

Geography

GLOBAL INTERACTIONS

HL CORE EXTENSION



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Unit 4

Power, places and networks

4.1 Global interactions and global power

Revised

This study of **global interactions** has a broader perspective than some more conventional studies of globalization that often emphasize a linear process involving the domination and imposition of Western economic, political and cultural models and values on the world.

In the context of this course, global interactions suggests a two-way and complex process whereby dominant economic commodities and conventions, cultural traits, social norms and global political frameworks may be adopted, adapted or resisted by local societies. Central to this analysis is an appreciation of power:

- Some powerful people and places bring changes to other individuals and societies at a global scale.
- Local societies and stakeholders differ in their power to resist or adapt to globalizing forces and risks.

Keyword definition

Global interactions This phenomenon includes all of the varied economic, social, political, cultural and environmental processes that make up globalization. It also encompasses the many local opposition movements and new cultural forms that result when globalizing forces meet and interact with local societies and stakeholders.

Analysing globalization

Revised

The umbrella term **globalization** is used to describe a variety of ways in which places and people are now more connected with one another than they used to be. Many differing definitions of the term are in use (Figure 4.1).

- The words used reflect the varying perspectives of the writers: some definitions are primarily economic, such as the statement by the International Monetary Fund (IMF).
- Other definitions, as you can see, put greater emphasis on the cultural and political transformations that are also part of the globalization process (Figure 4.2).
- Some definitions are critical: this is because some people and organizations believe that recent global-scale changes brought by **neoliberalism** and **transnational corporations (TNCs)** and governments are often deeply harmful to people, places and environments.

PPPPSS CONCEPTS

Think about how the concept of **place** can be applied at varying **scales** in the country where you live (for example, neighbourhood, town, city, country).



Figure 4.1 Different definitions of globalization: each has a different 'character', reflecting the varying views, priorities or concerns of its author or audience

Keyword definitions

Neoliberalism A sometimes controversial approach to managing economies and societies which views government interference in human and environmental problems as being best kept to a minimum and left for 'rational' market forces to solve. Critics argue that neoliberal ideas and

policies are in fact the main reason why the rich continue to get richer compared with lower-income groups.

Neoliberal A philosophy to managing economies and societies which takes the view that government interference should be kept to a minimum and that problems are best left for market forces to solve.

Transnational corporations (TNCs)

Businesses whose operations are spread across the world, operating in many nations as both makers and sellers of goods and services. Many of the largest TNCs are instantly recognizable 'global brands' that bring cultural change to the places where products are consumed.

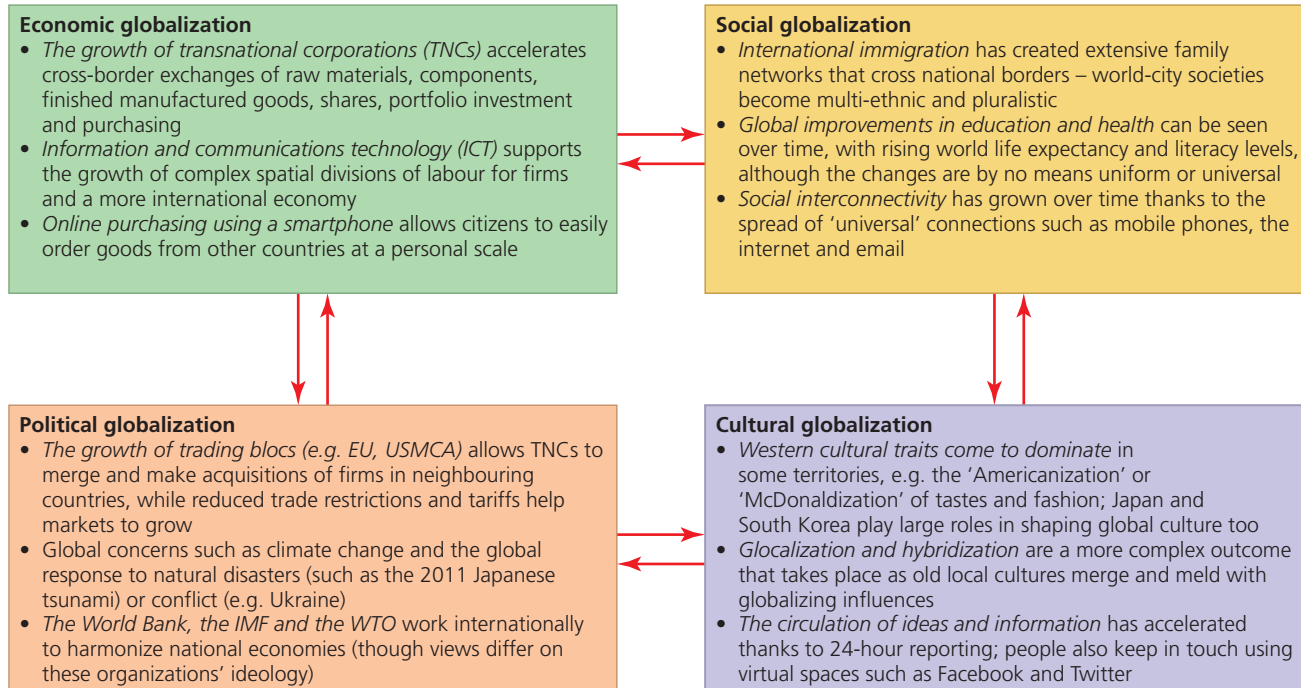


Figure 4.2 Four interconnected strands of globalization

Modern globalization is the continuation of a far older, ongoing economic and political project of global trade and empire building. Economies have been interdependent to some extent since the time of Earth's first great civilizations, such as ancient Egypt, Syria and Rome. There is certainly nothing novel in the global power-play and ambition of people, nations and businesses. Globalization may be regarded as the latest chapter in a long story of globally connected places, and of powerful people, businesses and countries shaping the world in ways that benefit themselves.

In the past, global connections were achieved through:

- **trade** – for example, the ancient Silk Roads (around 2,000 years ago), or more recently when Columbus reached the Americas, destroying the pre-Colombian civilizations, and a new world economy began to take shape
- **colonialism** – by the end of the nineteenth century, the British Empire directly controlled one quarter of the world and its peoples, the impacts of which can still be felt today
- **cooperation** – ever since the First World War ended in 1918, international organizations similar to today's United Nations (UN) have existed.

Modern (post-1940s) globalization differs from the global economy which preceded it due to the following factors:

- **Lengthening** of connections between people and places, with products shipped greater distances than in the past, and tourists travelling further from home.

- **Deepening** of connections, with the sense of being connected to other people and places now penetrating more deeply into almost every aspect of life. Think about the food you eat each day and the many places it is sourced from. It is difficult not to be connected to other people and places through the products we consume.
- **Faster speed** of connections, with people able to talk to one another in real-time, using technologies such as Zoom, or travel very quickly between continents using jet aircraft. Distance between continents has become measured in mere hours of flight time. Air travel, the telephone, internet access and containerized shipping are among the crucial new technologies that help coordinate economic, political, cultural and sporting activities taking place simultaneously in different parts of the world. In virtual social media, videoconferencing and gaming environments, truly globalized communities work and play in perfect synchronicity.

Figure 4.3 shows a timeline of the post-1945 period. It includes key economic, political and technological influences or events that have helped mould the world's states into a single, densely interconnected economic unit.

1944–45	Establishment of the World Bank, International Monetary Fund (IMF) and origin of the World Trade Organization (WTO). The post-war Bretton Woods conference provides the blueprint for a free-market non-protectionist world economy where aid, loans and other assistance become available for countries prepared to follow a set of global financial guidelines written by powerful nations.
1960s	Rising production in Southeast Asia, including Japan, and the emerging so-called Asian Tiger economies, notably South Korea, leads to international competition with the heavy industry economies of Europe and America. Unionized labour costs push up the price of production for Western shipbuilding, electronics and textiles. Most high-income Western countries enter a period of falling profitability for industry.
1970s	The OPEC Oil Crisis of 1973 puts pressure on Western industry. Rising fuel costs trigger a 'crisis of capitalism' for Europe and America, whose firms begin outsourcing and offshoring their production to low labour-cost nations. Meanwhile, soaring petrodollar profits for Middle East OPEC nations signal that the United Arab Emirates and Saudi Arabia are on their way to becoming new global hubs. In 1978, China begins economic reforms and opens up its economy.
1980s	Financial deregulation in major economies like the United Kingdom and the USA brings a fresh wave of globalization, this time involving financial services, share dealing and portfolio investment (by 2008, financial markets will have an inflated value more than twice the size of actual world GDP). The collapse of the Soviet Union in 1989 significantly alters the global geopolitical map, seemingly leaving the USA as the only 'superpower'.
1990s	Landmark decisions by India (1991) and China (1978) to open up their economies bring further change to the global political map. Established powers strengthen their regional trading alliances, including the European Union (EU, 1993) and North American Free Trade Association (NAFTA, 1994). The late 1990s Asian financial crisis is an early warning of the risks brought by loosely regulated free market global capitalism.
2000s	Major flaws in the globalized banking sector emerge during the 2008 Global Financial Crisis (GFC). Unsecured loans totalling trillions of dollars undermine leading banks. This brings a negative multiplier effect that causes a fall in the value in global gross domestic product (GDP). In an interconnected world, growth slows for the first time in two decades for China and India, the two great outsourcing nations and now emerging superpowers.
2010s	Global economy remains weak following the GFC. Despite slower growth, China overtakes the USA to become the largest economy by purchasing power parity (PPP). In some countries, popular opposition to global interactions, especially migration and free trade, seems to be rising – the UK leaves the EU and Donald Trump is elected US President. Internet connectivity rises steeply in African countries.
2020s	Covid-19 pandemic lockdowns in most countries trigger a worldwide collapse in the value of trade and remittance flows. In contrast, there is a surge in online connectivity as economic and social interactions move online. The 2022 Russian invasion of Ukraine interrupts global energy and food markets; millions of refugees head towards Europe. Experts struggle to tell whether globalization is increasing, pausing or retreating.

TIME

Figure 4.3 A post-1945 timeline for economic and political globalization

A sense of global connectivity is not yet shared by everyone in the world though. Some nations and regions (for example, parts of the Sahel) experience a much more 'shallow' form of integration. There can also be great disparity among a country's citizens in terms of how 'global' they feel. For instance, citizens in Brazil's core cities of Rio and São Paulo are producers and consumers of global commodities, culture, ideas, entertainment and sport. In contrast, some of Brazil's Amazon rainforest communities, such as the Korubo people, may have relatively little knowledge of the outside world, and lack much connectivity with other societies.

PPPPSS CONCEPTS

Think about how all states are globally connected (though to varying degrees) but some **smaller-scale places** and communities within them may not be.

■ Measuring globalization

Various efforts have been made to quantify the extent to which different countries participate in global interactions. Uneven levels of globalization can be measured using indicators and indices.

The Swiss Institute for Business Cycle Research, also known as KOF, produces an annual Index of Globalization. In 2019, Belgium and Switzerland were the world's most globalized countries according to the KOF index (Figure 4.4). A complex methodology informs each report (Table 4.1). Levels of economic globalization are calculated by examining trade, foreign direct investment (FDI) figures and any restrictions on international trade. Political globalization is also factored in, for instance, by counting how many embassies are found in a country and the number of UN peace missions it has participated in. Finally, social globalization is accounted for, defined by KOF as 'the spread of ideas, information, images and people'. Data sources for this include levels of internet use, TV ownership, and imports and exports of books.

Figure 4.4 KOF globalization scores and ranks for selected countries, 2019 (pre-Covid)

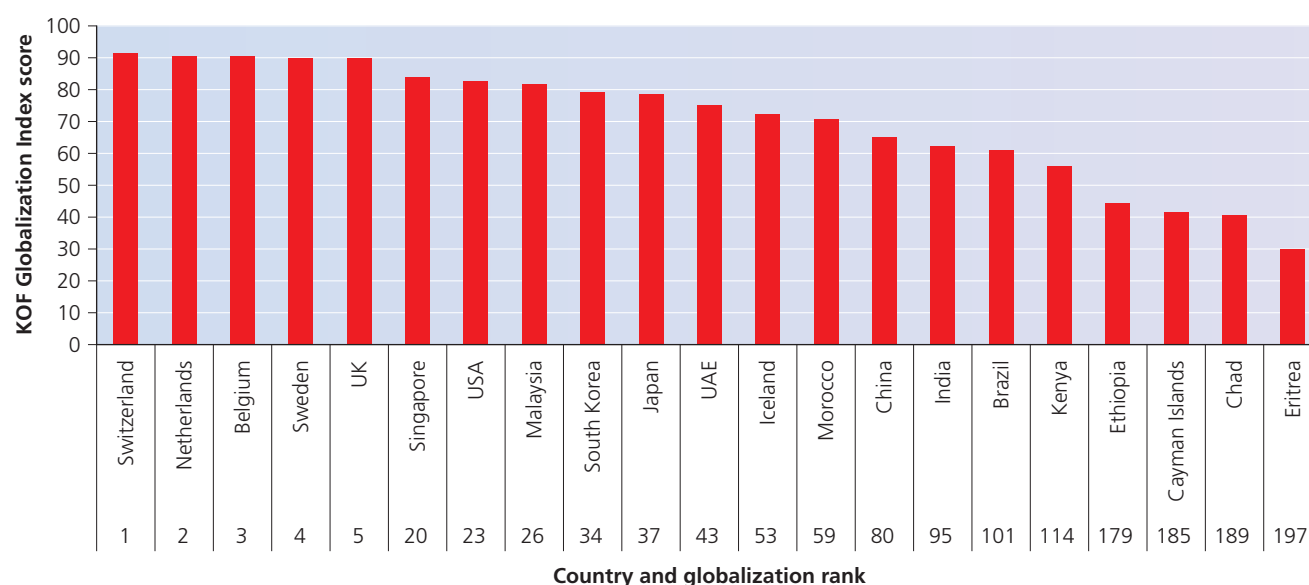


Table 4.1 Calculating a country's globalization score using the KOF index

Stage	
1	To study economic globalization, information is collected showing long-distance flows of goods, capital and services. Data on trade, FDI and portfolio investment are studied, including figures from the World Bank.
2	A second measure of economic globalization is made by examining restrictions on trade and capital movement. Hidden import barriers mean tariff rates and taxes on international trade are recorded. As the mean tariff rate increases, countries are assigned lower ratings.
3	Political globalization data are looked at next. To proxy the degree of political globalization, KOF records the number of embassies and high commissions in a country as well as the number of international organizations of which the country is a member and also the number of UN peace missions a country has participated in.
4	The assessment of social globalization starts with use of personal contacts data. KOF measures direct interaction among people living in different countries by recording: (a) international telecom traffic (traffic in minutes per person); (b) tourist numbers (the size of incoming and outgoing flows).
5	The study of social globalization also requires use of information flows data. World Bank statistics are employed to measure the potential flow of ideas and images. National numbers of internet users (per 1,000 people) and the share of households with a television set are thought to show 'people's potential for receiving news from other countries – they thus contribute to the global spread of ideas'.
6	Finally, cultural globalization data are collected. By KOF's own admission, this is the dimension of social globalization most difficult to measure. The preferred data sources include imports and exports of movies and music. How easily and accurately do you think these flows and movement can be measured though?
7	Now all the data have been collected, a total of 43 variables (covering economic, political and social globalization) are each converted into an index on a scale of 1 to 100, where 100 is the maximum value for each specific variable and 1 is the minimum value. High values denote greater globalization. However, not all data are available for all countries and all years. Missing values are substituted by the latest data available. Averaging then produces a final score out of 100.
8	Each year's new KOF index scores are added to a historical series covering more than 40 years, beginning in 1970. Changes in globalization over time can then be studied. In future years, it will be interesting to study the long-term impacts of the Covid-19 pandemic on KOF rankings from 2020–21 onwards.

While there may be merit in KOF's multistrand approach to measuring globalization, there are considerable grounds for criticism too. For instance, does the existence of IKEA in one neighbourhood of a city make that entire country's population highly globalized? Equally, the reasons why some countries volunteer large numbers of troops for US missions are complex; it need not necessarily be the case that the most economically globalized countries are the most militarily proactive (take Japan and Germany, for instance).

Another well-known measure of globalization is the AT Kearney World Cities Index (WCI). The ranking is established by analysing each city's 'business activity', 'cultural experience' and 'political engagement'. The data supporting this include a count of the number of TNC headquarters, museums and foreign embassies, respectively. New York, London, Paris, Tokyo, Hong Kong, Beijing and Singapore are always ranked highly as 'Alpha' global hubs for commerce – this remained true in the post-Covid 2021 and 2022 WCI reports which praised the way these cities 'demonstrated their resilience' during the Covid-19 pandemic.

The KOF Index and Kearney Index combine many data sources, which can be critiqued on the grounds of either reliability or validity. Some data suffer from crude averaging and statistical gaps. Other indicators are arguably poor proxies for globalization (hours spent watching TV, for instance). While they are an interesting starting point for the study of globalization, both indexes lack the rigour and trustworthiness of, say, properly sampled and peer-reviewed scientific surveys of climatic data for different countries.

Global superpowers

Revised

The term 'global superpower' was used originally to describe the ability of certain countries and empires to project power and influence anywhere on Earth to become a dominant worldwide force.

- The British Empire was a colonial power, alongside France, Spain, Portugal and other European states. Between approximately 1500 and 1900, these expansionist powers built global empires. One result was the suppression and erasure of many cultures and traditions of the countries they colonized and the diffusion of European languages, religions, laws, customs, arts and sports on a global scale.
- In contrast to the direct rule of the British in earlier centuries, the USA has dominated world affairs since 1945 mainly by using indirect forms of influence or **neo-colonial** strategies. These include the US government's provision of international aid and the cultural influence of American media companies (including Disney and Amazon). Alongside such **soft power** strategies, the US government has routinely made use of **hard power**. This means the geopolitical use of military force (or the threat of its use) and the economic influence achieved through forceful trade policies, including economic sanctions or the introduction of import tariffs. The term 'smart power' is used to describe the skilful combined use of both hard and soft power in international relations (Figure 4.5).
- Russia's full invasion of Ukraine in 2022 was the culmination of increasingly aggressive 'revanchist' Russian foreign policy focused on reversing Cold War territorial losses. Following on from previous interventions in Crimea (2014) and Syria (2015 onwards), Russian leader Vladimir Putin has made violent use of military hard power to achieve his aims. Putin has also been credited with successful use of a new type of influence called **sharp power**.

PPPPSS CONCEPTS

Think about what the word **power** means at different **scales** and in different contexts. What can make a person powerful, for instance?

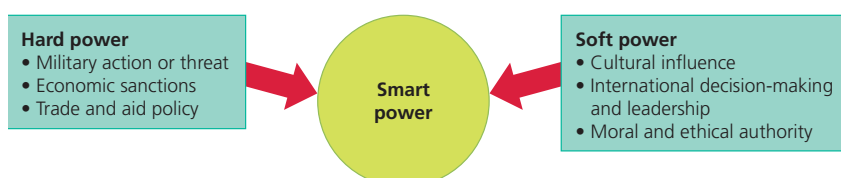


Figure 4.5 The ingredients of 'smart power' (recently, some authors have begun to add 'sharp power' as a third ingredient of smart power)

Keyword definitions

Neo-colonial The indirect actions by which some countries exercise a degree of control over the development of their former colonies or other countries. This can be achieved through varied means including conditions attached to aid and loans, cultural influence and military or economic support (either overt or covert) for particular political groups or movements within a developing country.

Soft power The political scientist Joseph Nye coined the term 'soft power' to mean the power of persuasion. Some countries are able to make others follow their lead by making their policies attractive and appealing. A country's culture (arts, music, cinema) may be viewed favourably by people in other countries.

Hard power This means getting your own way by using force. Invasions, war and conflict are very blunt instruments. Economic power can be used as a form of hard power: sanctions and trade barriers can cause great harm to other states.

Sharp power This refers to the power of manipulation, such as attempts to interfere in other countries' democratic elections or manipulate views on social media.

Other than the USA, what other states can claim to be true global superpowers?

- China became the world's largest economy in 2014 and exerts power over the global economic system through its sheer economic and demographic (population) size. Other **emerging economies** including India and Indonesia play an increasingly important global role.
- Russia uses economic power through exports of gas and hard power through military force to maintain its global influence.
- Although no single European country equals the influence of the USA, several have remained significant global players in the post-colonial world (notably the G7 nations of Germany, France, Italy and the UK). Another view is that European states can only rival the USA's global superpower status when they work together as members of the European Union.

Keyword definition

Emerging economy Countries that have begun to experience higher rates of economic growth, often due to rapid industrialization. Emerging economies correspond broadly with the World Bank's 'middle-income' group of countries and include China, India, Indonesia, Brazil, Mexico, Nigeria and South Africa.

Figure 4.6 provides an assessment of several influential countries using a range of criteria to create a superpower index.

Constructing a superpower index

Data on superpower characteristics can be used to quantify their power and influence. Single measures, such as population size or total GDP, are unlikely to be good indicators because they only quantify one aspect of power.

Figure 4.6 shows a power index using four quantitative measures:

- total GDP (economic)
- total population (resources/demographic)
- nuclear warheads (military)
- TNCs (economic/cultural).

Each measure has been ranked, with 1 being the highest score. Total PPP GDP and TNCs have been scaled (multiplied by 3 and 2, respectively) to reflect their greater importance as measures of power.

Using this index, the USA and China have equal scores of eleven. This reflects China's 'catching up' to the USA in the last decade. Other countries are some distance behind these scores. This reflects the fact that they are powerful in some areas but not others. A wide range of data can be used to construct power indices, although the results are often surprisingly similar.

	Total PPP GDP, US\$ trillions	Rank, scaled $\times 3$	Total population, millions	Rank	Nuclear warheads	Rank	Fortune Global 500 TNCs	Rank, scaled $\times 2$	Sum of ranks
China	27.8	3	1,402	1	290	3	119	4	11
Germany	4.2	16.5	83	6	0	6.5	29	8	37
India	11.3	9	1,362	2	140	5	7	12	28
Japan	5.4	12	126	5	0	6.5	52	6	29.5
Russia	4.2	16.5	146	4	6,500	1	4	14	35.5
UK	3.0	21	67	7	215	4	18	10	42
USA	21.4	4	329	3	6,185	2	121	2	11

Source: Cameron Dunn, using data from World Bank, Wikipedia, <https://fortune.com/global500/>

Figure 4.6 Constructing a superpower index (2019/20 data)

Many countries can make a claim to be globally powerful in certain ways. For example, the small Middle Eastern state of Qatar has proved to be capable of exerting great influence around the world. It has one of the highest per capita PPP GDP values in the world, at almost US\$100,000 (2021). Its wealth and global influence, like neighbouring Saudi Arabia's, are partly due to fossil fuel wealth: Qatar has 14 per cent of all known gas reserves. Qatar's government has reinvested its petrodollar wealth in ways that have diversified the national economy and built global influence too:

- The city of Doha has become a powerful place where international conferences and sporting events are held, served by Qatar Airways and Doha International Airport. Important UN and World Trade Organization (WTO) meetings have taken place in Doha including the 2012 UNFCCC Climate Negotiations. The city beat off competition from the USA and Japan to host the 2022 football Fifa World Cup.
- Qatar's Al Jazeera media network rivals the BBC and CNN for influence in some parts of the world and is an important source of soft power.

However, many people regard Qatar as a regional power, rather than a global superpower.

CASE STUDY

RIVAL SUPERPOWERS? CHINA AND THE USA

The USA and China are the world's leading superpowers.

- Until recently, the USA was widely seen as being the world's unchallenged 'hyperpower', meaning that it was dominant in all aspects of power.
- In recent years, however, it has become harder to sustain this unipolar view of the world. China is increasingly viewed as rivalling the USA in many ways (Figure 4.7).
- Up until very recently, the USA benefited most from globalization by being able to regulate the terms of its own global interactions with other countries and TNCs in ways that returned significant economic and political rewards. For this reason, conventional wisdom used to be that globalization and 'Americanization' were one and the same thing. However, the roadmap is rapidly changing, as Table 4.2 shows.

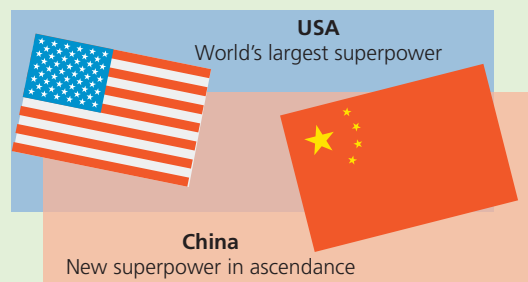


Figure 4.7 China and the USA are vying for leading superpower status

Table 4.2 Analysing and evaluating the superpower status and global influence of the USA and China

	Analysis	Evaluation
USA	<ul style="list-style-type: none"> • The 330 million people who live here (less than one-twentieth of the world's population) own around one-third of global personal wealth. Of the 500 largest global companies, around one-quarter were US-owned in 2019. • The USA has disproportionate influence over important intergovernmental organizations, many of which are based in Washington DC or New York. To date, all World Bank presidents have been US citizens. • US cultural influence is so strong that terms like 'Americanization' and 'McDonaldization' are widely used to describe the way US food, fashion and media have shaped global culture. • The USA has used a combination of overt military power and covert intelligence operations to intervene in the affairs of around 50 states since 1945, according to William Blum, a former US State Department official. 	<ul style="list-style-type: none"> • The USA's influence over international organizations, including the UN, NATO, the IMF and the World Bank, has given it greater influence over global politics than any other state. The USA was the main architect of the global economic system created at the end of the Second World War, and the neoliberal principles that inform it. Over time, the free market philosophy that institutions like the World Bank and International Monetary Fund promote have become known as 'the Washington consensus'. • The multiple ways in which the USA is able to influence global interactions make it a true global superpower (some people have even dubbed the USA a 'hyperpower'). No other country has such a formidable combination of geopolitical, economic and cultural tools at its disposal. • Many US politicians think that the USA has lost too much influence to China. Washington signalled it would begin to take a tougher stance against Beijing in 2018 when it banned Chinese technology TNC Huawei from supplying equipment to US federal government offices, due to security concerns.
China	<ul style="list-style-type: none"> • Prior to 1978, China was a poor and politically isolated country, 'switched-off' from the global economy. Under the communist leadership of Chairman Mao Zedong, millions had died from famine. Most people lived in poverty in rural areas. This changed in 1978 when Deng Xiaoping began the radical 'Open Door' reforms that allowed China to embrace globalization while remaining under one-party authoritarian rule. • Today, China is the world's largest economy. Over half a billion of people who live here are thought to have escaped poverty since the reforms began. FDI from China and its TNCs is predicted to total US\$1.25 trillion between 2015 and 2025 (pre-Covid estimate). 	<ul style="list-style-type: none"> • The average income of China's population is still less than one-third of US citizens. Further catch-up may be slow now economic growth has begun to tail off in China. • The country has an ageing population (a legacy of its now-abandoned one-child policy). China lacks the soft power of the USA, in part due to its cultural isolation (internet freedoms are restricted by its government). • But there are signs that China now challenges the USA in many ways, notably by investing in Africa and Asia by lending money to countries as part of its Belt and Road Initiative. Meanwhile, China's so-called 'wolf warriors' are working to enhance China's global reputation.

Powerful global organizations and groups

Revised

The world map of power is complicated. It is not only the governments of individual states that influence the world economy and global interactions. Global organizations (including lending institutions) and global groups of nations play an important role too.

The UN was the first post-war intergovernmental organization (IGO) to be established. The UN's contribution to global development is vast. No other international organization has the same degree of influence over global interactions. Over time, its remit has grown to include human rights, the environment, health and economics. The General Assembly is made up of voting representatives for all 193 member states. Important UN achievements have included:

- the Declaration of Human Rights and the International Court of Justice
- the 1992 Conference on Environment and Development (the 'Earth Summit')
- the Millennium Development Goals (2000) and the Sustainable Development Goals (2015).

Alongside the UN, other important organizations and groups have a significant role in global governance, particularly in relation to matters of trade. Table 4.3 analyses and evaluates the work done by global lending institutions, while Table 4.4 shows several important and powerful global groups. Figure 4.8 shows the relationship between some of these groups and the wealth of their members.

Table 4.3 Global lending institutions

Institution	Analysis	Evaluation
International Monetary Fund (IMF)	<ul style="list-style-type: none"> • The IMF monitors the economic development of countries. Under the umbrella of the UN, it lends money to states in financial difficulty which have applied for assistance. • The IMF supported over 50 low-income countries during the Covid-19 pandemic by distributing Poverty Reduction and Growth Trust loans – with a combined value of US\$14 billion. • The IMF has always had a European president but is based in Washington DC. 	<ul style="list-style-type: none"> • IMF rules and regulations are controversial, especially the strict conditions imposed on borrowing governments. In return for help, recipients agree to run free-market economies that are open to investment by foreign TNCs. Governments may also be required to cut back on health care, education, sanitation or housing spending. • Critics say that the USA and some European countries exert too much influence over IMF policies.
World Bank	<ul style="list-style-type: none"> • Since 1960, the World Bank's International Development Association (IDA) has provided zero-interest loans and grants for projects and programmes that were meant to stimulate growth and help reduce poverty for over 1 billion people in the world's poorest countries. In total, IDA distributed almost half a trillion dollars during its first 60 years. • For example, by 2022 the World Bank had lent US\$9 billion to finance 55 projects in war-torn Democratic Republic of the Congo (DRC) with a strong focus on reconstruction of basic transport and energy infrastructure. Learn more online at: www.worldbank.org/en/country/drc/overview#2 • It has been headquartered in Washington since its establishment in 1945 at the Bretton Woods conference. 	<ul style="list-style-type: none"> • It is argued that the World Bank has succeeded in promoting trade and development. It has helped the world avoid a return to the policies of the 1930s, when many countries put up trade barriers. This was harmful to world trade and a major contributing factor to the Great Depression of the 1930s, and the mass unemployment and hardship it brought to working people in many countries. This instability played a role in the outbreak of war in 1939. • The World Bank can impose strict conditions on its loans and grants. Its critics describe this as 'neo-colonialism'.
New Development Bank	<ul style="list-style-type: none"> • In 2014, the BRICS group of nations announced the establishment of the New Development Bank (NDB) as an alternative to the World Bank and IMF. • In addition, the China Development Bank (CDB) loaned nearly half a trillion dollars to low- and middle-income countries between 2008 and 2019 (Pakistan, Russia, Venezuela and Angola were big borrowers). Although CDB lending rivalled World Bank lending through most of this period, it tapered dramatically after 2016 as China's economic growth slowed. It remains to be seen how active China's post-Covid-19 and post-Ukraine lending will be. 	<ul style="list-style-type: none"> • The arrival of the NDB and CDB means that poorer nations no longer have to agree to the lending terms of the US-dominated Bretton Woods institutions (the IMF and World Bank). This can be viewed as a step towards a more democratic world order. • However, the new banks do have far less experience than the IMF and World Bank of managing global economic systems.
G7 and G20	<ul style="list-style-type: none"> • The G7 'Group of Seven' nations includes the USA, Japan, UK, Germany, Italy, France and Canada (past conferences with Russia were called G8 meetings). Since 1975, the world's largest economies have met periodically to coordinate their response to common economic challenges. • In 2011, G7 countries were praised for acting quickly to stabilize Japan's economy after the devastating tsunami. In contrast, the response of both the G7 and G20 to Covid-19 has been criticized – one view is that rich countries did too little to provide the world's poorest states with financial assistance. 	<ul style="list-style-type: none"> • The G7 is steadily becoming less important as a forum for international decision-making. This is because several leading economies, including China, India, Brazil and Indonesia, are not G7 members. A larger group called the G20 has therefore been established which includes these leading emerging economies in addition to the G7 members. • The larger size of the G20, and the differing views of its members, sometimes weakens its ability to agree and act on issues.

Keyword definition

BRICS group Brazil, Russia, India, China and South Africa are five countries whose economies were growing rapidly in the early years of the twenty-first century. In the past, the BRICS countries have sometimes worked together. Following Russia's invasion of Ukraine, however, future relations are uncertain.

Table 4.4 Powerful global groups

Groups	Analysis	Evaluation
OECD	<ul style="list-style-type: none"> Like the G20, the Organization for Economic Cooperation and Development (OECD) is another grouping of high-income nations and middle-income countries like Mexico. The OECD mission is 'to promote policies that will improve the economic and social well-being of people around the world'. Member states have signed formal agreements on protecting the environment. They have also agreed to work together to tackle the challenge of ageing populations. 	<ul style="list-style-type: none"> The OECD has made some progress towards clamping down on tax evasion by TNCs. Rules to stop companies using complex tax arrangements to avoid paying corporate tax have been established under the 'Tax Inspectors Without Borders' initiative. As a result, it is becoming harder for firms to hide money in tax havens. In contrast, OECD countries were criticized for failing to help distribute Covid-19 vaccines more fairly. One year after they were introduced, only one in seven of the Covid-19 vaccine doses promised to the world's poorest countries had been delivered – while consenting adults in OECD nations had often received three shots (Figure 4.9). This falls far short of the OECD mission to improve the well-being of people globally.
OPEC	<ul style="list-style-type: none"> The Organization of Petroleum Exporting Countries (OPEC) is a wealthy and important global grouping of countries like Saudi Arabia and Qatar. As demand for oil has grown, OPEC nations have gained enormous wealth. Global dependency on oil ensures OPEC countries are key political players, with real influence on the world stage. 	<ul style="list-style-type: none"> Several OPEC countries have suffered the destabilizing effects of civil war, insurgency or international conflict, including Kuwait, Iraq and Nigeria. There is one view that oil can actually hinder rather than help a country's economic growth (the 'oil curse' theory). The collapse in world oil prices in 2020 left several OPEC members in need of a financial 'bail out' from the IMF.

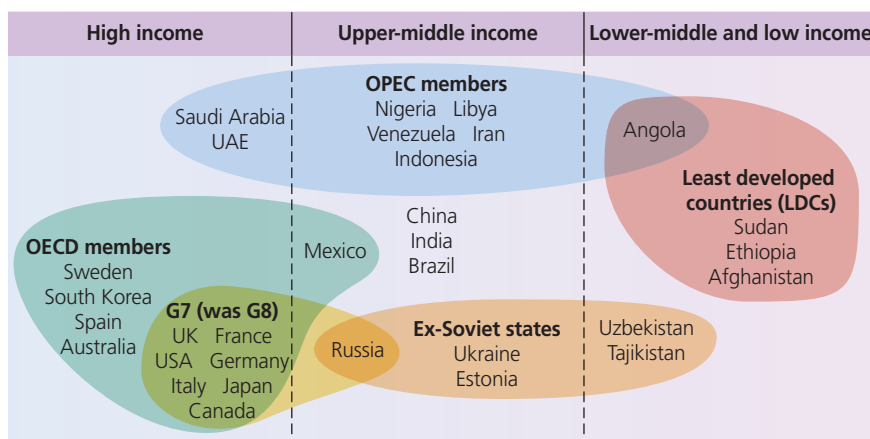


Figure 4.8 Global groupings (note that LDCs is a category created by the United Nations)

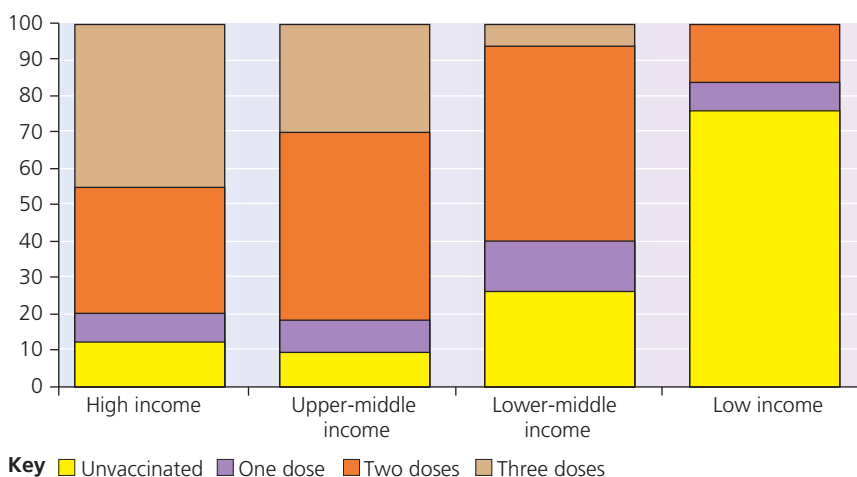


Figure 4.9 Global disparities in the distribution and use of Covid-19 vaccines at the start of 2022 (UN data showing percentages of people in different types of country)

Powerful places at different scales

Some principal cities within powerful or wealthy states function as **global hubs** (Figure 4.10). These are powerful places *at both national and global scales*. Cities like New York and Mumbai attract international migrants, businesses and flows of foreign investment while also drawing in migrants and capital from other parts of the USA and India respectively. Some global hubs are megacities with over 10 million residents. Size is not a prerequisite for global influence, however. Smaller-sized global hubs which 'punch above their

Keyword definition

Global hub A settlement or state which is highly connected with other places and through which an unusually large volume of global flows are channelled.

weight' in terms of their global reach include Washington DC and Qatar's Doha, as we have already seen. In 2021, Oxford University in the UK was named as the world's leading educational institution for the fifth consecutive year: despite its small size, the city of Oxford is a powerful place.

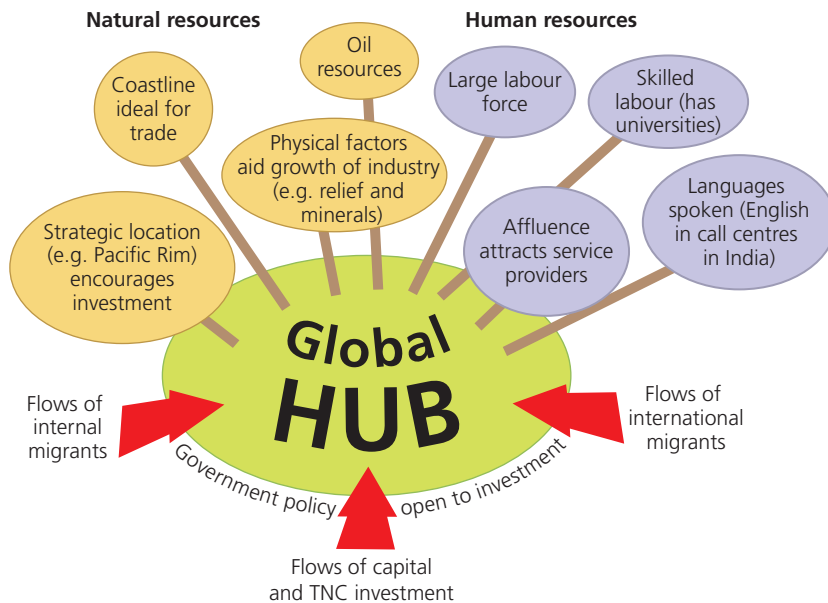


Figure 4.10 The excessive influence of global hubs often derives from an advantageous pairing of natural resources and human resources

CHAPTER SUMMARY

KNOWLEDGE CHECKLIST

- The concept of globalization
- Attempts at quantifying globalization, for example, the KOF index
- The global superpowers concept
- An illustration of the economic, geopolitical and cultural influence of superpowers, using two contrasting and detailed case studies (USA, China) and other examples (Qatar)
- The actions and influence of global lending institutions, including the International Monetary Fund (IMF) and China's New Development Bank (NDB)
- The role and influence of international organizations

- consisting of mainly high-income countries and emerging economies, including: the G7, G20 and Organization for Economic Cooperation and Development (OECD) groups
- The influence that the Organization of the Petroleum Exporting Countries (OPEC) continues to have over energy policies and prices worldwide
- The global hub concept

EVALUATION, SYNTHESIS AND SKILLS (ESK) SUMMARY

- How wealthy and powerful places exist at varying scales
- How the globalization map is complex and dynamic over varying timescales

EXAM FOCUS

ANALYTICAL WRITING SKILLS

Once you have acquired knowledge and understanding, your course requires you to apply what you have learned to produce an analytical or explanatory piece of extended writing (under assessment criteria AO1 and AO2). In the exam, the part (a) extended writing question has a maximum score of 12 marks.

Below is a sample higher level (HL) answer to a part (a) exam-style extended writing question. Read it and the comments around it. The levels-based mark scheme is shown on page vi.

Analyse how powerful states influence global interactions in ways which benefit themselves. (12 marks)

Powerful states are countries with the means to project their influence regionally or, in the case of true superpowers, globally. Power is exercised in many ways, and different kinds of power are used by states to influence different types of global interaction. Economic power is important if you want to dominate global trade flows, for instance. Here I will be looking at economic and military power (hard power), and soft power (cultural and political influence) of different states. (1)

- 1 This is a useful introduction that defines key geographic terms and concepts, and also breaks them down in ways which help to structure the essay that follows.

Economic power is arguably the most important type of power as it takes money to pay for military technology and the media that are needed to project soft power globally. Large countries often have a very large GNI (though not necessarily per capita GNI). The largest states in terms of population are China, India, the USA and Indonesia, all of which are ranked highly in terms of global wealth. All of them are important global players, although the USA is still the number one global superpower according to many criteria. It has the highest nominal GNI (though China's is higher when adjusted for purchasing power parity, or PPP). Moreover one-quarter of the world's 500 largest TNCs are domiciled in the USA. The USA was home to around one-quarter (700) of the world's billionaires (2,700 in total) in 2021, despite only being home to one-twentieth of the world's people. As a result of this wealth, the USA has a disproportionate influence over global economic flows and patterns of trade and investment. (2) The other type of hard power – military might – still matters too. Putin's forces were able to invade Ukraine in 2022 with limited opposition from the West because Russia has many nuclear weapons. However, the imposition of economic sanctions on Russia by the EU and USA means that this action has actually been very costly, and not economically beneficial, for Russia.

The USA also uses its soft power, or diplomacy, to create conditions which its businesses thrive in. US presidents have worked hard to negotiate deals with other countries which allow their TNCs to gain entry to new markets. Keeping good relations with European countries, China and India is important. So the soft power of diplomacy helps lay the groundwork for US companies to show their economic power. Some countries like the USA and UK also have a major say in how global multi-governmental organizations like the World Bank and IMF operate. They exert a lot of influence over the rules of world trade and this helps them use global interactions for their own benefit. The USA holds 17 per cent of IMF voting power and so helps decide who gets lent money and who does not. (3)

Another way in which soft power works is through the way a country's culture and values are spread across the world, the result being that other states view it more favourably. The power of TNCs and global media corporations is important again here. As well as making the USA wealthy, its TNCs have also spread American values and culture around the world, including fast food and the English language, and films showing gender equality and the positive representation of marginalized LGBTQ+ communities in new content from Disney and Amazon. This is all streamed globally and may help build goodwill towards the USA in other countries. (4)

Soft power used to be associated mainly with western nations. However, increasingly, new Asian and African powers have cultural influence too. Japan's culture has spread around the world: Sushi, Manga comics and cartoons like Pokémon are part of global culture. India's Bollywood cinema is a global export too. (5)

Finally, when we are looking at how a country uses global interactions in beneficial ways, it may be worth asking: who really benefits? A country is made up of many different individuals and stakeholders, including governments, companies and citizens, but they may not all benefit from their country's involvement in global interactions. For some people, their lives may actually get worse. Factory owners in China and India may have benefited from their emergence as new superpowers but not all the workers may have done. (6)

Examiner's comment

This is a well-structured (AO4) piece of extended writing, which applies (AO2) a broad range of relevant ideas, concepts and examples. The detail of the content (AO1) is good. Overall, this would reach the highest mark band.

2 A well-applied account of financial flows and TNCs, which is linked well to the benefits countries gain.

3 Inter-governmental organizations are a relevant theme to explore when looking at superpowers.

4 Good points about diversity and representation are used to widen the response further.

5 Excellent details are provided, although this paragraph is less explicit about the benefits countries gain from their culture becoming known. Could you improve it? How does Bollywood benefit India, for instance?

6 This paragraph shows the writer is thinking very carefully about the way the question has been phrased in order to apply as much understanding to the task as he or she can. The idea of countries acting in ways that benefit 'themselves' is actually a complex proposition: not all citizens of powerful countries benefit equally from their country's success. A high level of AO2 attainment has been reached here.

Structuring an answer

The best essays use paragraphing to deliver a clear structure, which is awarded credit under criterion AO4. Read the essay and the comments and review the way that it has been carefully structured. Note that the part (a) extended writing task is not discursive and therefore does not require a formal conclusion.

4.2 Global networks and flows

Revised

In the study of global interactions, geographers conceptualize the world as consisting of networks of connected places and people. A network is an illustration or model that shows how different places are linked together by connections or flows, such as trade or tourist movements (Figure 4.11). Network mapping differs from topographical mapping by not representing real distances or scale but instead focusing on the varied level of interconnectivity for different places, or nodes, positioned on the network map.

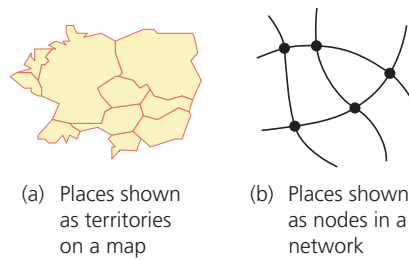


Figure 4.11 Places in (a) topographical and (b) network mapping

A networked world

Revised

Network flows have stimulated the imagination of writers and artists, including Chris Gray who has represented the world in the style of the iconic London Underground network map. In Gray's worldview, the divisive international borders that separate cities are no longer present and physical separation poses no obstacle to information flows between places in the internet age. The result is an isotropic surface of nodes and hubs in a borderless world, all connected by multi-coloured flow lines (Figure 4.12).

Cities viewed by the artist as being especially important or powerful are portrayed as global hubs with heightened connectivity (see Unit 4.1, pages 9–10). Major flows of goods, services, information and people pass through or penetrate these places. Vast capital flows are routed through stock markets in global hubs such as London and Paris where investment banks and pension funds buy and sell money in different currencies. In 2019, the volume of daily foreign exchange transactions reached US\$6 trillion worldwide.

PPPPSS CONCEPTS

Think about how different types of global interaction (migration, trade, internet use) may give rise to different kinds of globalizing **process** (cultural change, economic development, the spread of democracy).

Figure 4.12 Europe and Russia redrawn as a network (based on the London Underground design)



Geography

GLOBAL INTERACTIONS

HL CORE EXTENSION

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About the author

Dr Simon Oakes has worked as a chief examiner across a range of geography and humanities qualifications, including IGCSE level and the IB Diploma. A highly experienced school teacher and undergraduate lecturer, he is a recipient of the UK Royal Geographical Society's Ordnance Survey Award for excellence in geography education. Simon has authored many course textbooks and is an Associate Editor of *Geography Review* magazine.



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