Chapter 9 - How Can We Respond to the Economic Impacts of Globalisation?

<table>
<tr><th colspan="3">Economic Impacts</th></tr>
<tr><td></td><td>+ve</td><td>-ve</td></tr>
<tr><td rowspan="2">On Countries</td><td>Economic Growth: increase in a country's production of goods and services
- can be measured using Gross Domestic Product (GDP) over time
- countries' goods sold globally > larger market > can increase production to meet demand
- economic growth also due to foreign investments > bring in capital and advanced technology > can build production facilities and raise productivity</td><td>Economic Vulnerability: due to interconnections and interdependent relationships, what happens in one country can affect other countries
- events such as economic and political crises can affect other countries' economies
- countries experience economic vulnerability differently due to degree of participation
- SG is highly integrated</td></tr>
<tr><td>SG GDP increase from $2.16bil in 1960 to $390.6bil in 2014

foreign companies like Hyundai invest money and employ people to set up a factory to make electric vehicles in Singapore.</td><td>- Global Financial Crisis (2008)
- COVID-19 (2020)
- Israel-Hamas War (2023)
- US-Iran War (2026)

Russia-Ukraine War (2022)
- Russia: largest exporter of wheat
- Ukraine: known as Europe's breadbasket
- ban on Russia's energy exports > soaring energy prices and inflation
- flying ban but airlines fly around 20% of goods, have to detour, more fuel $$</td></tr>
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<td rowspan="2">On Companies

(not in textbook but just in case they ask)</td>
<td>economic growth?
larger market - more income
can expand across the world</td>
<td>competition
other countries expand - local countries face greater competition - less income</td>
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<td>Carousell, e-commerce company that has expanded across SEA, Taiwan, Hongkong, Canada</td>
<td>many chinese F&B chains (HDL, Mixue, Chagee) are super popular in SG, leaving local businesses struggling</td>
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<td rowspan="3">On Individuals</td>
<td>Employment opportunities
- country is open to global economy > larger market > higher demand > more jobs > livelihood for individuals
- MNCs and FDIs use more advanced technology > jobs with higher skills and wages
- advancements in digital technology and transportation > increased mobility overseas > can find better jobs overseas</td>
<td>Employment Challenges
- MCS relocate to other countries to save costs/access expertise > lose jobs
- advancements in technology > automated jobs using machines
- individuals relocate to work in other countries > greater movement of labour > locals face greater competition from foreign labour</td>
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<td>during COVID-19 pandemic, Amazon, international e-commerce company, went on “hiring binge”
- 427,300 employees added btw Jan and Oct 2020 (warehouse workers, software engineers, technical specialists)

Urban hawker: food hall in NYC Singaporean hawkers have found success opening stalls there selling Singaporean food like chicken rice.
venturing overseas, our local hawkers can charge more as our dishes are viewed as speciality items there.</td>
<td>2023, Amazon started laying off its employees in its cloud services division as part of a retrenchment exercise
- affect 9k employees in SG
- involve those in advertising and gaming divisions too

In the late 2000s, Samsung began shifting assembly of smartphones and computers out of China to Vietnam, where labour costs are half of China’s.
- dramatic decline in its Chinese workforce, falling from over 63,000 in 2013 to under 20,000 by 2022</td>
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<td colspan="2">Despite fear of job loss, overall there are more opportunities than challenges. As long as the individual has the right skills, they will be able to look for new jobs</td>
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Responses		
Country (Gov)	Economic Cooperation with Other Countries: policies that promote free trade - sign Free Trade Agreements (FTA), treaties that make trade and investment easier, typically reducing/removing tariffs btw counties: import export at lower costs	**Singapore-Australia FTA (SAFTA)** - came into force in 2003 - tariffs on all imported goods removed - number of Australian universities whose law degrees are recognised in SG 4>8 - period of stay to business visitors between SG and Aus 1>3 months
	Attracting and Making Foreign Investments:	MAS (Monetary Authority of SG): SG's central bank - ensures low and stable inflation in SG. attracting foreign investors - manages and invests the country's foreign reserves GIC: invests foreign reserves globally in public and private market assets (stocks, real estate, infrastructure) to preserve & enhance their value **For example, EnterpriseSG, a government agency, helped local company Secretlab gain insights to foreign markets and expand to over 50 countries. (help invest = sell more, hire more = GDP increase)**
	Providing Financial Support and Developing Local Expertise - financial support cushions -ve impacts on various sectors in short term - gov agencies can be set up to provide resources and advice to help businesses innovate,	**Workfare Skills Support (WSS)** - encourage lower-wage workers to upskill through training - for aged 30 and over works who earn 3k or less a month

	develop expertise and talent and expand abroad > businesses can adapt/transform operations to be more resilient	- 95% training subsidies - up to 1k in commitment award - (alleviate training costs for businesses so they are more willing to send workers)
Individuals	Acquisition of skills and knowledge by individuals - be willing to acquire new knowledge and skills throughout their life and remain relevant in the job market - have a flexible and open mindset about exploring and trying out different/new areas of work - ensure they save and invest appropriately so they have resources to provide for themselves during bad periods	**MySkillsFuture** - **can use SkillsFuture credit (4k for those aged 40 and above) for upskilling courses like in digital tech, green energy, and healthcare (high demand)** **Farhan, who lost his job in the aviation industry due to COVID-19 pandemic in 2020, decided to sign up for SkillsFuture Work-Learn bootcamp to learn new tech skills, and eventually found a job as a software engineer.**

possible srq part b:

- Do you think that economic globalisation has led to more opportunities or challenges for individuals? (pos vs neg impact)
- Do you think that the role of governments is more crucial than that of individuals in managing the economic challenges caused by globalisation? (gov vs individuals responses)
- Do you think the economic effects on countries is more impactful than the economic effects on companies? [from 2019]

o level has tested this chapter once between 2025-2016

- Do you think globalisation brings about more economic benefits or challenges? [2022 O Level]