

Globalisation

Good intentions

Globalisation has **significantly** changed the world we live in. People around the world are able to communicate with each other due to **cutting-edge** technology that transcends national **boundaries**. One positive aspect of this phenomenon is the mixing of different cultures. Economic developments, big **mergers** and international business agreements have **facilitated trade** because protectionist barriers have been removed and transnational economic **ties** have become stronger. As a result, consumers are able to get **goods** and services faster and even cheaper due to **free market competition**. Supporters of globalization believe that it has increased our **purchasing power**, **raised** our **living standard** and **contributed to** the export of democratic ideals to other countries.

Criticism

Critics point out that globalization is primarily focused on the economic **expansion** of western multinational companies. These corporations aim to **maximise their profits** and are responsible towards their **stockholders** and not the **stakeholders**. As a result, the moral and **social responsibility** of companies is often put into question, especially since **corporate crime** has risen dramatically in recent years. **Predatory** capitalism seems to have adopted a new **credo**: If the **fine** a company has to pay for breaking the law is lower than the profit they make by breaking it, it is a wise business decision not to respect the rules. Given that the concept of a corporation is based on the **limited liability** of individuals it is hard to hold somebody responsible for the damage caused and this leads to **recidivism** and the inability to **admit guilt**.

Keywords

significantly	- erheblich
cutting-edge	- auf dem neuesten Stand
to transcend	- überschreiten
boundaries	- Grenzen
merger	- Firmenfusion
to facilitate	- vereinfachen
trade	- Handel
ties	- Verbindungen
goods	- Waren
free market	- freie Marktwirtschaft
competition	- Wettbewerb
purchasing power	- Kaufkraft
to raise	- steigern
living standard	- Lebensqualität
to contribute to	- zu etwas beisteuern
expansion	- Ausbreitung
to maximise profits	- Gewinne maximisieren
stockholder	- Aktionär einer Gesellschaft
stakeholder	- Akteur in der Gesellschaft
social responsibility	- soziale Verantwortung
corporate crime	- Wirtschaftskriminalität
predatory	- räuberisch
credo	- Überzeugung
fine	- Geldstrafe
limited liability	- beschränkte Haftung
recidivism	- Rückfallkriminalität
to admit guilt	- seine Schuld zugeben

Social responsibility?

In order to maximize profits, companies tend to **outsource** their operations to **developing countries** where no **labour laws** exist, **unions** are illegal and working conditions less **regulated**. Hence, workers are often **exploited** in so-called **sweatshops**. They have to **work long hours** for **low wages** under **inhumane conditions**. Since the corruption of high officials is an open secret in those countries, the conditions are unlikely to improve in the near future.

Moreover, global trade often has a negative effect on local economies. Small family businesses find it difficult to **compete** with global players, hence they are forced to sell or close down their shops. The current **wave of mass migration** does not only consist of **asylum seekers** or **refugees** because of war and persecution. Globalisation forces a lot of people to leave home in search of a better future. They are referred to as **economic migrants**.

In some countries, governments are often **at the mercy** of corporations. Companies create jobs for the local economy and if they were to outsource their production, lots of people would be put out of work. As a consequence, governments tend to offer corporations special **tax breaks** or **subsidies** to attract more businesses or to **prevent** them from leaving the country. While this might be positive for the national job market, the **burden** of taxation is **transferred** from corporations to individuals.

Finally, it cannot be denied that global trade has **detrimental** effects on the environment. It has led to an increase of **greenhouse gas emissions** and the pollution of air as well as water. In addition, certain species are **on the brink of extinction** because their **natural habitats** are systematically destroyed.

Keywords

to outsource	- (Produktion) verlagern
developing countries	- Entwicklungsländer
labour laws	- Arbeitsrecht
unions	- Gewerkschaften
to regulate	- reglementieren
to exploit	- ausbeuten
sweatshops	- Ausbeuterbetrieb
to work long hours	- Überstunden machen
low wages	- Niedriglöhne
inhumane conditions	- unmenschliche Bedingungen
to compete	- konkurrieren
wave of mass migration	- Immigrationswelle
refugee/asylum seeker	- Flüchtling
economic migrant	- Wirtschaftsflüchtling
to be at the mercy of	- ausgeliefert sein
tax break	- Steuervergünstigung
subsidy	- finanzielle Unterstützung
to prevent	- verhindern
burden	- Last
to transfer	- übertragen
detrimental	- schädlich
greenhouse gas emissions	- Treibhausgas
	- Abgase
on the brink of extinction	- am Rande
	- Aussterben
natural habitats	- natürlicher Lebensraum

What can you do?

Consumer power is often **underestimated** in our society. Every individual has the possibility to make a strong statement via his **purchasing habits** to **ensure** that corporations take on their social responsibility. You can **endorse** Fair Trade products to support the **ethical** and **sustainable** production of goods. On the other hand, you could **boycott** those **brands** that **violate** human rights and environmental regulations. In doing so there is potential **to pressure** these companies to put people and the planet **ahead of** profits. There are already lots of organisations which are trying hard to **combat** the **injustice** of globalization. Sign up and become an activist today!

Keywords

consumer power	- <i>Macht der Verbraucher</i>
underestimated	- <i>unterschätzt</i>
purchasing habits	- <i>Kaufgewohnheiten</i>
to ensure	- <i>sicherstellen</i>
to endorse	- <i>unterstützen</i>
ethical	- <i>moralisch / ethisch / sittlich</i>
sustainable	- <i>nachhaltig</i>
to boycott	- <i>boykottieren</i>
brand	- <i>Marke</i>
to violate	- <i>here: missachten</i>
to pressure	- <i>unter Druck setzen</i>
ahead of	- <i>vor</i>
to combat	- <i>bekämpfen</i>
injustice	- <i>Ungerechtigkeit</i>

CHECKPOINT

Can you answer these questions with adequate vocabulary?

1. What are the advantages and disadvantages of globalisation?
2. Give examples to show why criticism of globalisation is justified.
3. When would one be able to call a corporation "socially responsible"? Which criteria would the company have to fulfil?
4. "One individual cannot stand up against multinational companies." Discuss.
5. Choose one activist organisation and describe their work in detail.
6. Explain the difference between the stockholders of a company and its stakeholders.
7. What is union busting and who benefits from this?
8. Is there an alternative to globalisation?
9. "Low prices come at high costs." Discuss.
10. "Globalisation is not for everyone." Discuss.