**Globalisation & Migration**

**Case study notes**

**TNC CASE STUDY – NIKE**

* 47% market share of its domestic footwear industry, with sales of $3.77 billion.
* In 2009 its total revenue as over $19 billion.
* Leading global brand in sports footwear with a 31% market share, 35% including Converse. It’s also a leading brand in sports apparel.

**Nike Manufacturing**

* Virtually all footwear & apparel produced outside of the United States.
* 2009, main contract suppliers in China, Vietnam & Indonesia.
* All brand apparel is also manufactured by independent contract manufacturers located in 34 countries.
* Over 800,000 people today directly engaged in the production of their products.
* Utilize outsourcing strategy, using only subcontractors worldwide.
* Factories are 100% owned by subcontractors, with the majority of their output consisting solely of Nike products.
* Nike Headquarters are based in the US -responsible for marketing strategy and research and development (R&D).
* A fundamental part of Nike marketing is the endorsement of sports celebrities e.g. Roger Federer. Nike spend $billions on marketing each year.

**Nike’s contracted factory – Hytex Apparel, Malaysia**

* Laborers seeking work will move to another country where workers are in short supply.
* The workers are forced to work 6 days a week for $45; less than a Nike t-shirt.
* $2.50 is about 30% higher than the average wage in Malaysia.
* July 2008, Australian television station reported that Hytex Apparel, Ltd., employed hundreds of migrant workers in unacceptable conditions.
* Workers from Bangladesh, China, India, Indonesia, Myanmar, Nepal and Vietnam, were housed in dormitories with overcrowded sleeping quarters, unhygienic toilet facilities and poor kitchen sanitation.
* Reported migrant workers' complaints that their wages had been garnished to pay for work permits, their passports taken and withheld by factory managers, and that they were not given a copy of their labor contracts in their local languages - all required by Malaysian law and expressed in the source country's memorandum of understanding (MOU) with Malaysia.
* Nike investigated. Though the factory's hiring practices and safekeeping of passports were within bounds of Malaysian Immigration regulations, Nike found the overall situation to be unacceptable, especially the workers' temporary living conditions and the garnishing of wages to pay for permits.
* Nike met with factory management and found serious breaches of its code of conduct. Nike immediately demanded action to resolve these serious violations. -providing workers with access to passports, improving dormitory conditions and implementing a system to reimburse migrant workers what they paid agents for recruitment. Nike also provided workers the phone number of its local compliance team if they experienced further difficulties. The factory also agreed to pay airfare of any migrant worker who wanted to return to their home country irrespective of reason, including breach of employment contract.

**MASS TOURISM CASE STUDY – GOA**

**Background**

* West coast of India, 400km from Mumbai.
* Coastal strip 100km long – sandy beaches, Crystal seas.
* Traditional industries – fishing, rice growing.
* Plus 1mn tourists arrive annually – 20% overseas.
* Tourist season Oct-May, temps 31-34°, rainy season June – Sept.

**Growth**

* Rapidly over past 40 years.
* 1986 saw arrival European package holidays.
* Tourism continued to grow despite protests.
* No. of foreign tourists expected to rise to 350,000.

**Consequences of tourism**

**Economy** Negative

* *Leakage –* Hotels owned by foreign companies or nationals from outside Goa – large % of money leaks out of local economy. Some hôtels all-inclusive.
* *Decline of trad. Industries –* Farmland lost, some locals claim forced off land, denied access to local fishign grounds by hôtels and fishing badly hit by trawlers.
* *Land prices –* Speculators for them up, so often locals forced out.

Positive - Hotel management courses – better skills & multilier effect, as many busineses benefit in loacl econonmy – bars, restaurants, construction….

**Environment**

* *Water tables –* depleted due to hôtel pools, golf courses …Locals have access to water for only 2hrs a day.
* *Coastal ecosystem -*sand dunes & mangroves act as flood defences, but being destroyed for hôtels.
* *Refuse disposal –* Sewage system cannot cope in many areas & refuse disposal inadéquate – poluting water supplies and affecting marine ecosystems.

**Culture & society**

* *Traditional values* are being lost as local youths are influenced by the influx of Western ways. Many see it as a haven for drugs, prostitution and nudity.
* *Prostitution* is also taking place in some resorts at its worst this can involve underage children
* *Crime:* Incidents where tourists threatened, sexually abused, beaten up, robbed.

**ECOTOURISM CASE STUDY – COSTA RICA**

**Ecotourism Costa Rica**

***Environmental Benefits***

* 70 protected areas or national parks covering 21% of the nation's territory.
* Creation of Costa Rica's National Park Service in 1970.
* Costa Ricans were turn to the tourism industry for employment – economic incentive for conservation, as logging industries closed.
* Protected areas also generate income through environmentally sound pharmaceutical research.
* 1991 pharmaceutical firm Merck & Co made a deal with Costa Rica's National Biodiversity Institute (INBio) to carry out pharmaceutical research This alliance is concerned with conservation and 50% of any royalties from the discovery of new medicines go to Costa Rica's National Park Fund.
* *Encourages Individual Conservation Efforts* - ecotourism educates travelers. Informed tour guides and educational pamphlets can incite tourists to become environmentalists, thereby promoting conservation efforts.
* *Encourages Small Scale Infrastructure Construction* - ecotourism brings in foreign exchange without the polluting factories and exploitative manufacturing companies. Instead, the infrastructure demands include the construction of small scale hotels and transportation systems.
* Architects have begun to specialize in the type of environmentally sensitive construction of small lodges ideal for ecotourism - Lapa Rios Resort located on Costa Rica's Pacific coast. Ensure resort has as little negative impact -took into account waste management and utilities, as well as the actual building design. Only one tree removed for main lodge and 14 private bungalows.

**Economic benefits**

* Boosted Costa Rica's overall economic development with tourism revenues last year totaling $1.1 billion - an incredible figure for such a small nation.
* employment opportunities to often previously disadvantaged rural populations,
* 75% of all licensed tour agencies are owned by Costa Ricans and 85% of all of Costa Rica's hotels have fewer than 50 rooms.
* *Benefits to Other Industries* -. For example, a visit to the Carara Biological Reserve entails not only a $15 entrance fee and possible additional donation, but also a bus ride to the park, a stay in a local hotel, dining in the town's restaurants, and the purchase of souvenirs from street vendors.
* *Transfer of Incomes* - from wealthy nations and persons to the poorer sectors of society. Ecotourism is especially effective in this transfer since travelers often venture into remote, economically-disadvantaged regions. Costa Rica's Monteverde Cloud Forest found that foreign visitors are willing to pay an average of $118 to ensure that the park is adequately protected.
* *Diversification* - Has helped diversify the national economy, which previously depended upon the exportation of a few agricultural products, namely coffee, bananas, meat, and sugar, for 65% of its exports.

**CASE STUDY – MIGRATION – MEXICO & USA**

**Migration** is the movement of people into and out of an area or country.

**Reasons**

Mexicans migrate to the US :

**Push factors** – unemployment, low wages & poverty.

684, 000 Mexicans with university degrees are presently unemployed.

**Pull factors** – better standard of living, plenty of work, send remittances home, better education & health.

1.6mn illiegal immigrants being caught trying to enter the US in 2000. This movement has huge impacts on Mexico, the source and the US.

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| **Factor:** | **Source :** | **Destination:** |
| **Economic +** | \*Reduces overcrowding & unemployment.  \*Remittances $25bn in 2008  \*Less pressure on resources. | \*Cheap labour  \*Take unwanted jobs |
| **Economic** - | * Brain drain * Spiral of decline in some areas. * Most Mexican phd students live in the US. * 12% of Mexico's labor force resides in the US, 30% of Mexicans with PHDs do so. * 79% of all science students that the Mexican government funds to study in the USA never return to work in Mexico. | \*Pressure on resources.  \* Cost of schooling/ health care |
| **Socio-cultural -** | \*Young males leave, & women left behind.  \*Culture diluted | \*Racism – tension & violence  \*Segregation & development of ghettos |
| **Socio-cultural +** | \*Remittances may improve standard of living. | \* Mix of cultures – restaurants, music |

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| **Political** | Due to the negative socio-economic impacts felt in Mexico, the Mexican government has set up an abroad programme to establish better links with Mexicans in the US in the hope they return and invest in Mexico. | Due to the large volume of Mexicans which try to illegally enter the country, plus unrest and racial tension in the US there has been call for tighter immigration controls – 9,150 border control agents work the 3,500km border fence, with the fence costing $16.5bn over 25 years. |