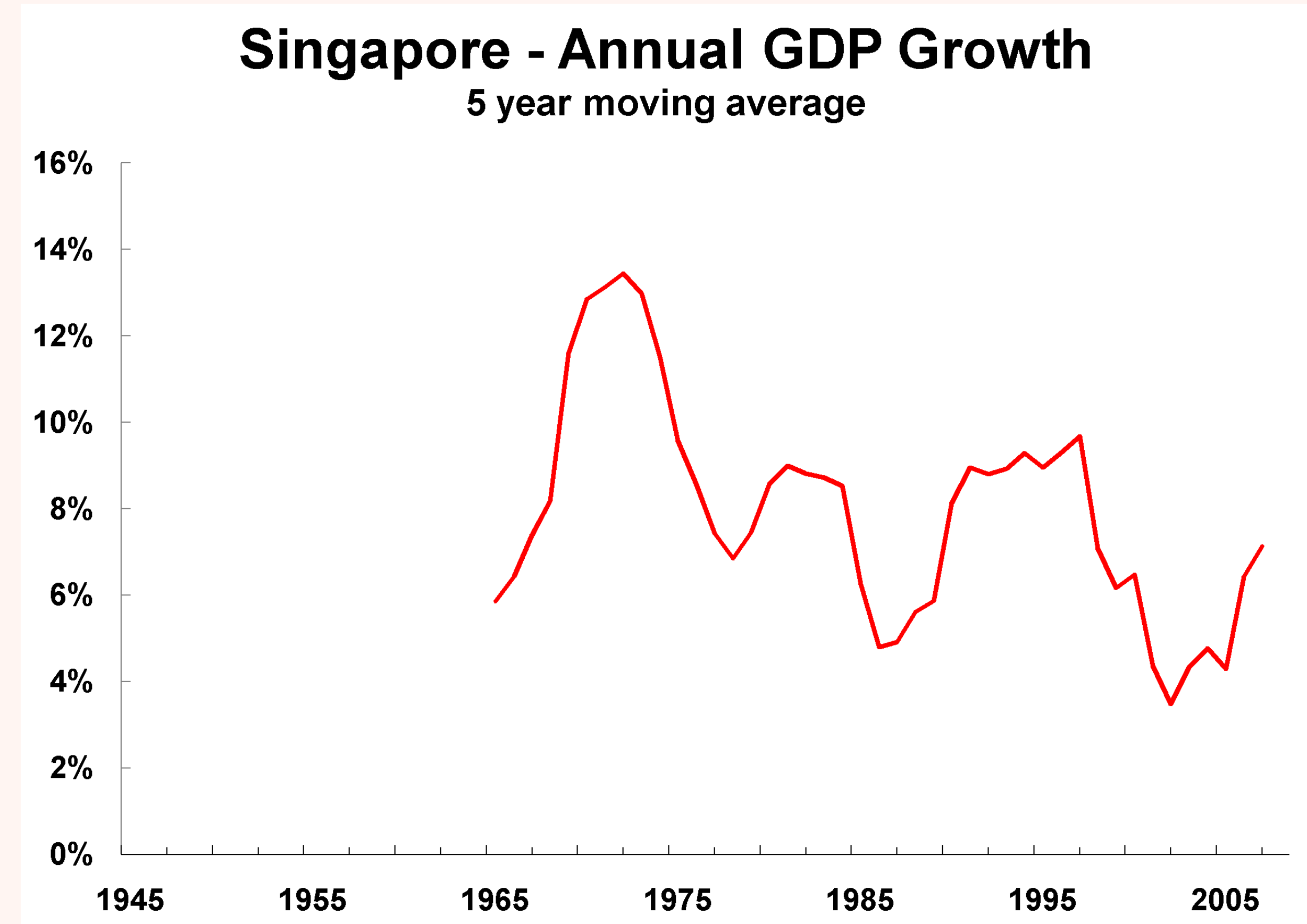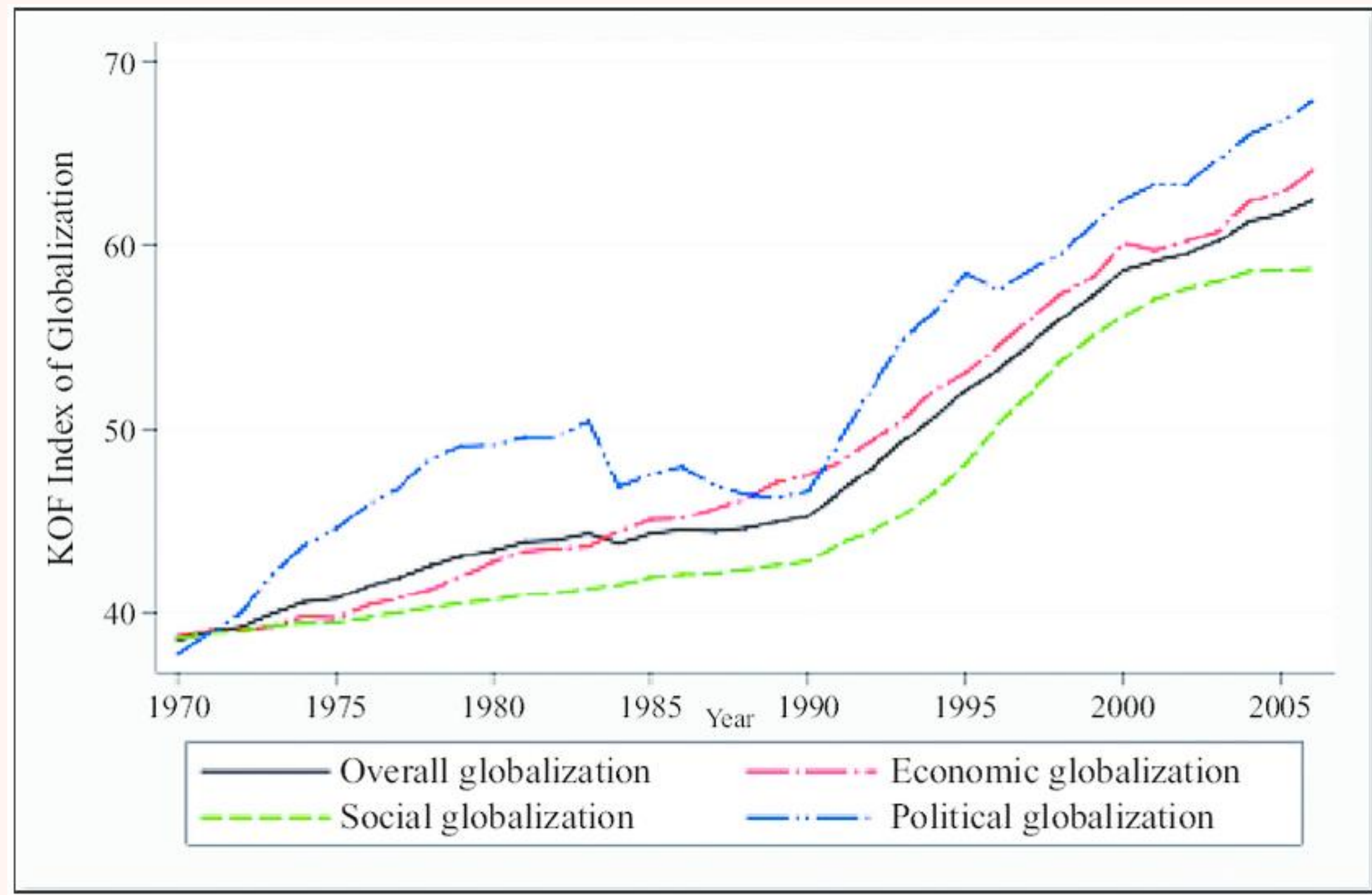
TRENDS IN GLOBALISATION: INDIA

RISKS OF GLOBALISATION REGARDING TECHNOLOGY

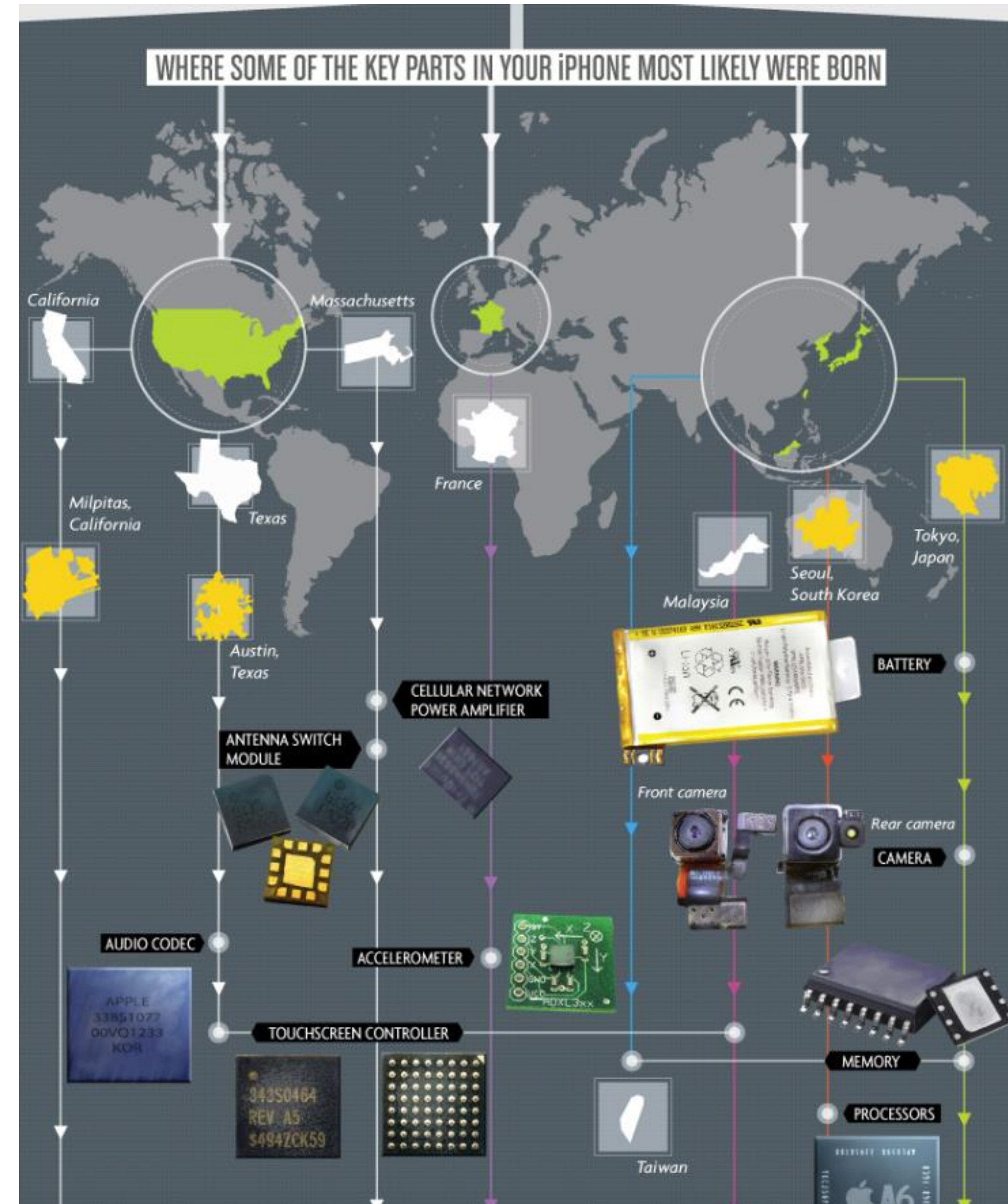**Knowledge and expertise: develop and transfer technologies from the home market.**

Countries filing the most patent applications
Number of applications in 2013

Country	Applications
China	704,936
USA	287,831
Japan	271,731
South Korea	159,978
Germany	47,353
Russia	28,765
UK	14,972
France	14,690
Iran	11,305
India	10,669

Source: World Intellectual Property Organization (WIPO)

WORLD ECONOMIC FORUM
COMMITTED TO IMPROVING THE STATE OF THE WORLD
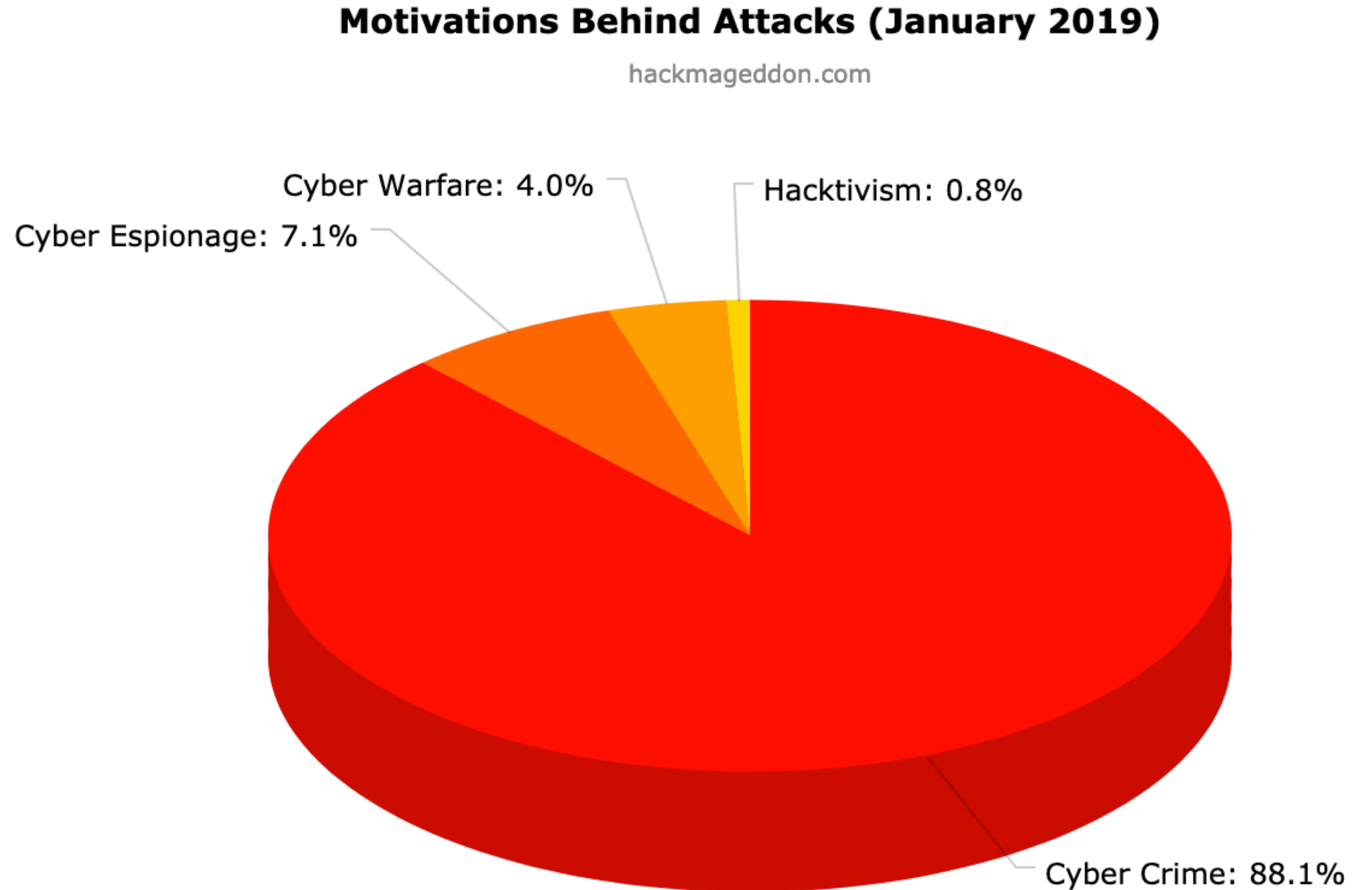
RISKS OF GLOBALISATION REGARDING TECHNOLOGY

Hardware & Software components developed and built in different countries.

RISKS OF GLOBALISATION REGARDING TECHNOLOGY

Security: cyberattacks, privacy protection.

Motivations Behind Attacks (January 2019)

hackmageddon.com

Cyber Warfare: 4.0%

Hacktivism: 0.8%

Cyber Espionage: 7.1%

Cyber Crime: 88.1%

OPPORTUNITIES OFFERED BY GLOBALISATION RAGARDING THE TOPIC:

I.	Erasmus
II.	More job opportunities
III.	More countries to visit
IV.	Communication
V.	Technological alliances with other countries
VI.	Worldwide art
VII.	Worldwide films and cartoons
VIII.	More wealth
IX.	Safety

Globalisation

Winners	Losers
- Economies with low-labour cost and infrastructure to export. - New middle class in developing and emerging economies. - Exporters with competitive advantage. - Workers who gain jobs in export industries. - Educated and skilled workers who have power to gain higher wages - Multinationals who benefit from tax avoidance and outsourcing. - Workers who are able to move to higher-income economies	- Manufacturing sector in high labour cost countries - Regions e.g. 'rust belt' which have seen a decline in employment. - Structural unemployment amongst former manual workers. - Poorest 5% who have seen stagnant incomes - Environmental costs of increased output, trade and growth. - Land-locked countries unable to develop exporting industries. - Economic and social pressures from migration.

CONCLUSIONS

- Technological development has helped increased globalization.

- The Internet /World Wide Web has been the biggest thing to come out of Information Technology advancements.

- Technology like the Internet has given rise to E-commerce. That has brought about new dynamics to the globalization of businesses.

- Technological globalization made a revolution in the financial sector, where diffusion of information based on technology has made possible people around the world to trade 24/7.

- Technology has also impacted on cultural globalization with inventions like telephone and television.

- Communication technology has brought the world closer and people closer regardless of where they are in the world.

Total Worldwide Cellular Subscriptions*
(1999-2018F)

Source: IC Insights

*End-of-Year