

Year 8 Globalisation

Key Word	Definition
Development	Improvement in a country's economic and social conditions, it can be considered in terms of either economic or human development
TNC	Transnational corporation A large company that operates a number of facilities (shops, factories and offices), does business in more than one country and does not consider any particular country its national home.
Globalisation	Globalisation is the process by which the world is becoming increasingly interconnected as a result of massively increased trade and cultural exchange.



The **Brandt line** roughly divide the planet into the rich north and the poor south. However the world has changed a lot in the last 20 years and the Brandt line is now too simplistic. For example, China and India are no longer seen as poor countries.

The World Bank classification

A country's level of development is now classified in a different way. The World Bank uses the names:

- low income countries (LIC) - these are countries with a **GNI per capita** of \$1,045 or less, eg Chad and Ethiopia
- medium income countries (MIC) - these are countries with a GNI per capita of more than \$1,045 but less than \$12,746, eg Mexico and Iraq
- high income countries (HIC) - these are countries with a GNI per capita above US\$ 12,746, eg Germany and the USA

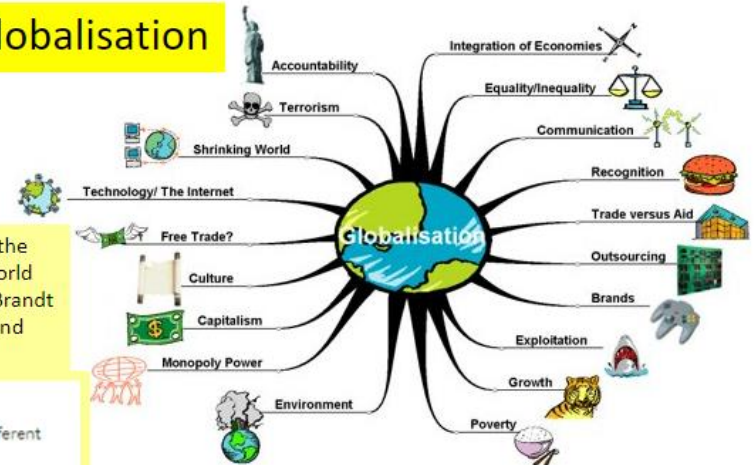
There are four types of industry. These are primary, secondary, tertiary and quaternary.

Primary industry involves getting raw materials e.g. mining, farming and fishing.

Secondary industry involves manufacturing e.g. making cars and steel.

Tertiary industries provide a service e.g. teaching and nursing.

Quaternary industry involves research and development industries e.g. IT



Factors that encourage globalisation include transport and ICT developments.

Transport developments:

- Container ships make transporting bulky goods quick and easy.
- Air transport means people and goods move quickly from one place to another. In recent years the cost of air travel has reduced.

ICT developments:

- The internet allows people and businesses to communicate instantly.
- Satellite communications allow a global view and communications links even in very remote areas. They enable TV and telephone communications.
- Mobile phones enable people to communicate and to access the internet wherever they are.
- Social networking brings people from all around the world in contact with one another.



Primary



Secondary



Tertiary



Quaternary

What is a TNC?

A large company that operates a number of facilities (shops, factories and offices), does business in more than one country and does not consider any particular country its national home.



Positives of TNCs

TNCs bring new technology to LICs and NEEs

TNCs bring jobs to NEEs and LICs

Negatives of TNCs

TNCs move wherever they see a better deal elsewhere, closing down factories as they go

TNCs often pollute the air or water with toxic chemicals from their factories in LICs and NEEs