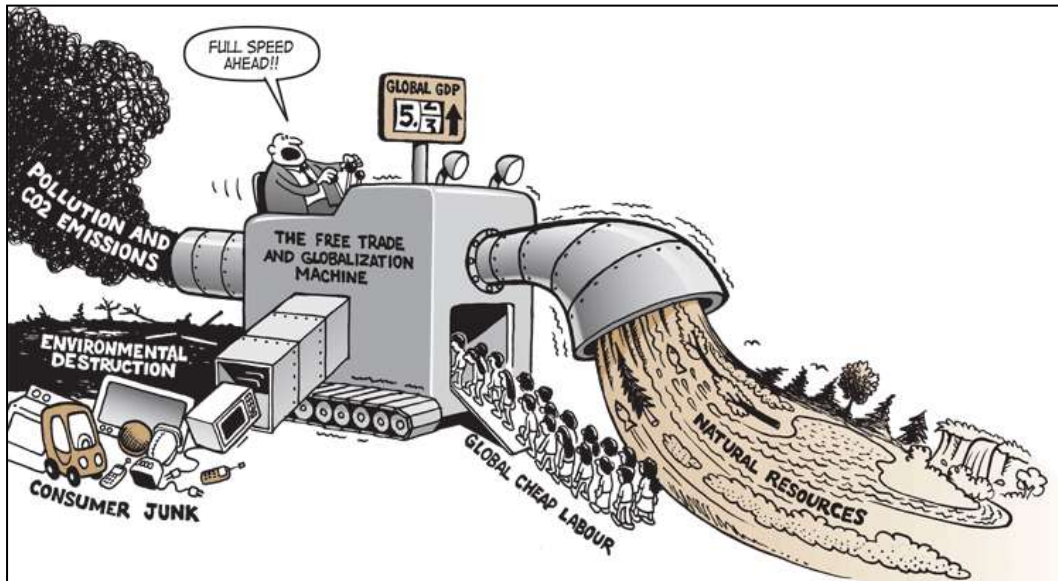
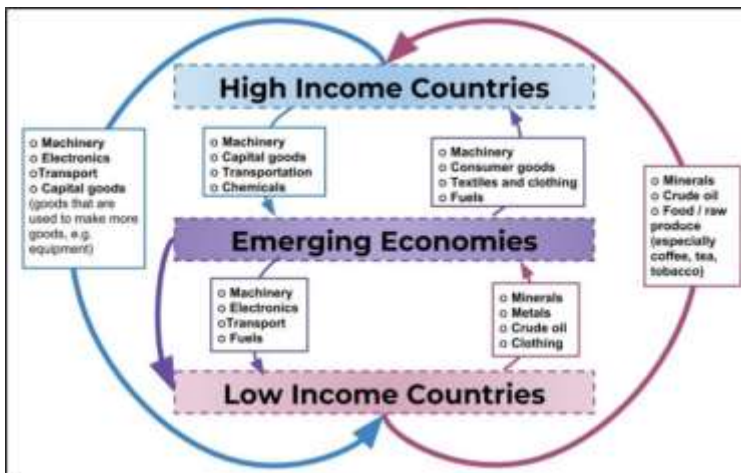


Lesson 8 – How is the UK Connected to the Wider World?

1. What do you think this picture is trying to tell us about trade and globalisation?



We have already learnt that trade is the voluntary exchange of goods and services between different countries is called and is a key part of globalisation. LICs generally rely on primary goods for export and often have a trade deficit. LICs often struggle to break the cycle of debt and poverty.



Globalisation has sped up due to trade agreements across the world. Millions of products are imported and exported into and out of countries every year. Trade agreements make international trading less expensive and easier. 75 per cent of world trade is carried out by Transnational Corporations (TNCs). These are multinational companies, with a headquarters in a developed country, but many factories in developing countries. These companies include Coca-Cola, Nike, Microsoft and Ford.

Thinking task:

- Which countries (HIC, NEE, LIC) generally control trade agreements? Why do you say this?
- If a large company sets up in a poor country (less developed) how could that company help that country and improve it?

The Transnational Corporations (TNCs) take advantage of cheaper labour costs and natural resources in LICs. Whilst they provide the world with products and can boost economies, they have also been accused of being inconsiderate of local people and the environment.

They often cause the focus of job creation and development to remain in the primary sector such as farming and mining and also cause environmental impacts such as deforestation.



Liquid waste from a Coca Cola bottling plant in India.



Gap, Next and Marks & Spencer have all launched their own inquiries into abuses of working regulations at their Indian suppliers, which have resulted in children such as six-year-old Bubli being left alone while her parents work. Photograph: Gethin Chamberlain

2. Main Activity

- Sort the table on the next page into positive and negative impacts of TNCs in LICs. Write these in your books.
- Write your own impact for the blank box (it can be either positive or negative, try use your VIP words).
- Rank them in order of best impact – worst impact (1= best – 14 = worst)
- Spend 3 minutes going over the impacts on your sheet. We will be doing a quiz.

Challenge:

Sort the impacts in social, environmental and economic.

They bring jobs to LICs	TNCs can move profits from one country to another to avoid paying tax
TNCs are richer and more powerful than many governments so they do what they want in LICs	TNCs give people a variety of goods to choose from
TNCs often pay their workers a low wage	Conditions in TNC factories are often better than those in other factories in LICs
TNCs connect different countries together	The money TNCs make goes back to their headquarters, rather than helping the country the goods are made in
TNCs often pollute the air or water with toxic chemicals from their factories. They would not do this in their own country	TNCs bring new technology to LICs
The people living in these LICs find it difficult to develop their industry with all the competition from TNCs	TNCs move whenever they see a better deal elsewhere, closing down factories as they go
Own Impact	The wages from the TNCs help the economy of the LICs

Using your understanding and the sorted impacts, answer the following:

Is trade between HICs and LICs fair? (use what we have learnt in the last few lessons about trade to help you).

Hint: you can even use the trade agreement between the UK and Kenya in your answer

Success Criteria
Use keywords (including VIP). At least 4 reasons/impacts
Write 2 paragraphs of at least 3 sentences each
Include advantages and disadvantages of trade in LICs
Chains of reasoning (explain in detail - PEEL)
Judgement (Overall opinion)

Self-Assess card sort

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