

# Globalization

See the new vocabulary in blue.

## Part 1 – The globalization process

### Lesson 1

## A case study: a cup of Starbucks coffee

**Question** : *Drinking a cup of Starbucks Coffee : how the consumption of this good illustrates the globalization process ?*

### 1. Introduce the document

A secondary source, made with figures and statistics.

We can see:

A **world map** :

- the number and the location of the Starbucks Stores in the world
- The **flows** for the different goods used to make this product.
- A **bar chart** showing the number of Starbucks stores opened since 1987.

### 2. Describe

- What's Starbucks ?

A **TNC** (transnational corporation): an American global coffee company and a coffeehouse chain based in Seattle, (the largest coffeehouse company in the world, with more than 23.000 stores in 67 countries :

It was founded in 1971. Since 1971, it has expanded rapidly :

→ on the source : 3 new stores opening daily in the world. 1000 stores in 1996, then X 2 until 2000 and x 3 . (the chart does not count stores from northern America).

- How is made a cup of coffee? Where's it made? Where is it drunk?

For one cup of coffee, we need coffee beans, produced in (tell where), sugar (from...), and paper from the biggest forests (Canada and Scandinavia). Most of these goods come from **developing countries** or the **least developed countries (LDCs)**. They are transported by **Ocean shipping** to ports, then by **rail** or **trucks**.

The customers live in : north America (3/4 : > 15. 000), South and East Asia = developed and **emerging** (market or economy) countries, but only 2 stores in Africa (Egypt and Morocco).

Even, now, you can be connected to Starbucks shops by a website (online sales), and you can get the application for you mobile phone! (I've not tried ☺)

⇒ **Drawing / schematize the map.**

### 3. Analyze

**Globalization** makes global inequality with an uneven development between **North and South** but the divide is not so clear!

It shows that a cup of coffee is a **mass consumption product**, but unaffordable to underprivileged social class (Africa, Central Asia...)

The main actors are the TNCs : transnational companies. They organize [the new international Division of Labor \(NIDL\)](#): [developed countries](#) / [Developing countries](#) ([sweatshop countries](#))

Starbucks has a sustainable speech. But its policy is denounced by the NGOs like OXFAM.

### Conclusion : [What is globalization ?](#)

- a growth to a global or worldwide scale.
  - the many ways in which places and people are becoming ever more closely linked.
  - the integration of various political, economic, and cultural systems. It is the interconnection of people, places and ideas that collectively transforms the economy, means of communication and transportation, the political process, and culture and society.
- = A world with [networks](#) (between areas and population) and expanding exchanges (material or immaterial).

## Lesson 2

### Globalization: Process, Actors, debates

And the earth became [a shrinking world](#): how does it work?

#### 1. History

Globalization is an old process.

The first began with [the Atlantic Slave Trade](#) (Atlantic Triangle) from the XV<sup>th</sup> to the XVIII<sup>th</sup> century.

The second occurred at [the Age of Manufacturing Industry](#) and the period of imperialism and colonization (XIX<sup>th</sup> century) : the [Anglobalization](#) until 1914 and the beginning of the WWI.

- The XX<sup>th</sup> century : the US power - The process was accelerated after the WWII, but only in the West of a bipolar world.
- Second acceleration since the end of the Cold war in [a multipolar world](#) : a postindustrial society

Since the end of the XX<sup>th</sup> century, we have been leaving the fourth globalization with ICTs (Information and Communication technologies) and the Internet backbone... integrating more and more areas and people.

⇒ Expanding, accelerating and interconnecting.

This phenomenon came with technological progress:

- Progress of transport :
  - [Railway](#)
  - [Trucks](#)
  - [Ocean shipping](#), in particular the development of [Containerization](#): a system of [intermodal freight transport using standard intermodal containers](#), which can be loaded and sealed intact on to [container ships](#), railroad cars, planes, and trucks = [roll on/roll off](#) (RORO)  
A container is : a large box (*container or shipping container*) = [Twenty Feet Equivalent Unit](#) (TFU : verify the dimensions on the Wikipedia website)  
The first company : Maersk (Danish)
  - [Planes](#)

Those means of transport are faster and less expensive with new [seaways](#) (who permit to make fast rides): Panama Canal, Suez Canal, and soon a new seaway in the Arctic Ocean.

- The new technologies: mobile phones and internet who can move data at any time.



Links between people, places all over the world create **networks**.

The points on a network map are called **nodes**. In global network theory, the term **global hub** is used to describe a node that is especially well connected.

Connections between nodes, or global hubs, are called **flows**.

*Container ship in Miraflores locks, Panama Canal*

Another explanation: the economic liberalism model became widespread, with free trade and lower tariffs.

## 2. Various actors

- The TNCs

Definition and differences between MNCs (Multinational Corporation) and TNCs :

<http://www.businessdictionary.com>

**MNC** : An enterprise operating in several countries but managed from one (home) country. Generally, any company or group that derives a quarter of its revenue from operations outside of its home country is considered a multinational corporation.

**TNC** : A commercial enterprise that operates substantial facilities, does business in more than one country and does not consider any particular country its national home. One of the significant advantages of a transnational company is that they are able to maintain a greater degree of responsiveness to the local markets where they maintain facilities.

Their strategy is clear: find new markets, or cheap workforce (sometimes called **sweat workers**), or high skilled workforce...

The ranking is difficult to be drawn up: sometimes the work force, or the sales, or the profits, or the foreign assets.

But, most of them are from US, European Union, Japan (developed countries) and now from China, India, Brazil (emerging countries...).

Some of those TNCs have a so big power that their sales is as big as the **GDP (Gross Domestic Product)** of countries: for example, Wall Mart /Norway, Exxon/Greece (not difficult ☺).

- ⇒ Uneven world,
- ⇒ Is economic power submitted to the political power ?

<http://www.economist.com>

**Foreign Assets** : actifs à l'étranger.

- The STATES

Sometimes, states impulse public or private works (roads, ports, airports) etc. They contribute to the space planning.

They vote social laws, create free zones

They are the main actor of education policies.

- People

Workers in bad conditions (working hours, wages, no social security, accommodation, migrations, illegal workers...) = human rights, law

Consumers, do they think about this when they buy ?

Citizens : they chose when they vote a way of life : taxes, solidarity, etc. For example, the world is different with Bush and with Clinton or Obama...

We can add diasporas : Chineses or Indians in the world → they create many flows in the world (people, goods, money (remittances))

- International organizations/ NGOs

- WTO : World Trade Organization

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. These agreements are not static; they are renegotiated from time to time and new agreements can be added to the package. Many are now being negotiated under the Doha Development Agenda, launched by WTO trade ministers in Doha, Qatar, in November 2001.

- IMF: international Monetary Found

The WTO is very often criticized by non-governmental organizations, by many political parties and many citizen. For them, WTO organize an unfair world...

- The alter-globalization or global justice movement militates in favour of another globalization, very often against the capitalism and the liberal economy made by the WTO...

They organize street protests in many countries and each year since 2001, the World social Forum. The WSF happens most of time in developing and emerging countries (Brazil, India, sometimes in Africa).

It's a group of civil society organizations and NGO's (Non Governmental Organizations = non-profits organizations)

For NGO's - Their main goal is to help : health (Doctors without borders), education (UNICEF), human rights and policies (Amnesty International), environment (Greenpeace).

They try to regulate the globalization by advertising states and populations, by helping directly populations...

Conclusion : Many actors with –very often- different, even competing interests.

That's why we need rules in an international governance.

### Lesson 3

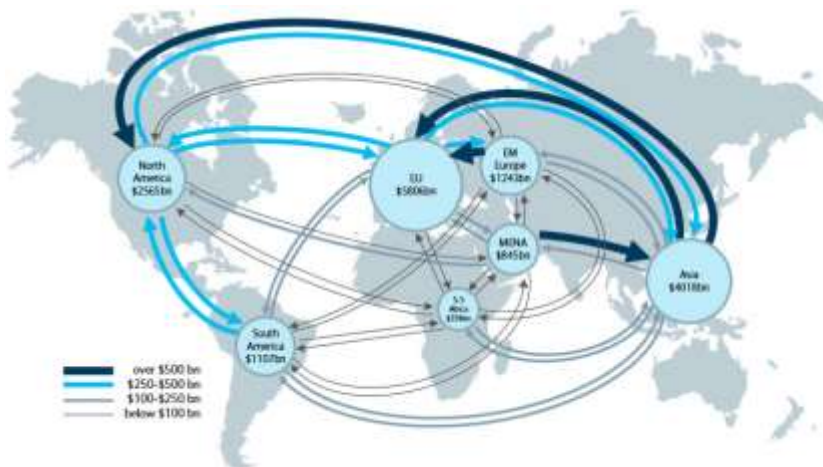
## Networks, mobility and flows

The usual definition of globalization is an increase and acceleration of exchanges (goods, capitals, informations and people) at all the scales.

⇒ **Key-question** : How does the globalization organize networks and flows ?

	Trade	Migration	Telecommunications
<b>Nature</b>	Flows of physical goods	Flows of people	Flows of information
<b>Types</b>	Raw materials, energy, food, parts and consumption goods	Permanent, temporary (migrant workers), tourism, business transactions	Communication, power exchanges, symbolic exchanges
<b>Medium</b>	Transport modes and terminals (freight)	Transport modes and terminals (passengers)	Transport modes and terminals (postal), telecommunication systems
<b>Network</b>	Hub and spoke with interconnections	Hub and spoke	Redundant and diffuse (point to point)
<b>Main Gateways</b>	Ports	Airports	Global cities
<b>Speed</b>	Low to average	Slow to fast	Instantaneous
<b>Capacity</b>	Very large	Large	Almost unlimited

### 1. The trade flows



The trade of goods moves by airports but especially by **ports**.

The first trade power is the E.U., followed by East and Southern Asia, then North America.

- For the E.U., it's a special reason, because E.U. build a common market and the majority of the flows are internal or with the other Europe and the USA.

- Most of the goods move from Asia to Europe and Northern America: essentially consumption goods.

- Then, there are flows between South and North America: unequal exchanges because very often raw materials and food against consumption goods (this are not goods with the same added value!)

You can see although flows from Middle east to Asia : especially energy (oil)

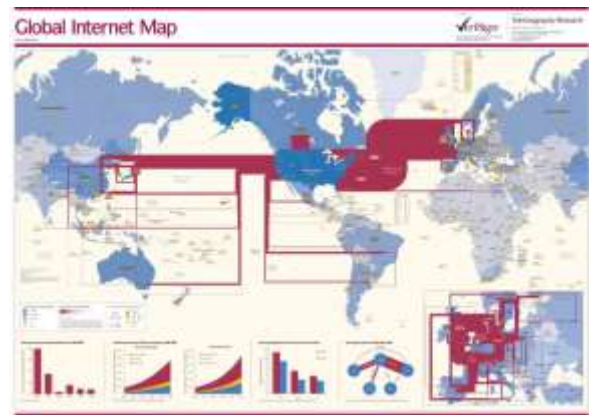
- At last, Africa is not totally excluded from the trade, but represents a low part of the international trade.

The global internet map confirms our previous description.  
Internet flows are immaterial flows...

We can see that the majority of immaterial flows moves between EU and North America with the exponential development of the services.

We can see a [digital gap](#)

The most connected people are from developed or emerging countries, except China which has an internal and controlled network, because of the dictatorship.



## 2. [The mobilities](#)

Tourism flows are excluded from this description. These flows are only workers flows, without refugees or family grouping.

→Describe the first and the second map.

Both are totally different.

With the first one, you can make a classical description:

- Human flows from South to North: sweat workers with couples like Latin America to North, (and a little flow to E.U., Northern Africa to E.U and Asiatic everywhere)
- Flows from North to North : [the brain drain](#), very [high skilled workers](#)
- South to south: poor workers to Middle East (building trade, oil, etc.)

The second map bring us more and precise informations:

- We can find again the same but
- The most important flows are intra continental flows, in the order: Asia to Asia, Sub-Saharan Africa, Central America to USA...

## 3. [Flows draw networks between](#)

Made with ports and airports.

(diapo 12) Airports are [hubs](#) (A Hub and Spoke network is a route network where an airline will not only plan on transporting passengers between two points, but also to connect passengers between two distant cities via its hub)

(diapo 13) Ports : Among the 10 biggest ports in the world, 6 are Chinese – 1. Shanghai, 2. Singapore, 4. Rotterdam, 10. South Korea (Busan)

→Coastal interfaces : Asian coastline, European and eastern USA.

Made with network cities : millionaire cities and megacities = [worldcities](#)

## [Conclusion :](#)

A global connected world, making a [global village](#) with small distances and unlimited capacity !!!

The non-connected spaces are [enclosed territories](#) : isolated valleys, mountains, dense forests, cold spaces, deserts.