

Social Studies SRQ

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Issue 1: Working for the Good of Society

Chapter 2.3: Ideas Shaping Governance

(2.3.1) Having Good Leadership

Having good leadership is important in working for the good of society.

Having good leadership means that leaders must be **honest and capable**. Given the complex nature of decision-making, leaders must have the **moral courage** to do what is **right** and not what is **popular** with people as it is needed to **maintain stability** in government and to make the **right decisions** for the country. Leaders must be of good **moral character** and are **incorruptible** so as to win the **respect and confidence** of the people.

For instance, the arts scene in Singapore made **progress** under the **capable leadership** of **Mr. Liu Thai Ker** who saw the **need** for a **more vibrant arts scene**. Under Mr. Liu's capable leadership, **local talents** had **more opportunities** to **participate** locally and internationally in **arts-related activities**. Singapore became **internationally recognised** and vibrant making it an **attractive** place for **tourism**, enabling **social growth** for Singapore.

Having good leadership ensures a strong leadership to **steer** the country in the **right direction** of **economic prosperity** and growth, as good leaders will make good decisions for the **benefit** of the **country and people**, and **not based** on their own **self-interest**. They are thus likely to take the country to **greater heights** by making **sound decisions** that are more likely to **address** the **needs** of the **people** and for the **nation's best interests**. As these needs are addressed, the citizens will be **more assured** and have **more confidence in their leaders**. The making of **wise choices** and **increased sense of confidence** towards the country ensure the **stability** of the government and country so people can **work together** as one and **prosper** as a nation. With **political and social stability**, it will be **attractive** to **investors**, resulting in **more investment** in the country and hence **promoting economic growth** which **meets the needs** of the people such as employment.

Therefore, having good leadership is important in working for the good of society.

(2.3.2) Anticipating Change and Staying Relevant

Anticipating change and staying relevant is important in working for the good of society.

When citizens needs and interests are **adversely affected** in the **short term** due to a **decision based** on more **long-term** considerations, **tensions** may arise. The government needs to **manage** these tensions and **remain forward-looking**. They need to make decisions that will **benefit** the people of Singapore in the **future**.

For example, the building of **IRs** in Singapore created a lot of **tension** because the **economic benefits** and **social costs** were difficult to resolve. The government tried to anticipate change and stay relevant, especially in seeking **potential economic benefits** like jobs and higher tourist spending. They also **responded in advance** to mitigate **potential social problems** like problem gambling by setting up the **National Council of Problem Gambling** to educate and reach out to the public.

With anticipating change and staying relevant, the government **prepares in advance** for future challenges as well as to leverage on **potential opportunities**, they can come up with good policies that aim to **maximise potential** opportunities and **minimise challenges** before it is too late. Singapore would be able to **stay competitive** and built the nation's economy to meet the **future needs** and challenges of the people.

Therefore, anticipating change and staying relevant is important in working for the good of society.

(2.3.3) Providing a Stake for Everyone

Providing a stake for everyone is important in working for the good of society.

Providing a stake for everyone means that everyone **gets a say** in **decision making** and the **creation of opportunities**. This allows people to feel a **sense of belonging** to the country as they have the **right to decide** the country's plans.

For example, the Public Housing Scheme and the Central Provident Fund strengthen the sense of belonging of citizens through home ownership, enabling all Singaporeans to own a home regardless of financial status.

Providing a stake for everyone ensures a **platform** for people to **voice out** their **views** and be **involved** in the country's progress. This allows their views to be **heard** and others would **value** their **opinion** in certain decisions, allowing for discussions as people **take ownership** over the country's **future**. This makes people **more willing to contribute** to progress of the country and **work with** the **government** to decide on ways to **develop** the country.

Therefore, providing a stake for everyone is important in working for the good of society.

(2.3.4) Practicing Meritocracy

Meritocracy is important in working for the good of society.

Meritocracy is a system that **distributes opportunities** to enable **future successes**. People are **rewarded according** to the **effort** they put in rather than race, religion or socio-economic background. When people are rewarded based on their abilities and effort, they are **encouraged to work hard**.

For example, students who **perform well in their studies and CCA** are **rewarded** in ways to help them excel further in their education. The **Edusave Scholarship** and **Merit Bursary schemes** reward the **top 10%** and **25%** of school students respectively.

By practicing meritocracy, citizens know that **hard work will be rewarded duly, encouraged to do well** and be **motivated to work hard**. **Talents** are **recognized** and duly rewarded. People will be more motivated to **contribute** to the society and Singapore can achieve **economic and social progress**.

Therefore, practicing meritocracy is important in working for the good of society.

Chapter 3.1: Roles of Government

(3.1.1) Maintaining Internal Order and External Security

Maintaining internal order and external security is an important role of government in working for the good of society.

In maintaining internal order, agencies such as the **police** and **civil defence forces protect citizens, property** and what society believes should be protected. For example, the core function of the **Internal Security Department (ISD)** is to keep Singapore **safe** and **sovereign** for all Singaporeans. To do so, ISD **collects accurate intelligence, makes impartial assessments** and **takes timely action to counter security threats** to Singapore's internal stability and sovereignty.

As for external security, agencies such as **The Army, The Navy** and **The Airforce strengthen** Singapore's **defence** and potential **enemies** are **deterred** from attacking Singapore. At the same time, the **Ministry of Foreign Affairs** contributes to the **formulation** and **implementation** of Singapore's foreign policy to **advance** our **national interests** through the **forging of strong partnerships** at bilateral and multilateral levels in positioning Singapore as a **responsible** and **constructive** member of the international community.

By maintaining internal and external security, the government **ensures peace, order** and **safety** in the country. With stability and order in the country, **social services** such as **schools** and **hospitals** can exist with the **peace** and **safety** provided by the government. This ensures that the **needs of citizens can be met**, achieving **social stability** in the country. Singapore will also be able to **attract investors** to grow our economy given such a **conducive environment**. This will help the country **prosper** and **attain economic progress**. At the same time, by ensuring external security and enjoying **good diplomatic ties** with foreign countries, Singapore's **economy** is **further strengthened** which can help achieve **more sustained economic growth** and to **better meet the needs of her citizens**.

Hence, maintaining internal order and external security is an important role of government in working for the good of society.

(3.1.2) Ensuring Justice

Ensuring justice is an important role of government in working for the good of society.

Justice is ensured in Singapore through the **Judiciary**. The Judiciary's responsibility is to **independently interpret** and **apply the laws** passed by the Legislature. With the presence of the Judiciary, Singaporeans will **have confidence** that the courts will **judge people fairly**.

One example of the Judiciary interpreting and applying the law passed by the Legislature is through **providing relevant information** and **acting** to protect Singaporeans in the event of **family violence**. The **Family Justice Courts** provide **guidelines** on what is **defined as family violence**, **who** can apply for a **Personal Protection Order (PPO)**, how to apply as well as the **actions** that can be **taken** by the courts.

In ensuring justice, the government ensures that the state is able to **protect vulnerable groups** in the society as well as the **safety** for people in the country. Citizens will have **confidence** that their **well-being** is **taken care of** and there is a **fair justice system** in place. This ensures the citizens of their need to live in a **safe environment** where **crimes are deterred**, and **social stability** can be achieved. As such, citizens will be **more willing to contribute** positively to the nation, thereby contributing to the **social, political and economic progress of the nation**.

Hence, ensuring justice is an important role of government in working for the good of society.

(3.1.3) Providing Goods and Services

Providing goods and services for the public is an important role of government in working for the good of society.

The government **devotes significant resources** to **improving the well-being** of their citizens. In the daily lives, citizens **enjoy benefits** from the **provision of goods and services** for the public. These goods and services are **provided** for or **subsidised** by the government, so citizens can **have access** to them.

An example of a service provided for the public is **transportation**. In Singapore, the government has worked towards developing a **people-centred public transport system**, which has amongst others, **more connections** and **better services**.

By providing goods and services for the public, the government ensures that **all citizens** are able to **access these goods and services**. This would **improve the well-being** of citizens and not deny citizens who **cannot afford** such goods and services. If left to the market, citizens who cannot afford to pay **may not have access** to these goods and service and the goods and services **may not be produced if not deemed profitable**. As such, the government will need to provide goods and services for the public so that their **needs can be met**, and this ensures **peace and stability** in the country. Citizens would also be **more willing to contribute** to the country as their **well-being** has been **taken care of**. In addition, some of these goods and services are also **important infrastructure** that **attract investors** to our country. Therefore, by providing goods and services for the public, it can also help **develop our economy**.

Hence, providing goods and services for the public is an important role of government in working for the good of society.

(3.1.4) Safeguarding the Interests of Citizens

Safeguarding the interests of citizens is an important role of government in working for the good of society.

Governments **implement legislations** that safeguards the interest of citizens. This is to ensure that citizens will have a **sense of security** about living in the country. The interest of citizens can be safeguarded in various ways such as ensuring that there is **no abuse by employers** as well as a **sense of security in old age**.

For example, the government introduced the **WorkRight Initiative** to help both **employees and employers understand** their **rights and responsibilities** respectively. The WorkRight Initiative is intended to **create awareness** of employment rights amongst **low-wage workers**.

By safeguarding interest of citizens, citizens who have a **sense of security and belonging** to the country as their **well-being is protected**. This will ensure **social stability** as well as **political stability** where citizens feel that they are being **protected and cared for** by the government. Citizens will be **more motivated to work alongside** the government in achieving **progress** for the country, be it as an **economic or social aspect**.

Hence, safeguarding interest of citizens is an important role of government in working for the good of society.

Chapter 3.2: Role of Citizens

(3.2.1) Formal Groups (NGOs)

Formal groups / NGOs have an important role to play in working for the good of society.

Formal groups, such as NGOs, / NGOs are formal groups which are **non-governmental organizations**. These organisations have **clear objectives** and are **formally registered** with the government. They address a **wide range of interests** such as persons with special needs or protecting the environment.

An example of an NGO is the Movement for the Intellectually Disabled of Singapore (MINDS) which aims to advance the development, well-being and aspirations of persons with intellectual disability and their integration into society.

With formal groups / NGOs, they can help to **complement** the role of government in **providing the support structure, resources and services** in specific areas which may have been **lacking** in the society. As government has **limited budget** and **cannot meet all the needs** of the various groups of people in society, formal groups / NGOs are important to **increase** the **limited pool of resources** that the government has so as to **fill in the gaps** to ensure the various interest and groups of people are not being neglected. Furthermore, as formal groups / NGOs are non-governmental organisations with clear objectives, they are also able to **provide expertise** to cater to the diverse needs of the society **more effectively** which may not be achieved if it is left to the government to handle alone. Hence, formal groups / NGOs play an important role in helping to **look out** for groups of people who may not have enough **access to resources** and **assist** them in those areas, and at the same time provides **additional resources** to work for the betterment of society.

Therefore, formal groups / NGOs have an important role to play in working for the good of society.

(3.2.2) Informal Groups

Informal groups play an important role in contributing to the needs of society.

Informal groups are organisations with a **specific, short term objective** related to **issues** that arise **suddenly**. These groups are **temporarily** formed and may **not** be **registered**.

For example, Mr. Chua created an informal group to help Singaporeans **manage the ill-effects of the haze**. In doing so, he contributed towards the efforts to ensure that **Singaporeans remain healthy** during the haze period. He contributed in a **constructive and responsible** manner by **identifying** the country's **problems in managing the haze situation**.

With informal groups, they are able to **organize themselves** to attend to **specific needs** when a **situation occurs** or when a gap is noticed in an area of need. By doing so, they are able to **complement the support structures provided by the government** at that point in time. As such, informal groups can help to **fill in the gaps** and **increase the overall well-being** of the citizens in **times of sudden events** which can better contribute to the needs of society.

Therefore, informal groups have an important role to play in contributing to the needs of society.

(3.2.3) Individuals

Individuals have an important role to play in working for the good of society.

Individuals play an important role in contributing to the needs of society through **volunteering their time, effort and money** towards **meaningful social causes** they are **concerned about**.

For example, “**A Litter at a Time**” was a program started by **Miss Elisa Ng** in 2013 to **encourage citizens** to go the **extra mile** and **pick up** a piece of **litter** every day.

Individuals who took actions in contributing to the needs of society usually do so as they felt that **their actions will be helpful**, and they **feel strongly for the cause** they are contributing towards. Their actions can **benefit many people directly** and the **improvements** that result can be **immediate**. Through their **conviction and passion**, they can also **inspire others** to make similar improvements which can result in **forming informal groups** of volunteers to make a **positive impact** in contributing to a **better living environment** in Singapore. Moreover, as individuals are **closer to their community**, they may be able to **identify needs** of the society which may never be picked up by the government and **take actions immediately** to help. Given the **limited budget** of government and the **diverse needs** of the citizens, individuals can also **complement** and work on **specific needs** of the society which cannot be met by the government.

Therefore, individuals have an important role to play in contributing to the needs of society.

Issue 2: Living in a Diverse Society

Chapter 4: Identity

(4.1.1) Nationality

Nationality is important in shaping one's identity.

People of the same nationality usually **share** common **history, traditions, practices, language** and live together in the **same geographical area**. For example, **food customs** are distinct to certain nations such as the Austrian wiener schnitzel, the Greek lamb kleftiko, English roast beef, Yorkshire pudding and the Indian tandoori chicken.

With a common national identity, aspects of it would shape one's actions in terms of **interactions** with **other citizens**. One would be able to relate to **different aspects** of his or her nationality in **different ways**. These common beliefs and experiences influence a large part of one's national identity.

Thus, nationality is important in shaping one's identity.

(4.1.2) Race and Ethnicity

Race and ethnicity are important in shaping one's identity.

Race is the classification of people by their **physical characteristics** such as skin, eye and hair **colour**. Ethnicity refers to one's **ancestry, cultural practices, language, customs, food** and **dressing**.

For example, the Han Chinese shares **similar physical characteristics** of light skin tone, black eyes and hair. In the Chinese race, there are many different ethnicities such as the Min and Hui people who have **unique traditions** and speak different dialects.

Race and ethnicity define one's **background** and can **influence** the **activities** one engages in. Due to cultural influences, one will **view** the **world** in a **unique** way from the perspective of one's race and ethnicity. This greatly affects the way one **interacts with others** and alters one's **experience of life**. Race and ethnicity play a crucial role in one's **social connections** as one tends to be **more connected** to others of the **same** race and ethnicity.

Thus, race and ethnicity are important in shaping one's identity.

(4.1.3) Religion

Religion is important in shaping one's identity.

Religion is an organised collection of attitudes, beliefs, practices and world views shared by many people.

An example would be Buddhism which follows the teaching of Buddha who promoted **peace** and **harmony** among **different** races and religions, **non-violence** and **appreciation** of **all living things** in an **interdependent world**. Buddhists believe that they must **care** for the **welfare** of all living things.

Religion shapes the way one **interacts with others**, the **choices** one makes and one's **thinking**. Religion influences our **way of life** in many ways and **guides** one to a **path in life** which **aligns** with the **values** promoted by that religion.

Thus, religion plays an important role in shaping one's identity.

(4.1.4) Socio-economic Status

Socio-economic status is important in shaping one's identity.

Socio-economic status refers to **economic situation** of a group of people and is usually determined by **occupation, income, education** and **wealth ownership**. People of different socio-economic statuses have different forms of lifestyles.

In Singapore, an **individual or household income level** is used as the **indicator** for socio-economic status. This in turn can influence the **circle of friends** that one **interacts** with.

Socio-economic status defines one's **capacity to afford** and may shape their **life experiences** as it affects the choice of **housing, food, entertainment and activities**. This influences their **social circle** and can shape their identity from the **interactions** they encounter. One's perspective of the world may be greatly influenced by their socio-economic status, which is an integral part of their **self-identity**.

Thus, socio-economic status plays an important role in shaping one's identity.

Chapter 5: Factors Causing Greater Diversity

(4.1.1) Immigration Policy

Immigration policy is important in causing greater diversity in Singapore.

Singapore's **immigration policy** is closely **linked** with the **manpower needs** of the country.

In the 1980s, Singapore was facing a **declining population** and a **drain** on **highly skilled and talented** people who were leaving Singapore to work elsewhere such as **doctors** who went to **Australia** to work. The government **encouraged** another wave of immigration to **counter** the **loss** of talented people and a **declining population** which continues till today. The current policy focuses on **encouraging higher-skilled foreigners** to **support** our own **knowledge-based economy**.

Without immigration our number of **working-age citizens** would **decline** from 2020 onwards. The **age-dependency ratio** will also **worsen** with each working adult needing to **support an increasing number of elderlies** in the future. Foreigners who come into Singapore as **highly skilled and talented workers** are **encouraged to stay** and **settle** in Singapore to **increase the population** and **contribute** to the **growth and sustenance** of the country. With the **constant arrival** of more foreigners, they contribute to Singapore's diversity by **bringing** with them **their own diverse culture, ethnic beliefs and practices**. Over time, **greater diversity happens** as Singapore welcomes **more** migrants and immigrants from **diverse backgrounds** into Singapore to **meet** the **challenges** of a declining birth rate and an ageing population.

Therefore, having favourable immigration policy is important in causing greater diversity in Singapore.

(4.1.2) Economic Opportunities

Economic opportunities are important in causing greater diversity in Singapore.

In Singapore, **employment opportunities** are readily available due to the large number of businesses that operate here. The ease of doing business, growth potential, stable political environment and well-established judiciary system attracts **global investors** such as **multinational corporations** (MNCs). With the increase in the number of MNCs, there are **more employment opportunities** and **consistent investments** for Singapore, enabling her to remain **competitive** and continue to stay as a **vibrant business hub** creating many economic **opportunities**.

Economic opportunities often attract migrants and immigrants looking for employment that **may not exist in their home countries**. With more economic opportunities, more migrants and immigrants seeking employment are attracted to Singapore. The migrants and immigrants come from **different nationalities**, **bringing** in their **unique social and cultural background, practices** as well as **skill sets** which **add** to the **diversity** in Singapore.

Thus, economic opportunities are important in causing greater diversity in Singapore.

(4.1.3) Socio-Cultural Environment

Socio-cultural environment is important in causing greater diversity in Singapore.

Socio-cultural environment includes strong economic support, a safe environment and a quality education system.

For example, immigrant support groups such as **The Myanmar Club** allow immigrants to **feel more at ease** and at home. Moreover, Singapore has a **low crime rate**.

This **attracts** people to come to Singapore as migrants and immigrants consider **safety** and **security** when deciding on the country to work or live in. Many migrants come to Singapore for **quality education** either for themselves or for their children. Singapore's **education system** is **well-recognised** and admired for its **effectiveness** and **high standards**, which can help to **improve** on their future **social mobility** and **standard of living**. With good socio-cultural environment present in Singapore, many are attracted to Singapore and thus make their move over. As these people comes from **different nationalities, beliefs, socio-cultural backgrounds** and **skill sets**, they **add** to the **diversity** that has already exist in Singapore.

Thus, socio-cultural environment is important in causing greater diversity in Singapore.

Issue 3: Globalisation

Chapter 8.2: Driving Forces of Globalisation

(8.2.1) Developments in Transportation

Developments in transportation is an important driving force of globalisation.

In the 20th century, the commercial jet aircraft, large ocean-going vessels and containerisation greatly increased the **movement of goods and people** from one place to another. The improvements in **size and speed** of the different mode of transportation, and the development and **integrated transportation infrastructure** such as airports, seaports, railways and expressways has led to **increasing mobility** of goods and people to facilitate movement. The **efficient transport network** worldwide has made it possible for goods to be moved around the world easily. At the same time, it also meant that people can travel faster.

With developments in transportation, it allows for a **more efficient** and **convenient movement** of items and people which allows **businesses** to **function at high speeds**. **More** people and goods can be **carried per trip** resulting in **cost savings** at lower cost, it facilitates the process through which people's **activities** and **ideas** become **more interconnected**, promoting the exchange of ideas. People can also **travel easily** to anywhere in the world for business or leisure. This allows **integration** and **interconnectedness** between different countries' **businesses** and **cultures**. Thus, developments in transportation encourages and drives globalisation.

(8.2.2) Growth of Multinational Corporations(MNCs)

Growth of MNCs is an important driving force of globalisation.

Multinational companies are businesses with **economic activities in more than one country**. As MNCs continue to grow in their number and size, they control more aspects of international trade and investments.

One example is Starbucks whose operations are spread over the world. Starbucks would grow their coffee beans in a few countries, roast and then deliver them to stores around the world. Through this, they can ensure a consistent product as well as have **lower operation costs**.

As MNCs set up their operations in different parts of the world to **source for new markets** and **lower production costs**, operations are coordinated and controlled by the headquarters, usually located in its country of origin. With the growth of MNCs, their operations are **set up in different parts of the world**, economies become **more integrated** due to the economic **interconnection** between **people and goods** throughout the world. These interconnections can also lead to **interdependent relationships** between the parties involved in the operations of MNCs. At the same time, MNCs create **investment** and **employment** opportunities in the countries that they set up facilities in. This benefits the locals by providing employment as well as the country and region **attracting even more investments** which lead to economic interconnections between countries. This **spurs integration** and interconnectedness of the world, in turn **driving globalisation**. Besides economic benefits, MNCs also **facilitates exchange of ideas** between countries, which further drives globalisation.

Thus, the growth of MNCs is an important driving force of globalisation.

(8.2.3) Advances in Technology

Technological advancements in communication is an important driving force of globalisation.

Technological advancements have resulted in **greater access** to the **Internet** and the increasing of mobile communications. These **facilitate** the **communication** and **exchange of information** from anywhere across the world.

For example, many **applications** can now be **easily installed** onto a smart phone--a mobile phone with advanced computing capabilities. With the invention of the smartphone at the beginning of the 21st century, mobile phones are no longer limited to making voice calls.

With technological advancements in in communication, it allows communication among people in **different locations** to be **faster** and **more convenient**. This results in the **efficient movement of ideas and information** which leads to a more **interconnected and integrated world**. Furthermore, businesses across the globe can **grow rapidly** due to the **shrinking world** as people can now **purchase** goods and services **anywhere** and **new ideas** can be **formulated** and **conveyed** at a much **faster rate**. This sparks off a **cycle** that **continuously encourages** the rate of interconnectivity around the world, leading to globalisation.

Thus, globalisation is an important driving force of globalisation.

Chapter 9: Economic Impacts of Globalisation

(9.2) Economic Impacts on Countries

(9.2.1) Advantages

The impacts of globalisation can be favourable for countries

For example, the signing of **Free Trade Agreements (FTAs)** such as the United States-Singapore Free Trade Agreement (USSFTA) and the Trans-Pacific Partnership (TPP) has allowed for the **cheaper import** of good and services from foreign countries into Singapore and has also **encouraged foreign investment** and **capital** into Singapore, providing **jobs** and promoting Singapore as a **regional financial haven**.

With globalisation, there is more inflow of foreign capital which gives Singapore **higher tax revenues** as companies set up regional headquarters in Singapore, as a financial hub. This allows the Singaporean government to **spend more money on infrastructure development** and **funding** into various **schemes** that seek to **improve the way of life** of Singaporeans. **Work efficiency** is raised as there is an **easier movement** of goods and services as well as **skilled personnel, facilitating business** to flourish which in turn attracts even **more investment** and help Singapore attain constant **economic growth** and prosperity.

Hence, globalisation can be favourable for countries.

(9.2.2) Disadvantages

The economic impacts of globalisation can be detrimental for countries.

For example, the 1997 **Asian Financial Crisis** saw many Southeast and East Asian countries suffer economically as their **currencies devalued** rapidly and **foreign debt rose** drastically. **Investor confidence** was **lost** in the region and **demand** for goods and services from Southeast Asia **plummeted**. This hit Singapore with an **economic recession** which **depreciated** Singapore's **currency** and caused **rapid stock market plunges**.

With globalisation, economies of various countries are **interconnected** as trade and currency are **interdependent** on the **economic stability** of each country. This **increases** the **vulnerability** of every country as a drop in the demand for the goods and services of one country will **spread** throughout the region like a **domino effect** as people will have **reduced confidence** in the **stability** of trade markets and there will be **less capital exchange** between economies. This will **slow down** the **economic activity** of numerous neighbouring countries and potentially an entire continent or the whole world. Hence, the **free fluid flow of capital** throughout economies as an effect of globalisation makes countries **more susceptible** to **sudden economic downturn** in certain areas of the world, forcing governments to alter their fiscal policy to that of not in their best interests.

Hence, globalisation can be detrimental to countries.

(9.3) Economic Impacts on Companies

(9.3.1) Benefits

MNCs

The economic impacts of globalisation can be favourable to MNCs.

Globalisation allows MNCs to set up their **operations** in **different locations** which allows MNCs to find other means to **lower cost of production** through **lower labour costs** and **cheaper resources** such as land and raw materials. This can be seen in **Starbucks** as they are able to **source** for their **coffee beans** from the Americas, Africa and Asian and **distribute** their coffee beans to **2100 stores** in more than **65 countries** worldwide.

The economic impact of globalisation can be favourable for large multinational corporations as they are able to **exploit** the **cheaper cost** of production in one country and **sell** their products at a **mark-up** in another, wealthier country. This can help **boost profit margins**. Also, these corporations are able to bring a **wide array of goods** from all around the world for consumers to choose from, making their goods and services **more appealing** which will help **increase consumer demand** and increase their sales. Moreover, through globalisation, companies are able to **access a variety of markets** meaning that MNCs can reach out to a **wider range of consumers** and have **more choice of investments**, ultimately leading to **higher profits** for MNCs.

Hence, globalisation can be favourable towards MNCs.

SMEs

The economic impacts of globalisation can be favourable towards SMEs.

Globalisation helps to benefit MNCs which helps **support** SMEs as SMEs support MNCs by **providing components, goods** and **services** to MNCs for their operations. An example would be **MMI Holdings**, which is a local SME which **supplies hard drive discs** to the US-based **Seagate Technology**, a large MNC.

The economic impacts of globalisation bring about business opportunities for SMEs as they are able to play a **complementary role** to the MNCs by **selling** the goods produced by them to MNCs at **higher prices**, which ultimately leads to **profit** for the SMEs. Moreover, SMEs are able to **respond more positively** towards competition because they **understand local conditions** and choose to offer goods and services which **appeal to the locals**. These allow SMEs to have a **stable consumer base** in the local market and are able to make a decent profit off their goods and services by being the **sole supplier** to a certain MNC.

Hence, globalisation can be favourable for SMEs.

(9.3.2) Disadvantages

MNCs

The economic impact of globalisation can be detrimental to MNCs.

Globalisation has led to **greater interconnections** and **interdependence** between different parties. Hence many countries are able to **widen their market** reach by **expanding their production** and **sales** of goods in **many parts** of the world. However, with so many companies **vying** for the **same market**, it is becoming **harder** for companies to **compete** for a **share of the profits** from the global economy. This is especially so if they **do not constantly innovate** and **reinvent** itself. In 2012, French hypermarket chain, **Carrefour**, closed its only branch in Singapore after 15 years, due to **competition** from **other companies** offering **similar products** in Singapore.

The economic impact of globalisation allowing MNCs to set up in locations **all over the world** is that there will be **more competition** between MNCs. This means that the **consumer base** will be **wide spread throughout** different companies, **lowering** the number of **consumers** and their **profit**. Furthermore, having competition means that MNCs will have to **constantly upgrade** in order to outdo one another. This leads to **inconvenience** and **higher operating costs** which can further lower their profits. Companies which are **unable to anticipate changing** markets are **unable to ensure** that their products and services **remain relevant and competitive** and as a result, face **lowered profits** and even **bankruptcy**. Companies may end up having to **close down** and **stop** their operations in the country, some may even be **in debt**.

Hence, globalisation can lead to detrimental impacts on MNCs.

SMEs

The economic impact of globalisation can be detrimental to SMEs.

Globalisation has allowed **more MNCs** to set up shop in Singapore, which brings in foreign **competition** to local SMEs. This has resulted in competition that SMEs are **incapable of dealing with**. For example, the number of SMEs **closing down** has **exceeded** the number of **newly formed** enterprises 2016. Enterprises such as **Five Stars Tours** and **Banquet Food Court** have been **unable to anticipate changing markets** and **ensure** its products and services **remain relevant**, failing to **keep up** with **manpower** and **rental costs**.

With globalisation, more MNCs will be able to set up locally, meaning that there will be **competition** between MNCs and the SMEs. This will affect the **livelihood** of local companies as they are **unable to compete** with the MNCs due to their **small setup**. They have a **shortage of expertise** and most of their **labour** would likely **move** over to MNCs due to the **better incentives**. With no profit, expenses and workforce, SMEs will gradually shutdown one by one.

Hence, globalisation can lead to detrimental impacts for SMEs.

(9.4) Economic Impacts on Individuals

(9.4.1) Advantages

The economic impacts of globalisation can be favourable to individuals.

As globalisation has **facilitated mobility**, making it **easier** for individuals to look for jobs **overseas**, they are able to find **better job prospects** and **higher income**. For example, **engineer Jumadi Husani** was headhunted to work in **Dubai** in 2008 for **triple** his **pay** in **Singapore**. With globalisation, he was able to work at his desired job which was **less stressful** and has allowed for **more time** to be **spent** with his **family** and in engaging in leisure activities.

Globalisation has allowed for the **ease of movement of people** which can result in **greater competition** as individuals **compete with one another** in the same country and others elsewhere in the world which will allow them to **show their skills** and further **improve their capabilities**. Overseas companies may want to employ them due to their **higher skill set**. This offers individuals opportunities to seek jobs in foreign land which could be **more appealing** due to **higher pay**, a **slower pace of living**, **higher job compatibility** or the luxury to be able to travel. Individuals have **more freedoms** and are able to find **better paying jobs** and seek a **better way of life**.

Hence, the economic impact of globalisation can be favourable to individuals.

(9.4.2) Disadvantages

The economic impact of globalisation can be detrimental to individuals.

As globalisation **increases** the **mobility** of workers and jobs, some workers may be **adversely affected**. Jobs may be lost when global companies **close down** their operations to **shift to another location** that offer **lower labour costs** or when workers are **unable to equip** themselves with the **skills required** for those jobs. For example, the Japanese fashion chain, **Uniqlo**, first started product operations in **Shenzhen**, China, because of the **low labour costs**. However, as China's **manufacturing and labour costs rose**, Uniqlo **moved out** of China into **Vietnam** where **labour costs** were **half** that of China's.

The economic impact of globalisation can be detrimental to individuals as they may find themselves **out of jobs** when **other markets** are able to **offer lower labour costs** or when they are **not equipped** with the **right skills**. Individuals will **lose** their personal **income** when they do not have jobs and would thus affect their **standard of living** as they may **not be able to meet** their **basic needs**.

Hence the economic impact of globalisation can be detrimental to individuals.

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