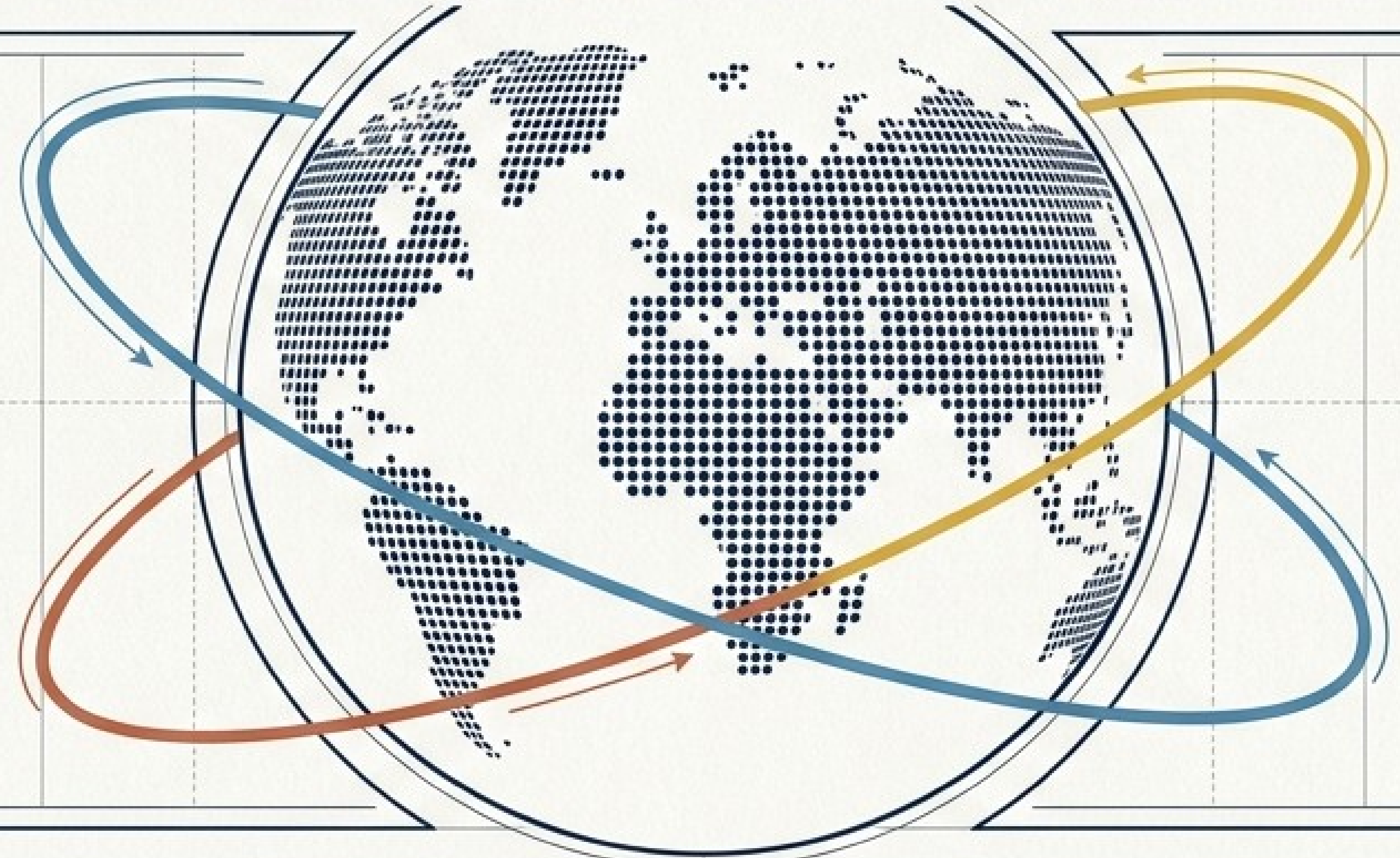
POLITICAL INFLUENCES ON GLOBAL INTERACTIONS



IB GEOGRAPHY SYLLABUS SUMMARY: **MGOs, FREE TRADE ZONES,** AND **ECONOMIC MIGRATION**

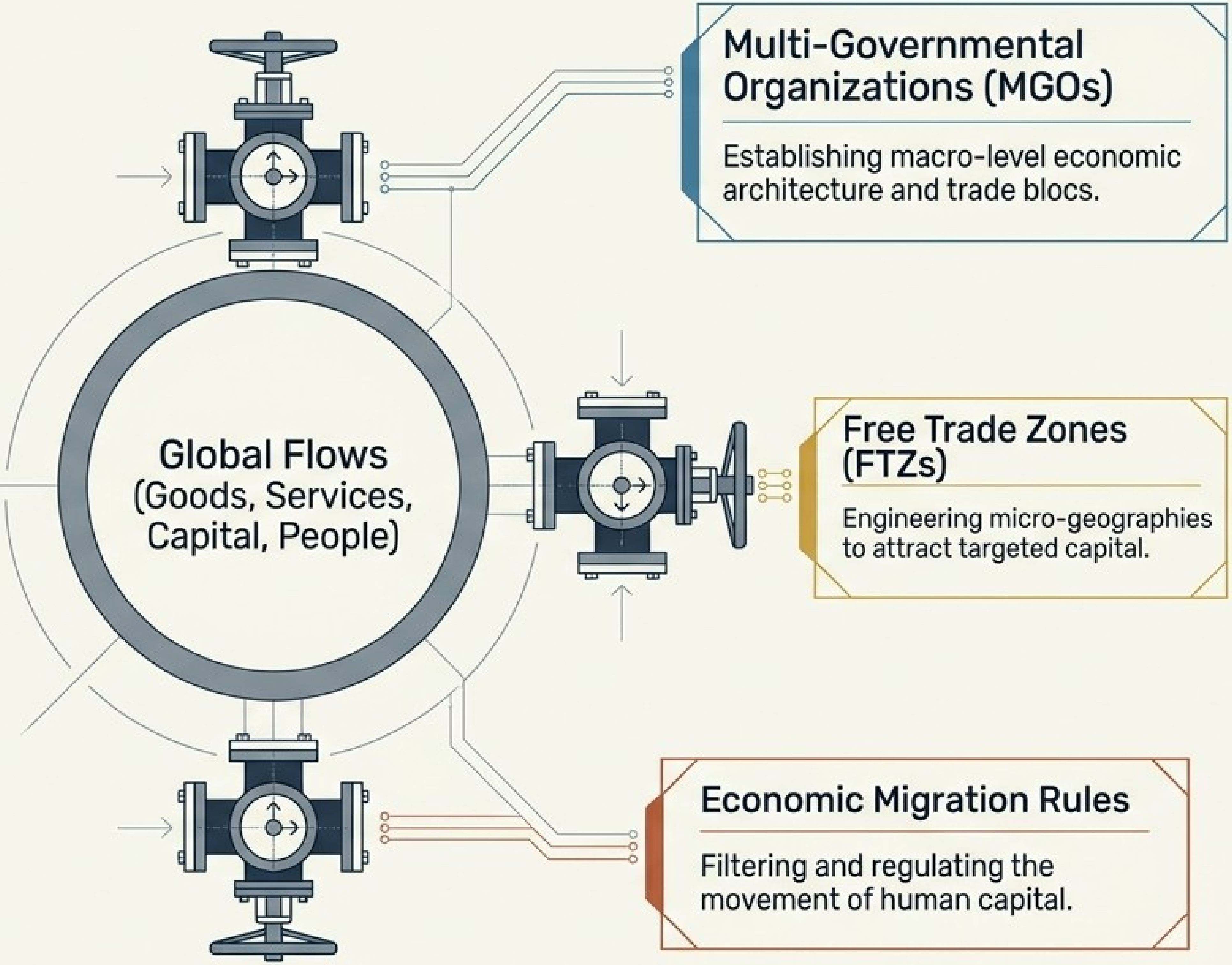
Syllabus Link

Political factors that affect global interactions:

- Multi-governmental organizations (MGOs) and free trade zones
- Economic migration controls and rules

The Architecture of Global Flows

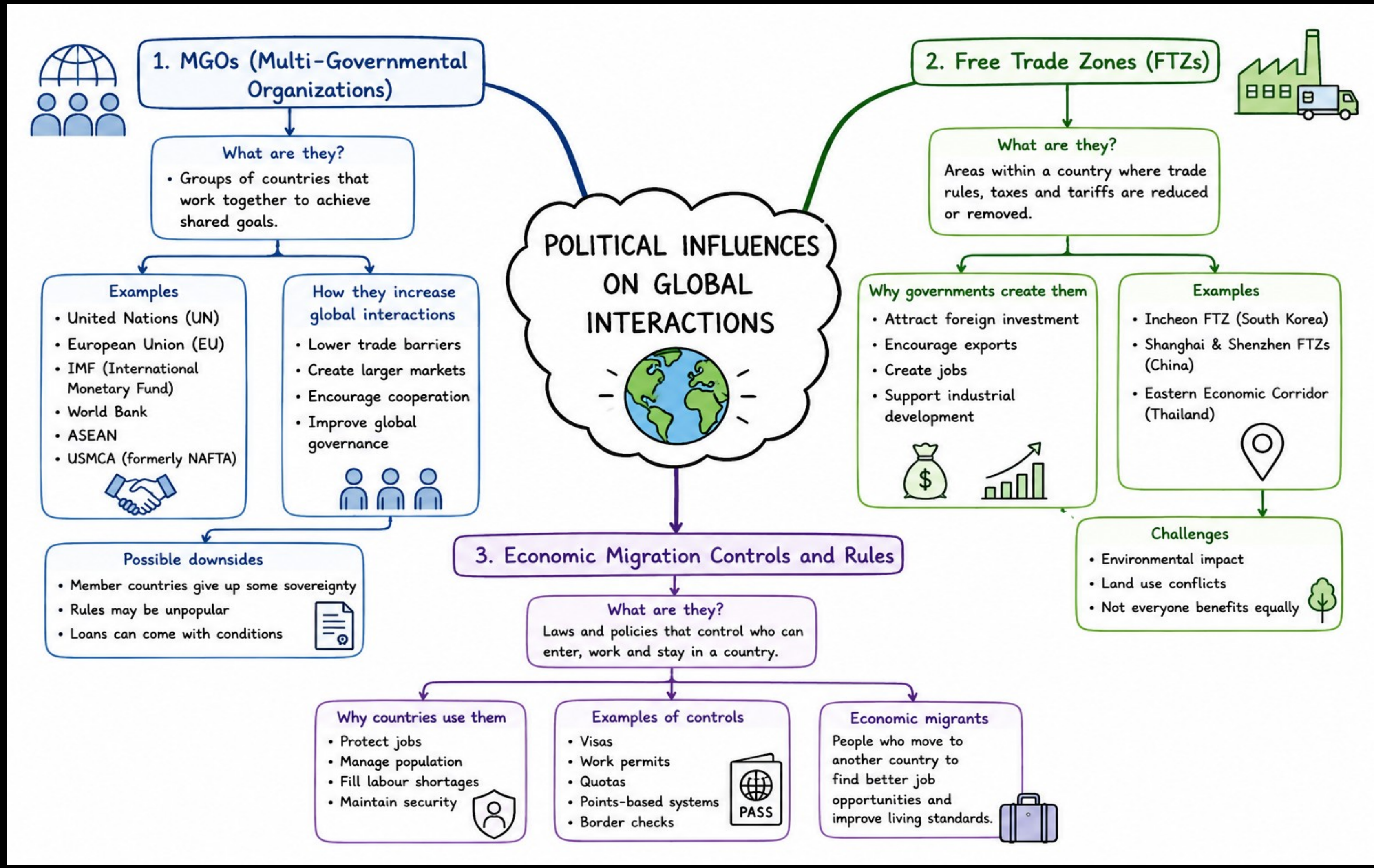
Political factors act as the gatekeepers of globalization—either promoting connectivity to drive growth or imposing restrictions to protect national interests.



Intro Video

We are going to watch an intro video on this topic.

As you watch the video make a dual coded (a mind map that combines text and visuals) mindmap of important terms and key details.



Global Political Influences

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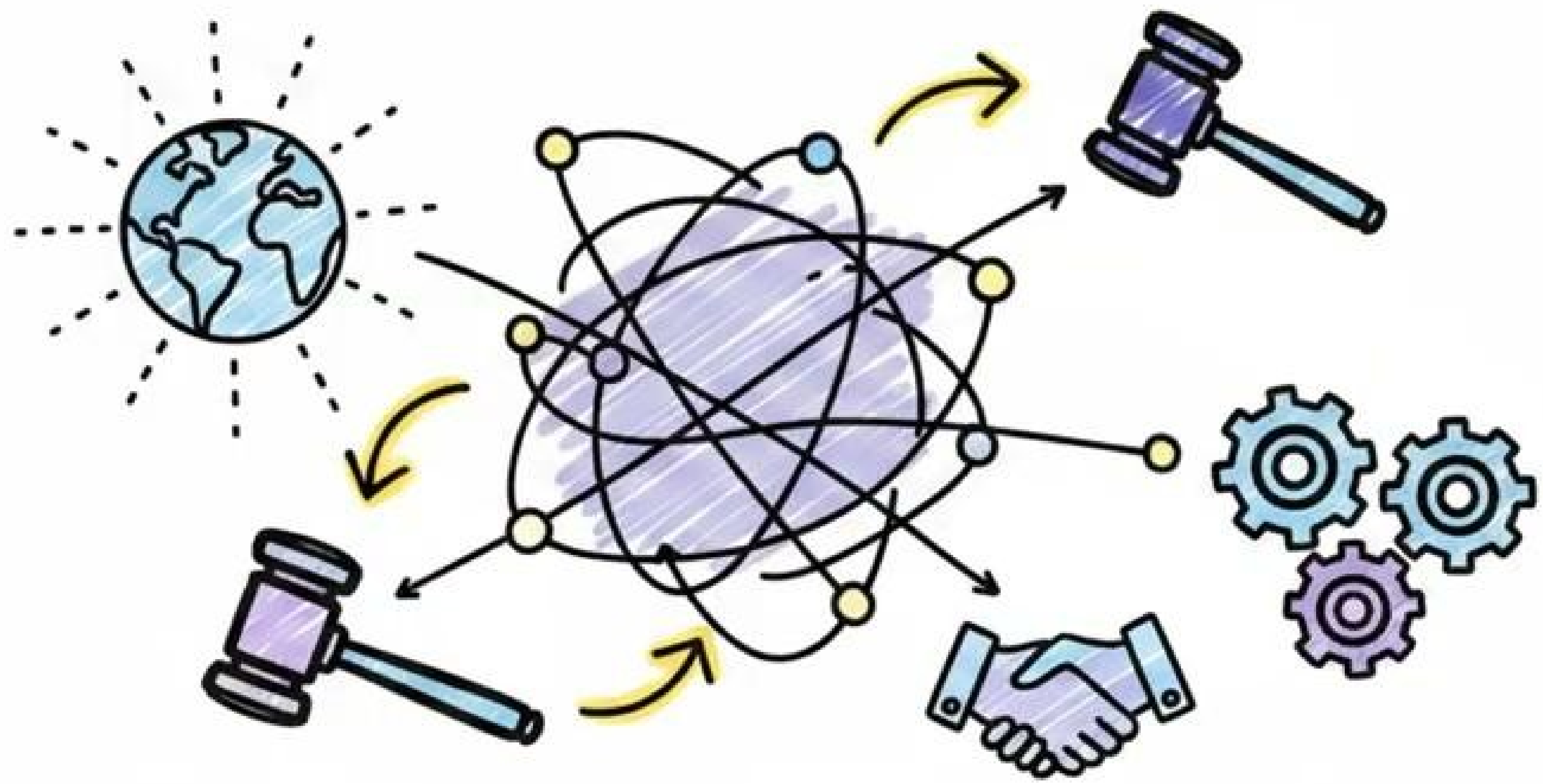


POLITICAL INFLUENCES ON GLOBAL INTERACTIONS

Political decisions shape the flow of goods, services, capital, people and ideas across borders.

1. MULTI-GOVERNMENTAL ORGANIZATIONS (MGOs)

Alliances of multiple countries working together to achieve shared goals.

EXAMPLES

GLOBAL
- United Nations (UN)
- International Monetary Fund (IMF)
- World Bank

REGIONAL
- European Union (EU)
- ASEAN
- USMCA (formerly NAFTA)

HOW MGOs PROMOTE GLOBAL INTERACTION

- Lower barriers to trade and harmonize regulations.
- Create larger markets and increase economic cooperation.
- Stronger collective voice for smaller countries.

POTENTIAL DOWNSIDES

- May limit national sovereignty.
- Supranational rules can be unpopular domestically.
- IMF & World Bank attach conditions to loans that influence national policies (e.g., education, healthcare, tax reform).

2. FREE TRADE ZONES (FTZs)

Designated areas within a country where trade regulations, tariffs and taxes are reduced or removed.

AIMS

- Attract foreign direct investment (FDI)
- Encourage exports
- Foster industrial development
- Offer incentives: tax holidays, streamlined customs, less red tape

EXAMPLES

- **South Korea:** Incheon Free Economic Zone (2003) – attracts high-tech firms with tax incentives & advanced infrastructure.
- **China:** Shanghai & Shenzhen FTZs – key hubs linking China to global markets.
- **Thailand:** Eastern Economic Corridor (EEC) – aims to create a hub for advanced industries (robotics, biotech, aerospace) with major transport infrastructure.

POTENTIAL CHALLENGES

- Environmental sustainability
- Land use conflicts
- Unequal distribution of benefits.

3. ECONOMIC MIGRATION CONTROLS AND RULES

Policies that determine who can enter a country for work, how they are allowed to stay, and what rights they have.

ECONOMIC MIGRATION

Movement of people seeking better job opportunities and living standards.

EXAMPLES: WITHIN EU

Free movement for EU citizens to live and work in any member state. (E.g., many Poles moved to the UK in the 2000s.)

BENEFITS

- ✓ Fills labour shortages (e.g., agriculture, construction, care work).
- ✓ Migrant workers often contribute more in taxes than they receive in benefits.

TENSIONS / CONCERNS

Some citizens worry migrants take jobs or strain public services, creating social and political tension.

EU EXTERNAL MIGRATION POLICY

Blue Card system attracts highly skilled workers from outside the EU. Requires job offer with salary ≥ 1.5 times national average. Criticised for excluding low-skilled workers.

CHALLENGES: IRREGULAR MIGRATION

Dangerous crossings from N. Africa and Middle East cause thousands of deaths. EU responses:
- Stronger border patrols (Frontex)
- Deals with non-EU countries to reduce irregular migration.

KEY TAKEAWAY

MGOs, FTZs and migration policies are powerful political tools that shape globalization.

THEY CAN:
- ✅ Promote economic growth
- ✅ Increase cooperation
- ✅ Improve connectivity

BUT THEY CAN ALSO:
- ❌ Limit national sovereignty
- ❌ Create inequality or social tension
- ❌ Cause environmental or ethical issues

Reading Activity

Read the summary of political influences on global interactions and:

- Take notes or add additional points to your mind map
- Complete the activities on Google Classroom
- Then use the slides to add to your understanding (the videos may help)

Reading Summary- Political Influences on Global Interactions

Introduction: Global interactions are shaped not only by economic forces and technological innovations but also by political decisions. Political factors can either promote or hinder the flow of goods, services, capital, people, and ideas across borders. Among the most influential political mechanisms are **multi-governmental organizations (MGOs)**, **free trade zones**, and **economic migration controls and rules**. These institutions and policies play a critical role in determining how connected — or restricted — different parts of the world are.

Multi-Governmental Organizations (MGOs): Multi-governmental organizations (MGOs) are alliances formed between multiple countries to address shared goals. These organizations operate either globally, such as the United Nations (UN), International Monetary Fund (IMF), and World Bank, or regionally, such as the European Union (EU), the Association of Southeast Asian Nations (ASEAN), or the North American Free Trade Agreement (NAFTA), now known as the US-Mexico-Canada Agreement (USMCA). MGOs are central players in encouraging economic development and international cooperation.

Most MGOs focus on increasing economic integration by lowering barriers to trade and harmonizing regulations across countries. For instance, the **EU** enables its members to participate in a single market where goods, services, people, and capital can move freely. The **EU's political framework** has created a powerful trade bloc, enabling smaller countries to exert greater influence on the global stage through collective action. However, MGOs may also impose constraints on national sovereignty. Member states often have to comply with supranational regulations, which may be politically unpopular domestically.

Furthermore, MGOs can influence global governance. The IMF and World Bank, for example, attach conditions to their loans that can affect national policies in areas such as education, healthcare, and tax reform. Thus, while MGOs often facilitate globalization and greater connectivity, they can also be criticized for imposing uniform models of development and limiting the autonomy of less powerful states.

Free Trade Zones: Another political mechanism that facilitates global interaction is the establishment of **Free Trade Zones (FTZs)**. These are designated areas within a country where normal trade regulations, such as tariffs and import/export taxes, are relaxed or eliminated. The aim of FTZs is to attract foreign direct investment (FDI), encourage exports, and foster industrial development by offering businesses favourable conditions such as tax holidays, streamlined customs procedures, and reduced red tape.

Governments around the world have increasingly embraced FTZs as tools for stimulating economic growth. A prominent example is the **Incheon Free Economic Zone** in South Korea, developed in 2003. This zone was designed to attract high-tech companies and multinational corporations through favourable tax laws and advanced infrastructure. Similarly, China's **Shanghai** and **Shenzhen** free trade zones have played critical roles in integrating the Chinese economy with global markets by serving as innovation and export hubs.

What are MGOs?

Multi governmental organizations are those that operate across a number of different states. Some are International, such as the World Bank, the IMF and the UN, whereas others regional such as the North American Free Trade Agreement or the European Union.

Most MGOs focus on economic matters in the attempt to increase trade and interactions, although there maybe some protectionism from external states

What is the EU?

Forging Cross-Border Economic Integration

MGOs are alliances formed between multiple states to address shared goals, operating either globally or within specific regional boundaries to increase trade and interactions.

Lowering Barriers: Eliminating tariffs and import quotas.

Harmonizing Regulations: Creating uniform standards across borders (e.g., EU single market).

Collective Influence: Allowing smaller nations to project greater power on the global stage by acting as a unified trade bloc.

Classifying Multi-Governmental Power

Global Scope

Economic / Development Focus

Deep Market Integration

The IMF & World Bank

- Focus: Global economic stability, development loans.
- Note: Attach policy conditions to loans affecting national healthcare, education, and tax reform.

The United Nations

- Focus: Maintaining international peace, protecting human rights, and upholding international law (193 member countries).

USMCA (formerly NAFTA) & ASEAN

- Focus: Reducing regional trade barriers and import quotas between neighboring states.

The European Union (EU)

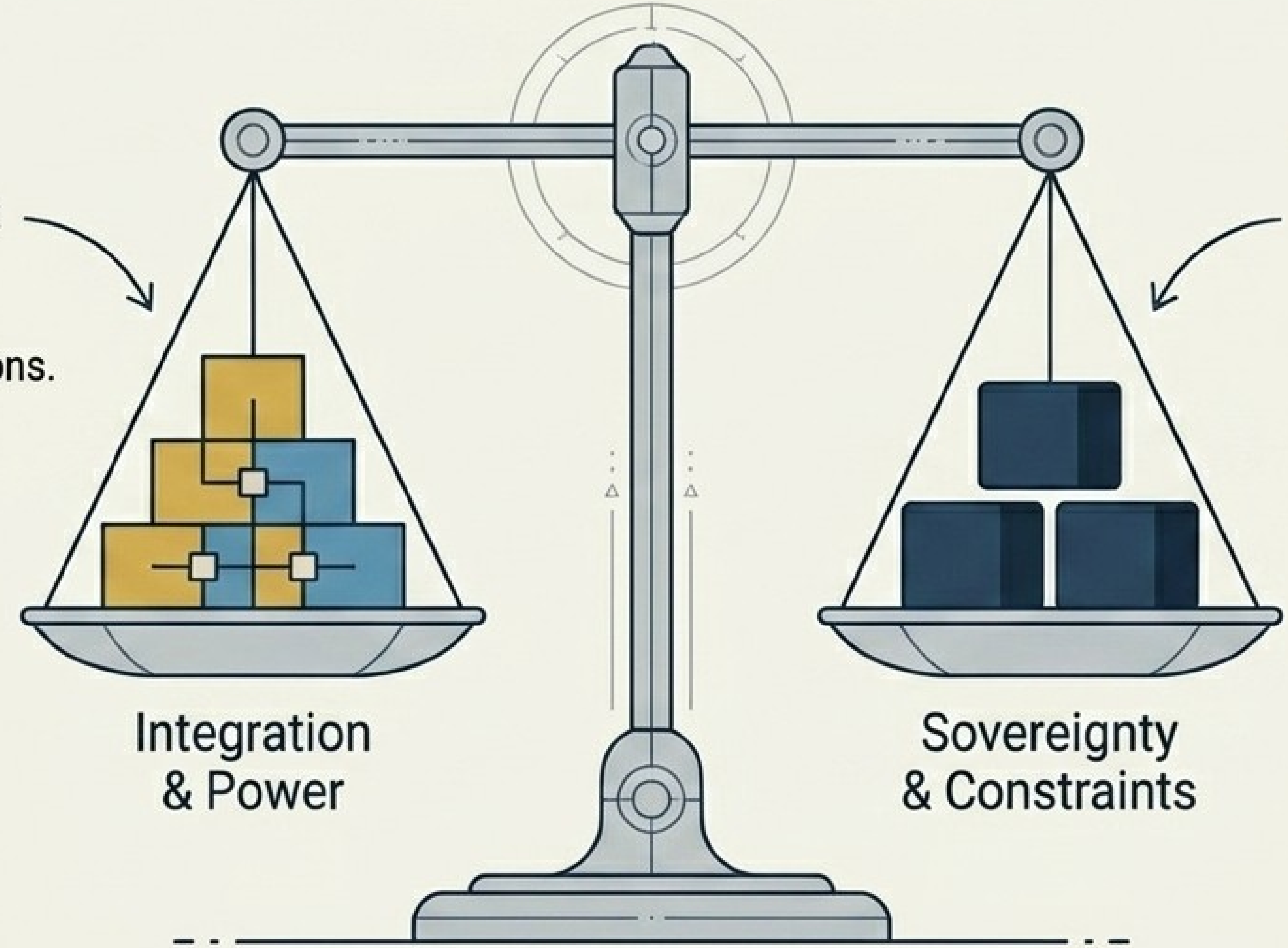
- Focus: Deep integration enabling a single market where goods, services, people, and capital move move seamlessly.

Regional Scope

Balancing Integration and National Sovereignty

The Pull Factors:

- Seamless access to vast single markets.
- Amplified collective voice in global negotiations.
- Access to vital infrastructure loans and development aid.



The Push Factors:

- Loss of absolute national autonomy.
- Forced compliance with supranational regulations (often politically unpopular domestically).
- Imposition of uniform development models on less powerful states (e.g., IMF loan conditions).

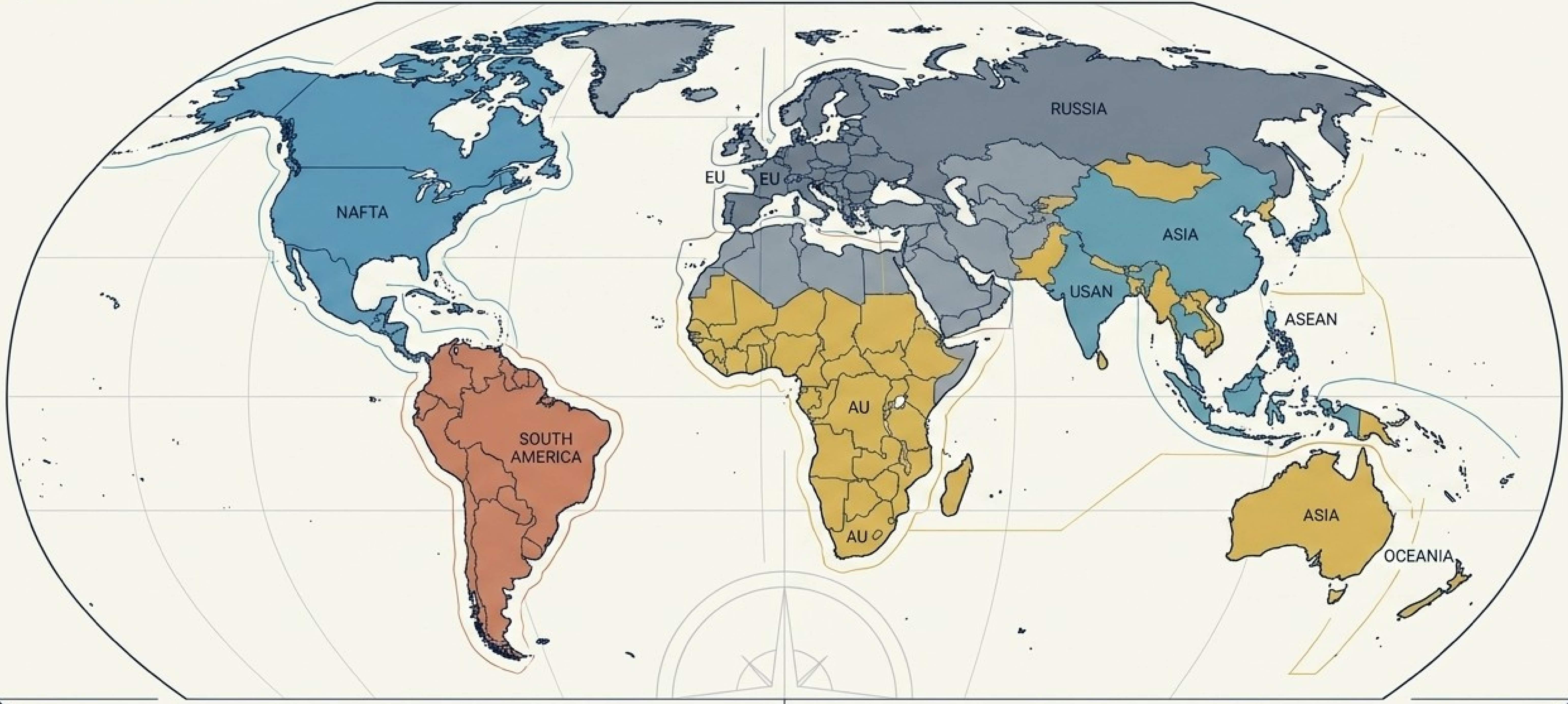
Free Trade Areas

A free-trade area is the region encompassing a trade bloc whose member countries have signed a free trade agreement.

Such agreements involve cooperation between at least two countries to reduce trade barriers, import quotas and tariffs, and to increase trade of goods and services with each other.

Multi-Governmental Organizations: The Architecture of Trade

Syllabus Point 1a



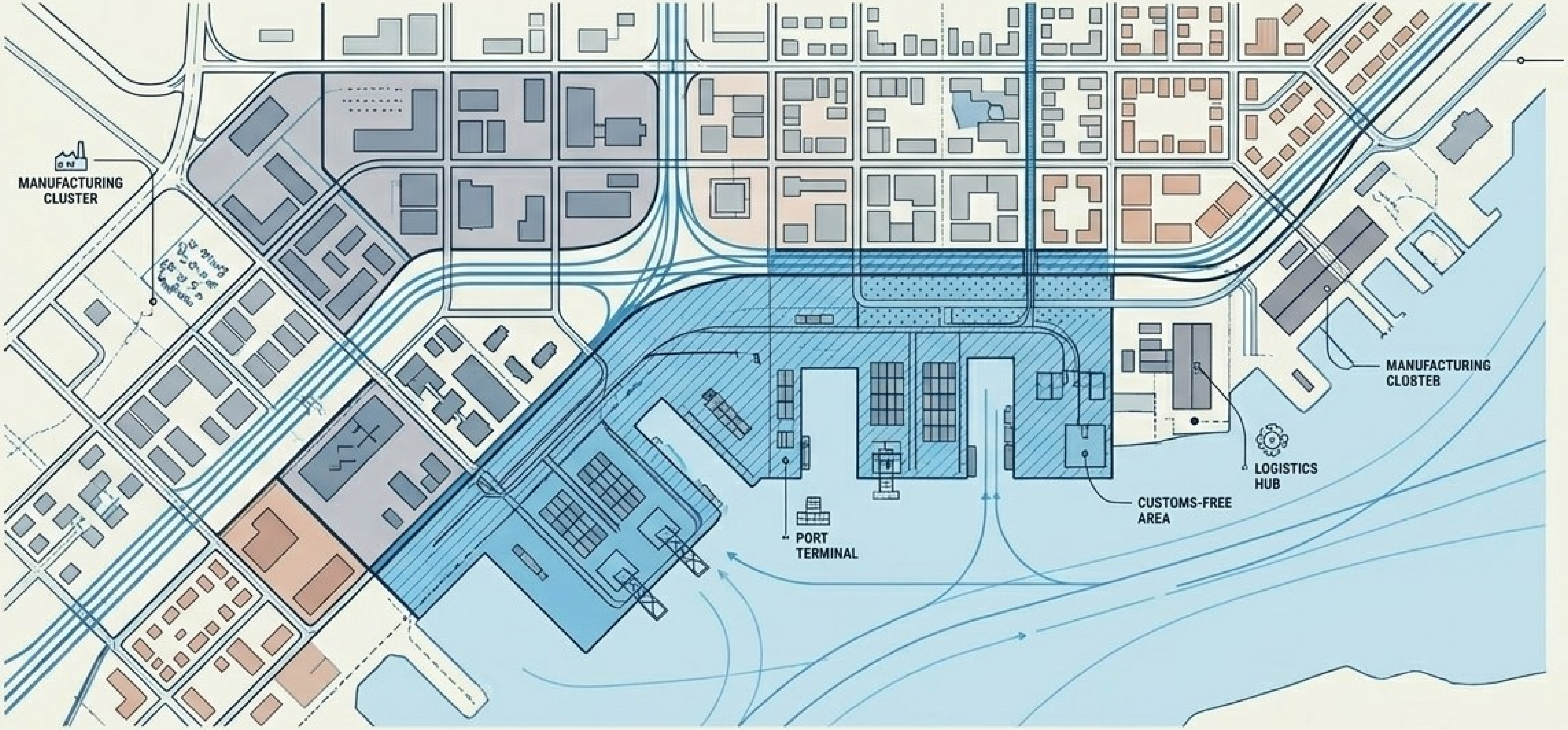
Free Trade Zones

Free trade zones, or free/special economic zones, are geographic areas that have different laws to the rest of the country.

FTZs aim to facilitate trade, attract business and generate economic growth through the removal of taxes and tarrifs, the establishment of streamlined customs procedures and reduced regulation.

Free Trade Zones: Micro-Geographies of Globalization

Syllabus Point 1b

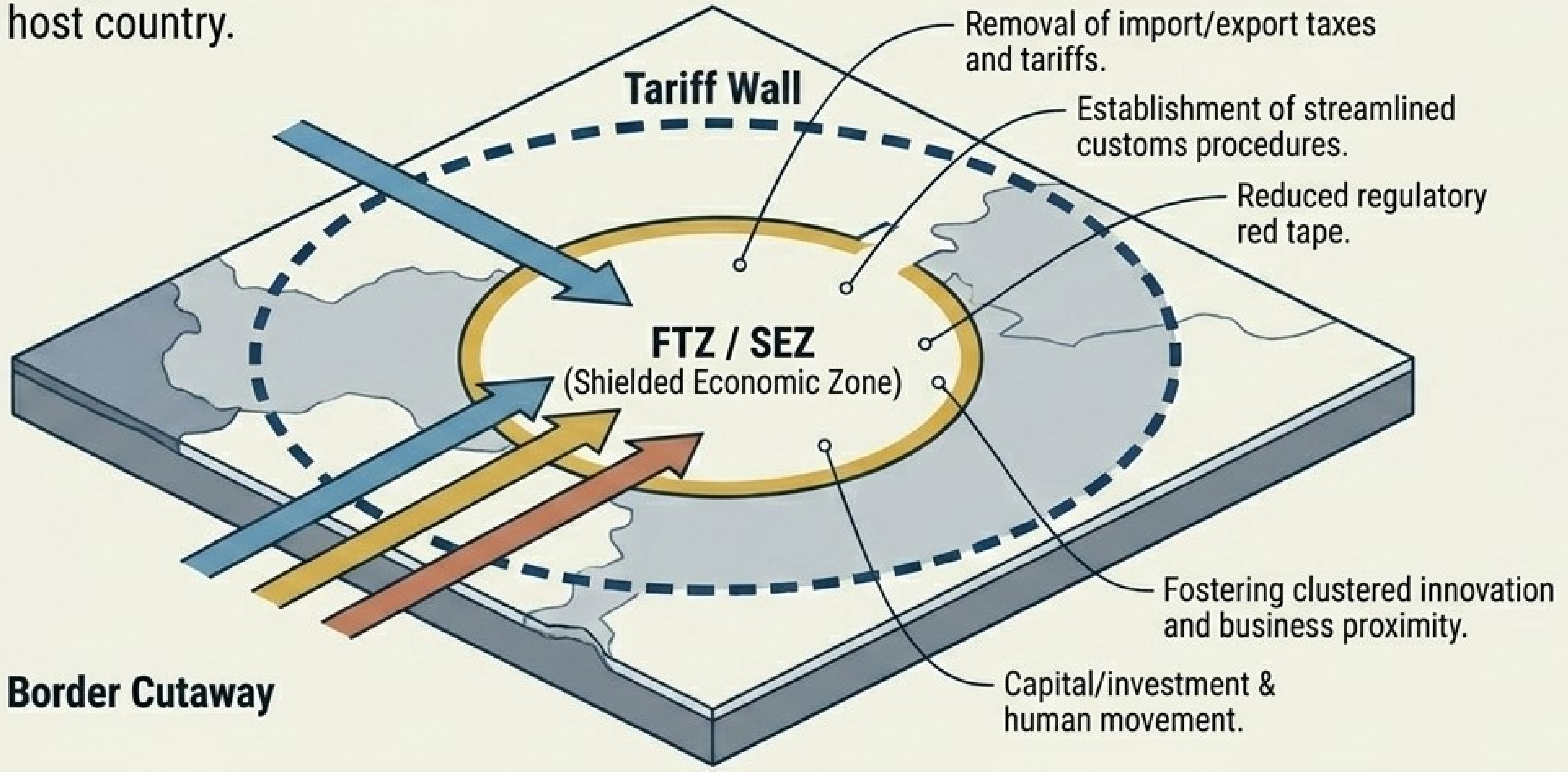


Free Trade Zones

FEZs facilitate global flows in goods and contribute to hubs of innovation by attracting companies to locate together. The government of South Korea agreed on an ambitious plan to develop the Incheon FEZ in 2003.

Engineering Shielded Economic Zones

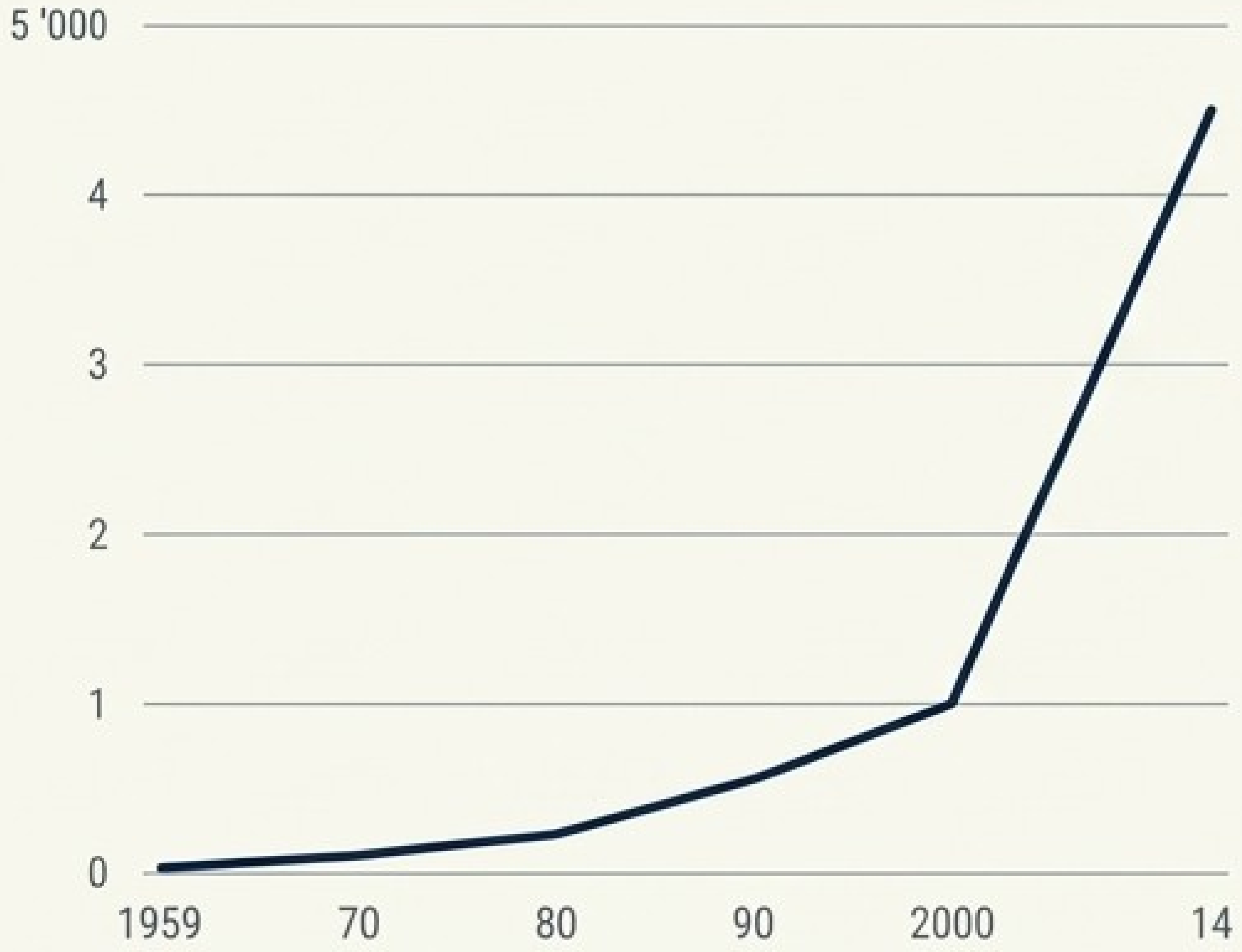
Definition: Free trade zones (or special economic zones) are geographic areas that operate under completely different trade laws than the rest of the host country.

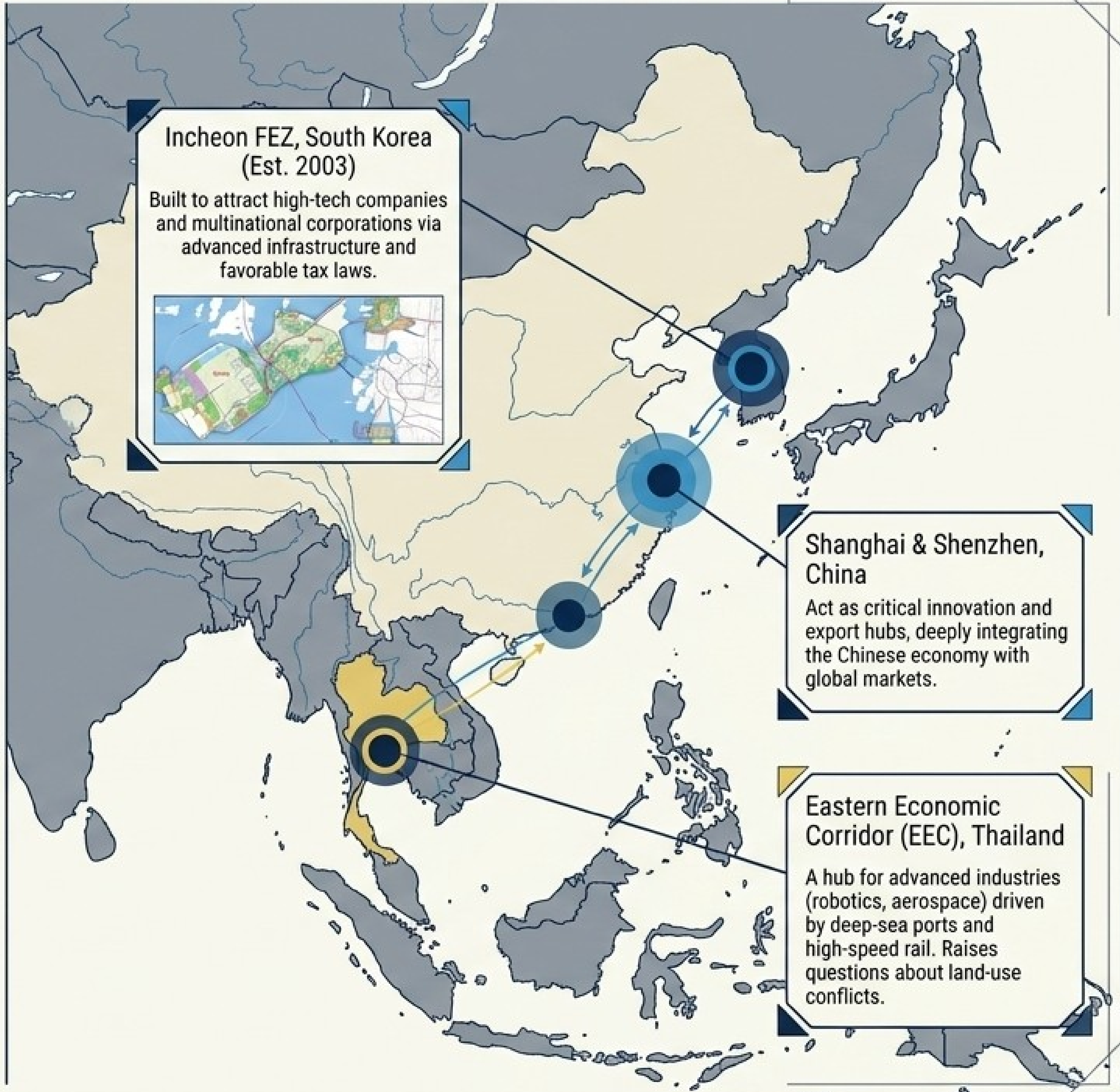


Strategic Hubs Driving National Development

Governments worldwide establish FTZs to attract FDI and stimulate regional economic engines.

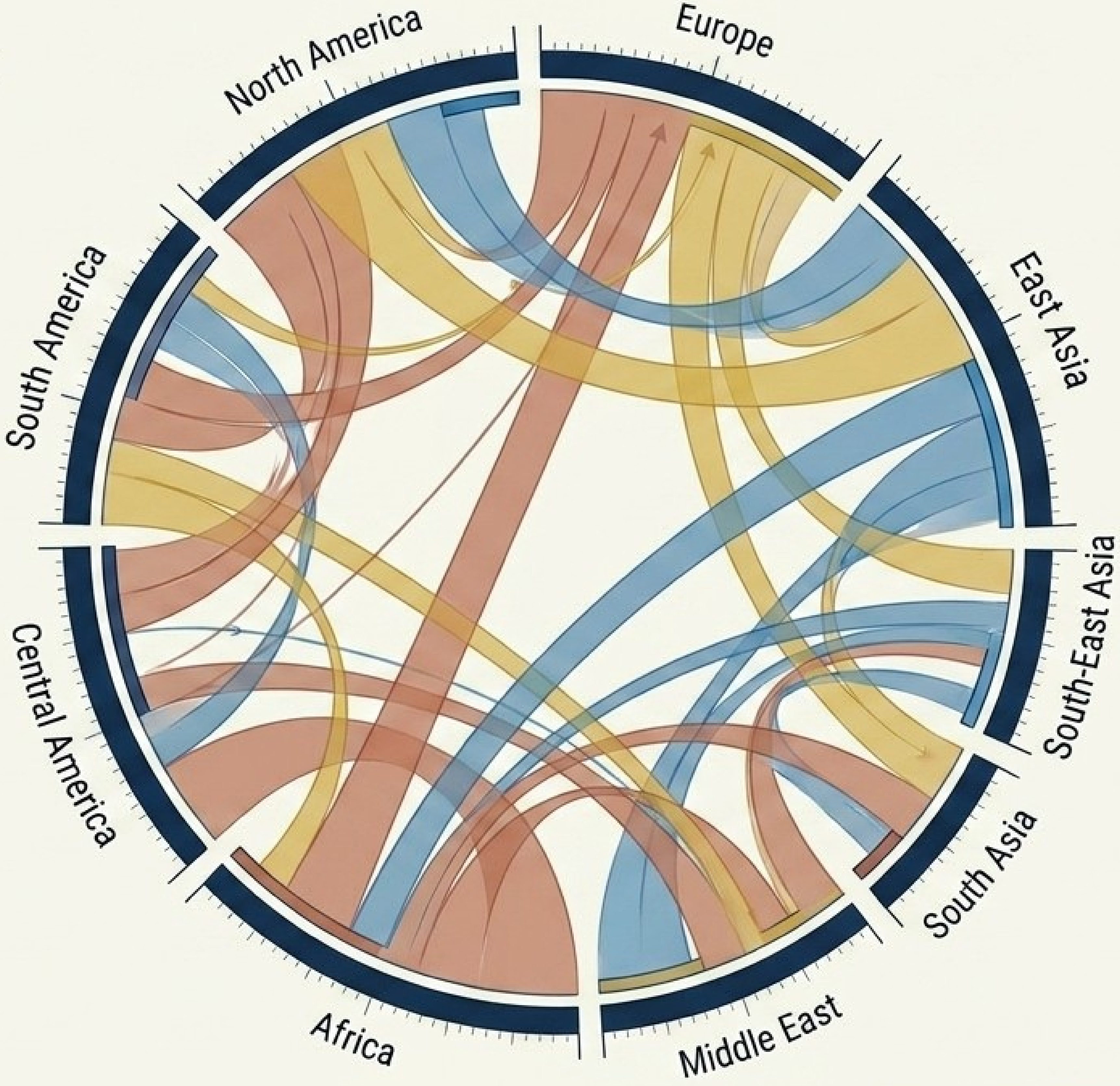
Explosive Growth of Special Economic Zones (1959-2014)





Economic Migration Rules: Regulating Human Capital

Syllabus Point 2



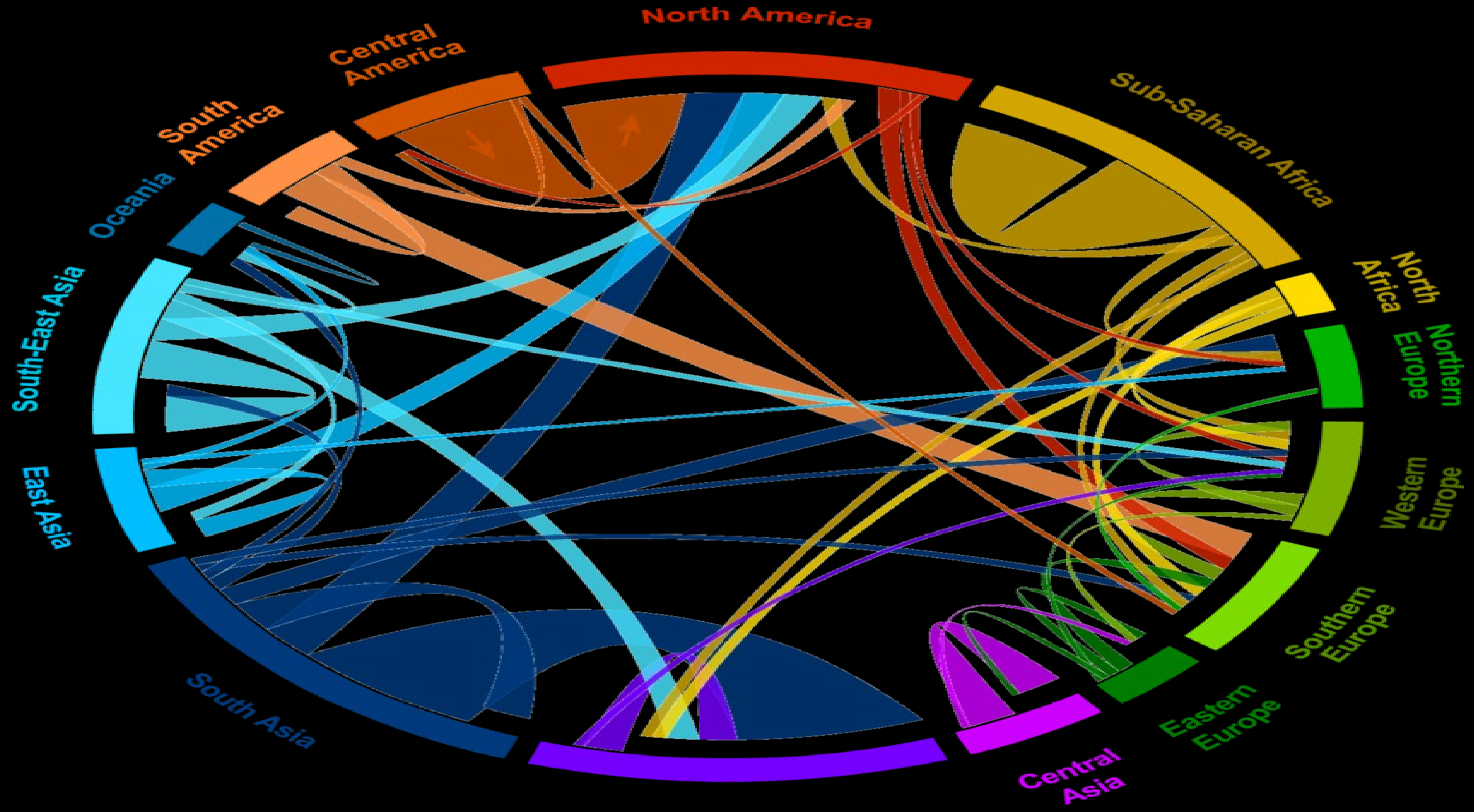
Economic Migration

What is it?

An economic migrant is someone who emigrates from one region to another, including crossing international borders, seeking an improved standard of living, because the conditions or job opportunities in the migrant's own region are insufficient.

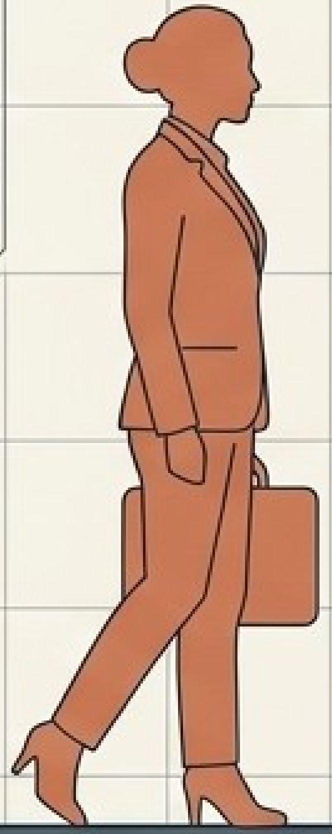
The United Nations uses the term migrant worker.

Economic Migration



The Mechanics of International Labor Mobility

Definition: An economic migrant is an individual crossing international borders to seek improved living standards when local job opportunities are insufficient. (The UN uses the term 'migrant worker').



Migrant Worker Origin

Push Factors:
- Insufficient local job opportunities
- Economic instability
- Desire for an improved standard of living

Host Economy

Pull Factors:
- Higher wages
- Acute labor shortages in host nations
- Stronger currency values

Economic Migration Rules

Economic migration controls and rules are the laws, policies, and regulations governments use to manage the movement of people entering a country for work or economic opportunities. These controls may include:

- Visas & Work permits
- Quotas & Points-based immigration systems
- Border checks
- Restrictions on certain jobs or industries

The European Union Migration Filter

Wide Open: Internal Free Movement

Citizens move seamlessly without visas.

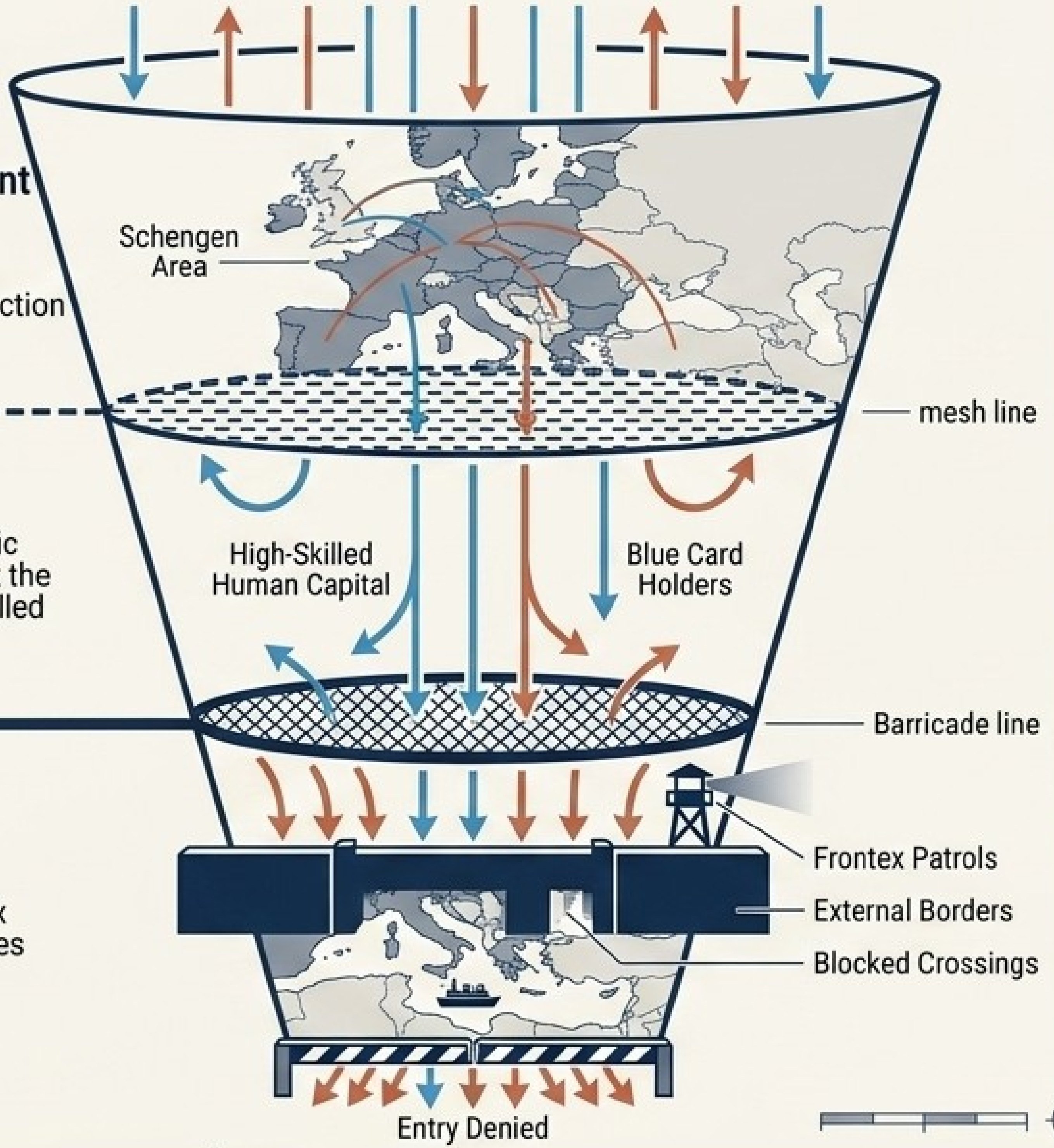
Example: Polish citizens moving to the UK in the 2000s to fill agricultural and construction labor shortages.

Fine Mesh: The Blue Card System

External migration rules filtering for specific human capital. Requires a job offer at 1.5x the national average salary. Attracts highly skilled engineers/doctors, but explicitly excludes essential low-skilled workers.

Barricade: Irregular Migration Controls

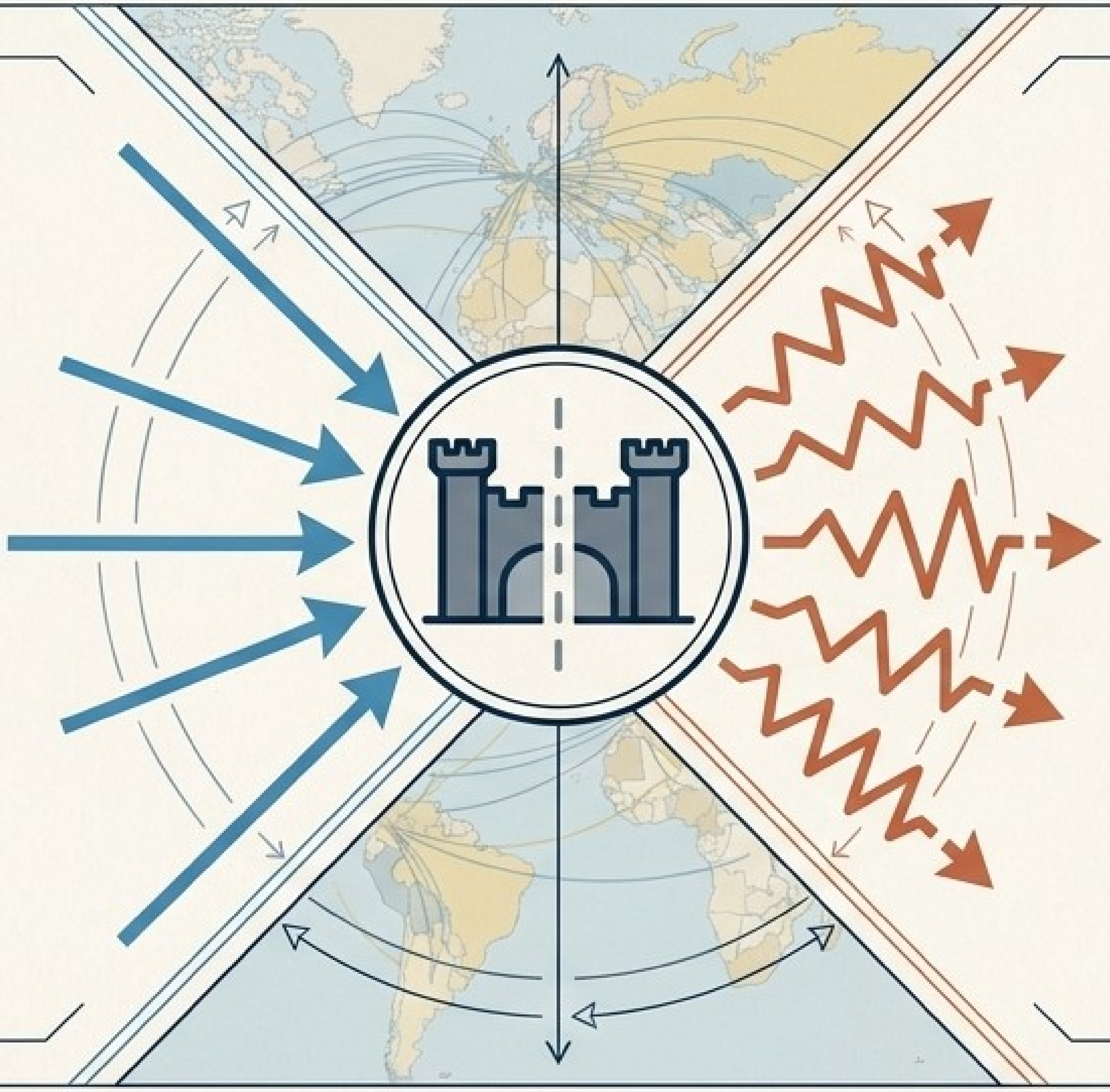
Hard external borders managed by Frontex patrols. Includes treaties with non-EU states (like Turkey) to block Mediterranean crossings and reduce flows.



The Complexities of Managing Human Flows

Economic Realities (The Positives):

- Fills critical labor shortages in vital sectors (elderly care, agriculture, cleaning).
- Migrants consistently contribute a net positive in taxes compared to benefits received.



Socio-Political Tensions (The Friction):

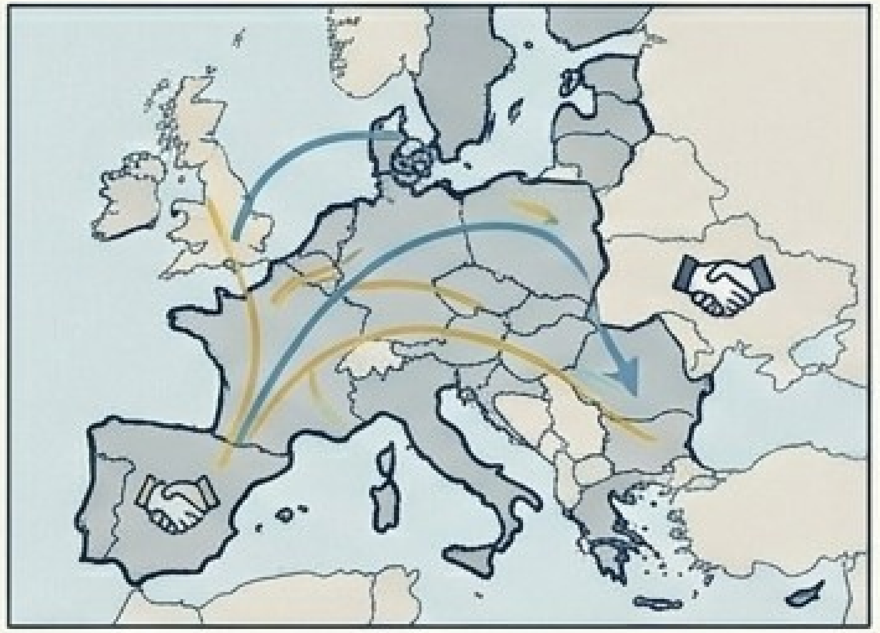
- Public perception and anxiety over supposedly overburdened public services and job competition.
- “Brain Drain” concerns for the sending countries losing skilled labor.
- Severe human rights concerns regarding external border enforcement and cooperation with regimes accused of abuses.

Political Control Mechanisms for Global Interactions

Multi-Governmental Organizations (MGOs)

Target Flow: Goods, Capital, Services

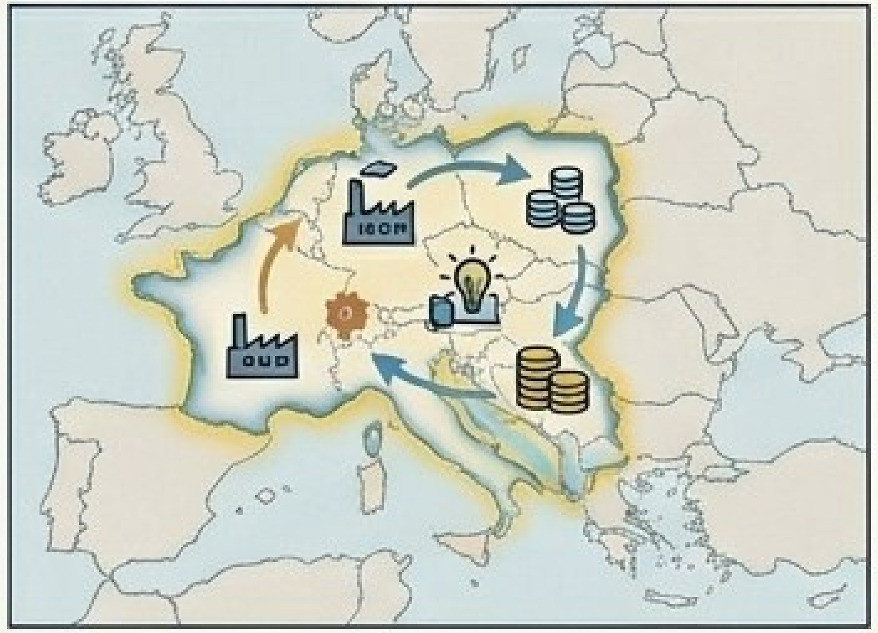
Mechanism: Macro-level treaties, tariff reduction, and regulatory harmonization to create unified trade blocs.



Free Trade Zones (FTZs)

Target Flow: Foreign Direct Investment (FDI), Manufacturing

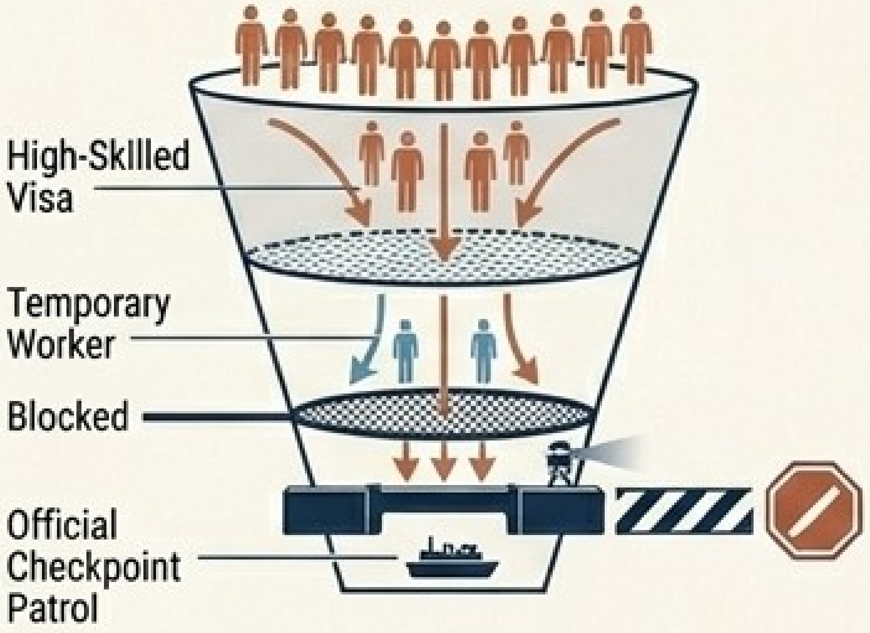
Mechanism: Micro-geographic tax exemptions and deregulated hubs designed to cluster innovation.



Economic Migration Rules

Target Flow: Human Capital (Labor)

Mechanism: Tiered visa systems and border patrols to selectively filter skilled labor while restricting irregular movement.



Structuring the 12-Mark Geographic Analysis

Prompt: Explain how political factors such as MGOs, free trade zones and economic migration rules influence global flows (12 marks).

Macro Analysis: MGOs

Use the EU or USMCA to explain how supranational policies accelerate flows of goods/services but cost national sovereignty.

Micro Analysis: FTZs

Detail how host governments engineer specific geographic zones (e.g., Incheon, Thailand EEC) to bypass normal tariffs and pull FDI.

Human Analysis: Migration Rules

Contrast internal free movement with restrictive external policies (e.g., the EU Blue Card funneling high-skilled labor while blocking irregular flows).