

4 Globalisation

Glossary

Name _____ Class _____

Specialist geographical vocabulary for **Chapter 4 Globalisation**.

Specialist term	Definition
A T Kearney Index	measures how globalised a country has become
capital	money or assets
capitalism	a belief in a market economy, where people are free to set up businesses and keep their profits (subject to taxes), and where supply and demand determine the prices of goods and services
commodities	raw materials
commodity traders	people who trade raw materials in financial centres, thus guaranteeing the supply, price and delivery date of the product months ahead
communism	a belief in communal wealth where property is owned communally and wealth is distributed equally. The State owns or controls most land, as well as the banks, natural resources, and the media
cultural diffusion	the spread of one culture to another by various means
cultural erosion	the changing and loss of culture in an area, such as the loss of language and traditional food
deindustrialisation	the decline of manufacturing industry in an area
depopulation	when the population of an area declines

deregulation	the reduction in rules which means that any foreign business can set up in the UK and bring its overseas staff with it
e-tailer	an electronic online retailer
ecological footprint	a measure of the land area and water reserves that a population needs in order to produce what it consumes (and absorb the waste it generates), using current technology
economic sector balance	the percentage contribution of primary, secondary and tertiary sectors to GNI
economies of scale	the ability to reduce costs proportionately by increasing the scale of production
elite migrants	skilled, wealthy migrants, often experts in finance and investment
ethnic enclaves	concentrations of particular communities in an area, such as a high concentration of Asian or Asian British residents with a Pakistani background in East London
Export Processing Zones	the term now used by China instead of 'Special Economic Zones' which describes areas set up by national governments to offer financial or tax incentives to attract FDI, which differ from those incentives normally offered by a country
fairtrade	an independent not-for-profit organisation which aims to return a bigger proportion of the revenue to producers or growers
Foreign Direct Investment (FDI)	investment made by an overseas company or organisation into a company or organisation which is based in another country
free enterprise	when companies operate in competition with each other, with minimal governmental control
futures market	a market where traders can buy and sell futures contracts, in which contractors agree to supply and deliver goods at an agreed price at a time in the future

G8	an IGO consisting of the USA, UK, France, Canada, Germany, Italy, Japan and Russia, which meets annually to discuss development
G20	an IGO which comprises 19 individual countries plus the EU. It brings together developed and developing countries to discuss key economic issues
Gini Coefficient	a measure of inequality which considers how far wealth distribution within a country deviates from perfect equality
global homogenisation	the idea that everywhere is becoming the same
global shift	the movement of manufacturing from Europe and the USA to many Asian countries
globalisation	the process by which people, culture, finance, goods and information transfer between countries with few barriers
glocalisation	when a company re-styles its products to suit local tastes
Gross Domestic Product (GDP)	the same as Gross National Income, but excluding foreign earnings
Gross National Income (GNI)	the value of goods and services earned by a country (excluding overseas earnings), formerly known as Gross National Product (GNP)
Heavily Indebted Poor Countries Initiative (HIPC)	38 of the least developed countries with the greatest debts which, since 1996, have been eligible to have their debts with the IMF and the World Bank either cancelled or rescheduled
horizontal integration	when a company expands at one level in the production process
host locations	areas where migrants move to
Human Development Index (HDI)	a measure of development which takes into account life expectancy, education and GDP for every country and converts them into a value between 0 and 1

hyper-urbanisation	rapid urbanisation
informal homes	housing which has been built illegally, often comprising of poor quality dwellings
Inter-Governmental Organisations (IGOs)	organisations which comprise of two or more countries working together. Examples include the EU and the UN
International Monetary Fund	a global organisation whose primary role is to maintain international financial stability
just in time	the means by which the time gap between product and delivery to the customer is sharply reduced – cutting warehousing and storage costs
KOF Index	an annual Index of Globalisation where a score is calculated for each country by assessing economic, social and political globalisation
land degradation	where land loses quality and fertility
liberalism	the idea that the government's role in business and the economy should be minimal, to allow individual decision-making, a free market and open competition between companies
mega cities	cities with populations of over 10 million
million cities	cities with populations of over 1 million
neo-liberalism	a belief in the free flows of people, capital, finance and resources. Under neo-liberalism, State interventions in the economy are minimized, while the obligations of the State to provide for the welfare of its citizens are diminished
new economy	where GDP is earned more through expertise and creativity in services such as finance and media than from the manufacture of goods

OECD	Organisation for Economic Co-operation and Development – an IGO which is a global ‘think tank’ of the 34 wealthiest nations
off-shoring	when a company does work overseas, either itself or using another company
outsourcing	when work is contracted out to another company (known as off-shoring when that company is overseas)
Purchasing Power Parity (PPP)	relates average earnings to local prices and what they will buy. This is the spending power within a country, and reflects the local cost of living
quotas	a fixed level indicating the maximum amount of imported goods or persons which a state will allow in
remittance payments	income sent home by individuals working elsewhere (usually abroad but can be in urban areas)
reverse colonialism	the concept that previous colonies, or Lower-Income Countries, are now established High- or Middle-Income Countries, and are all net providers of overseas investment, sometimes in the country which used to be the coloniser
shrinking world	the concept that the world is becoming metaphorically smaller because the time it takes to trade and communicate globally has been massively reduced
source locations	areas where migrants come from
Special Economic Zones (SEZ)	set up by national governments to offer financial or tax incentives to attract Foreign Direct Investment, which differ from those incentives normally offered by a country
subsidies	grants given by governments to increase the profitability of key industries
tariffs	a tax that is paid on goods coming into or going out of a country
the race to the bottom	a race by companies to deliver ever-cheaper goods

time-space compression	the concept that communication technologies have massively reduced the time it takes to trade and communicate globally, therefore even though the physical distances are unchanged, the time taken to cross them is significantly lower
trade liberalisation	the removal of trade barriers such as subsidies, tariffs and quotas
trade protectionism	the use of methods such as tariffs and quotas to attempt to boost a country's exports or reduce its imports
trading blocs	when countries have grouped together to promote free trade between them. The EU is an example of a trading bloc
Transition town	a town where local groups and NGOs promote local sourcing of goods to increase sustainability, reduce their carbon footprints and increase their resilience
transnational companies (TNCs)	companies that operate in several different countries
vertical integration	when a company controls and owns every stage of production from exploration to sales
World Bank	a global organisation which uses bank deposits placed by the world's wealthiest countries to provide loans for development in other countries
world cities (or 'hub cities')	cities with a major influence, based on: finance, law, political strength, innovation and ICT
World Trade Organisation (WTO)	a global organisation which looks at the rules for how countries trade with each other



You will be expected to use specialist geographical vocabulary in your exam so keep this glossary safe for revision time.