

Is globalisation good  
for you



**ASSIGN  
BUSTER**

The very nature of the question " Is Globalisation Good for You?" is subjective. It is impossible to give this question any single answer since it is invariably dependent on the viewpoint of the 'observer'. Thus, I will answer this question not just from my perspective - as a resident of a rich MEDC - but I will also give an insight into how globalisation might benefit or hinder people in much poorer nations.

The aims of large Transnational Corporations - such as Nike, Dunlop Slazenger and Coca Cola - are, of course, to generate the largest turnover possible. At each stage and for each person within the 'global chain' this will be the incentive. Except in the few cases of slavery, nobody works for nothing.

Thus, at least in this respect, everyone is gaining. Therefore, the next logical step in the evaluation of whether globalisation is 'good' is to see who gains most. The largest amount of profit will almost invariably go to the shareholders within the large TNC's. For example, even a relatively small TNC, such as Dunlop Slazenger can make huge amounts of profit, (in this case a £165 million annual turnover.) Larger TNC's like Coca Cola often have turnovers larger than small countries. Clearly the MEDCs, where the headquarters of such corporations are generally located, benefit hugely.

Many people would argue that the workers of such huge multinational companies - often located in poorer LEDCs like the Phillipines and China - are heavily exploited. In some respects this is definitely true, workers here often work for a tiny wage of literally just a few pounds - or even less - a week. The working week itself can often involve shifts of between 12 to 16 hours of

heavy manual labour, for example in China, generally with little regard to safety. Workers can also be made redundant at any time and there is usually no compensation and nothing a worker can do to prevent this. Furthermore, it often takes a whole family: husband; wife and children just to have enough money to eat. The large companies appear to - in terms of profit at least - benefit much more.

This, however, is a very narrow perspective of the advantages for the workers in these poorer nations. The money offered by these companies is not large. And the people are being exploited. But the people in these countries need the investment just to survive. Even a small amount of money for a large amount of work is worthwhile if you can feed your family. It is certainly better than having no work but facing consequent starvation. Many of the poorest countries do not have the agricultural techniques or technology needed to feed their own nation. They rely on importing food from other countries and for this they require money. Especially countries which rely on exporting 'delicacies' such as bananas, despite being exploited they need this money just to survive.

In many countries the investment of these large companies have led to previously third world countries becoming fairly rich NICs or Tiger Economies. Good examples of such countries would be Malaysia and South Korea. These countries were exploited but using the limited investment they developed the infrastructure and education of their countries and are now becoming increasingly developed. South Korea is now, for example, a bad location for cheap labour because it has been able to raise its wages and within the next ten years will probably be considered as developed - if it is

not already - as countries such as the USA and UK which once 'exploited' it. The people here are relatively rich and generally have housing and a good system of education and healthcare. The 'exploitation' here has clearly helped the country and the people.

So, globalisation can benefit the owners in MEDCs. But does it benefit the customers? In terms of choice, globalisation definitely brings advantages to customers who, in the UK for example, can buy Apaca clothes, eat bananas from thousands of miles away and drink Columbian coffee. In financial terms, the exploitation of customers for profit could be seen to be quite limited for products of the primary industries like rice and coffee. There is - of course - still much exploitation and we do have to pay much more than the products are 'really' worth. Where we really suffer as customers, however, is in the secondary industries.

Nike trainers, for example, can literally cost a few pounds (or less) to make and ship over to the UK or USA. Here they can be sold for one hundred or even two hundred pounds. Many people object to this 'brand power' but, to be honest, it is people themselves who choose to buy products from these companies. Often these kinds products are made in the same factory as the cheaper unbranded alternatives yet we pay hundreds more for them. Most people in our developed countries are 'victims' of this kind of exploitation. However, I do not believe this is bad, we have the choice to buy or not buy these items, if we choose to then we are letting ourselves be exploited. We can not claim to be 'victims.' Globalisation - even if it does not give us a fair price - at least it gives us the opportunity to buy a wide variety of products.

To conclude, I believe that globalisation benefits everyone in some way. The workers need this money to survive, without it they most likely could not. The shareholders of the TNCs tend to make large sums of money. And us, the consumers, we have the option of buying things from all round the world. But we also have the option not to, thus, we cannot call ourselves exploited. The real question is who benefits most. The owners, in terms of money, have the greatest advantage but they do not really need this money. At the margin, for someone who already has a great deal of money, an additional pound will buy little of value to them. One pound for someone who has nothing will be of great value to him.