QUESTION 3: WHAT IMPACT DID GLOBALISATION HAVE ON SOUTH AFRICA?

SOURCE 3A

The source below describes the process of globalisation.

> Globalisation is a process of interaction and integration among people, companies and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity (wealth) and on human physical well-being in societies around the world.
>
> But policy and technological developments of the past few decades have contributed to increased cross-border trade, investment and migration so large that many observers believe that many countries have entered an uncertain phase in its economic development. From 1997 to 1999 flows of foreign investment nearly doubled, from 468 billion US dollars to 827 billion US dollars. Thomas Friedman, an economist, claimed that today globalisation is 'farther, faster, cheaper and deeper'.
>
> The current wave of globalisation has been driven by policies that have opened economies domestically and internationally. Governments have also negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services and investment. Taking advantage of new opportunities in foreign markets, corporations have built foreign factories and established production and marketing arrangements with foreign partners.
>
> Technology has been the other principal driver of globalisation. Advances in information technology, in particular, have dramatically transformed economic life for consumers, investors and businesses.
>
> [From https://www.globalization101.org/what-is-globalization/. Accessed on 24 March 2019.]

3.1 Refer to Source 3A.

3.1.1 Define the term *globalisation* in your own words. (1 x 2) (2)

3.1.2 Give TWO examples in the source of the effects that globalisation had in various societies around the world. (2 x 1) (2)

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3.1.3 According to the source, why did many observers believe that countries have entered 'an uncertain phase' in their economic development? List THREE factors. (3 x 1) (3)

3.1.4 Using the information in the source and your own knowledge, comment on Thomas Friedman's claims 'that today globalisation is "farther" (and) "faster" '. (2 x 2) (4)

SOURCE 3B

The source below focuses on former South African Reserve Bank Governor, Gill Marcus', view of globalisation. It appeared in *Financial News24* on 2 October 2013.

'Globalisation has helped developed countries to become richer, prosperous and modern,' South African Reserve Bank Governor, Gill Marcus, said on Tuesday evening. 'Countries are able to use technology and innovation to change their comparative advantages, to move up the value chain, thereby raising incomes and living standards of the poor,' she said in a speech in Pretoria.

'The global financial system has also adapted (changed) to a world unimaginable a few decades ago. Capital is able to flow from savers to borrowers, seeking opportunities in every corner of the planet.'

Marcus said the net effect of greater global integration was that about a billion people had been lifted out of poverty in the past 20 years.

'And so, while globalisation and its tools, such as supply chains, technology and finance, have made a major positive contribution to development, these same tools have also made the world more complex, risky and dangerous.'

'As capital has become more mobile, investors are able to achieve higher returns by investing in new frontier markets.'

'On the other hand, the entry of a billion more workers into the global labour force has created employment opportunity for the masses but at the same time it led to a reduction in the wages for low-skilled workers.' ...

[From https://www.fin24.com/Economy/Marcus-Globalisation-a-boon-for-all-countries-20131001. Accessed on 20 September 2019.]

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3.2 Read Source 3B.

3.2.1 Quote evidence from the source that shows globalisation helped 'developed countries'. (2 x 1) (2)

3.2.2 How, according to the source, can countries use 'technology and innovation' to raise 'incomes and living standards of the poor'? (2 x 1) (2)

3.2.3 Using the information in the source and your own knowledge, explain why you think the wages of 'low-skilled workers' have been reduced. (2 x 2) (4)

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SOURCE 3C

The source below explains the former Minister of Finance, Pravin Gordhan's, view of globalisation.

Former Finance Minister Pravin Gordhan said globalisation is one driver of higher inequality in countries such as South Africa.

He was speaking at the University of Johannesburg's Convocation Leadership Seminar on Monday, 15 May 2017 on 'Economy: The Global Revolution, Urbanisation and Digital Transformation and What It Means for the South African Economy'. Gordhan highlighted that with an increase in the level of stratification (levels of order), the issue of inequality must be at the forefront of policies. He added that new forms of social safety nets and economic inclusion should be created to mitigate (diminish) these social and economic divisions.

It was the effects of globalisation, such as the divergence (difference) of incomes and the loss of jobs because of technological advances that contribute to greater inequality in South Africa and other similar countries.

'There's a realisation that globalisation has actually resulted in winners and losers and that greater note needs to be taken of who are the winners and what percentage of the population do they constitute and who are the losers,' Gordhan said.

Gordhan noted that globalisation should bring about 'economic transformation that would benefit 55 million South Africans'. He further stated that 'globalisation will not do this, instead it has led to a flood of cheap foreign goods onto the South African market. This has contributed to many clothing and textile factories closing down resulting in high levels of unemployment, poverty and a social crisis'.

[From https://mg.co.za/article/2017-05-22-gordhan-economic-transformation-must-benefit-all-55-million-south-africans. Accessed on 24 March 2019.]

3.3 Use Source 3C.

3.3.1 What, according to the source, was Gordhan's view of globalisation? (1 x 1) (1)

3.3.2 Identify the TWO strategies in the source that Gordhan suggested would help South Africa to deal with the social and economic divisions created by globalisation. (2 x 1) (2)

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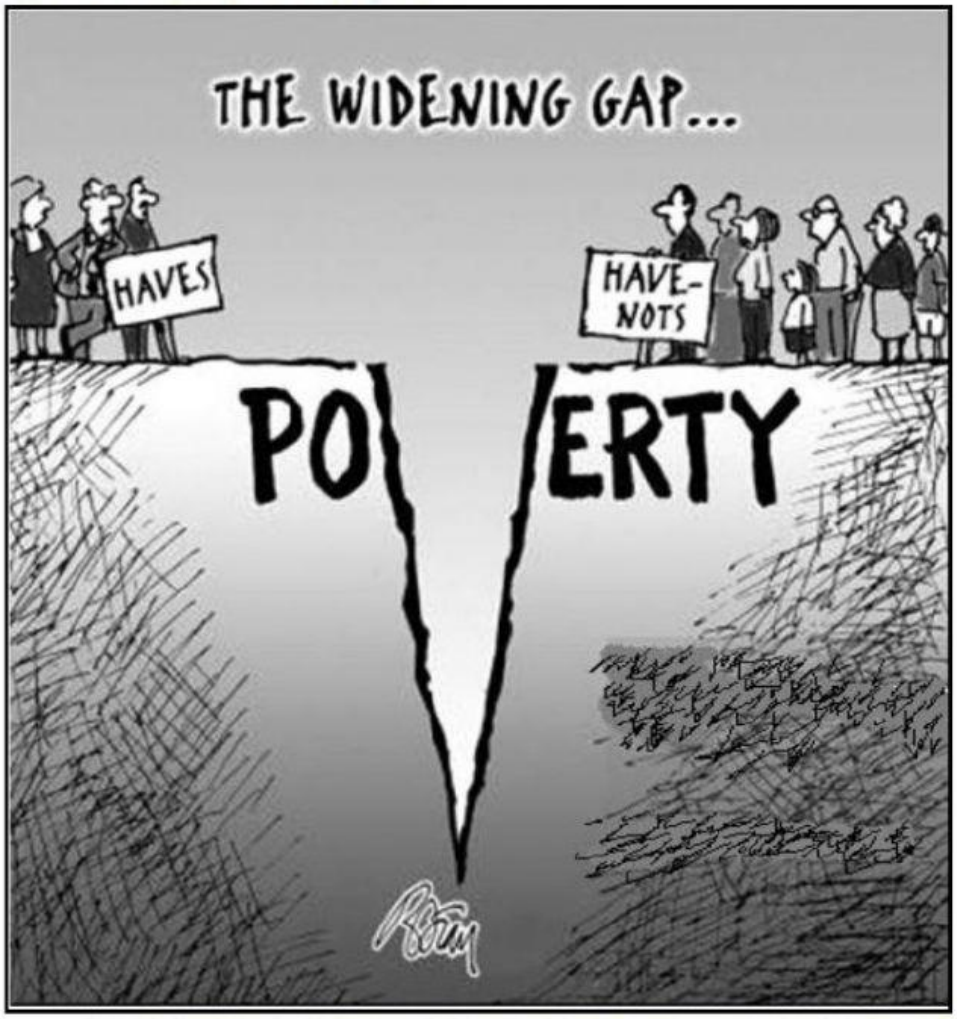
3.3.3 Explain how globalisation has contributed to increasing levels of inequality in South Africa. (2 x 2) (4)

3.3.4 Comment on the usefulness of the source to a historian researching the impact that globalisation had on South Africa's economy. (2 x 2) (4)

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SOURCE 3D

The cartoon below depicts the impact that poverty had on the 'HAVES' and the 'HAVE-NOTS'. It was drawn by B Fray in 2008.



[From https://aftruth.com/economic/the-widening-gap-between-the-rich-and-the-poor-the-shrinking-of-the-rights-of-workers-in-south-africa/. Accessed on 5 May 2019.]

3.4 Consult Source 3D.

3.4.1 Explain the messages that are conveyed in the cartoon. Use the visual clues in the source to support your answer. (2 x 2) (4)

3.4.2 Using the information in the source and your own knowledge, explain who are 'THE HAVES' and the 'HAVE-NOTS' in the context of globalisation. (2 x 2) (4)

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3.5 Study Sources 3C and 3D. Explain how the information in both sources supports each other regarding the negative effects of globalisation on South Africa. (2 x 2) (4)

3.6 Using the information in the relevant sources and your own knowledge, write a paragraph of about EIGHT lines (about 80 words) explaining the impact that globalisation had on South Africa. (8)

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