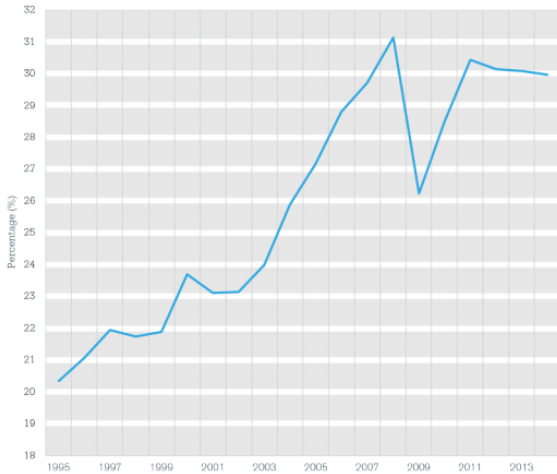


# Globalisation Knowledge Organiser

Term	Definition
<b>Globalisation</b>	The freer movement of goods, services, capital, ideas, people, and technology around the world.
<b>Trade liberalisation</b>	The removal of trade barriers between countries
<b>Multinational Corporation (MNC)</b>	Companies with facilities and assets in at least one country besides its home country. Examples: McDonald's, Coca-Cola, Google, Amazon.

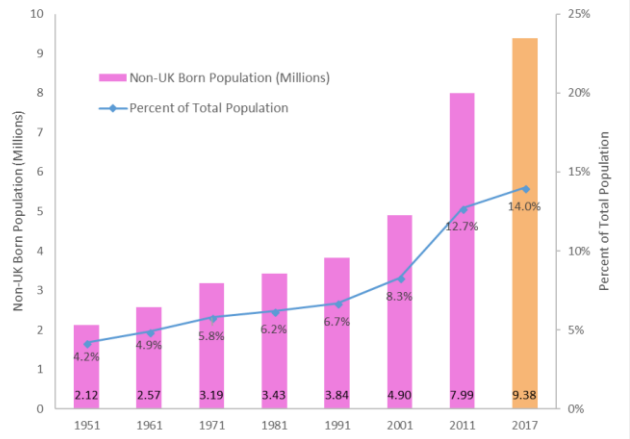
Ratio of trade in goods and commercial services to GDP, 1995-2014



Growth in trade: the above graph shows the percentage of trade in **goods and services** to global output (GDP). The trend that this has been increasing, with a few dips, suggests that countries have been lowering trade barriers and trading more with each other.

*Question: Why have the dips occurred?*

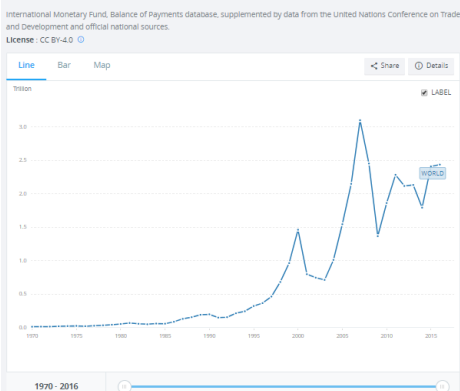
Non-UK Born Population and Percentage of Total Population, for the UK: 1951-2017



The non-UK born population shows the total number and percentage of total population of individuals living in the UK who were born abroad. The increasing trend over the past 60 years suggests that movement of people has been more free and the world has become more globalised.

*Question: Why did this speed up between 2001 and 2011?*

Foreign direct investment, net inflows (BoP, current US\$)



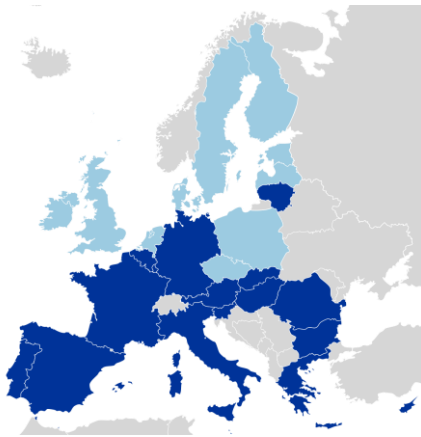
Foreign Direct Investment (FDI) shows that businesses are making investments in other countries. The increase in FDI over the past 25 years suggests that there has been **free movement of capital**.



Apple brings experts from around the world to design iPhones in the USA, which are then assembled in China and sold around the world. This suggests a free movement of **ideas and technology** around the world.

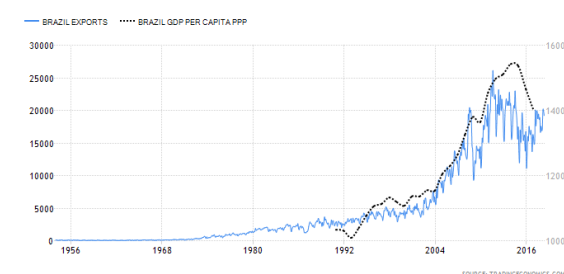
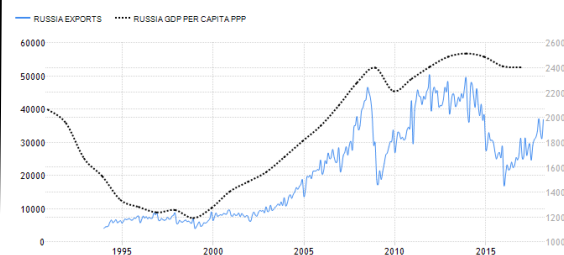
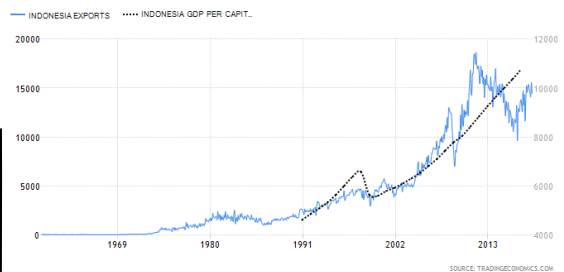
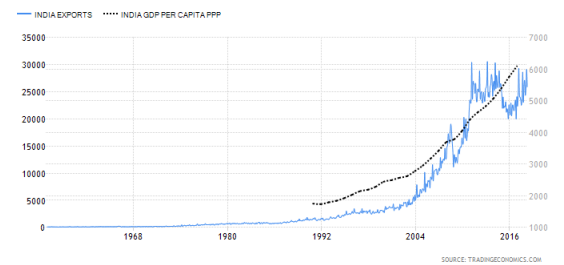
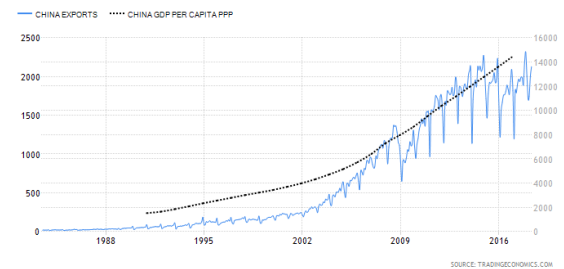


Multinational Corporations (MNCs) such as McDonald's are responsible for the spread of globalisation. There are 36,899 McDonald's restaurants across the world (December 2016).



Trade blocs, such as the European Union (EU), have objectives that align with globalisation. The EU requires member states to engage in free trade and free movement of people.

Supporters of globalisation argue that it helps improve incomes for developing countries. Trading with the rest of the world allows countries to specialise in what they do best. Selling more of these goods improves incomes for workers. The strong correlation between growth in exports and GDP per capita at PPP (an indicator of per-person income) supports this view.



Flint, Michigan, USA

Opponents of globalisation argue that a country will lose domestic jobs when it imports goods from another country. This will create places that are 'left behind' economically.

Typical Examination Question:  
**Evaluate the effect of globalisation on both developed and developing countries. Refer to data from both developed and developing countries in your answer (25 marks).**