7 Globalisation and sustainability – Part 2

Name: _____ Class: _____ Date: _____

Vocabulary

Write each word three times.

English	**Write it 3 times** (English)		
multinational corporation			
Outsourcing			
offshoring			
Deindustrialisation			
new international division of labour			
Special economic zones			
Comparative advantage			
Trade blocs			
Neoliberal			
microfinance			
Sustainable development			
Ecotourism			

Recall

Part 1 gave you the sectors, the development measures, Weber's location theory and the development models.

This sheet covers what has changed since those models were written: globalised production, and what development costs.

New ideas

1 Globalised production

A **multinational corporation** operates in more than one country and can locate each stage of production wherever it is cheapest.

Outsourcing contracts a function to another firm; **offshoring** moves it to another country. **Deindustrialisation** is the decline of manufacturing employment in the country it leaves.

The **new international division of labour** describes the result: research and management in the core, assembly in the periphery and semi-periphery.

Special economic zones , **export processing zones** and **free-trade zones** offer tax and regulatory concessions to attract that assembly work. They raise employment and foreign exchange; the standard criticisms are low wages, weak labour and environmental protection, and profits repatriated rather than reinvested.

2 Trade and blocs

Comparative advantage says a country gains by specialising in what it produces at the lowest OPPORTUNITY cost, even if another country is better at everything.

Trade blocs reduce barriers among members – the EU, USMCA, ASEAN, Mercosur. **Neoliberal** policy – deregulation, privatisation, free trade – is the framework most such agreements assume, and its critics point to the losers within each country, not only between them.

3 Development and gender

Women's education and employment are among the strongest predictors of falling fertility and rising household welfare, which is why the **Gender Inequality Index** appears in development questions and why **microfinance** – very small loans to entrepreneurs who cannot access banks, most of them women – is a standard example of a targeted intervention.

4 Sustainable development

Sustainable development meets present needs without compromising the ability of future generations to meet theirs. It balances three things: economic growth, social equity and environmental protection – an essay naming only the environmental leg has answered a third of the question.

Ecotourism channels tourist income to conservation and local communities. Its risk is that the volume of visitors damages what they came for.

The **UN Sustainable Development Goals** frame most modern development policy and are worth naming as the current international standard.

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■ 5 The costs that recur in evaluation

Industrialisation raises incomes and produces pollution, urban crowding and resource depletion. Export dependence on one commodity leaves a country exposed to a price crash. Foreign investment brings capital and can outbid local firms for labour and land.

Every evaluation question in this unit is asking you to weigh a real gain against a real cost – so name both, then decide.

Practice

Try these in order. The methods are all above.

7.6 Distinguish between outsourcing and offshoring. [2]

7.7 State one benefit and one criticism of special economic zones. [2]

7.8 Explain the principle of comparative advantage. [2]

7.9 Explain how microfinance is intended to support development. [2]

7.10 Define sustainable development and name the three dimensions it balances. [3]

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