

What is globalisation?

You have probably heard the expression 'It's a small world'. People have been saying it for years but now it is true. Just check out the labels on your clothes – almost certainly they have been made in another part of the world. Turn on the computer and the internet will give you access to websites almost anywhere. Look at sport on television and you will see that it has a worldwide audience.

So why do we now live in a small world? The answer lies with improved travel and communications which have made links with other people and countries around the world so much quicker and easier. These links have increased at such a rapid rate that we now have a new word to describe it. The word is **globalisation**.

Globalisation means the way companies and ideas and lifestyles are spreading more and more easily around the world.

One important effect of globalisation is that it has made it much easier for goods and services produced in one place to be sold, used and seen elsewhere. Fashion and sport, the two topics in this unit, are good examples of this.



Look at the logos in drawing **B**. You probably recognise them as they belong to some of the biggest **brand names** in fashion. We buy their goods in our local shops, but they are actually made on the other side of the globe. In the same way, the sporting events shown in drawing **C** are based in several different countries but are immediately available around the world for everyone to watch.



To take advantage of globalisation, many large companies have become **transnational corporations** or **TNCs**. Transnational corporations have offices and factories all over the world. The headquarters are usually located in developed countries such as the USA or Japan. Smaller offices and factories tend to be in developing countries where labour is cheap and production costs are low. They have outlets to sell their products throughout the world.

D Revenues for ten TNCs (in 2004)

TNC	Products	Revenue (US\$ billions)
BP	oil/petrol	232
Exxon Mobil	oil/petrol	222
Ford	cars	164
Nestlé	food	65
Sony	electronics	63
Microsoft	software	34
Coca-Cola	food/drink	21
Gap	clothing	16
McDonalds	fast food	16
Nike	sports goods	11

E Money earned for ten countries (in 2004)

Country	Total wealth produced (GNP in US\$ billions)
USA	11,667
Japan	4,623
UK	2,140
Italy	1,672
Brazil	604
Bangladesh	56
Kenya	16
Bolivia	9
Jamaica	8
Afghanistan	6

Source: World Bank

Activities

- 1
 - a What is meant by globalisation?
 - b Give three ways that globalisation affects you.
- 2 Each of the items in **F** helps the process of globalisation. Match each drawing with a statement from the list below.
 - transports goods and people quickly
 - improves links between people
 - helps us see what is happening in the world
 - transports goods cheaply
 - provides information about the world
 - improves world communications
 - provides links and transfers information.
- 3
 - a Look at the brand labels on your clothes. Name the countries where they were made.
 - b Name at least four major sporting events not shown in **B**, that are on TV around the world.
- 4
 - a What is a transnational corporation?
 - b Suggest two reasons why TNCs have factories in developing countries.



Summary

Improvements in transport and communications have made it easier for companies, ideas and lifestyles to spread around the world. This is called globalisation.

Stadiums: the good news ... and the bad news

Sport is big business and operates on a global scale. Huge **transnational corporations** such as Nike, Sky Television and Coca-Cola invest hundreds of millions of pounds in sport every year.

Football, the most popular sport on earth, generates an estimated £147 billion a year and provides employment for thousands of people around the world. The finals of the last World Cup, which lasted four weeks, attracted a total television audience of

over 33 billion people worldwide, making it the most viewed event in television history.

It is not surprising, therefore, that sport affects just about all of us in some way or another. Most of the effects are good but some can be bad. Take for example the building of a new stadium or the extension of an existing one. This can bring benefits to some people but cause problems for others. Some of these are shown in drawings **A** and **C**.

A Benefits

- ◆ A new stadium and a successful team brings prestige to the city.
- ◆ It creates additional full-time jobs in and around the stadium.
- ◆ It provides part-time jobs on match days and at other events.
- ◆ It creates hundreds of other jobs that are sport dependent.
- ◆ It helps local businesses like public houses, cafés and restaurants.
- ◆ It brings money into the city and increases wealth.
- ◆ It provides a social occasion when friends can meet for a match.



Activities

- 1 Look at drawing **D** which shows some of the jobs created by football.
 - a Copy table **E** and sort the jobs into the correct columns.
 - b Add at least four more jobs to each column.
 - c Apart from being a player, which job would you like to do? Give reasons for your answer.

E	Jobs at the club		Jobs outside the club	
	Full-time	Part-time	Media	Others



- ◆ Football coach
- ◆ Football shirt maker
- ◆ Programme seller
- ◆ Footballer's agent
- ◆ Football strip designer
- ◆ Match-day steward
- ◆ Radio commentator
- ◆ Physiotherapist
- ◆ Football writer
- ◆ Restaurant waitress
- ◆ Groundsman
- ◆ Receptionist

Whilst the building of a sports stadium will mainly affect just the local community, large events such as the football World Cup and the Olympic Games can have much wider effects.

It is hoped, for example, that the London 2012 Olympic Games will help **regenerate** some of the derelict areas of east London and improve the quality of life for people living there. It is also hoped that London itself and the UK in general will benefit from investment in the games and from the publicity and increased tourism that the event will generate. Some people are concerned, however, that the Olympics may cause problems as well as bring benefits.



B Crowds celebrating London's successful bid for the 2012 Olympics



C

Problems

- ◆ A large stadium can be an eyesore and spoil the environment.
- ◆ It can take up land that could be used for other purposes.
- ◆ Football crowds are noisy, leave litter and can be difficult to control.
- ◆ A minority of spectators may drink too much or cause vandalism.
- ◆ On match days there may be serious traffic congestion on local roads.
- ◆ Thousands of supporters can fill nearby shopping centres.
- ◆ Cars may be parked outside local residents' houses, blocking access.



F

- 2** Look at the people shown in drawing F. Who do you think will be in favour of a large sports stadium nearby, and who will be against it? Give reasons for your answers.
- 3** Look at photo B. Why do you think the people are so pleased about what has happened?

Summary

Sport affects just about all of us in some way or another. New stadiums make watching sport more enjoyable and help clubs make more money. They also bring other benefits but can cause problems.