



## Knowledge Organiser: Globalisation

Overview of topic	Keywords
<p>What is globalisation?                  What are the benefits of globalisation?                  What problems to MNC's bring?                  What is life like in a sweatshop?                  Why do some sweatshops use child labour?                  Why do MNC's have factories in NIC's?                  Where does Nike make its products?                  How has globalisation changed in the past 50 years?                  How are countries interdependent?                  Where is an iPhone made?</p>	<p>Child Labour - The employment of children in an industry, especially when it is illegal.                  Globalisation - The increasing connection of different parts of the world.                  HIC - High Income country (earning over \$12, 746 per person)                  Interdependent - When 2 things are linked and dependent on the other one to survive.                  LIC - Low Income Country (earning less than \$1,047 per person)                  MNC - Multi-National company (or corporation) A company that has facilities in more than one country (eg offices and factories in different countries).                  NIC - Newly Industrialising Country (Earning between \$1,048 - \$12, 747 per person)                  Sweatshop - a factory or workshop where workers are paid very low wages for long hours in poor working conditions. Health and safety standards are often very low too.</p>

Key concept #1 - What is the purpose of MNC's?	Key concept #2 - Why does globalisation happen?
<p>MNC's operate in more than one country. They often have factories in less developed countries. This is because labour is cheaper (they can pay their workers less). The offices and headquarters tend to be located in more developed countries (HIC's). Examples include:</p> <ul style="list-style-type: none"> <li>- Coca-Cola</li> <li>- Nike</li> <li>- Apple</li> <li>- Starbucks</li> <li>- McDonalds</li> </ul>	<p><b>Improvements in transport</b> - Larger cargo ships means that the cost of transporting goods has decreased, while transport improvements means that goods and people can travel quicker.  <b>Improvements of communications</b> – the internet and mobile technology has allowed greater communication between people in different countries  <b>Labour availability and skills</b> – Labour-intensive industries like clothing can easily take advantage of lower wages and higher skill levels in different countries. LIC's are unlikely to have a minimum wage to protect workers  <b>Resource availability</b> – It is more common now for each stage of the manufacturing process to be in different countries due to specialised processes in each country minimising costs to the MNC.</p>



Key concept # 3	Geographical skills - Identifying patterns on a map
<p>What are the advantages and disadvantages of globalisation?</p> <p><b>Advantages:</b>                  Creating more jobs                  More money is invested in infrastructure (like new roads)                  Improved skills base through training provided by MNC's</p> <p><b>Disadvantages:</b>                  Poorer working conditions                  Damage to the environment (by ignoring local laws)                  Profits go overseas companies not locals.</p>	<p>Location of bottling plants for Coca-Cola</p>  <p>Coca-Cola has mostly invested in South Asia, particularly India, Bangladesh, Vietnam and Cambodia. It has Bottling plant in 11 different African countries, which are all located in South-East Africa. These countries are all either LIC's or NIC's and they have been chosen as the product can be easily moved across the Indian Ocean before being distributed around the world.</p>

<p><b>Case study #1 Nike</b></p> <p>Nike is an example of a Multi-National Company. Nike has factories in over 50 countries. The Headquarters are based in Oregon, USA. The company has over 700 shops worldwide, offices over 45 countries and over 700 factories with nearly 1 million workers. Nike has been working in china for 30 years. At present there are around 146 factories employing 189,000 workers. These factories provide valuable jobs to the workers although the wider implications of these factories is often debated. These jobs often provide workers with a better standard of living however there is little room for promotions and also workers do not pick up many new skills, which may hamper Chinese development in the future.</p>	<p><b>Case study #2 UK economy</b></p> <p>Apple are a Multi-national technology company. Apple has 504 shops worldwide and employs over 123,000 workers. The largest factory is located in Zhengzhou, China and on average workers are paid just \$3.15 per hour. The minimum wage in the USA is \$8 per hour, while the UK is over \$10 per hours. Apple assembles all iPhones in Chinese factories. Each component is made elsewhere and then shipped to china for final assembly. iPhones are designed in the headquarters in California, USA, making an iPhone a global product.</p> 
<p>'Globalisation has more benefits than problems' To what extent do you agree? [8]</p> <p style="text-align: center;">WAGOLL</p>	<p><b>Homework and enrichment opportunities</b></p>
<p>Globalisation is the increasing connection of different parts of the world through, people, trade and culture. Globalisation has increased over the last 200 years due to rapid advances in technology, like steam power, electricity and the internet. This has meant that companies can exploit workers, so they work for less money than ever before. Multi-national Companies, like Coca-Cola have factories in LIC's because it is cheaper to make their product in these countries because there is less health and safety and the workers need the money so will work for less money, reducing costs and increasing the profit margin for MNC's.</p> <p>Globalisation has meant that the variety and quality of products on offer has increased greatly (mostly for people in HIC's). In part, this is because larger companies can invest money into research and development instead of paying higher wages to workers. It is good because LICs receive investment in their county, through improvements in infrastructure which helps them long term.</p> <p>On the other hand, globalisation is bad because it treats workers poorly, and if they complain or go on strike then they will just lose their job and not be able to feed their family. If the government introduce a minimum wage or improve health and safety laws then this increases costs for the MNC. The company could decide to move the entire factory to another country with less laws and lower costs. This means that these jobs are not very <i>secure</i>. It is also not fair that MNC's pay workers \$1.50 per day in some sweatshops because this is barely enough to live on and feed their families, and if they get ill they will lose their jobs.</p>	<p>Learn the keywords for the topic, you can use your knowledge organisers to help. (Keyword quizzes for starters)</p> <p>Write a letter to the prime minister explaining what sweatshops are and why they are bad.</p> <p>Create a mind-map for this topic. You need to include keywords, at least 2 examples of global companies and explain how globalisation has changed over time.</p>