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Title	<i>Globalisation and the effect on economies</i>
Description	Second part of the Globalisation and the financial crisis series. Ngaire Woods, Christina Ward and Jeni Whalen discuss what Globalisation is and how governments around the world have adapted to it.
Presenter(s)	Ngaire Woods, Christina Ward and Jeni Whalen
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Interviewer So what is globalisation?

Respondent Well globalisation for a lot of people they think of as something that is happening to all of us as opposed to something that governments are making active decisions about and shaping everyday in governments across the world. What's making a new globalisation possible at the moment is the huge communications revolution which means you can have instantaneous transactions right across the world. You can structure your production, your finances in a very global way. But that's only an instrument of globalisation that does not capture for us the core decisions which have made globalisation possible.

Interviewer And what are those core decisions?

Respondent Well they are liberalisation decisions it is governments deciding to open up their borders to trade, to open up their borders to finance, to permit foreign financial companies to come and operate within their borders, to permit or not to permit all the kinds of trading and leveraging activities that we have seen in this crisis.

So actually government decisions are what let the genie out of the bottle this is not, globalisation is not a genie that has worked its way, its own way out of the bottle. Governments have made policy decisions which have opened up more and more parts of every economy to global forces. So we are seeing a huge increase in transactions across borders, we have seen a huge increase in the use of technology to foster trade and finance between countries.

Interviewer And what does that mean for economies around the world?

Respondent It means economies around the world are more vulnerable to one another but also have more opportunities in their trade and financial flows with one another. But I guess as important as understanding the economic impacts of globalisation is to think about the political impacts.

So the way globalisation changes borders and identities so it means you can have both transnational political groups whether they are NGOs, transnational firms and transnational criminal networks as well. All of these new transnational political groupings become conduits rather like trade and finance suddenly political ideas. Political movements whether good or bad can flow very

quickly across borders and reactions to them can flow very quickly. We are seeing that political reaction in this financial crisis as well.

We are seeing groups around the world, in other parts of the world saying “Well maybe this crisis shows that we are too politically and economically vulnerable to other countries and we need to be more robustly nationalistic.” So globalisation has its own breaks built into it as groups resist it, react to it, realise that they’re vulnerable, set up barriers to it and that’s what we are seeing in the wake of the crisis

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