

Globalization

Essential Question: What have been the costs and benefits of globalization?



What do you know about globalization?



iPhone

Designed by Apple in California. Assembled in China. Model A1420
FCC ID: BCG-E239A IC: 579C E239A AHS 00101132001019

FCXCE-0

Countries involved in iPhone production:

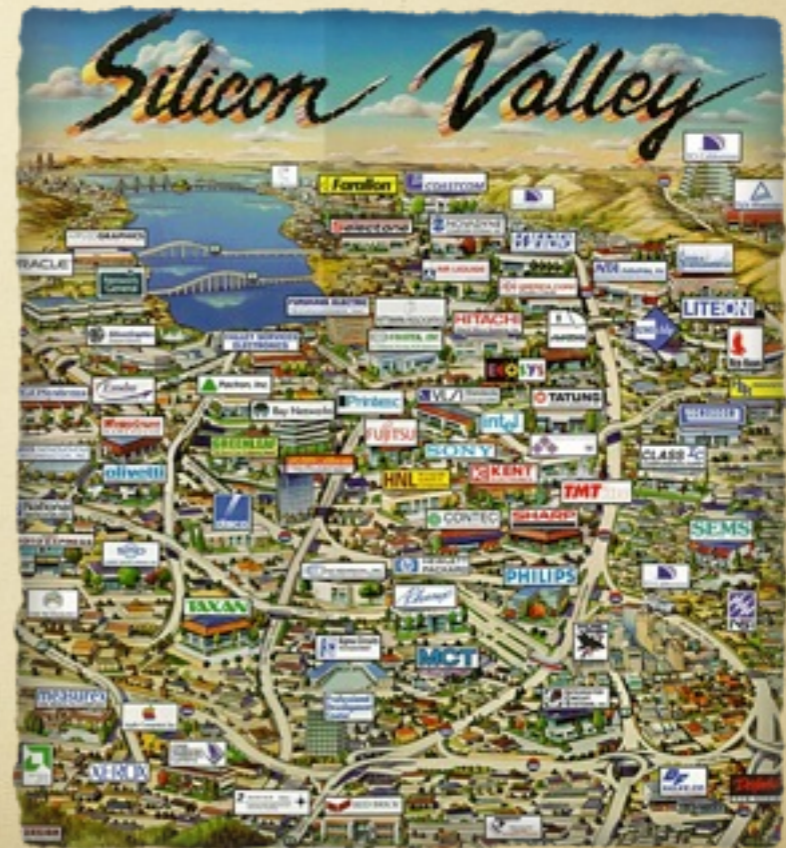
South Korea

China

United States

Japan

Germany



Clip: Inequality for all



INEQUALITY FOR ALL - Who Do the Rules Benefit?

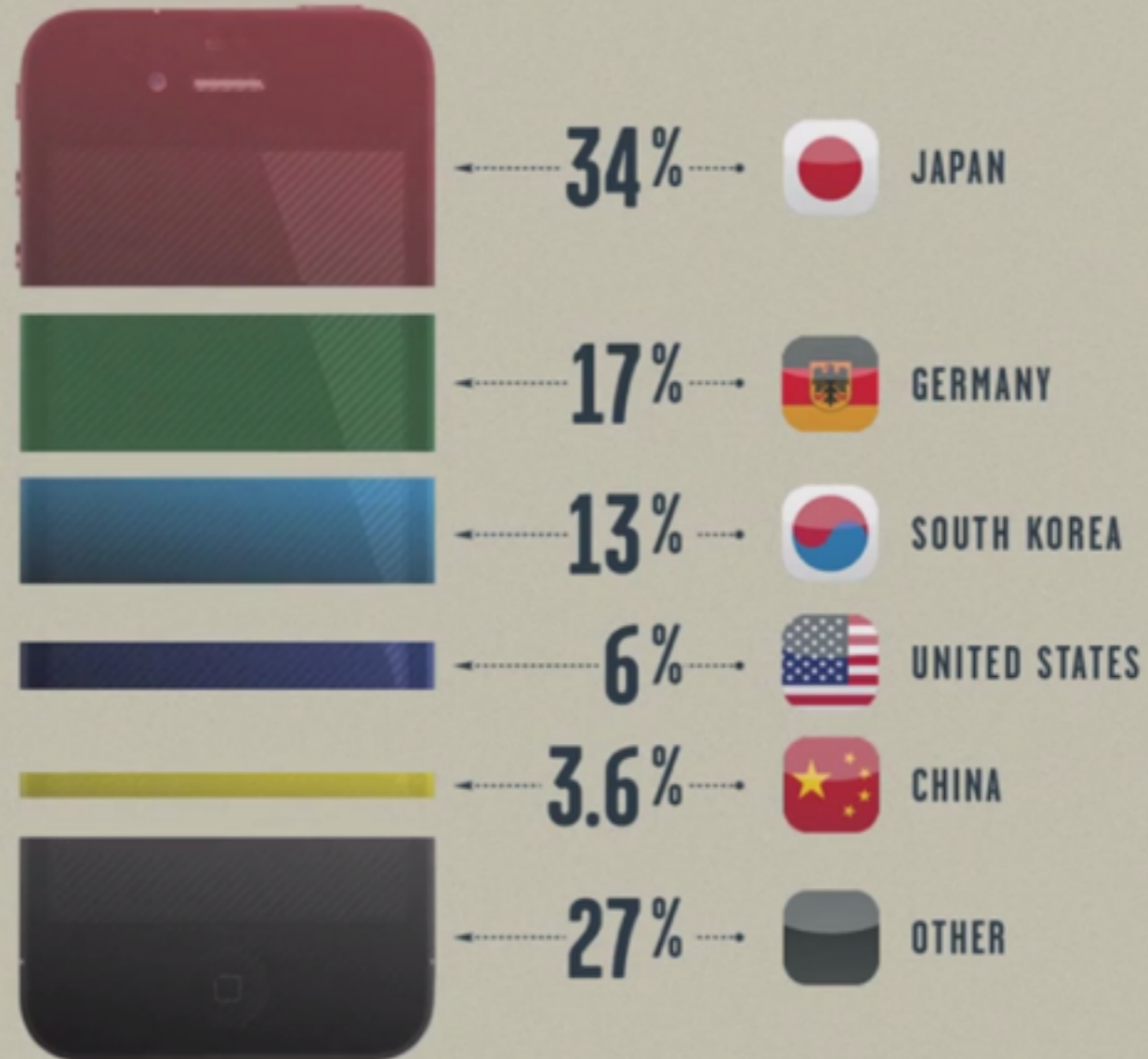
from **New Birch** PRO 9 months ago NOT YET RATED

<http://vimeo.com/84227472>

WHERE YOUR MONEY ACTUALLY GOES

SOURCE: WALL STREET JOURNAL

VALUE OF IPHONE 3G
COMPONENTS AND LABOR: \$178.96



Theme #1: Global Supply Chain

Design and Marketing

Made in USA

Apple Generated 598,500
US-held Jobs in 2012 (including retail)



50,250

Apple direct employees
(including retail)

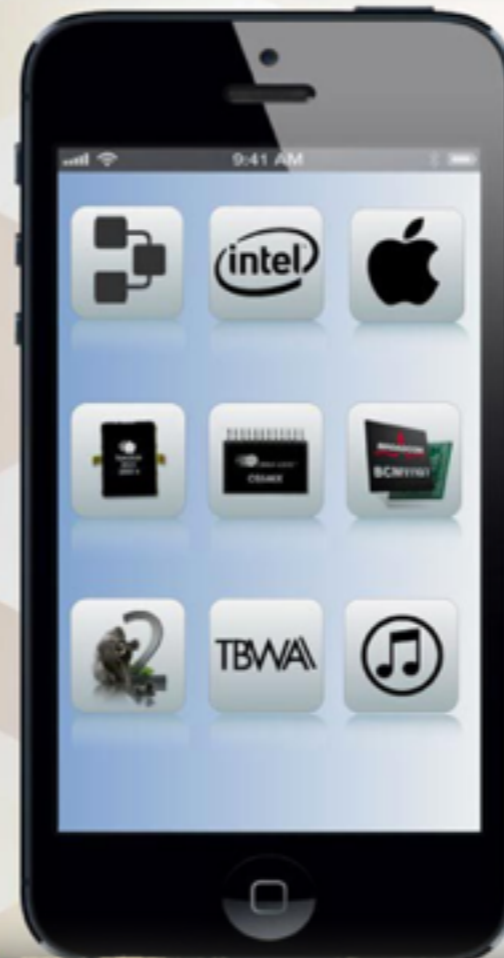
257,000

Other industry jobs
dependent on Apple

291,250

iOS app community

Design, Software, Core Parts, Marketing



All these are manufactured
and created in USA:

-  Design and Development Plan
By Cupertino, CA-based Apple
-  A6 Chip - "The Brain"
By Local Semiconductor Company
-  Software by Local Programmers
A \$500-million Apple Data Center Based in NC
-  Radio Frequency
By OR-based Triquint Semiconductor, Inc.
-  Audio Chip
By Cirrus Logic Based in Texas
-  Controller Chips
By PMC Sierra and Broadcom Corp Based in CA
-  Gorilla 2 Glass
By Corning Plant Based in Kentucky
-  Marketing Campaigns
By TBWA (Offices in LA and NY)
-  iTunes Apps
By Apple and Local Companies
-  US-based Customer Service Centers

Natural Resource Inputs

Made in Inner Mongolia

Many iPhone Components Require Various Rare Earth Minerals

Color Screen



Y
La
Ce
Pr
Eu
Gd
Tb
Dy

Glass Polishing



La
Ce
Pr

Speakers



Tb
Pr
Nd
Gd

Vibration Unit



Nd
Tb

Phone Circuitry



La
Pr
Nd
Gd
Dy

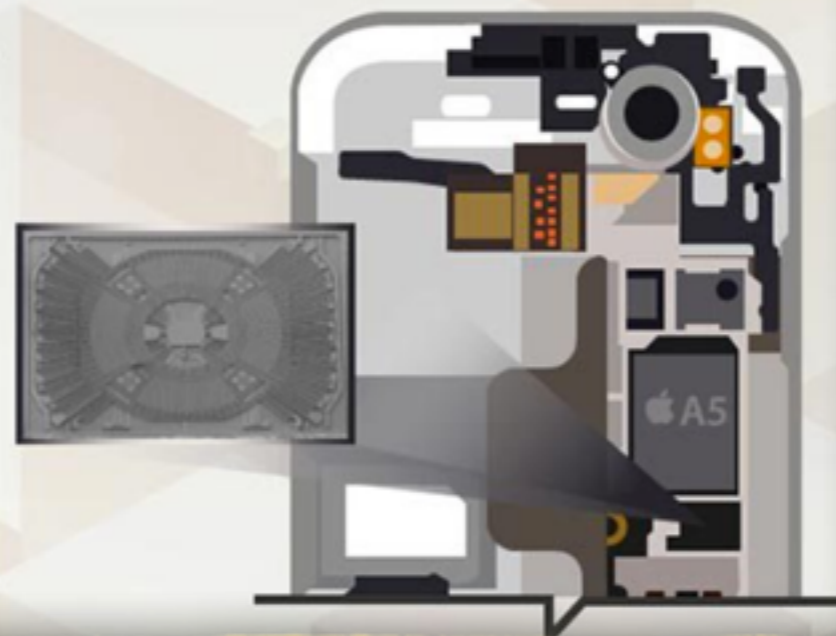
Y	Yttrium	Tb	Terbium
La	Lanthanum	Gd	Gadolinium
Ce	Cetrium	Dy	Dysprosium
Pr	Praseodymium	Nd	Neodymium
Eu	Eurpium		

Patented Technologies

Made in Europe

France & Italy Get Their Slice of Pie

A French-Italian company
STMicroelectronics
manufactures an iPhone part:
the **Gyroscope** that allows
you to change the display
from vertical to horizontal.



Parts

Made in Korea & Taiwan



LCD Panels



Chipset



Batteries



DRAM & Flash Memory

World's Top 2 Memory Chipmakers



Samsung Electronics - the multinational semiconductor company with headquarters in South Korea started in 1966 making

SK Hynix - formerly Hyundai Electronics, it has been absorbed to the SK Group, the third largest conglomerate in South Korea.

Assembly

Made in China

85% of All iPhone 5s are Assembled in China



Under “notes,” define *global supply chain* in your own words

What does all this mean for the cost of an iPhone?

➤ complete hypothesis on left: If an iPhone costs \$100, how many dollars would fall into each category?



Theme #2: Market-Driven Policies

Simple Definition

- “In its narrower conception, globalization signifies a **process of intensification** of economic, political, and cultural **interconnectedness** among the various actors in the global system.”
 - Gale Encyclopedia, History of Ideas

Globalization as Contentious

(disputed, contested, open to discussion)

- “Globalization is a complex and controversial concept. There is little agreement in the literature on what it is, whether it is or is not taking place, whether it is new or old, and if it is good or bad.”



Globalization as a project

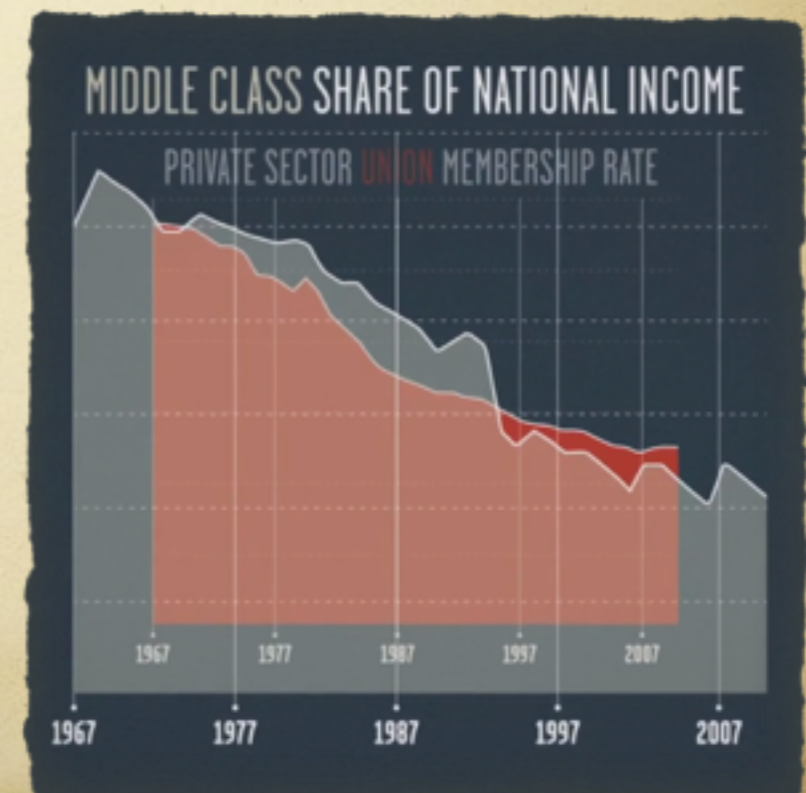
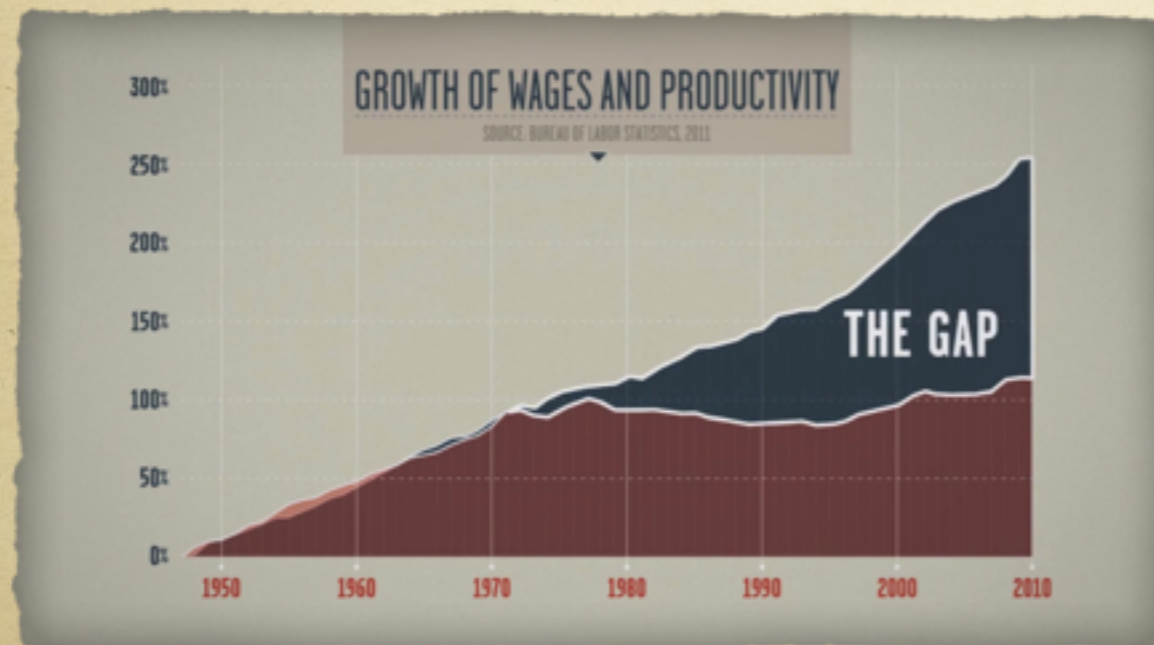
(malleable, transformable, governable)

- “Globalization needs to be understood not merely in terms of greater interconnectedness or of creating a single global economic space but also in terms of the **underlying context** that has made it possible, as well as the **institutional arrangements and policy instruments** that serve as mechanisms for promoting it.”
- Calls into question **purpose of development**—should this be governed by economic efficiency? Social Justice? Resource Exploitation?



Origins of Globalization

- What did the clip say?
- President Reagan and “Washington Consensus”: shared economic policy prescriptions among political and economic elites (1980’s)
 - involved lowering tariffs and other barriers to trade, limited government spending, and privatizing goods and services.



Brainstorm:

What do you imagine are
some costs and benefits
to globalization?

Suggested Benefits

- countries can do what they do best (specialization)
- countries can sell their goods on a larger market
- nations step on “ladder” of development
- consumers can benefit from reduction in prices
- more trade means less war



Suggested Costs

- Causes “race to the bottom” for labor and environmental standards
- Creates insecurity in financial markets (ex. US housing market bubble)
- Reinforces existing inequalities in development
- Enables dominance of multinational corporations over national governments, citizens



Role Play

QUESTIONS TO CONSIDER:

- How would globalization impact you?
- How might it make your life better?
- How might it make your life worse?

What does globalization
mean for a ninth grader
in Austin, Texas?

