The first topic you will study in your Human Geography lessons is called 'Global Systems and Governance', one of the first and most important concepts that you need to understand throughout the topic is 'Globalisation'.

Please read the information below and then complete the research tasks at the end.

Globalisation is the increasing interconnectedness of people and places across the world. Such is the holistic nature of this definition that it is now frequently used by politicians, demographers, environmentalists, economists, sociologists – and of course geographers – to describe ever-increasing rates and scales of change on a global scale.

These changes are:

- economic largely a result of the growth of transnational companies;
- cultural the mixing of cultures as a result of communication technologies;
- political the rise and dominance of western democracies over LDEs (Less Developed Economies) and the success of capitalist free-market economies over centralised economies such as planned socialist economies;
- environmental global consumption of the environment has led to global problems, such as climate change, that demand inclusive world solutions;
- demographic freer movement of people across borders has been facilitated by greater political cooperation as well as economic necessity.

However, discussion of globalisation in its many forms may be simplified to discussion of the two themes of interdependence and inequality.

Interdependence

While it may sometimes be convenient to consider our nation as operating independently of global systems (and Brexit demonstrates such isolationism), this is generally not the case. For example, 'domestic policies' on a broad range of themes – such as crime (e.g. terrorism), employment (e.g. transnational companies) and health (e.g. Ebola virus) – have links to or connections with global systems.

Nation states rarely operate without consideration of the international dimension. However, even when rules and laws are in place to help manage such interdependent global systems, it is not always the case that governments follow similar ideas or that practices are shared. In a diverse range of areas – such as climate change, migration, fishing agreements and resource consumption – global governance is far from straightforward.

Inequality

Our world is shaped in unequal ways. There is a general consensus, albeit perhaps a reluctant one, that globalisation tends to emphasise inequalities. While nation states, agencies and corporations remain key influencers, it is global systems that truly allow market forces to operate. A majority of nation states accept and understand this way of thinking or ideology and will promote trade and money (capital flows), harnessing global systems.

More powerful states and agencies are better placed to manage global systems and influence outcomes. Less developed economies or less powerful agencies are more likely to be recipients of change than drivers and initiators. However, it is also true that even in HDEs (Highly Developed Economies), the ability of individuals to harness such flows of capital, ideas, labour and so on, varies according to class, race and gender.

Globalisation Research Task

Task 1	Consider why some governments might be wary of/resistant to globalisation
Economic	
reasons	
Social reasons	
Political reaons	

Task 2	What actions might a national government take to respond to globalisation forces?
To engage with	
Globalisation?	
To secure itself	
against	
Globalisation?	
Giobalisations	

<u>Task 3 – Case Study - Slovakia, central Europe</u>

As you read about how Slovakia has engaged with and responded to Globalisation below, think about if any of the facts match to your ideas in the tasks above about how different countries might respond to the concept.

Political background

Few European countries have had to absorb as much change as Slovakia in the last 100 years. As the eastern part of the country of Czechoslovakia (- formed after WW1 as the Austro-Hungarian empire was dissolved), the country came under the communist sphere of influence of the Soviet Union (USSR) at the end of WW2 in 1945. The collapse of the Soviet empire in 1989 throughout much of central and eastern Europe gave Czechoslovakia a brief four years of independence as a single entity, before an agreement led to the peaceful dissolution of itself into two independents countries comprising the western Czech Republic and the eastern Republic of Slovakia, which took effect on the 1st January 1993.

As an independent pro-western, pro-capitalist nation of 5 million people, Slovakia joined the European Union a year later in 2004 and in 2009 adopted the Euro as its currency as part of the Eurozone. It became a member of the Schengen Area, permitting the free movement of goods and people across its borders to and from other EU countries signed up to the Schengen agreement. Slovakia also became a member of NATO, the OECD and the WTO (World Trade Organisation) among other international bodies, shifting its economic and political position substantially from the era of Soviet domination and integrating itself fully in the market-driven western consumer model.

Economic openings

Since 2007 Slovakia has been the world's largest producer of cars per capita. It hosts three major TNC car assembly plants: Volkswagen (German) in Bratislava, the capital; Peugeot Citröen (Groupe PSA, French) in Trnava; and Kia Motors (South Korean) at Zilina. Jaguar Land Rover is set to open a plant at Nitra in 2018.

The other dominant manufacturing sector is electrical engineering with TNCs Foxconn making LCD TVs at Nitra and Samsung producing computer monitors and TV sets at Galanta. The transition from a communist centrally-planned economy to a capitalist market-driven one has been remarkably swift. Before the financial crash of 2008 Slovakia had the highest sustained economic growth of any EU country, and since has slipped to only second place behind Estonia. Its integration into the wider EU economy is thorough, with 75% of exports going to- , and 50% of imports coming from- , other EU member states in 2012.

While manufacturing is a key element of Slovakia's economy, services and the tertiary sector make up the largest sector of earnings. The total value of exports (goods and services) from Slovakia to the rest of the world constitutes 91.9% of its GDP (Gross Domestic Product). This puts the country in 8th place globally as an export-orientated economy.

Political integration into global systems

The KOF Political Globalization Index for Slovakia rose dramatically from 61.9 in 1996 (the first year data is available for the country) to 83.5 in 2015; higher than the UK (82.96), France (82.65) and Germany (78.86), indicating the degree of international investment and political, social and economic integration the country has with the rest of Europe and the global economic system. It was in the top 20 most globalized countries globally in 2015 and 2016, rising from 17th to 16th place in the year, according to the KOF index.

Conditions for integration in global systems

As Slovakia entered the EU free-trade zone, it maximised its attractiveness of cheap land and low labour costs compared with other EU countries which had a longer history of economic growth and, consequently, high living standards and wage expectations. The Slovak government of the mid 2000s pursued a strategy of attracting international automobile activity by offering incentive packages and dedicated infrastructure programmes. A 'flat and user-friendly' business tax system along with high-skill, relatively low-wage labour meant that within the EU, former communist countries such as Slovakia became highly attractive as locations for new auto investment. This was illustrated by Kia Motors opening a site near Zilina for its prestige European assembly plant for the new C'eed model in 2007. A narrow valley expands into a wide plain offering the 166-hectare plant expansive cheap flat land a few minutes drive from the employee-rich city. The site has road and rail links with the rest of Europe and space for a 3km. test track, training centre and two plants making parts operated by Kia's suppliers. The 3000 workers operate a highly modern, efficient and cost-effective plant producing 300 000 cars a year for the whole European market.

Concerns with globalisation

The very rapid development of the Slovak economy is not without issues. There is a recognition that, as a small country, globalisation decisions that have benefited the economy can disappear and be invested elsewhere as swiftly as they arrived. As a result, the Slovak government regards membership of the EU and the Eurozone as acting as a buffer against turbulence in global economic decision-making. As a 2010 report of the Macrothink Institute states: "Considering the fact that Slovakia is a small country, (the) Slovak economy will have to face globalization risks and might compete and survive all factors only as a member state of the European Union and Eurozone."

Another major issue is in growing regional disparity within Slovakia as the centres of FDI (Foreign Direct Investment) have seen significant growth in employment, infrastructure development and earnings, while those regions lacking investment remain in a state of underdevelopment. The social and political implications of diverse economic prospects for the various regions of a rapidly changing country are likely to require political intervention to reduce regional inequalities which might otherwise result in potential tension.

<u>Using the information above and your own research around Globalisation Slovakia, create a summary/fact-file detailing the main ways the country has engaged with and benefitted from Globalisation.</u>