

# GLOBALIZATION

A stylized globe with a network of lines and nodes, symbolizing globalization. The globe is centered in the background, with a grid of white dots connected by thin white lines, creating a web-like pattern. The globe itself is a golden-brown color with a textured surface. The background is a dark blue gradient with some light streaks.

- Definition – What is Globalization?
- Causes
- Impacts
- Advantages and Disadvantages
- TNCs
- World cities



# GLOBALIZATION

Globalization is the growth of international integrations, in other words, the increase in links between different parts of the world and different countries.





# CAUSES

- Improvement of Transport
- Improvement of Communications
- Free Trade Agreement
- Global Banking
- Growth of MNCs



## IMPROVEMENT IN TRANSPORT AND COMMUNICATIONS

- The development of refrigerated and container transport, bulk shipping and improved air transport has allowed the easy mass movement of goods all over the world. This supports globalization.



- The development of communication technologies such as the Internet, emails and mobile phones have been vital to the growth of globalization because they help MNCs to operate all over the world. The development of satellite TV channels such as Sky and CNN have also provided worldwide marketing avenues for the concept and products of globalization.

## FREE TRADE AGREEMENTS (F.T.A)



- MNCs and rich capitalist countries have always promoted global free trade as a way of increasing their own wealth and influence.
- International organizations such as the World Trade Organization and the IMF also promote free trade.



## GLOBAL BANKING

- Modern communication technologies allow vast amounts of capital to flow freely and instantly throughout the world.



- The equivalent of up to \$US1.3 trillion is traded each day through international stock exchanges in cities such as New York, London and Tokyo.



## GROWTH OF MNCs

- The rapid growth of big MNCs such as Microsoft, McDonalds and Nike is a cause as well as a consequence of globalization.

- The investment of MNCs in farms, mines and factories across the world is a major part of globalization.



- Globalization allows MNCs to produce goods and services and to sell products on a massive scale all over the world.

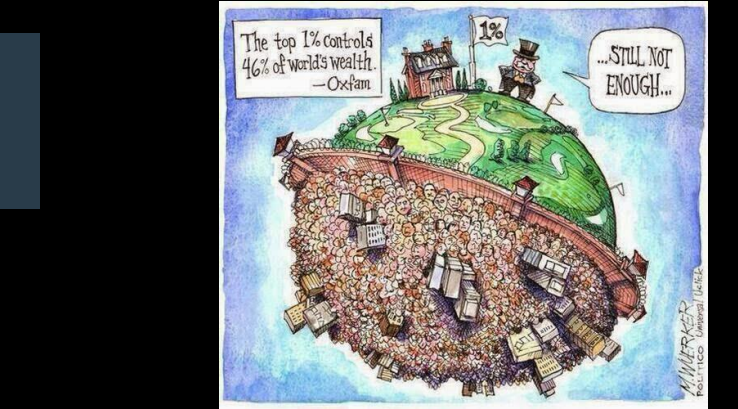
## EFFECTS

## POSITIVE

- Increased Understanding of  
Different cultures  
More Jobs  
Better Living Conditions  
General Development  
Lower Prices

## NEGATIVE

1. Food Supply Changing
2. Division of Labour
3. Less Job Security and deprivation of human rights
4. Damage to the Environment
5. Cultural Impact
6. Economic Inequality





## POSITIVE EFFECTS



1. Food supply is no longer tied to the seasons. We can buy food anywhere in the world at any time of the year.

2. It gives more opportunities to find a job.



3. Living conditions improve due to better healthcare and more money.

4. It might lead to develop healthcare, economy, trades etc.

5. Lower prices due to economic rivalry, for example USA and China.



## NEGATIVE EFFECTS



1. Food supply is no longer tied to the seasons. We can buy food anywhere in the world at any time of the year.
2. MNCs search for the cheapest locations to manufacture and assemble components so production processes may be moved from developed to developing countries where costs are lower.
3. In the global economy, jobs are becoming more temporary and insecure and sometimes human rights are not respected.
4. More trade means more transport which uses more fossil fuels and causes pollution. Climate change is a serious threat to our future.
5. Websites such as YouTube connect people across the planet. As the world becomes more unified, diverse cultures are being ignored. MNCs can create a monoculture as they remove local competition and thereby force local firms to close.
6. Economic Inequality grows up, rich people become richer and poor people become poorer.



# TNCs

## TRANSNATIONAL CORPORATIONS

TNCs are companies that operate in more than one country. They often have factories in countries that are not economically developed, because labour is cheaper; but headquarters tend to be located in MEDCs.

These companies control a big portion of the global economy.

Rank	Name	Industry	employees	Location headquarters
1	walmart	retail	2,300,000	USA
2	state grid	utilities	926,067	China
3	sinopec group	petroleum refining	713,288	China
4	china nat. petroleum	petroleum refining	1,512,048	China
5	toyota	motor vehicles	364,445	Japan
6	volkswagen	motor vehicles	626,715	Germany
7	royal dutch shell	petroleum rifining	89,000	Netherlands, UK

*The world's top 7 companies, as measured by their sales, in 2016.*

# ADVANTAGES AND DISADVANTAGES OF TNCs

## ADVANTAGES

- Creation of jobs
- Stable income
- Improved education and skills
- Investments in infrastructures (roads, airports, hospitals...)
- Help to exploit natural resources
- It brings in foreign currency

## DISADVANTAGES

- Poor working conditions
- Damage to the environment
- Profits going to companies oversea rather than locals
- Factories are footloose and jobs insecure
- Natural resources being over-exploited
- Levels of pay are extremely low





## WORLD CITIES

- A world city, or global city, is a city which has become important beyond the boundaries of its own country. These cities are a primary node in the global economic network, so they have a direct effect on global economy.

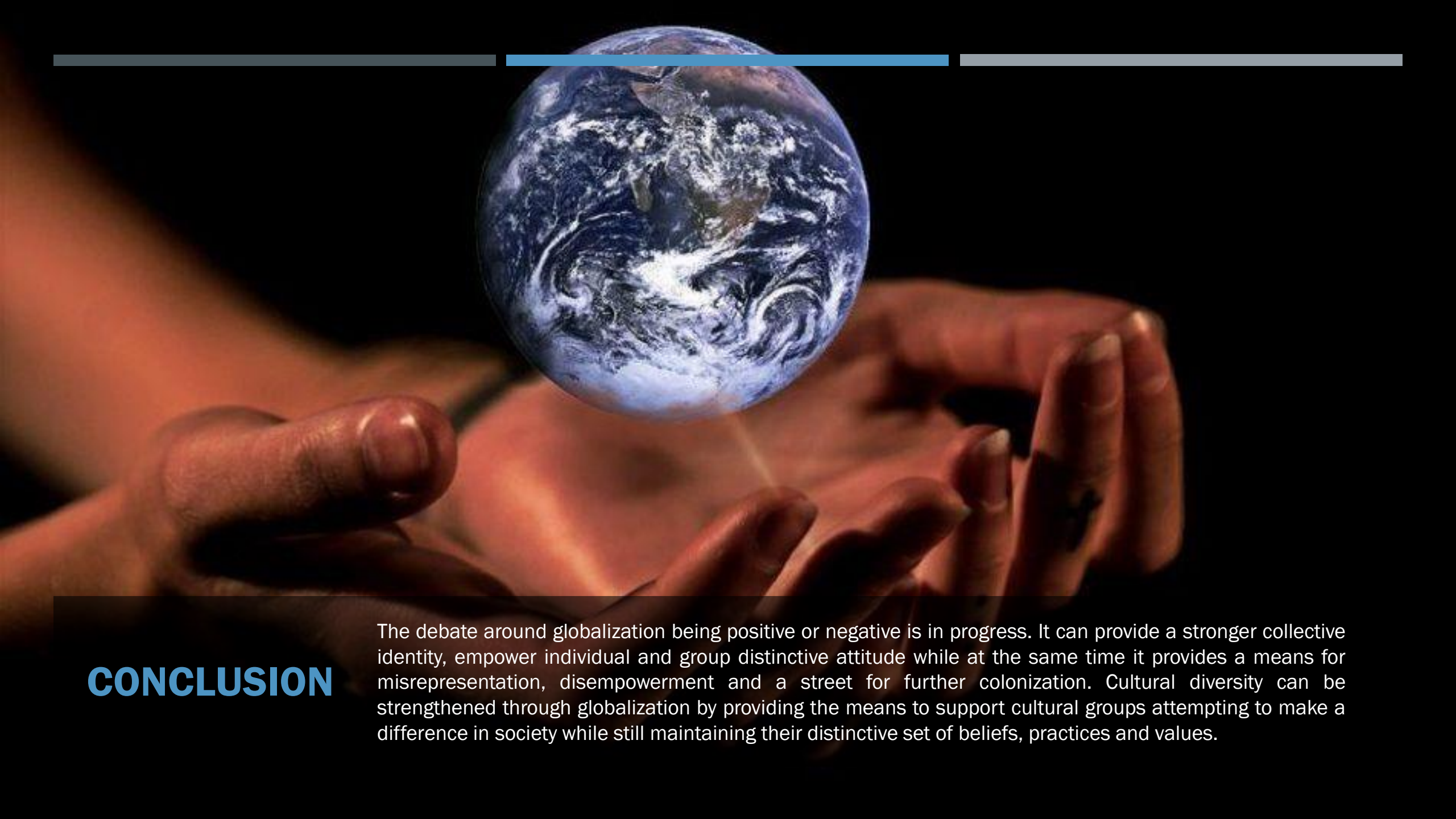


# CRITERIA TO BE CONSIDERED AS A WORLD CITY

- A variety of international financial services
- Headquarters of several multinational corporation
- Domination of the economy of a large surrounding area
- Considerable decision-making power on a daily basis and at a global level
- Centres of new ideas and innovation in business, economics, culture and politics
- High percentage of residents employed in the service sector and information sector
- High quality educational institution







## CONCLUSION

The debate around globalization being positive or negative is in progress. It can provide a stronger collective identity, empower individual and group distinctive attitude while at the same time it provides a means for misrepresentation, disempowerment and a street for further colonization. Cultural diversity can be strengthened through globalization by providing the means to support cultural groups attempting to make a difference in society while still maintaining their distinctive set of beliefs, practices and values.