

## Globalisation Case Studies

Topic	Case Study	
<b>TNC in the Secondary Sector</b>	<p><b><u>Nike</u></b></p> <ul style="list-style-type: none"> <li>• Nike has offices in 45 countries and 700 stores worldwide</li> <li>• Most of its manufacturing takes place in developing or newly industrialised countries in Asia, such as China and Vietnam                             <ul style="list-style-type: none"> <li>○ They can employ people for cheaper in these countries so they make much more profit</li> <li>○ Nike has been accused of exploiting people working in their ‘sweatshops’</li> </ul> </li> <li>• <b>Workers will often experience</b> <ul style="list-style-type: none"> <li>○ Long hours</li> <li>○ Low wages</li> <li>○ Health problems</li> </ul> </li> <li>• <b>Nike will benefit by</b> <ul style="list-style-type: none"> <li>○ Paying lower wages</li> <li>○ Having greater output</li> <li>○ Receiving tax benefits offered by NIC’s e.g.: China</li> </ul> </li> </ul>	
<b>TNC in the Tertiary Sector</b>	<p><b><u>Tesco</u></b></p> <ul style="list-style-type: none"> <li>• Tesco is the world’s third largest retailer and is ranked 50<sup>th</sup> in the global league table</li> <li>• It’s one of the few TNCs with its HQs in the UK</li> <li>• Started life as a single grocery stall in the East End of London</li> <li>• It operates in 14 different countries employing 500,000 people</li> <li>• Has an annual turnover of £65 billion</li> <li>• Outsources many products from all over the world</li> <li>• Tesco has also outsources some of its administrative functions where it is much cheaper</li> </ul>	
<b>Role of global institutions</b>	<p><b><u>World Trade Organisation (WTO)</u></b></p> <ul style="list-style-type: none"> <li>• Deals with global rules of trade between countries</li> <li>• Promotes free trade by persuading countries to reduce or remove trade barriers</li> <li>• Its main function is to ensure that trade flows smoothly</li> </ul> <p><b><u>United Nations (UN)</u></b></p> <ul style="list-style-type: none"> <li>• “Guardian of international peace”</li> <li>• Promotes the development of poorer countries</li> </ul>	
<b>Impacts of Globalisation on different groups</b>	<p><b><u>Developed World</u></b></p> <ul style="list-style-type: none"> <li>• Improved Wages</li> <li>• High prices can be charged for products and services</li> <li>• Good working conditions</li> <li>• More flexibility and choice in where and when people work</li> <li>• Job losses as companies relocate to the developing world</li> </ul>	<p><b><u>Developing World</u></b></p> <ul style="list-style-type: none"> <li>• Pay high prices for services and products from developed world</li> <li>• Lower prices for its products</li> <li>• Low wages</li> <li>• Exploitation of workers</li> <li>• Child labour</li> <li>• Informal sector continues</li> </ul>