

**BITS PILANI, DUBAI CAMPUS**  
**Dubai International Academic City, U.A.E.**  
**Semester I 2021-2022**  
**TEST 1 (CLOSED BOOK)**

**Course No: HSS F317      Course Title: INTRODUCTION TO GLOBALISATION**  
**Date: 04.10.2021    Time: 50 minutes    Maximum Marks:20    Weightage:20**

1. We know that McDonald's is an American fast food company operating restaurants in more than 100 countries around the world. In every McDonald's around the world, workers perform similar tasks with similar, shipped ingredients stored in similar freezers and prepared according to similar international protocol. The sight of a McDonald's is immediately recognizable to customers everywhere, and otherwise different countries like Japan and China, the UAE and Spain share a McDonald's in common. What does the McDonald's case study tell you about the nature of globalisation in our world? Is it representative of a hyperglobalist, sceptic or transformationalist view? Give reasons in support of your answer.

**5 Marks**

On the surface, McDonald's in its global presence and the introduction of a particular type of cuisine is representative of hyperglobalism to the extent that it has made inroads into different countries and cultures as diverse and distinct as Japan/China or the Middle East and Europe. Nevertheless, the reason that McDonald's is representative of the transformationalist view is because the success of McDonald's lies in adapting its offering/menu to local tastes and preferences of the different markets/countries that the restaurants open in. For example, in India, the restaurants have more vegetarian options and no beef, whereas in the Middle East they have more shawarma but halal meat and in Japan and China rice-based and tea offerings. This shows that although McDonald's is a global chain that introduces a certain level of uniformity in its processes and colours and ingredients, it is distinct enough and mindful of the local differences. The transformationalist view believes that although globalization is real, we cannot say that the state and local differences are a thing of the past. This is exemplified by the McDonald's case very well. Hence the popularization of the word glocalisation (global-local nexus) as opposed to the word globalization alone. The complex inter-mixing of local and global such that the local identity and culture does not disappear in the global product, is understood as glocalisation.

2. We can agree that people continue to feel a deep connection to the country they live in or belong to based on the passports they hold. Nevertheless, we talk about

living in a globalised world characterised by growing interdependence and connectivity between countries and people. How do we account for this fact of globalisation although we continue to have deep connections with our countries of residence or origin? Do you think the two realities are contradictory/opposed to each other? That is, can we be locally rooted while being globally connected, or not? According to you, what are powerful forces that help promote a global feeling of connectedness in you? Or is it missing altogether?

**5 Marks**

**Globalisation does not mean that local cultures and differences are not important or are getting sidelined by processes of globalization. What is happening instead is that the global (products, culture) is interlinking with the local (culture and idiom). People have great power to adapt, innovate, and maneuver in the globalising world – to change the processes of globalization and make them relate to local specificities. It is possible to be both locally rooted but also to be globally connected. It is only a contradiction if we see are local identity being threatened by our global connections and we seek to protect/defend our local identities from disappearing, for example perhaps a mother tongue that we lose touch with because we speak only English given its global appeal. If we feel that globalization is making us lose sense of our local identity and connection with our village/region/country, then we will stand opposed to globalization and be “patriots” like President Trump. However, if we see that we are individuals who have local concerns and identities that are also the same as global concerns and identities, then we will never see a contradiction in these, for example are interests in addressing air or water pollution in our country/city being connected to the global concerns for climate change, or indeed the respect for human rights within my country also being a concern for human rights anywhere in the world (i.e. the black lives matter issue, where people saw the black lives matter issue reflecting concerns vis-à-vis police brutality in many parts of the world.**

3. The creation, expansion, and acceleration of worldwide interdependencies and global exchanges that have occurred since the early 1980s represents a massive leap in the history of globalisation. Mention the important forces of globalisation that have been responsible for this leap in globalisation since 1990. Does this mean that globalisation is a new phenomenon that emerged only after 1980/1990? In your view, how has the advent of the Internet impacted globalisation? Explain using examples. If you were a sceptic, how would you view the Internet's role in globalisation? What cases or evidence would you cite to make the case of a sceptic? Do you agree with the sceptics on this issue?

**5 Marks**

It is the unprecedented development of horizontal networks of interactive communication that connected the local and global was made possible through the worldwide diffusion of the Internet, wireless communication, digital media, and online social networking tools. The internet is global and has allowed interconnections at a rapid space, such that we have concepts such as space-time compression and the network society. According to Anthony Giddens, space time compression mean the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa and according to Manuel Castells, technology and the internet has moved the world into the age of information such that we are connected to the world with a reality of timeless time and a space of flows. However, this view does not take into consideration the reality of how the internet is not equally accessible around the world or the fact that the internet is controlled and has virtual borders that countries such as China and Russia and even India have tried to impose on it, for example the Indian government's internet blackout in the state of Kashmir in 2019-2020. For instance, we see that there are vast differences in terms of access to the internet in Least Developed countries of Africa and Asia. Secondly, countries such as China monitor the internet and what their citizens can post and search for on the internet. Thirdly, there are issues of weaponizing the internet, and issues of net neutrality that also raise issues of unequal access and control of the internet. While the sceptic view might not be accurate in totality, neither is the view that the Internet has ushered in a hyperglobalist view of the world. The digital divide is still real and that means that the world that is yet not connected digitally does not have the chance to be globalized like the rest of the digitally connected world.

4. At the 74<sup>th</sup> Session of United Nations General Assembly in 2019, the then US President Donald Trump said: "The future does not belong to globalists. The future belongs to patriots. The future belongs to sovereign and independent nations who protect their citizens, respect their neighbors, and honor the differences that make each country special and unique."

What is the likely impact of statements such as these on globalisation by leaders of globally important economies such as America? Since President Trump's term, the US and China have been engaged in a trade war. What has been the nature of this trade stand-off? What does the trade war tell us about the nature and reality of economic globalisation in our world?

**5 Marks**

Comments like the one made by President Trump at the UN in 2019 are telling because the US has championed the cause of globalization and international trade and globalism since not only the post second world war, but definitely since it emerged "victorious" after the end of the Cold War and saw its own prosperity as closely tied to the growing interconnectedness and liberalization of trade across the world. Hence, even though Trump represented an especially nationalistic moment in America's recent politics, he is reflective of a growing trend not only in the US but also in many other countries that have now begun to feel the sting that globalization brings with factories getting relocated elsewhere and standards of living and income falling for the lower end of the workers of the economy. The US-China trade war has sprung from those concerns and also the threat that the US feels from China's economic rise in the globalized world. The US-China trade war has its roots in the massive trade deficit that the US faces vis-à-vis its trade with China, and the fears that China is lax vis-à-vis intellectual property rights and the massive subsidies it gives its companies that America feels affords Chinese products an undue advantage vis-à-vis other products from America. Hence, under Trump, the US imposed taxes on imports from China and China followed suit with its own taxes on American products going into China. What this example shows is that the extent of economic globalization can be slowed down, especially if the two most powerful economies put a more nationalist tinge to their trade with each other. This also exemplifies that when countries fear undue advantage going to another country, they can turn to nationalist policies (economic nationalism even) of the previous century. Trade disputes should be addressed at the WTO, but the fact that the issue is continuing inspite of the WTO ruling against the US in September 2020 shows that even global institutions and efforts and ensuring international trade can be held hostage to nationalist policies and priorities.

**BITS PILANI, DUBAI CAMPUS**  
**Dubai International Academic City, U.A.E.**  
**Semester I 2021-2022**  
**COMPREHENSIVE EXAM**

**Course No: HSS F317**      **Course Title: INTRODUCTION TO GLOBALISATION**  
**Date: 23.12.2021**      **Time: 3 HOURS**      **Maximum Marks: 40**      **Weightage:40**

### **ANSWER KEY**

5. "Illicit Globalisation" refers to the clandestine dimensions of globalisation that involve illicit cross-border flows of people, goods, money and information. What

example of illicit globalization you have been introduced to in this course is the most damaging to our globalised world according to you, and why?

**3 Marks**

The sheer quantity of global, or cross-border (Andreas and Nadelmann 2006) crime has increased in concert with the growth of globalization. While there is, as we will see, much more to the issue of crime in the global age than this, the fact is that globalization makes more cross-border crime possible than ever before. Since there have been nation-states, and even before, there has been international crime that flowed across broad areas of the world. However, today there seems to be far more of such crime, much of it associated with the general propensity for all sorts of things, including crime, to flow more freely in the global age. Drugs and terrorism, but others include "clandestine trade in sophisticated weaponry and technology, endangered species, pornographic materials, counterfeit products, guns, ivory, toxic waste, money, people [the trafficking in human beings, stolen property, and art and antiquities". Especially notable is the role of globalization in changes in extant forms of crime (e.g., terrorism) and in the development of new forms of crime (cyber-crime). All of these involve flows of all sorts - drugs, money, human victims (e.g. those to be used as prostitutes), human perpetrators (e.g. terrorists), as well as the various illegal sorts of things that flow through the worldwide web (e.g. child pornography, laundered funds, the spread of computer viruses. Any one of these illicit flows and how it impacts globalization needs to be highlighted. For example, fake news of the kind that led to Brexit or the election of Donald Trump in 2016 needs to be argued and established through facts.

6. Jimmy Carter was US President from 1977 to 1981 and was awarded the Noble Peace prize in 2002 for his work on human rights. He once said "I think that globalization, as defined by rich people like us, is a very nice thing, because you're talking about the Internet, about cell phones, about computers. This doesn't affect two-thirds of the people in the world who are living on less than \$2 a day. They are never touched positively by globalization." Do you agree? How does this reality of our world impede globalisation? Can anything be done to address this situation?

**3 Marks**

The question of abiding inequalities in the world—income, wealth, health, digital—are pertinent to globalization as such. These inequalities not only raise enormous moral and ethical concerns (for example, how can we live with the fact that so few are so rich and so many are so poor?), but they also represent a major source of instability and conflict in many areas of the world. Inequality

among societies is not only a problem in itself, but there is also the issue of whether or not globalization contributes to greater and greater inequality in the world or, conversely, whether it represents the great hope for reducing much of that inequality. As long as inequality lasts, those left behind will never feel touched by globalization positively, especially if they have been negatively affected by the very globalization that has led to growth to other parts of the world, for example, through the relocation of factories from the West and Europe to China and South East Asia (Bangladesh, Vietnam in clothes factories), those in the West who have lost their jobs and do not find alternative jobs (like in Detroit, USA), will never feel that they have been positively impacted by globalization. The only way we can address this situation is to bring back the capitalism of the 50'60s before the neoliberal form of capitalism created greater inequalities in the world.

7. How has globalisation impacted, benefitted and posed challenges to the Middle East in general? In many parts of the world, globalisation has been better labelled 'Americanization' and 'Westernization'. Do you agree with this understanding of globalisation? Is this view likely to be held by some in the Middle East? If yes, why? Is globalisation likely to be a challenge or opportunity for the Middle East in the future?

**6 Marks**

Oil is the world's truly global industry: Europe and Asia, and the US (although less than before) are still quite dependent on MENA for oil and gas; hence highlighting the centrality of oil to economic globalization. Almost 80% of the world's proven oil reserves are located in OPEC Member Countries, with the bulk of OPEC oil reserves in the Middle East, amounting to about 65% of the OPEC total (of this, about 45% of the reserves belong to just Saudi Arabia, Iran, Iraq, Kuwait and UAE). The other ways that the Middle East is embedded in globalization is by the historical fact of being on major shipping and trading routes between East and West, which is a fact that contributes to its centrality to modern day aviation and shipping as well. The presence of a massive South Asia and South East Asian migrant population in the Middle East also tells us how the ME is embedded in globalization through the flow of remittances. However, it is possible that because of the fact that the ME is culturally and politically at odds with the rest of the world when it comes to democracy and a liberal, and individualistic approach to culture and religion, the opening up to the world in a way that allows outside influence at too fast a pace without efforts to protect the local culture and way of life, the belief that globalization is Americanisation and Westernization is likely to hold. However, given the fact that the Middle East has managed their globalization in a controlled manner,

we see that although changes are coming to the Middle East too, it is not happening at a pace that seems insurmountable yet. Nevertheless, there are more pressing challenges to globalization that the ME is facing, primarily in the form of the shift away from a fossil fueled economy in the future – which will see a dip in demand for the resources that the ME is rich in. Secondly, ecologically, the ME will suffer the consequences more seriously of a heating globe, as the conflicts in Syria and Yemen already testify to.

8. Shuaihua Cheng, the Managing Director for China, International Centre for Trade and Sustainable Development said: “People aren’t idiots: they’re well aware of the benefits of globalization, trade and open markets. They see the evidence in their latest smartphone, their kitchen appliances and the clothes in their wardrobe”. However, we know that different people hold different views about globalization, and there are many others who would not agree with Mr. Cheng. What accounts for why different people hold differing views on globalization? What do people who would oppose with Mr. Cheng’s views think about globalisation in all its dimensions: economic, political, cultural and ecological.

**6 Marks**

Many indeed would not agree with Mr. Cheng. Differing views on globalization can be accounted for by where people live geographically, if they are in rising economies, or locations that are in rural areas which are still disconnected from global cities or transit routes, or are digitally disconnected from the rest of the world because of lack of access to the internet, for example. As already mentioned, we can see the differing viewpoints on the four dimensions of globalization. Economically, people are likely to not hold the same opinion as Mr. Cheng if they are located in countries/regions where they have seen a drop in their standard of living due to relocated factories or a drying of jobs to outsiders such as in the US (where car factories were located) or Britain (as we saw the Brexit example), or poor farmers in developing countries, which we will discuss in the next question in detail. Politically, countries that feel that globalization has meant an interference in the internal decision making of a country, for example in the case of Afghanistan and Iraq, or even China over the issue of the treatment of Uyghurs in Xinjiang, countries are likely to feel animosity towards globalization. Culturally, particularly where countries and ways of life feel threatened, such as traditional societies, or the people who speak endangered languages of 1000 speakers or less, feel such as Kuraya in Brazil, as we saw in class. Ecologically, even though climate change is a collective result of industrialization and globalization, those who will suffer the consequences are people whose livelihoods depend on agricultural produce,

such as fishing and farming communities, or those who live in ecologically vulnerable places, such as low-lying island and coastal regions, i.e. Indo-Gangetic delta in Bangladesh, or islands such as the Maldives.

9. Vandana Shiva, an environmental activist, wrote in an article in 2018 that “Globalization has become a threat to agriculture and food security by allowing global corporations to become larger and take control over agriculture, and placing the right to trade above the right to food.” What do you think? How has globalisation impacted agriculture? What role does the World Trade Organisation (WTO) play in the context of agriculture? What has India’s experience vis-à-vis globalization in the agricultural sector been? What global efforts have there been to address concerns in the agricultural sector?

**6 Marks**

Vandana Shiva is correct when it comes to how capitalism and globalisation is impacting agriculture. Agriculture is a subject that is important to globalization given the fact that the same logic of market driven capitalism that drives trade in goods across borders also applies to agricultural products. So much so that this shift from traditional agriculture to agribusiness and international agricultural trade is a handmaiden of globalization and is responsible for the delivery of all kinds of food products around the clock and an enhancement in productivity to meet the continuously rising demand for food. neo-liberal assumption that agriculture would improve. In agricultural sector globally therefore, we see a shift for privatization and market-forces (e.g. through the de-control of prices). Agribusinesses have been at the forefront of the push for patents on food crops, corporatisation of seeds, fertilizers and chemical inputs into agriculture, Retail food sector through corporations like Wal Mart and Carrefour have also expanded food production and supply in the world, Major agricultural commodities grains and oils, coffee, cocoa, and bananas is concentrated and a substantial proportion of trade is now organised and coordinated by leading firms and retailing companies directly. However, the private sector has not filled the void and this has had disastrous consequences for agriculture around the world, in countries such as the US, Mexico, European nations like France and Germany, as well as India. What we learn from studying agriculture at the global level are: one, because the agribusiness model has been disastrous for small-scale, subsistence farmers because of the capabilities of agribusiness companies to charge prices so low that they cannot compete with the traditional farmers, this has meant that they have been driven out of their farms and business, and this is something that is common to farmers from around the world. Secondly, we learn that it is under the WTO’s pressure that

many countries are being pressured to remove subsidies from their farmers, while other more powerful countries like the US continue to maintain their subsidies to their farmers, such as the cotton subsidy. And lastly, we also learn the monopolistic presence of big agribusiness companies that have the capability of raising prices of seed and fertilisers and bring the whole food chain under their control, like Bayer-Monsanto. What we can do to address this is to remove the capitalist, agribusiness model that has become the default format both within the WTO as well as in developing countries. We need to keep indigenous knowledge systems, and the concern for more organic, and environment friendly produce and not mindlessly go after increased productivity that endangers not only farmers, but also the environment.

10. How has and does globalisation impact the global environment? Can we live in a world that ensures both equitable economic growth as well as ecological protection, or is there an unavoidable tension between growth and the health of the planet? According to you, have there been any solutions to the problems troubling our planet at the global level? Give details, if yes. Or, in your view, have global efforts proven inadequate to deal with the environmental problems we face today? If yes, explain why? Can capitalism and the market be a part of the solution, or is it only a part of the problem, according to you? Explain.

**6 Marks**

In the last few decades the scale, speed, and depth of Earth's environmental decline have been unprecedented. Because investors and corporates want to maximise profits, they are not interested in sustainable development and hence the ecological costs in their mindless drive for profits can lead to damaging impacts, such as in the Amazon rainforest that has led to forest fires in the recent past. It would therefore seem that there is an unavoidable tension between growth and the health of the planet, if we think of growth as determined purely by the profit motive within a capitalist, neoliberal framework. However, if we include the cost that the environment faces due to our economic activities, such as the carbon tax envisages (those who emit more carbon are accordingly taxed higher, so as to incentivize them to reduce their carbon emissions), then we can see that if we can think of solutions within the market framework that then disallows companies and corporates and countries from maximizing profits in a way that does not take the ecological costs of their activities into consideration. The market can be part of the solution, but only if we are confident enough to dampen growth and demand protection of the environment, which would only be in the long term interest of the market as well. There have been efforts to address ecological problems,

such as the Paris Agreement. However, these have not always been successful because countries do not see the environmental issue concerning the problem the same way. Some countries such as the developing countries like India and China see that climate change hasn't been caused by them.

11. There is growing global understanding that there are standards of behaviour that all states should follow regarding the human rights of their domestic populations. Such a view is based on a belief that the fundamental individual rights of every person are morally superior to the state's right to independence, growth and security. How is this view connected to globalisation? According to you, are there any instances of the upholding of human rights in the contemporary world that suggest that a global standard has evolved on human rights? Discuss one such instance in detail. According to you, how would you assess the globalization of political values such as human rights? Does your assessment support the hyperglobalist, sceptic or transformationalist view of globalisation?

**8 Marks**

The political division of the world into discrete territorial spaces has been permeated by global political forces to a certain extent – particularly when it comes to the human rights regime and the responsibility to protect. For example, the US, the EU and UK introduced sanctions against China for its abuses against the Uyghur community in Xinjiang province in March 2021. Pressure was also put on Nike, Apple and Coca Cola to cut ties with China over the Xinjiang forced labour issue, or even the issue of Apartheid in South Africa before 1990. There are laws and norms at the international level that put constraints on whether governments have been found responsible for crimes against humanity or human rights violations. The responsibility to protect under the UN for instance represents this collective conscience of the globe on these political issues. Although in actual practice the power of the global community in putting pressure on countries to change their behaviour is limited, and often these actions happen after the fact, such as the UN actions in Sri Lanka happening more than a decade after the end of the civil war, nevertheless, these actions signify positive developments of political globalization in as much as it puts pressure and makes countries conscience that the world is watching what they do to citizens within their borders, and that they are accountable even when people within their borders are not or cannot speak up. However, this does not mean that borders have become irrelevant or that the state's importance has waned. The hyperglobalist view of political globalization is not credible as we see countries can still do what they want – i.e. even a small country like Myanmar could get away with genocide

against its Rohingya population. It depends what evidence is supported for this answer, depending on the evidence, the position of hyperglobalist, sceptic or transformationalist is acceptable. Here, it would appear to be a sceptic/transformationalist view.

12. The goal of the world economic architecture (the IMF, World Bank and the WTO) has been to ensure an open, non-discriminatory and predictable trading environment. Why was this type of world deemed worth creating? What role has capitalism and neoliberalism played in the creation of this globalised world? Many believe that the neoliberal model of economic growth and globalisation has been responsible for accelerated economic growth, greater standards of living, innovation and the emergence of new technologies. Do you agree? Give reasons and cite examples in support of your answer. Or do you think that the current economic architecture is part of the problem that troubles globalisation today? Why is this so? Is there any solution for it?

**8 Marks**

Contemporary economic globalization can be traced back to the gradual emergence of a new international economic order assembled at an economic conference held towards the end of World War II. Under the leadership of the United States of America and Great Britain, the major economic powers of the global North reversed their protectionist policies of the interwar period (1918–39). In addition to arriving at a firm commitment to expand international trade, the participants of the conference also agreed to establish binding rules on international economic activities. Moreover, they resolved to create a more stable money exchange system in which the value of each country's currency was pegged to a fixed gold value of the US dollar. Bretton Woods also set the institutional foundations for the establishment of three new international economic organizations. The International Monetary Fund (IMF) was created to administer the international monetary system. The International Bank for Reconstruction and Development, later known as the World Bank, was initially designed to provide loans for Europe's postwar reconstruction. During the 1950s, however, its purpose was expanded to fund various industrial projects in developing countries around the world. Finally, the General Agreement on Tariffs and Trade (GATT) was established in 1947 as a global trade organization charged with fashioning and enforcing multilateral trade agreements. In 1995, the World Trade Organization (WTO) was founded as the successor organization to GATT. The WTO was designed to facilitate international trade in goods and services so as to avoid conflict between countries and to keep economic reasons as a cause of war away from the world. The economic architecture was also envisaged to spread capitalism and growth around the

world so as to create interdependencies between countries around the world, so everyone could rise and prosper together. The idea was that capitalism and neoliberalism would infuse globalization with increased productivity and growth by removing barriers to trade between countries, and demanding austerity measures of countries everywhere and forcing them to adopt neoliberal economic policies such as: Privatisation of public enterprises, Deregulation of the economy, Liberalisation of trade and industry, Massive tax cuts, Austerity measures at the risk of rising unemployment, Control on labour organisations, Down sizing of government, Reduced public expenditures, Removal of controls on global financial flows. However, these have been part of the problem of causing inequalities and crises in the economies of the world. In 2016, the IMF accepted that: The benefits in terms of increased growth seem fairly difficult to establish when looking at a broad group of countries, The costs in terms of increased inequality are prominent. Such costs epitomize the trade off between the growth and equity effects of some aspects of the neoliberal agenda, Increased inequality in turn hurts the level and sustainability of growth. Even if growth is the sole or main purpose of the neoliberal agenda, advocates of that agenda still need to pay attention to the distributional effects, for example in Greece, Chile etc. We should not do away with the basic engines of growth as we owe most of the social progress of the past to entrepreneurship and to the capacity to create wealth by taking risks and pursuing innovative new business models. We need markets to allocate resources and the production of goods and services efficiently, particularly when it comes to confronting problems like climate change. Today's consumers do not want more and better goods and services for a reasonable/cheap price. Rather, they increasingly expect companies to contribute to social welfare and the common good. This is something that a new capitalism takes into consideration.