



**SELINUS UNIVERSITY**  
OF SCIENCES AND LITERATURE

# **THE SUSTAINABILITY OF GLOBALISATION – POST - POPULISM & COVID 19**

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## Materials:

Books & material relevant to the subject matter i.e. The Thesis: THE SUSTAINABILITY OF GLOBALISATION – POST - POPULISM & COVID 19, are listed above under the Bibliography section. Other material relating to the Thesis and the core of the matter are referenced below. All of the Internet material, likewise, Journal Articles, Case Studies, Conference Papers, and extensive information extracted from the Selinus University Library and the Encyclopaedia Britannica are all referenced.

## Methodology:

Methodology as distinct from the method to be carried out offers the theoretical underpinning for understanding which method, or sets of methods such as ‘best practices’ can be applied such as; ‘Principles, the notion of insight, presumptive research steps, tips and conclusions.’<sup>i</sup>

Research methods *Vis a Vis* methodology conjurors up many different approaches, scope and purpose between society and the law.<sup>ii</sup> Doctrinal Research is concerned with legal prepositions and doctrines, whereas **non-doctrinal research** is concerned with people, social values and social institutions.<sup>iii</sup>

Referring to the quote in chapter 9 of the text by Volch, ‘Nothing is ever written’, it is rewritten’.<sup>iv</sup> There are so many sources for research but one must be careful to pick those academic ones who are your piers, but conducting a thorough reference interview with oneself is the best way to research, in similar fashion to a librarian.

In thinking like a Librarian, Buckingham reminds us of two good reasons for choosing or attacking the work ourselves in like fashion: ‘(1) their knowledge of general (non-law specific) research techniques and (2) their knowledge of legal resources and law-related research tools. By applying traditional research techniques to the legal field, law librarians are able to research more efficiently and effectively.’<sup>v</sup>

Indeed, whatever is required for this research will be achieved including all relevant ‘Internet Resources, books, journals and the knowledge by Strutin<sup>vi</sup> in the ‘Basic Legal Research on the Internet’.



## Synopsis:

The author's objective is to layout the ways and means how Globalisation spread and flourished from very early times, and how it sustained that expansion, despite of or because of wars and turmoil, in some cases, both.

The dictionary will tell us that CUSTOM<sup>vii</sup> is a traditional and widely accepted way of behaving or doing something that is specific to a particular society, place, or time.

Some of the early signs were the explorations and exploitation by European's seeking out new opportunities in new territories and bringing their cultures, customs and religions with them.

The Spanish and the Portuguese spread their influence all over South America and to a limited extent the Portuguese spread their influence in a small number of African countries. The English were best suited to India and Africa and during two world wars received the assistance from India in particular in manpower. The latter also spread their influence through the East coast of North America, eventually leading to the 'Boston Tea Party' in 1773 where the British tried to impose a tax and also persuade the local population to purchase their tea from their supplier i.e. East Indian Trading Company. The settlers were having none of this tax imposition without a 'quid pro quo' and from this encounter the following, definitive, clear expression, emerged: "*no imposition of taxes without any political benefit*" is a motto that alludes to the way that the homesteaders of the thirteen provinces felt their rights were being taken away by the British Parliament in light of the fact that they were being saddled, yet not being spoken to in the Parliament.<sup>viii</sup>

Many other Europeans including the Irish in the 18<sup>th</sup> and 19<sup>th</sup> centuries emigrated to the United States of America, also supplying manpower to their armies during war/s but enriching North America during the succeeding decades.

As a consequence of these movements, the embryo was sown for democracy to trade internationally with each other as the commercial world expanded and new technologies and inventions were discovered and enhanced. The modern industrial revolution had begun.

## Industrial Revolutions

As we travel through the decades from the early 17<sup>th</sup> century onwards, the list of industrial revolutions are many but only some stand out as playing a major role in making positive changes such as the Industrial Revolution for the 18<sup>th</sup> and 19<sup>th</sup> centuries, the latter commencing in Great Britain and quickly spread throughout the world.

- 1 Financial-agricultural revolution (1600–1740)
- 2. [Industrial revolution](#) (1780–1840)

- 3. Technical revolution or [Second Industrial Revolution](#) (1870–1920)
- 4. Scientific-technical revolution (1940–1970)
- 5. Information and telecommunications revolution, also known as the [Digital Revolution](#) or Third Industrial Revolution (1975–2020)
- 6. [Fourth Industrial Revolution](#) (21 Century)

Those revolutions mentioned above certainly sowed the seeds for Globalisation as we know it today, whether the intentions were covert or overt is not the point, the objective was to trade with other countries and cultures to increase commerce and prevent tyranny and find new medicines to curb and/or cure epidemics of their time periods.

In recognising that Customs was one of the ways that the business and life generally traded and co-existed in the very early centuries, and with custom's new laws and regulations evolving from these international influences, it is easy to tie in the Law with Commerce as it made sense to have a stable and hopefully a homogeneous way to trade, keeping differences or disputes to a minimum.

Evidentially, the coexistence of law and commerce developed even more as we know it today, with Custom growing into Common law, then the clergy intervened as some laws were a little harsh so, Equity/Ecclesiastical Law and so on embellished the process through the centuries.

Even today in places which are as remote as Afghanistan, one can see the influence the Elders have in their villages in their remote regions. Afghanistan was once a vibrant country being part of the 'Silk Road' where merchants traded from East to West as far as present-day Turkey, even before the Ottoman period of domination. These trade routes dominated this part of the world as early as 114BCE – 1450s CE. UNESCO World Heritage has named the Silk Roads as the 'Routes Network of Chang'an-Tianshan'.

The Silk Road and its network of trade routes was central to the economic, cultural, political and religious interactions between these regions from the 2<sup>nd</sup> century BCE to the 18<sup>th</sup> century.

China was one of the dominant participants and built the Great Wall of China to protect its trading routes. It is also claimed that the Silk Road and its many Routes played a significant part in bringing civilisation to these parts which included, China, Korea, Japan, the Indian subcontinent, Iran, Southern Europe, the Horn of Africa and Arabia. Paper and gunpowder were also discovered but just like today, diseases spread, notably plaque on the Silk Road.

Emanating from this section and the historical factors, trade was quite widespread in the known countries of their periods, not quite global but a good effort for the times they lived in.

Technological revolution/s generally increases productivity and efficiency. It may involve material or ideological changes caused by the introduction of a device or system. Some examples of its potential impact in the 20<sup>th</sup> century are business management programs, education, social interactions, finance and research methodology and is not limited strictly to technical aspects. The technological revolution rewrites the material conditions of human existence and can reshape culture. It can play a role as a trigger of a chain of events.<sup>ix</sup>

Thus far we have mentioned the colonists, the traders of yore, customs and the law including earlier revolutions. We are aware that eventually 'change is inevitable' which can take time to manifest itself but change is ongoing which brings us to the latter half of the 20<sup>th</sup> century when the world experienced the 'non-violence' movements which sparked the 'Colour Revolution'.

## **The Colour Revolution.**

In discussing the subject matter to hand: 'SUSTAINABILITY OF GLOBALISATION – POST - POPULISM & COVID 19', it is important to note that another 'almost silent' revolution took place which was non-violent resistance also called civil resistance all occurring between the 1980's and the 2010's.

Those countries were the former Soviet Union, the People's Republic of China, the Balkans, the Middle East, Asia-Pacific, Tunisia and others. Justin Raimondo<sup>x</sup>, Journalist and Michael Lind<sup>xi</sup> a Professor at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin, have called these events 'a revolutionary wave', the origins of which can be traced back to the 1986 People Power Revolution, also known as the 'Yellow Revolution' in the Philippines.

The Arab Spring was a series of pro-democracy uprisings that enveloped several largely Muslim countries, including Tunisia, Morocco, Syria, Libya, Egypt and Bahrain. The events in these nations generally began in the spring of 2011, hence the name. However, the political and social impact of these popular uprisings remains significant today, years after many of them ended.

Other countries followed: SEE APPENDIX 1.

The Velvet or Gentle Revolution in the former Czechoslovakia in 1989 was the most colourful and most memorable which included some police violence and all of which took place at the Charles University.<sup>xii</sup>

The aims of these colour revolutions were mainly regime change to democracy and cultural freedom. Some succeeded, others did not. The young people of the time seized the opportunities to change and move away from the tyrannical governments of the past who had few in mind for enrichment other than the regime governors, themselves.

I will show how my chosen business laws have also played their part in promoting and enabling the growth of globalisation. In this instance I am referring to: (1) Corporate

Governance, (2) International Money Laundering Regulation (AML), (3) Law of Business Organisation, (4) Law of the World Trade Organisation and (5) Commercial Contract Law, together with the wider role of research, in the Universities, Libraries, Books, Journals and the Internet, for consideration as to the relevance and sustainability of Globalisation in the 21<sup>st</sup> century.

We also make reference to Geopolitics and Populism which has played a role in developing globalisation in supporting the history and many cultures throughout the civilised world. As stated on February 25, 2015, by Ronald J. Granieri: "Simply put, geopolitics offers a perspective on contemporary international affairs that is anchored in the study of history, geography and culture." <sup>xiii</sup> Populism is a recent phenomenon, perhaps not, just a passing fad?

The question is, will Globalisation be with us in the centuries to come or will those other 'side-shows' weaken its prominence?

## **What are Geopolitics.**

Geopolitics is the study of the effects of Earth's geography on politics and international relations. While geopolitics usually refers to countries and relations between them, it may also focus on two other kinds of states: de facto independent states with limited international recognition and relations between sub-national geopolitical entities, such as the federated states that make up a federation, confederation or a quasi-federal system.

At the level of international relations, geopolitics is a method of studying foreign policy to understand, explain and predict international political behaviour through geographical variables. These include area studies, climate, topography, demography, natural resources and applied science of the region being evaluated.

Geopolitics focuses on political power linked to geographic space. Territorial waters and land territory in correlation with diplomatic history. Renewable energy is now becoming a hot topic in geopolitics. <sup>xiv</sup>

'After years of military rule, Myanmar made the transition to democracy with elections in 2015, and with it has shifted from a centrally directed economy to a market-oriented one. The World Bank estimates the country's growth to average 6.9% over the next three years, making it one of the world's fastest-growing economies.<sup>xv</sup> Price Waterhouse Coopers calls Myanmar "one of Asia's last frontier markets."

The seas and waterways in this South East Asian regions are jealously protected by both the Japanese and Chinese navies as these routes are especially important for export to Europe, with Myanmar planning the complete upgrading of the ports and infrastructure on its East coast, and building completely new smart cities, including renewable energy. Existing structures will be upgraded but for the most part many new ports and their associated infrastructure will be built from lands already acquired.

Commerce, jobs, living standards will all rise, and the environment policy will be given a high status accordingly.

While cultures differ, there will be a homogeneous desire by all countries and those who come from outside the regions with finance, technology and more efficient ways and skills to further the developments, to make these plans and geopolitics work for all parties in a serious effort to bring Myanmar into the Global fold.

While China and Japan set to reshape shipping in Myanmar, particularly with port and rail plans to ship the goods and exports around the vast countries but more importantly to have deep and new ports to export their goods across the world thus ever increasing their countries GDP.

'Beijing recently signed a long-awaited deal to build a deep-water port in the town of Kyaukpyu on the Indian Ocean. The port will be a crucial piece of the China-Myanmar economic corridor, which would connect Kyaukpyu and the Chinese border via rail and highways.

Meanwhile, Tokyo is set to upgrade a rail route linking Yangon, the country's largest city, with Mandalay, its second biggest. Work will begin immediately to upgrade the 620 km of rail linking the two cities.

The China-Myanmar economic corridor first agreed at an earlier summit will connect Kyaukpyu and the Chinese border via rail and highways along an east-west route passing through Mandalay. Another leg would run to Yangon, where China plans to support a major redevelopment project. The first phase, to be handled by a Citic-led consortium, entails building a two-ship terminal at a cost of \$1.3 billion. The Chinese consortium will own 70% of the port, with the rest held by Myanmar.<sup>xvi</sup>

The laws pertaining to the old Maritime periods will play some part but as the law has developed more in this area under 'Commercial Law', 'Company Law', and 'Tort' all will be in the mix (not at the same time) depending upon the domicile as to where these contracts were entered into. 'Conflicts of Law' by Morris in its eight edition will determine the 'fundamental principles of the subject and how the law works in practice,' especially in the event of conflict between the laws of the different jurisdictions.

Once again this very important area of conflict between the laws where engagement with different jurisdictions and traditions the Law brings together many of the commercial difficulties encountered from time to time in determining the party's entitlement/s to damages, specific performance and indeed forfeiture, will be clarified.

Further developments in the world of Technology are happening between Japan and India who have teamed up to help emerging nations go digital,<sup>xvii</sup> and thus assisting the recipient countries into a brighter future.

## What is Populism.

The current Political Ideology known as **Populism together with the Covid 19** Virus has extenuated the problem for conducting business throughout the world, by stirring up differences from the past, in particular racialism. 'It is not our differences that divide us. It is our inability to recognize, accept, and celebrate those differences.'<sup>xviii</sup>

The rise of populism and elected governments verging to the left and right is all too serious to ignore and with this author's research and findings we hope to reach a better place.

Populism refers to a range of political stances that emphasise the idea of "the people" and often juxtapose this group against "the elite". The term developed in the 19th century and has been applied to various politicians, parties, and movements since that time, although it has rarely been chosen as a self-description. Within political science and other social sciences, several different definitions of populism have been employed, with some scholars proposing that the term be rejected altogether.<sup>xix</sup>

Indeed it is a term which is not widely understood but some politicians graduated towards it as an umbrella type movement which raised its metaphorical head during the Brexit debates, even extending to Marie Le Pen in France as a crutch in the absence or fear of being labelled 'right-wing'.

Finally, as we expand our discussion, we will take a wider look at Globalisation v Isolationism and whether or not Globalisation will be affected in the longer term – post Populism & Covid 19.

## Chapter 1: Introduction

In the current changing times in which we live we are experiencing much unrest across the world and in particular from the United States of America, South America, Hong Kong and many other countries, both left- and right-wing Governments for different, polarising reasons and agendas.

The USA was traditionally a country most people of the civilised world turned to for strength and leadership. The latter has left a vacuum in politics, economics and serious lack of leadership which does not bode well for the immediate future, but hopefully not the longer term. Unfortunately, when a vacuum arises, others move in and not always with the best of intentions for the population as a whole but simply for their own self-interest. In some instances, this vacuum may leave room for extremists and terrorism to prosper.

On the European continent, both the European Union and the United Kingdom are fighting it out over 'sovereignty' which is important to the British for centuries. However, one could characterise the matter as the British hoping to get back to their glory days of the Commonwealth, which is now, not realistic with Colonialism almost forgotten about in this new world. In addition to the UK, the European Union must deal with unrest over its migration policy with unrest in Belarus, Russia's land grabbing wherever it can such as in the Ukraine, Georgia and more recently the Crimea invasion. Hungary and Poland wishing to return to a totalitarian states turning their backs on the established norms which have worked well in civilised countries for centuries with their insistence on holding the Judiciary branch of Government accountable whereas the Judiciary must be independent from Government and this separation between the State and the Judiciary, visible. A tremendous amount of unemployment in many South American countries, again due to poor leadership, lack of skilled management and self-interest.

To demonstrate this point we will briefly examine two countries who are lucky to have lots of fossil fuel available in their respective countries and those are Venezuela in South America and Norway in Northern Europe. Back in 2006 as reported by the BBC, **'Venezuela's government led by President Hugo Chavez is benefiting from what can only be described as an oil bonanza.'**<sup>xx</sup>

Compare and contrast the policies of Hugo Chavez to the policies followed by the Norwegian Government both countries with considerable oil & gas reserves and the different ways they dealt with their newfound wealth. Just taking Norway's health system, it is 21<sup>st</sup> century class and is on a par with the progressive Health Services in Germany, South Korea, Japan, Taiwan and Austria. In contrast Venezuela is a failed state.

The continued importance of crude for the future of 'Norway's economy was underscored with the start-up of the giant Johan Sverdrup offshore oilfield. Built at a



cost of \$9 billion (£7 billion), the field is designed to eventually produce 660,000 b/d of oil by 2024.<sup>'xxi</sup>

Norway is positioned in the North East of Europe; its latitude and longitude are 59.55N and 10.45E. It is a small country but with prudent management has secured the future for its citizen's both young and old. Being a small producer in the global oil & gas arena with production circa 2% of global demand, its production covers 3% of global demand being the third largest exporter of natural gas in the world falling in behind Russia, and Qatar, supplying 20% – 25% of the EU requirement for gas. Nearly all of the oil and gas produced on the Norwegian shelf is exported, with the combined export of oil and gas accounting for 50% of Norway's export. In addition to prudent management, IT, Technologies and Education, the latter country demonstrates the benefits of looking beyond its FJORDS and joining the Globalisation experience.

Norway as mentioned is an important supplier of oil and gas to the global market, where government revenues from sales of oil and gas have played a crucial role in creating modern Norwegian society.<sup>xxii</sup> In simple terms, capitalism and globalisation has been managed extremely well in Norway with a population of 5.4m persons.

In contrast Venezuela took a more insular position, enriching some loyal members of the country and with no proper national plan to enrich all of its people with jobs in infrastructure and a planned health and education program for all.

'But overall, the current crisis has two main explanations. One is the country's nefarious dependence on oil, which creates a population used to dependence, not real productivity. The second is that a political elite that has greatly enriched itself has not allowed general poverty to diminish. Politicians continue to exploit and plunder the country's wealth — in particular its oil wealth — knowing that, if they lose power, they will be brought to trial both locally and internationally.<sup>'xxiii</sup>

Venezuela suffered from bad management for decades, commencing in the 1930's and whether it was economic liberalism or nationalism in 1976 the leadership failed and only thought about themselves.

Norway's governments on the other hand ruled on behalf of its total population and looked outwards rather than inwards.



## Chapter 2: The Golden five - LLM Business Laws:

While my research for this thesis is helped by my foundation in and having an LLM Degree, (*Master of Laws in International Business Law*) the latter should through my work and study be easier to understand as to what lies ahead. I hope to gain strength and knowledge from a selection of my LLM modules such as:

1. Corporate Governance
2. International Money Laundering Regulation - AML
3. Law of Business Organisation
4. Law of the World Trade Organisation
5. Commercial Contracts

Globalisation and the laws surrounding my chosen subjects (1-5) all play an integral role in supporting Globalisation and in its success to date. One could compare the five business laws as the infrastructure upon which Globalisation relies in a positive way to smooth the path ahead. The question remains will Globalisation be with us in the coming years and what do we have to do to support the **SUSTAINABILITY OF GLOBALISATION – POST - POPULISM & COVID 19**.

Change is also inevitable, but it depends where the influences are emerging from, whether it is being nurtured by foreign influences outside of our countries natural boundaries and therefore allowing control to be hijacked or is it organic and resulting from poor decision making by successive governments?

The Demise of the USSR in the late 1980's to December 26<sup>th</sup>, 1991 also spread to other countries when people who were oppressed saw an opportunity for a better life and took control of their own situation. The USSR's population began to see real opportunities outside its borders once they found no 'food' on the shelves of their supermarkets which resulted in part because the Russians were spending whatever GDP they had on the arms race competing with the USA. It is often repeated that America's 'Star Wars' ambitions (real or imagined, most likely US propaganda) was the final nail in the Russian financial coffin.

Today, in the 21<sup>st</sup> century, Russia and the EU under the direction of Germany are working very successfully in bring the '**NORD STREAM**'<sup>xxiv</sup> project to Europe much to the dislike of the USA who are tremendously envious of the EU's successes.

The 'NORD STREAM' project is bringing much cheaper Oil & Gas to Europe which will make our industries more competitive in addition to giving Europe energy security.

In contrast the situation was less stable some decades ago when the USSR declared itself bankrupt, dissolved the USSR and 15 of its former countries declared themselves, Republics, with some subsequently joining the European Union. These non-violent movements were followed in other countries and became known as the colour revolutions. See Chapters: 6,7,8,9 &10, for more information.

In brief the business laws as chosen all play a major part in supporting business throughout the Globe.

Commencing with **Corporate Governance** although relatively new on the block, the latter is the one, post Enron and a host of others which is the glue to keeping the companies and corporations on the straight and narrow.

'Whenever one speaks about corporate governance, it has to be borne in mind that the organizations have duties and responsibilities towards their shareholders and stakeholders and hence they need to be governed in accordance with the law and keeping in mind the interests of the stakeholders and shareholders.

Corporate Governance is the art of directing and controlling the organization by balancing the needs of the various stakeholders. This often involves resolving conflicts of interest between the various stakeholders and ensuring that the organization is managed well meaning that the processes, procedures and policies are implemented according to the principles of transparency and accountability<sup>'xxv</sup>.

One of the more dangerous weaknesses in managing a business which is global with thousands of shareholders and stakeholders is **management bias**, where the day to day executives (directors) make decisions which are in the directors or local management interests rather than the Shareholders and other stakeholders.

**Anti-Money Laundering legislation** which is known across the world because of its counter effect on drug smuggling, the financing of terrorism and in general protecting against laundering money which has three elements: the Placement stage, the Layering stage and the Integration stage.

'Money laundering and Terrorist Financing diverts resources away from economically and socially productive uses and can negatively affect a country's financial system by undermining its stability. Weak Anti Money Laundering (AML) and Countering the Financial of Terrorism (CFT) controls will also have reputational consequences for a country's financial system.

It is important that a country is seen as having robust AML regulatory framework with financial firms effectively implementing AML systems and controls as it dissuades criminals from targeting that financial system.

It is important that Ireland, as a small, open economy with a thriving financial services industry, is an active participant in preventing its financial system from being used for money laundering and terrorist financing purposes<sup>'xxvi</sup>.

**Business organization**, an entity formed for the purpose of carrying on commercial enterprise. Such an organization is predicated on systems of law governing contract and exchange, property rights, and incorporation.

Business enterprises customarily take one of three forms: individual proprietorships, partnerships, or limited-liability companies (or corporations).

In this instance we are only interested in the Company or Corporation which denotes a more global image.

Under the various companies acts the Articles and Memorandum set out the process where the company or corporation has the legal powers to deal with the world at large and the Articles are for internal consumption.

This type of company is also legally separate from the individuals who work for it, whether they be shareholders or employees or both; it can enter into legal relations with them, make contracts with them, and sue and be sued by them. Most large industrial and commercial organizations are limited-liability companies.

‘International trade laws create the rules that countries and businesses must follow in order to do business across borders. Lawyers who work in the field help create **international agreements**. They also educate businesses about what they need to do in order to comply with rules and regulations for international trade’<sup>xxvii</sup>.

The European Union which is now larger than the United States in population and many other areas has developed comprehensive laws through the already existing laws commencing with Common Law, the Legal System prior to the EU in Europe was comprised of the civil legal system based on codes in France, Germany, Italy etc., and in the case of France in recent centuries we have the most influential of the French legal codes which is the Napoleonic Civil Code, going back further we had the Romans laws in Italy and further afield through the Mediterranean region.

However, EU Treaties by agreement with the populations of Europe either through plebiscite or Referendum, EU Law is now superior in the legal sense. Conflicts of Law say by MORRIS explains the legal separation and compromises of any different understandings, reverting back of course to the European Court of Justice which is an independent body from the EU Parliamentary system.

### **EU Law and the WTO Laws**

In recent years the European Union has developed a comprehensive strategy to conclude free trade agreements which includes not only prominent trade partners such as Canada, the United States and Japan but also numerous developing countries.

This book<sup>xxviii</sup> looks at the existing WTO law and at the new EU free trade agreements with the Caribbean and sub-Saharan Africa through the lens of the human right to adequate food. It shows how the clauses on the import and export of food included in recent free trade agreements limit the capacity of these countries to implement food security policies and to respect their human rights obligations. This outcome appears to be at odds with international human rights law and dismissive of existing human rights references in EU-founding treaties as well as in treaties between the EU and developing states.

A timely contribution to the growing academic literature on the relation between world trade law and international human rights law, this book imagines a central role for the EU in reconciling these two areas of international law<sup>xxix</sup>.

**Commercial contracts** are documents that cover a combination of legal and commercial factors. The term encapsulates a large body of laws that regulate business

transactions. The Uniform Commercial Code (UCC) is the primary authority that governs business transactions and contracts, but states also have regulations related to commercial contracts<sup>xxx</sup>.

### **Other Services**

At the centre of the European Union is the European Court of Justice, The European Court of Justice, formally just the Court of Justice, is the supreme court of the European Union in matters of European Union law. As a part of the Court of Justice of the European Union, it is tasked with interpreting EU law and ensuring its equal application across all EU member states under Article 263 of the Treaty of the Functioning of the European Union<sup>xxx</sup>.

The word services usually denote financial or legal services but there are very important services, particularly in the uniform branches where the occupiers of these positions play vital national and international roles in support of the civil authorities.

Co-operation between Police forces worldwide is common with the possible exception of Russia and their supporters.

The European Arrest Warrant is noted as being a major success in detaining and transferring suspects to other jurisdictions in record time.

Interpol, the international Criminal Police Organisation, is an international organisation that facilitates worldwide police cooperation and crime control. Its Headquarters are in Lyon, France, and it has seven regional bureaus worldwide and a National Central Bureau in all 194 member states, making it the world's largest police organisation<sup>xxxii</sup>.

Other Police services are also well known such as the Federal Bureau of Investigation (FBI) which is a domestic organisation but has powers and authority to react to suspected criminal situations throughout the United States of America.

The Five Eyes is an intelligence alliance comprising Australia, Canada, New Zealand, the United Kingdom and the United States of America. These countries are parties to the multilateral UKUSA Agreement a treaty for joint cooperation in signals intelligence<sup>xxxiii</sup>.

### **United Nations**

The United Nations is an intergovernmental organization that aims to maintain international peace and security, develop friendly relations among nations, achieve international cooperation, and be a centre for harmonizing the actions of nations. It is the largest, most familiar, most internationally represented and most powerful intergovernmental organization in the world. The UN is headquartered on international territory in New York City, with its other main offices in Geneva, Nairobi, Vienna and The Hague<sup>xxxiv</sup>.

The United Nations which has 193 member states is involved principally in peace keeping between rival factions. Its motto is Peace, Dignity and Equality on a healthy planet. The UN's Sustainable, Development Goals are 17 in number, and are a call for action by all countries — poor, rich and middle-income — to promote prosperity while protecting the planet<sup>xxxv</sup>.

### International issues

In relation to international issues such as compliance and AML (Anti-Money Laundering), standards, education and training are always ongoing and improving. There are a host of well-intentioned countries involved in these sensitive areas such as: The United Nations Security Council and the effort to combat money laundering and the financing of terrorism. There are UN Anti-Money Laundering Initiatives, Initiatives of the European Commission, The Financial Task Force, The Egmont Group, The Wolfsberg Process and others.

The delegates who initially adopted the *Charter of the United Nations in San Francisco*, in 1945, would be astonished to discover the change of focus from the original plan in 1945, which was to “*maintain international peace and security*” and “*to develop friendly relations among nations*” to be called upon to deal with such technical matters such as money laundering and the financing of terrorism through drugs and cash.<sup>xxxvi</sup>

If one wants to read about the amount of money and efforts, which globally goes into getting convictions and seeing for oneself at first hand, here is a link to one day in the published information from Ethical Alliance Daily News<sup>xxxvii</sup>, where the cases range from corruption on a grand scale to cover the globe from, the United States on illicit lobbying, Judge dismisses lawsuit against Danske Bank, to Singapore where 3 men are charged over bribes to obtain competitors information, to the US where A Wife of Ex-California Congressman Sentenced for Corruption to Malaysia, Political bribery, and Indonesia, 6 years for election bribery.

On the positive side we have the *International Monetary Fund* and the *World Bank* whose influence is fostering global monetary co-operation. The IMF operates in 189 countries, while the World Bank represents 186 countries.

The aim is to secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world while periodically depending on the World Bank for its resources.

Formed in 1944 at the Bretton Woods Conference primarily by the ideas of Harry Dexter White and John Maynard Keynes, it came into formal existence in 1945 with 29 member countries and the goal of reconstructing the international payment system.

It now plays a central role in the management of balance of payments difficulties and international financial crises. Countries contribute funds to a pool through a quota system from which countries experiencing balance of payments problems can borrow money. As of 2016, the fund had XDR 477 billion.<sup>xxxviii</sup>

Turning to non-business matters, co-operation between Police forces across borders is supported by the continuance of new business cooperation between states and particularly in Europe the European Arrest Warrant has been cited several times by observers in these matters to be most effective and helpful piece of legislation in bringing potential suspects whether it is in arms trafficking, the trafficking of people, drugs and or money laundering, the latter has led the way to bringing many before the courts in a short period of time and led to the many successes in these areas.

## 5 GLOBAL ISSUES TO WATCH IN 2020

Ms Kaysie Brown wrote on January the 8th 2020: 'With 2019 behind us, 2020 is already testing how we work together to address critical challenges at home and across borders.'

1. Climate Action Accelerated.  
Global greenhouse gas omissions under current scenario
2. A Decade to deliver on the SDGS  
Extreme poverty is becoming concentrated in Africa  
Two countries will account for almost 40% of the World's extreme poor in 2030
3. Inequality and exclusion in focus  
A new framework for inequality
4. Crises on the brink: Conflict, Peace, and Humanitarian response  
Refugee displacement from start of conflict to peak
5. A United World? The UN at 75  
The year 2020 is the time to move the World, closer to a sustainable, equitable and just future and to set the tone for the decade ahead<sup>lxxxix</sup>.



## **Chapter 3:**

### **What Is Globalization:**

Globalization is the spread of products, technology, information, and jobs across national borders and cultures. In economic terms, it describes an interdependence of nations around the globe fostered through free trade.

On one hand, globalization has created new jobs and economic growth through the cross-border flow of goods, capital, and labour. On the other hand, this growth and job creation is not distributed evenly across industries or countries. Specific industries in certain countries, such as textile manufacturing in the U.S. or corn farming in Mexico, have suffered severe disruption or outright collapse because of increased international competition.

Globalization motives are idealistic, as well as opportunistic, but the development of a global free market has benefited large corporations based in the Western world. Its impact remains mixed for workers, cultures, and small businesses around the globe, in both developed and emerging nations.<sup>x1</sup>

During these enduring times of change, mergers & acquisitions, monopoles and oligopolies, there are winners and losers, which can be demoralising for employees and senior management depending which side one is on. The disruption to the latter in their working lives and changing environments will play a major role in how they can pick up the pieces and move on, whether this is through upskilling which most try and do but if one is older it is not so easy unless they receive a good package upon retiring earlier than anticipated.

However, some of those people who have become unemployed will have many years experience and skills due to the fact that they worked for a multi national of one kind of industry or another and will find an opportunity perhaps to manufacture small parts more cost effectively and in turn sign a long term contract for supply with their former employer. Perhaps working as a self-employed person for the first time in their lives will give them more motivation and a new lease of life.

Lessons learned from previous experiences can be put in place if positive and form part of a plan of their new business. By default, this fallout from their previous employment will have come about because of Globalisation rather than in spite of it, being part of the Global system brings benefits rather than being part of an isolated system. Retrenchment and adopting a harsh tariff war are doomed to eventually fail.

### **Compelling Factors for Globalisation:**

In the earlier part of the 20<sup>th</sup> century there were two compelling factors which drove globalisation, (1) Technology and (2) FDI (Foreign Direct Investment). Advances in technology brought down the costs of communication, also speeded matters up, commencing with the telex machines (a two way text messaging machine) and tele printers but declined in popularity in the 1980's when the Fax Machine arrived. The

telex machines sent and received messages worldwide. I witnessed this in the late 1960's in a major Aviation Insurance Brokerage plus Non-Marine divisions where two persons attended a large office with many of these machines, around the clock, 24/7 came into the lexicon, later. The fax machine replaced the telex machines and were noiseless and each individual could send and receive their own messages, from the comfort of their own offices, or in larger organisation one person centrally controlled the flow of information.

Direct Foreign Investment was a win-win situation when you consider a large drinks company like Coca Cola arriving in a foreign country with a favourable tax position towards foreign direct investment and setting up it's European base in one of 27 countries, bringing with it new management style and skills and higher standards throughout, with access to 500m people. Both sides achieve their objectives with the added prestige and increase in employment together with a major marketing budget.

Deregulation and decoupling in the 1980's helped business to expand with more freedom and without the shackles of intricate legal jargon and restrictions.

One immediate example is the oil and natural gas prices, which typically did rise and fall together. Decoupling changed this and now oil moves in one direction and natural gas moves in the opposite direction. This also allows for the real price to be set.

Investors can view a decoupling as an opportunity if they believe that the previous pattern of correlation will return, but there is no guarantee that it will.<sup>xli</sup>

When Adam Hayes writes about the Decoupling of Markets and economies, he states that once moved together can also be decoupled. The financial crisis of 2008 that started in the U.S. economy eventually spread to most markets in the world, leading to a global recession. Since the markets are "coupled" with the U.S. economic growth, any market that moves opposite to the global trajectory is known as a decoupled market or economy.

In the aftermath of the recession, the concept that the world's emerging markets no longer need to depend on U.S. demand to drive economic growth is an example of economic decoupling. Whereas emerging markets at one point relied on the U.S. economy, many analysts now argue that some emerging markets, such as China, India, Russia, and Brazil, have become sizable markets on their own for goods and services.

The argument for decoupling indicates that these economies would be able to withstand a faltering U.S. economy. China, for example, gets almost 70% of its foreign direct investment (FDI) from other emerging countries in Asia and is also investing heavily in commodity-producing companies in its continent.

By racking up its foreign exchange reserves and maintaining a current account surplus, the country has room to run a fiscal stimulus if a global downturn occurs, thereby decoupling itself from the advanced markets.<sup>xlii</sup>



The authors for Globalisation of technology, based India take the following view of FDI in relation to India's economic policies:

'Enterprises globalise in several ways, e.g. by exporting, sourcing components and materials from other countries (B2B commerce), outsourcing, licensing their technologies and production, and foreign direct investments (FDI). Transaction costs and location advantages play a crucial role in selecting the best mode of globalisation. A number of important questions - like what are the pull and push factors contributing to FDI, does outward FDI from a developing country like India contribute to participation in international production networks, and does FDI mitigate business cycle co-movements - keep cropping up in the growing body of knowledge on the globalisation of technology. This book addresses these issues, as well as the consequences of FDI - in particular, with regard to technology, productivity, and R&D spill overs. Issues related to innovations, R&D, intra-industry trade, and knowledge management are also discussed'.xlili

No matter which movement or political decision is under the microscope all of them will have their supporters and their detractors, however on balance the overwhelming support is for more Globalisation because of the immediate benefits such as employment, human rights better respected, better health and safety polices are part and parcel of any global organisation and eventually the multiplier takes its effects in raising standards generally for the subject country.

Wages and salaries will not be on a par with a developed country nor do they need to be as the cost of living in the shorter term is much lower and this would defeat the argument for the MNC moving to a lower cost manufacturing base. One must also take into account the positive downstream effect of sub-contractor work and employment as a result of MNC's and their policies. The knock-on effect is positive and while bringing a better standard of living to the target country, it also brings a more stable environment to the country and its inhabitants.

## Chapter 4: Managing Change

In managing change, a whole new industry has emerged externally, to help employees and managers come to terms with a different type of culture hitherto experienced, resulting from poor management at the top and in particular post a merger & acquisition deal. Corporations and organisations will have different cultures and ways and means in dealing with the business and human relations. Some organisations are viewed as having a dominant culture that espouses the critical, core values shared by most employees. Also, organisations are acknowledged to have many subcultures, or sets of values and norms that are unique to a particular unit of the organisation. Some organisations describe their values as having a strong or weak culture.

Therefore, organisations must hire outsiders who are trained in managing change and also to bring an objective approach to dealing with such matters. These professionals are hired by the company/organisation, usually psychologists or people well trained in 'managing organizational change' where Palmer takes 'a multiple perspectives approach'<sup>xliv</sup>.

Examples of early casualties in the 20<sup>th</sup> century, the larger companies were: The Hewlett Packard change story where Carly Fiorina's attempts to establish and then manage the merger with Compaq Computer;, the IBM story shows how change to this organisation has occurred both from the staff within as well as from management from the top; the Kodak story shows how pursuing changes to digitalize the company has provoked reactions from staff and investors; and the McDonalds story points to the pressures on organisations to change in order to re-establish themselves in the marketplace<sup>xlv</sup>.

Other matters which present themselves within organisations is Organizational Behaviour, and this directly concerns 'employee-retention'. While people may be attracted to an organisation for many reasons such as; the opportunities for promotion, good benefits, etc., the number one determinant of whether or not they remain with the organisation is "leader issues" – the degree to which leaders foster trust and make employees feel valued. As one survey respondent put it. "Mistrust, integrity, and inconsistent application of corrective action within a team would make that person leave."<sup>xlvi</sup>

Typically, these are more inclined to be noticed or picked up in companies where there is a larger mass. Notwithstanding the fact that this OB comes to the fore in large companies, SME's or Family Businesses can also suffer from OB, 'bad behaviour'. However, it is the companies with the larger economies of scale who are financially strong enough to address these matters and others learn from their peer organisations.

One of the great perks which larger conglomerates bring with them is the ability to hire specialists in many areas which hitherto most organisations would have been simply indifferent and would carry on business as normal.

Post merger and acquisition activity the new owners would or should introduce psychometric testing, which is well recognised as the standard to be used when

evaluating new entrants or where there is duplicity. The psychometric testing covers a number of human areas such as: Aptitude Tests, Skills Tests and Personality Tests. This type of selection and evaluating testing has now spread across the world and originated in the United States of America.

While the field of organizational behaviour borrows many concepts and methods from the behavioural and social sciences, including psychology, sociology, political science, and anthropology, because all are relevant to understanding people's behaviour in organizational settings. In general, however, organizational behaviour draws mostly heavily from the field of psychology.<sup>xlvii</sup>

In concluding this particular subject for the moment, change must come from the top in other words the senior management must be 100% behind the necessary changes and must not lack conviction, clarity or the will power to carry out the necessary changes as identified and agreed with the external professionals. There will inevitably be resistance to change by some, other employees will jump into action seen the new situation as being infinitely better for their future. Old prejudices will be wiped away and new challenges will arise, but there will be new remedies to resolve those matters. In addition to new management styles there should also be some tangible evidence of new software and new hardware accompanied with a series of courses in how to best use the new software to everyone's advantage.

One of the greatest challenges for those involved in managing change is to try to ensure that the change is not just a transitory phenomenon that "flames brightly" for a while before fading from the scene. Palmer *et al* refers to the failure of the U.S. Postal Service in this regard pre 1993.<sup>xlviii</sup>

For a change to "stick" it must cease being seen as something separate from normal practice; it must become the new normality. It needs to become, in Nadler's terms, "baked in to the organisation" or, in Kotter's terms, accepted by those in the organization as "the way we do things around here" or as the ex-IBM CEO Lou Gerstner defines as "the mindset and instincts" and to be consolidated means that people no longer label the practices in question as "change"<sup>xlix</sup>.

## **Multinationals & SME's**

It is only appropriate that we mention MNC's at this point as these large corporations are responsible for so much positive business news, although M&A's can have a double edge effect. The dominant company involved in the successful takeover brings new challenges, a breath of fresh air for some people tired of the never changing and no opportunities with the former owners and the new learning curves with the incumbents.

One of the earliest processes and obligations for the new shareholders and their executives is to engage with leaders in the field of 'Managing Change' and put their new teams at ease and give clear directions and make available to every employee their ethos and mission statement moving forward, together with the Psychometric

Tests and other evaluations which go hand in hand with this sometimes traumatic change overs.

So, how did we get here? The theory is that SME's and family businesses are the backbone for most countries GDP. Perhaps this is true with the collective amount of people they engage and employ, however as 'money talks' the economies of scale and the extensive power of multinationals through the median of finance and business/politics get the real business completed in addition to raising standards in business generally, increasing profit margins, reducing costs for products through central billing, Health & Safety, better Human Resource back up, a decent wage and improved career opportunities. The exception is where companies like Walmart in the USA, despise Union Control or negotiation and try to take advantage of human labour, however there are many social advantages which spring out of even Walmart's through their social clubs, and other sporting activities.

Recently reported by Doug McMillon President and Chief Executive Officer, Walmart Inc, in their Walmart's 2018 GLOBAL RESPONSIBILITY REPORT SUMMARY:

“— the company has invested \$100 million in programs to help workers advance their careers in retail and is funding the training for one million farmers at the supplier level. The company also is holding its seafood suppliers to a set of sustainability standards and is working to eliminate unethical labour practices at the supplier level.

Walmart's report states the company is collaborating with industry experts, NGOs, suppliers and the company's own research to address risks pertaining to social issues in the supply chain. The company also stated a commitment to addressing '*major risks to the dignity of workers*' within retail supply chains by 2025.”

The conglomerate Diageo owner of several top shelf drinks brands including GUINNESS, Smirnoff, BAILEYS, WINDSOR and many others has dedicated two pages within its 2019 annual report pages 70-71, and as per the current Chairperson, Mr Javier Ferran, the latter of whom holds responsibility for the operation, leadership and governance of the Board., 'Ensures all Directors are fully informed of matters and receives precise, timely and clear information sufficient to make informed judgements.'<sup>ii</sup>

In relation to the WTO and SME's, the **International Trade and The Law OF The World Trade Organisation** lays down the sanctity and need for: 'economic globalisation and international trade to be properly managed and regulated if they are to be of benefit to all humankind.

## Chapter 5: Corporate Governance

Attending business conferences in the late 1980's and at one such event I remember reading about the Cadbury report which was a wind for change at the time and ever since. Soon after the accountancy bodies took this information on board and made it a mandatory part of their requirements with public company's when submitting their annual reports that corporate governance be elevated and treated as an essential part of their overall annual submission. This part became known as the Corporate Governance section of the report and reported on how the Management or Board of Directors managed essential sensitive matters for and on behalf of the corporations, their shareholders and stakeholders. The Cadbury report was intent on tightening up any loopholes such as bonus discriminations equal pay for equal work and better female representation on the board of directors.

The development of the Corporate Governance Codes took time because of resistance from directors. The codes grew through a series of reports such as the Greenbury Report (1995). 'The Greenbury Committee was set up in response to concerns about both the size of director's remuneration packages and their inconsistent and incomplete disclosure in companies annual reports.'<sup>iii</sup>

In 1998 the Hampel Report, confirmed that they had reviewed the recommendations from the Cadbury and Greenbury reports and further said; 'we endorse the overwhelming majority of the findings of the two earlier committees.'<sup>iii</sup> In 1998 the Combined Code drew together the recommendations of the Cadbury, Greenbury and the Hampel reports. It has two sections, one aimed at the companies and the other at institutional investors.

There are several other reports in relation to Corporate governance which reported on and in addition helped to ensure that the Combined Code was kept up to date and relevant. In line with these reports the Companies Acts were strengthened and the best known companies act about that time was Sarbanes Oxley Act 2002 which came rapidly in the United States after the demise of Enron and others, which had a serious positive impact on reporting companies.

Corporate Governance Codes, Companies Acts, and Anti – Money Laundering Regulations, all became more prevalent and got a new impetus both after the large Corporate Frauds and the terrorism of 9/11. Again, we take some solace from the globalisation concept as many countries took the lead from their peers and tightened many of the banking rules and regulations, and simple items like opening a bank account became more difficult.

Fraud is still prolific as will be seen by reading the real situations and judging for oneself when reading the weekly reports published in the magazine, Ethical Alliance Daily News and THE TIMES.<sup>iv</sup>

As stated, the accounting bodies in the 1980's, '90's and the noughties in the UK, the EU, the US and elsewhere took the above challenges head-on.

The OECD Principles were revised in 2004 and are clearly in evidence in the World Bank's governance activities. The Global Corporate Governance Forum (GCGF) is at the heart of corporate governance co-operation between the OECD and the World Bank.

The EU High-Level Group of Company Law Experts, comprised of a group of lawyers, was established in late 2001 by the EU to provide independent advice for modernizing company law in Europe. This group headed by Jaap Winter made recommendations in relation to listed companies and is known as the 'Winter Report' (2002).

The information discussed in this section commenced in 1992 with the Cadbury Report<sup>lv</sup> which conducted extensive research in the late 1980's and subsequently came up with the said report and as a result now forms part of all Annual Reports.

A number of influential organisations have issued corporate governance guidelines/statements or have been instrumental in the implementation of better corporate governance globally. These organisations include, the World Bank, the GCGF, the CACG, and the ICGN.

### **The Companies (Miscellaneous Reporting) Regulations (2018)**

"The purpose of this document (Miscellaneous Reporting) is to help companies and interested stakeholders understand how they will be affected by new corporate governance reporting requirements in The Companies (Miscellaneous Reporting) Regulations 2018. These were made on 17 July 2018 and apply to company reporting on financial years starting on or after 1 January 2019."<sup>lvi</sup>

While the regulations in the Companies Reporting (Miscellaneous Reporting) Regulations 2018 Q&A outlines the requirements for Private, Public, small & large the following extract will show the extent to which the regulations require specific information in the interest of both management, employees and shareholders and other interested stakeholders:

"Quoted companies with more than 250 UK employees are required to publish, as part of their directors' remuneration report, the ratio of their CEO's total remuneration to the median (50th), 25th and 75th percentile full-time equivalent remuneration of their UK employees. Alongside this, companies have to publish supporting information, including the reasons for changes to the ratios from year to year and, in the case of the median ratio, whether, and if so how, the company believes this ratio is consistent with the company's wider policies on employee pay, reward and progression."

EY one the big five accountancy firms internationally state: "as a result of the Companies (Miscellaneous Reporting) Regulations 2018 certain sized UK incorporated companies must include a separately identifiable Section 172(1) statement in their Strategic Report and; Section 172 imposes a general duty on all company directors to act in the way they consider, in good faith, would be most likely to promote the company's success for the benefit of its shareholders."<sup>lvii</sup>

It should also be noted that internationally the accountancy bodies worldwide. work together to not only review and keep their standards to the highest levels but have



contributed enormously to the support for Corporate Governance from its early days since the first important report, known at the time as the Cadbury Report 1992.

Other bodies within the Accountancy umbrella such as the U.S. Generally Accepted Accounting Principles, i.e. ("U.S. GAAP") or International Financial Reporting Standards ("IFRS") are also contributing to standardisation and high standards.

### **International Financial Reporting Standards**

International Financial Reporting Standards, commonly called IFRS, are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board. They constitute a standardised way of describing the company's financial performance and position so that company financial statements are understandable and comparable across **international boundaries**. They are particularly relevant for companies with shares or securities listed on a public stock exchange.<sup>lviii</sup>

### **Generally Accepted Accounting Principles United States**

Generally Accepted Accounting Principles (GAAP or U.S. GAAP) is the accounting standard adopted by the U.S. Securities and Exchange Commission (SEC). While the SEC previously stated that it intends to move from U.S. GAAP to the International Financial Reporting Standards (IFRS), the latter differ considerably from GAAP and progress has been slow and uncertain. More recently, the SEC has acknowledged that there is no longer a push to move more U.S. companies to IFRS so the two sets of standards will "continue to coexist" for the foreseeable future.<sup>lix</sup>

Corporate Governance is now a requirement worldwide for reporting Companies & Corporations.

## Chapter 6: International Money Laundering Regulations.

The *International Compliance Association (ICA)* is a global organisation dedicated to supporting the best compliance and anti-money laundering practice in the financial services and allied sectors. The *ICA* transcends national boundaries by educating and supporting compliance and financial crime professionals throughout the world, through the provision of internationally recognised and training and qualifications, member information exchange and continuing professional development.

With a presence in 25 jurisdictions on four continents the *ICA* operates as a federal organisation and has reciprocal links with compliance officers' associations and AML forum groups across the world. The *ICA* qualifications are recognised and supported by regulators, governments and industry globally as focussed, relevant education for the individuals who carry out AML and compliance functions for staff.<sup>ix</sup>

Money laundering is probably as old as money itself, however the black market as we know it was not used for illicit purposes in the past. Muller et al states: 'It was more the underlying crime that was looked at than what was done with the proceeds.'<sup>ixi</sup>

Bank secrecy, offshore accounts, loopholes in the law, tax avoidance and tax evasion were almost a badge of honour at one time if one was successful in avoiding excessive or any tax.

Public scandals, bank collapses and the misuse of the financial systems offshore in the Virgin Islands, Belize and many other places brought these issues to the forefront.

Early collapses were Banco Abrosiano in Italy in 1982 and the BCCI (Bank of Credit and Commerce International, Baring's Bank in London 1995, one of England's oldest banks was brought about by the actions of one man, Nick Leeson. More banks followed and some were bailed out by Governments.

It is one thing the banks failing businesses but in addition individual people were badly hurt, financially. Therefore, momentum built up and Governments had to act and insist on Banks strengthening their solvency meaning that the ratio between borrowings and deposits had to changed immeasurably.

Other scandals followed including the most significant was Enron which was listed in the USA's Fortune top ten list of companies based on turnover in 2000. It's published accounts returned a healthy profit of US\$979 million. In simple terms, Andersen Accountants were acting as Auditors in addition to giving financial advice, resulting in a conflict of interest. Andersen also liquidated.

The foregoing malfeasance brought about the Sarbanes Oxley Act 2002<sup>ixii</sup> which was given legal authority to carry out its work as follows: 'The Sarbanes-Oxley Act of 2002 cracks down on **corporate fraud**. It created the Public Company Accounting Oversight Board to oversee the accounting industry. It banned company loans to executives and gave job protection to whistle-blowers. The Act strengthens the independence and financial literacy of corporate boards.'<sup>ixiii</sup>



**Parmalat – Italy** – a long-life milk company – expanded by acquiring more companies. Its debt increased in 2003 – difficulty making a bond payment, suppose to have large cash reserves – were non-existent – debts £10b.

**Satyam – India** – Computer services, 4th largest IT Company, in 2009 the Chairman admitted manipulating many of the figures.

**Royal Bank of Scotland** & other major UK Banks– subprime mortgage, The Bank of England had long feared big bonuses linked to short term performance measures encouraged excessive risk taking by traders who were in a win-win situation.

**Securrency – a Reserve Bank of Australia (RBA) subsidiary** – produces and supplies polymer banknotes has been the subject of allegations of bribery and corruption. An insider informed the appropriate authorities and KPMG Forensics prepared an audit report that showed impropriety and in April 2012 the top two executives were fired.

**China Forestry-** engaged in the management of forests and the harvesting and sales of timber logs. In 2008/9, private money from USA's Carlyle Group and Switzerland-based Partners Group was brought on board. The Chinese provided the auditor with false bank statements, plus inconsistent insurance policy documents and falsified logging permits. Much of the business through 2010 was in cash, eventually the former Chief Executive Officer was arrested by the Chinese authorities on allegations of embezzlement of \$30m.

A number of changes was proposed including centralized financial reporting and new management to oversee to it done.

**Olympus Corporation – Japan**, this company was a household name at the time of its troubles suspected by a non-Japanese person who in the end feared for his life after exposing the fraud. Being a UK citizen, he subsequently passed the information to the British Serious Fraud Office and requested police protection.

The ex president, the auditor, the vice president, former bankers, plus two others who assisted in the cover up were all arrested, charged and sentenced. The losses commenced in the 1990's and suspected by Michael Woodford in April 2011.

In concluding this section, there are many lessons to be taken on board from the case studies above which can be read in full in Mallin<sup>lxiv</sup>

Those defaulting companies which have a global scope demonstrates the authority of the laws internationally and how they can come together on a global basis to correct these wrongs, also no matter how the CEO's imagine that they are above the law, the actions of the courts have demonstrated otherwise.

Anti-Money Laundering (AML) has now grown into a very important area of law and with the proliferation of drugs and illegal arms supply which is truly an international problem. There is no doubt that there is much cooperation between police forces across borders with the (EAW) European Arrest Warrant valid throughout all 27 member countries.

With strong political will and further co-operation from the United Nations and the FATF (Financial Action Task Force) together with the United States and all right-thinking Governments the scourge of these illicit activities will subside.

The Financial Action Task Force, also known by its French name, Groupe d'action financière, is an intergovernmental organisation founded in 1989 on the initiative of the G7 to develop policies to combat money laundering. In 2001, its mandate was expanded to include terrorism financing.

The latest edition of the FATF Business Bulletin provides a summary of the decisions taken during the June 2020 Virtual Plenary and presents the objectives of the new FATF President, Marcus Pleyer, for the first two-year Plenary period.<sup>lxv</sup>

## Chapter 7: Business Organisation

Business organisation which commences at the micro or individual level is important but in the context of Globalisation we are more interested in the macro or corporation level where interpersonal processes, organisation structures and dynamics effect the global context.

Staying with our Globalisation V Isolationism policies, doing business overseas has led to a growing demand for managers skilled in international business practices. From the concept that on an individual basis the Hierarchical or Flat structures have different effects on human behaviour, this is amplified when one takes note at the corporate level.

From the basic floor area where employers allocate floor space to workers indicates their importance, 'desk location has become the measure of how valuable an individual is to the employer,<sup>lxvi</sup> even the décor of the office or the colour of the desk and its other accessories and where the desk is located.

Check out when *Milton* in the movie '*Office Space*<sup>lxvii</sup> is moved to the basement in the 1999 Software Company, or the female office worker was placed outside the men's room in the University of North Carolina's business school. She moved to GlaxoSmithKline where she ended up beside the shredder at the front door being mistakenly, identified as the receptionist for the firm.<sup>lxviii</sup>

In the Thesis where we are discussing the effects of globalisation and the complete opposite such as isolationism, the office environment is all important and how people relate to each other, rather than your desk being located beside the restroom or the front door, it takes groups, time to settle into a particular environment and one would hope a comfortable environment which takes time to develop, either consciously or sub-consciously. However Vecchio reminds us that; 'Groups are not static, but change and develop over time.'<sup>lxix</sup> Problems with starting a group in any (suitable) workplace in the world goes through a number of stages, with people initially testing out the sincerity of each other, setting ground rules and defining 'which actions are acceptable and which actions are unacceptable'<sup>lxx</sup>.

The following table shows the 'Stages Of Group Formation and Development'

Stages	Concerns
Forming	Testing and Dependency
Storming	Division of Power
Norming	Rule Making
Performing	Accomplishing Goals

Source: Vecchio, p217, FIGURE 9.2

In conjunction with this part of the Group Dynamics it is informative to access; 'An Inside Look, I'll Be There For You: The Impact of Friend's in the Workplace'.<sup>lxxi</sup>

With the advances in technology for business and the expanse of social media we can instantly see or find out what is the latest trend in office furniture and the software systems pertaining at a certain time or more interestingly what the future technology has in store for us, thus keeping us up to date with all of our co-workers all over the world.

There are countless different organisations throughout the World, from SME's to Global Conglomerates and amongst those there are a finite number dispersed through many industries and services.

Companies will have associates, limited liability partnerships, major branches and business units all over the world, pretty much in those locations for best tax and cost advantages.

Prominent among the Professional Services are Banks, Lawyers and Accountants, (PWC, KPMG, EY, Deloitte, are better known the world over). Many of those just named are Global organisations and all with their own expectations and culture.

Graeme Salaman in his book understanding business organisations states:

“Despite sweeping changes in organisational theory and practice, **most productive activity still takes place within organisations** it is clear that despite waves of change, organisational theory remains vitally relevant to todays student of business and workers .introduces the student to classic debates and new perspectives on organisations through a wide ranging but approachable selection of readings. It considers why organisations matter to employees and customers discusses theories of the organisation as a mode of empowerment and of control.....”<sup>lxxii</sup>

The current COVID 19 pandemic has changed the occupancy of offices the world over for a long time with many people forced to work from their own homes. Because of these changes in lifestyles, corporate buildings are now occupying ghost towns with CEO's and CFO's looking at the amount of savings which their firms can save by not renting space and/or changing their corporate culture. In turn this is having a dramatic effect on the Office Rental industry, in particular, with the obvious impact for cleaners, painters and florists.

## Chapter 8: Law of the World Trade Organisation.

The World Trade Organisation (WTO) was established and became operational on the 1<sup>st</sup> January 1995. It is the youngest of all the major international intergovernmental organisations and yet it is arguably one of the most influential in these times of economic globalisation.<sup>lxxiii</sup>

Marco Bronckers stated, it has the potential to become a key pillar of global governance.<sup>lxxiv</sup> The late great Peter Sutherland in 1997 called for greater equity amongst the nations of the world.<sup>lxxv</sup>

There are basically four related reasons why there is a need for international trade rules:

1. First, countries must be restrained from adopting trade-restrictive measures both in their own interest and in that of the world economy.
2. Secondly, is the need of traders and investors for a degree of security and predictability.
3. National governments alone cannot cope with the challenges presented by the economic globalisation.
4. Need to achieve a greater measure of equity in international economics relations.

The concept of economic globalisation has been around for some decades, long before the inception of the WTO on the 1<sup>st</sup> January 1995. All the usual cohorts connected to business either directly or indirectly have been calling for Economic Globalisation and a body corporate to oversee it and implement the laws pertaining to such an organisation.

Joseph Stiglitz former Chief Economist of the World Bank and Nobel Prize Winner for Economics in 2001 defines Globalisation and its discontents as follows:

“the closer integration of the countries and peoples of the world which has been brought about by the enormous reduction of costs of transportation and communication, and the breaking down of artificial barriers to the flow of goods, services, capital, knowledge, and (to a lesser extent) people across borders.”<sup>lxxvi</sup>

Thomas L Friedman, the award-winning journalist for the New York Times, defined ‘globalisation’ as follows:

“it is the inexorable integration of markets, nation-states and technologies to a degree never witnessed before – in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is enabling the world to reach into individuals, corporations and nation-states.”<sup>lxxvii</sup>

Van Den Bossche, reminds us that globalisation was with us fifty years prior to WWI,

“there were also large cross-border flows of goods and capital and more than now of people. This trade was helped in part by very low costs through the lowering of trade barriers and the significant reductions in costs resulting from technological innovations such as **railways and steamships**.”<sup>lxxviii</sup> Van Den Bossche, in comparing openness of borders states that Britain and France are only doing slightly more trade externally now than at that time. Japan is doing far less that it did in the older days. <sup>lxxix</sup>

### WTO as the Panacea

Globalisation was perceived as the panacea to greater world wealth, unity and prosperity for all, but the smaller countries did not quite receive all the benefits they desired. Perhaps they were not properly prepared or directed in the earlier years. To bring a more equitable approach to the burgeoning countries the World Trade Organisation in January 1995 commenced operations and with it brought a new and hopeful future to those countries suffering the most.

So, enter the **WTO (World Trade Organisation)**<sup>lxxx</sup> in January 1995 and for the following reasons:

The WTO's main functions were geared towards trade negotiations and the enforcement of negotiated multilateral trade rules (including dispute agreements). Special focus is given to four particular policies supporting these functions:

- (1) Assisting development and transition economies,
- (2) Specialised help for export promotion,
- (3) Cooperation in global economic policymaking,
- (4) Routine notification when members introduce new trade measures or alter old ones.

Please see the WTO Organisational Chart.<sup>lxxxi</sup>

Please see the WTO Secretariat organisation chart<sup>lxxxii</sup>

Please see the Overview of the Secretariat and the Budget <sup>lxxxiii</sup>

### Basic rulers and principles of WTO law

The law of the WTO is quite complex with different sets of rules for trade in goods and services and the protection of intellectual property rights, ranging from tariffs, import quotas and customs formalities to compulsory licensing, food safety regulations and national security measures. However, all of these can be broken down into five groups:

1. The principles of non-discrimination
2. The rules on market access
3. The rules on unfair trade
4. The rules on conflicts between trade liberalisation and other societal values and interests, including the rules on special and differential treatment for developing countries, and

## 5. The rules promoting harmonisation of national regulation in specific fields.

In addition, WTO law contains institutional and procedural rules, including those relating to decision-making and dispute settlement. The foregoing is commonly referred to as the *multilateral trading system*, and in **2001 Peter Sunderland wrote**: The multilateral trading system, with the World Trade Organisation (WTO) at its centre, is the most important tool of global economic management and development we possess. (Martin Wolf of the Financial Times noted in 2001) <sup>lxxxiv</sup>

To fortify the basic rules and principles above, the WTO dispute settlement process entails four major steps:

- Consultations
- Panel proceedings
- Appellate review proceedings and
- Implementation and enforcement

As you will see an attempt to resolve matters through consultations is first attempted and if that does not result in a positive outcome the process moves up the line each time hoping for a positive resolution. Panel proceedings will result in a panel report and if it is not appealed the report will end up before the Appellate body and if found in breach of WTO law, will have to implement the recommendations and rulings adopted by the DSB. Figure 3.1 on page 199 of the text demonstrates in flowchart format and reflects the four, major steps and adding additional elements where necessary. <sup>lxxxv</sup>

The WTO dispute settlement system is administered by the Dispute Settlement Body (DSB) Article IV:3 of the WTO Agreement states, in relevant part:

'The General Council shall convene as appropriate to discharge the responsibilities of the Dispute Settlement Body provided for in the Dispute Settlement Understanding. The Dispute Settlement Body may have its own chairman and shall establish such rules of procedure as it deems necessary for the fulfilment of those responsibilities.' <sup>lxxxvi</sup>

### WTO & DUMPING:

In 1973 the first enlargement of the EC (formerly the EEC), took place and again the EC (European Communities) became the EU (European Union) but Denmark, Ireland and the United Kingdom acceded to the EC in 1973.

While we are discussing Globalisation and how trade expanded there were many crossovers between blocks of countries and Spain who was outside the EU for many years, they were clearly selling their Steel into the EC as much as they could, however this was referred to as dumping goods/products which carried tariffs, to try and stop them from trading with the then EC. Now that they are part of the EU and a prominent member of the 27 European Countries, business, services, finance and people are free to move across and within the EU.



Current WTO law on dumping and anti-dumping measures are set out in Article VI of the GATT 1994 and in the WTO Agreement on the implementation of Article VI of the GATT 1994, commonly referred to as the Anti-Dumping Agreement.

'Dumping' is a situation of international price discrimination involving the price and cost of a product in the exporting country in relation to its price in the importing country.

It should be noted however, that dumping and anti-dumping measures will impact Global trade and can affect a Company based in the US with subsidiaries in the EU. It was known as the 'fridge war' where the European Commissioner became embroiled with electric goods maker in Europe (Whirlpool) after he took the 11th hour decision not to levy anti-dumping duties on a certain Korean imports.

In another case regarding the importation of cheaper leather shoes into Italy from China and Vietnam. 'After months of contentious discussions, EU member states narrowly voted on the 4th October to slap anti-dumping duties on shoes imported from China and Vietnam. This decision badly split EU members with the opposition coming from the Scandinavian countries, Germany and the UK.'<sup>lxxxvii</sup>

The WTO<sup>lxxxviii</sup> now represents more than 160 countries across the World with countries choosing between tariff barriers which primarily includes custom duties and others choosing non-tariff barriers, the latter includes quantitative restrictions (such as quotas) and other non-tariff barrier's (such as lack of transparency of trade regulation, unfair and arbitrary application of trade regulation, customs formalities, technical barriers to trade and government procurement practices).<sup>lxxxix</sup>

The foregoing is an attempt to demonstrate the influence which the WTO rules and regulations have across the Globe including MFN (Most Favoured Nation) status for countries with an agricultural dependency.



## Chapter 9: Commercial Contracts

Commercial Law which obviously applies to commercial contracts has never been formally defined or has never been adopted by common law in some civil law systems but it is generally accepted that the parties are entering transactions ‘in the way of business’ and/or between transactions which are fundamentally ‘business’.

Goode takes a clear view of what is commercial and what is not. Those contracts governed by the Sale of Goods Act 1979 are commercial and those related to sales to consumers, Goode explicitly excludes from his umbrella.<sup>xc</sup>

Sir Roy Goode in his 1997 Hamlyn Lectures described Commercial Law as: ‘In my own perception commercial law represents the totality of the law’s response to mercantile disputes. It encompasses all those principles rules and statutory provisions of whatever kind and from whatever source, which bear on the private rights and obligations of parties to commercial transactions, whether between themselves or in their relationships with others.’<sup>xc1</sup>

‘Commercial Law’ is an expression incapable of strict definition, but it is used to comprehend all that portion of the law of England which is more especially concerned with commerce, trade and business.<sup>xcii</sup>

In *Salomon v Salomon and Company Limited* 1897, a landmark case in the UK where the unanimous ruling was to uphold firmly the doctrine of corporate personality as set out in the Companies Act 1862 so that Creditors of an insolvent Company could not sue the company’s shareholders (Salomon and his family) to pay up outstanding debts owed. The latter case was to bring new words to the lexicon such as **The Corporate Veil** but this law is related and embedded in Contract Law, just to make the point that Commercial Trading as we know it today also existed for centuries especially from Asia and along the Silk Road to Istanbul in Turkey.<sup>xciii</sup>

Visiting Istanbul in Turkey and standing on the Bosphorous Bridge will paint a clear picture of the ‘commerce’ plying this vast river, it is an amazing sight.

The Bosphorous Bridge, known officially as the 15 July Martyrs Bridge and unofficially as the First Bridge, is one of the three suspension bridges spanning the Bosphorous strait in Istanbul, Turkey, thus **connecting Europe and Asia**. The bridge extends between Ortaköy and Beylerbeyi.<sup>xciv</sup>

Once again here is the tangible evidence of how the world is culturally, politically, economically connected through commerce and services. Globalisation is inescapable.

## The Vienna Convention:

Sealy and Hooley hold the view that there is more than one way that a sale of goods contract may hold as international element, such as the buyer and seller being in different jurisdictions, or the terms of the contract are that the goods are to be carried from one country to another by road, sea or air. Equally the buyer or seller may not be respectively based in either of these countries which leads to greater risks: physical risks associated with transport, financial risks (movements in exchange values), political risks such as war e.g. 1973 the Chilean coup d'état and a coup d'état on the 18<sup>th</sup> August 2020 in Mali, almost every continent has had its fair share of coup d'états or attempted or failed ones outside both World Wars. Of course, legal risks, if a foreign system of law is involved. Some of these risks can be covered by insurance.<sup>xcv</sup>

At the commencement stages each party may begin their discussions and exchange of documents after they have signed an NDA (Non Disclosure Agreement) and/or an NDNCA (Non Disclosure & Non Circumstantial Agreement.<sup>xcvi</sup> This is a very basic agreement and will be honoured under EU Law, Swiss or UK Laws. This also sets the tone for an honest relationship during the term of the contract/s. Other pitfalls may be avoided if both parties use standard and long tested standard contract forms and avoid the uncertainty associated with international contracts.

Sealy et al, point to the use of GAFTA forms (the Grain & Feed Trade Association, or those of the London Metal Exchange). Others also well known and tested are the INCOTERMS (the International Rules for the Interpretation of Trade Terms promulgated by the International Chamber of Commerce). The latter may have customary or even statutory force in some jurisdictions but will be applied in English Law only if chosen by the parties.<sup>xcvii</sup>

The Uniform Law based on the Hague in 1964 failed and after a number of attempts to internationalise the law covering commercial contracts, eventually the second treaty, the United Nations Convention on Contracts for the International Sale of Goods (**commonly known as the Vienna Convention**) was signed into law at the beginning of 1988 and gained wide support with some 70 States signing the bill after it being ratified or acceded in those countries with the UK being the exception.

## Carriage by Sea & Air:

In today's fast moving environment where a drone almost delivers your favourite item say a best seller from Amazon some where in the world to somewhere else in the world and in some cases within 24 hours complete with all the preliminaries such as the order, order confirmation, the invoice including the relevant country taxes and confirmation of payment received, all carried out in a seamless process.

However the carriage of goods by sea where the heavier cargos are transported by Ships and containers is enormous in tonnage totals but the easy part is the paperwork which has been in use for centuries and will be found in Maritime Law as alluded to earlier, these being the formative papers being the vanguard to the ultimate legal contract.

The following shipping documents are so well known and embedded in the shipping psyche and universally used in the day to day support of shipping and other contracts, where well established rules have evolved and confirmed by Governments all over the world.

To surmount contractual problems with the sale and transport goods by sea, Sealy et al, states, "to meet these problems, the documents relating to the sale and carriage of the goods have been **elevated to a position of special symbolic importance**, to the point where for many purposes they are treated in law as representing the goods themselves: for instance, 'delivery' of the goods can be effected by handing over these documents.

The principal documents for this purpose are:

- (1) The bill of lading
- (2) The commercial invoice
- (3) The policy of marine insurance<sup>xcviii</sup>

Parties to an international contract of sale are free to make any arrangement they choose as regards delivery, risk and other incidents of the transaction. On a quick count there are most likely twenty different choices and possibly more if one chooses to determine the totality of permutations involved. However, there are two items or incidents which stand out as being the most popular, which have been used since 'time immemorial' and on an international basis:

- (1) CIF (Cost Insurance Freight).
- (2) FOB (Free on Board).

Under an FOB contract of this traditional type, the seller's and buyer's duties may be listed as follows:

The Seller's duties will typically include:

- (a) To supply the goods, with evidence of conformity with contract.
- (b) To deliver the goods on board the ship, at the place and time stipulated by the contract or nominated by the buyer.
- (c) To obtain the export licence
- (d) To bear all costs up to and including loading (across the ship's rail).
- (e) To provide documents evidencing delivery to the ship, certificate of origin, etc.
- (f) To co-operate with the buyer in procuring the bill of lading and other documentation.
- (g) To give notice to the buyer to enable him to insure the goods during their sea travel transit.

The buyer's duties are as follows:

- (a) To procure a suitable ship or shipping space and give the seller due notice of the ship and place and time of loading.
- (b) To pay the price.
- (c) To bear all costs subsequent to the goods passing the ship's rail.

- (d) To bear the costs of procuring all documentation, including the bill of lading and certificate of origin.
- (e) Plus, variations in relation to the insurance and other matters relating to the 'extended' FOB contract. Some of the cases in relation to the FOB terms are as follows:

***Colley v Overseas Exporters Limited [1921] 3 KB 302, King's Bench Division.***

***Carlos Federspiel & Co SA v Charles Twigg & Co Limited [1957] 1 Lloyd's Rep 240, Queen's Bench Division.***

The case which follows contains a description of this type of contract and shows the importance in law of the moment when the goods **pass the ship's rail**.

In ***Pyrene Co Ltd v Scindia Navigation Co Ltd [1954] 2 QB 402, Queen's Bench Division***, in connection with the transportation of a Fire Tender which was sold by Pyrene to the Government of India on FOB (Free on Board) terms, was dropped and damaged but had not crossed the ship's rail, while being loaded for export on to a ship belonging to Scindia.

In this case and the judge's *obiter dictum* which is quite lengthy<sup>xcix</sup>, **Devlin J held**, however, that on the facts the sellers had 'participated' in the contract of carriage sufficiently for them **to be bound by the Hauge Rules**, or that (alternatively) there was a **collateral** contract between the parties, into which the Hauge Rules could be incorporated on the **basis of usage or custom**. In the course of his judgment, he explained some details regarding the nature of FOB contracts and the incidents of their performance.<sup>c</sup>

The following case considers the Buyers rights and the Vendor's duty. Corn Products under two separate contracts sold starch and corn syrup to Manbre Saccharine on CIF terms ex London. The goods as per the **description** were loaded on the ship SS Algonquin which was sunk by a torpedo or mine on the 12<sup>th</sup> March 1917.

The sellers tendered the documents relating to the goods on the 14<sup>th</sup> March 1917, but the buyers refused to take them up or pay the price. **McCardie J:** Held that they were bound to do so, and this was a case of **breach of contract**.

***Manbre Saccharine Co Ltd v Corn Products Co Ltd [1919] 1 KB 198, King's Bench Division.***

The **Argentine bolita beans** were sold to Gill & Duffus SA on a CIF basis, discharge at *Le Harve*. There was a mix up and only 445 tonnes out of 500 tonnes were discharged with the balance of 55 tonnes being delivered two weeks later. The buyers rejected the documents twice relating to the certificate of quality for the 445 tonnes. **The House of Lords held this to be unfounded**. The buyers were therefore guilty of repudiatory breach, **it was held**; discharged the sellers from their obligation to deliver the 55 tonnes and debarred the buyers from any right that they might have had to reject the goods. In consequence, the buyers were held liable in damages for non-acceptance in respect of the entire 500 tonnes bolita beans.

***Berger & Co Inc v Gill & Duffus SA [1984] AC 382, House of Lords.***

The carriage of goods by sea for reward from one country to another is as old as the pirates and for centuries prior to that period.

According to **Britannica**, the fact that the ancient Egyptians engaged in shipping on a wide scale, it can be inferred that they **had at least rudimentary laws** regulating that activity, although no trace has been found thus far. Rhodes in Greece was a major source of maritime law, however, is clearly indicated in two passages from the ***Digest (AD 533)*** of the Roman emperor Justinian, the first the emperor Antoninus (reigned AD 138-161) in a case of plunder following a shipwreck: “***I am indeed lord of the world, but the Law is the lord of the sea.....***and the second is a statement of the basic law of “***general average***” which *Digest* attributes to the Rhodians. “Average” here means any loss sustained by a vessel or its cargo.<sup>ci</sup>

## Chapter 10: Disorder

Economics, Law, Political Systems, People Power and Cultures will intervene, possibly intertwine and determine whether **Globalisation** is here to stay or will it bend to other pressures, such as the current isolationism<sup>cii</sup> in America's current foreign policy as one of the pillars which is moving to the right, possibly temporally.

Since the changing of the guard at the White House in Washington, the current incumbent<sup>ciii</sup> threatened to shake up the system and 'drain the swamp', however after almost four years in office, executive orders are being signed right, left and centre without due regard for the law or the US Constitution, many feel now that the President is acting 'ultra vires', just like a dictator, resulting in a shocking encroachment on democracy and their constitution, as we have come to know it.

Other foreign leaders but thankfully only a few are beginning to act in a similar manner. Even as we write this Thesis, bye-elections in the US are now producing Progressive Democrats<sup>civ</sup> and elections in BELARUS<sup>cv</sup> have once again elected the incumbent for the sixth time. Granted the latter was a former USSR state but still heavily influenced by Putin and Russia. Hungary, Poland and Brazil are also taking strength from these individuals' actions, with the line between the Judiciary and the State a little dimer.

The initiatives which influenced Globalisation has not come about by accident and even though the embryo is claimed by many, the real kicker was post WW11 with the destruction in Europe in particular and Japan in the East caused by the years of war, which had now to be addressed.

This decision now fell to the new President of the US, Harry Truman who succeeded FDR, and the US being the richer country on the planet at that time appointed George C. Marshall to carry out this enormous task.

An American soldier and statesman, George C. Marshall, rose through the United States Army to become Chief of Staff under presidents Franklin D. Roosevelt and Harry S. Truman. He then served as Secretary of State and Secretary of Defence under Truman. **The Marshall Plan** in short was to rebuild Europe but was the gateway or catalyst to Capitalism and Globalisation.

In his book, 'World Politics since 1945 (9<sup>th</sup> Edition)', **Peter Calvocoressi**, the Sunday Times and others have hailed it as "*The most lucid, comprehensive, intelligent and reliable account of post-war modern history on the market*".<sup>cvi</sup> We hope to learn a lot from Mr. Calvocoressi writings and share it with our readers.

### The Cold War

As many are aware the Cold War followed World War 11 with the USSR dividing Germany and taking over many of the Eastern European countries and the Balkan States. Joseph Stalin the orchestrator of this Block of countries often referred to as the



Soviet Block wished to spread Communism, his solution to having full employment and getting rid of starvation when in fact it was more like slave labour. The soviet people suffered and were brainwashed into thinking that this was the right road forward. In addition and in relatively more modern times communism had spread to North Vietnam and having taken hold a very long war was enacted against the French who occupied South Vietnam with Ho Chi Minh the Northern Leader supported by the Soviets who continued the war to capture the southern parts from the Americans who had replaced the French. Eventually the North succeeded after the deaths of millions including 50,000 American soldiers.

Those captured lands today are opening their economies to all and are in the emerging stages of Capitalism and trading globally, carrying out the work which the Chinese had engaged in until their cost base rose and businesses moved to Vietnam. Ironically in the 21<sup>st</sup> century Vietnam is counted as one of the more progressive Emerging Economies.

The Soviets now known as Russians are continuing their interference in Political elections in the USA, UK with Brexit and to a lesser extent Europe apart from Georgia and the Ukraine. The situation which existed for almost fifty years between the Soviets and the West was one of mutual hostility and fears of the protagonists. Those emotions were rooted in their several historical and political differences and were powerfully stimulated by myths which at times turned hostility into hatred. This Cold War dominated world affairs for a generation and more.”<sup>cvii</sup>

## **USSR V The United States of America**

The position of the **USSR** after WW11 was isolationism by their own choice. After the Americans dropped their nuclear bombs on Hiroshima and Nagasaki, the Soviets choose not to rebuild their economy or its infrastructure but to instead build their own nuclear capabilities at enormous cost while their people starved and worked on small patches of land in an endeavour to survive with the basic of foods. The bombings also put an end to any possible German threat at that time. The latter chain of events now left the Americans as the major power at that time and in doing good they helped Europe and to an extent Russia, financially to rebuild their countries.

It is ironic that both Japan and Germany by their negative acts of aggression, brought the United States into the second world war, firstly by Japan bombing Peril Harbour and Hitler declaring war on the United States. The soviets on the other hand had a vast army whom they put to work, in the communist manner, throughout their vast landbound countries as far East as Romania, where pro-Communists regimes existed and with the west already occupied in more positive actions, the Russians took the opportunity for their expansion and Romania being pro communist, the west did not interfere or indeed protest.

The division of Germany, the Cuban crisis and the arms race kept the Russians in particular occupied and drained their financial strength when in the end they could not cope anymore, and the Berlin Wall fell in the November 9<sup>th</sup>, 1989. The reunification of Germany followed with the gradual breakup of part of the USSR which has now



resulted as a weaker Russia, which is a big deal for Putin and he wishes to reverse matters whenever he foresees the opportunity and cannot be trusted.

## **Glasnost & Perestroika**

The few old guard Russian leaders who survived since the second world war gradually died, bringing in the next generation in Russia to rule. The person with an outward approach was Mikhail Gorbachev who's policy was described as, "intelligent, courageous, and politically agile, embarked upon a course of economic and political reforms under the twin banners of *glasnost* (*openness*) and *perestroika* (*restructuring*) the economy in its broadest sense. He insisted that *perestroika*, was not to be achieved without *glasnost*."<sup>cvi</sup> He also abolished the communist party realising that the communist way was not working. In the decades since the 2<sup>nd</sup> world war the economy contracted and in the new scenario, they had difficulties in progressing from an outdated system.

The Russians under their new president, Mikhail Gorbachev and "Lenin's new economic policy promoted small retailers and businesses in the hope of attracting foreign capital and skills, but this did not happen ..... a mixture of private capitalism and free trading and state socialism".<sup>cix</sup> It failed because the Russians were not familiar or used to managing change in addition to oil prices crashing, possibly orchestrated by the West and the nuclear disaster of Chernobyl in 1986.

## **Japan's Resurrection under Capitalism**

At this point we are all pretty much aware of the terrible damage to life and limb with the consequences of the destruction during the second world war in Europe, and North Africa but in the meantime the same disruption was taking place in Asia. The Japanese who were ferocious fighters brought even more destruction to all of the countries in its region, so it is interesting to see how the Japanese turned their dire situation about with the assistance and managed situation with the Americans in control and cheap interest rates.

*"Within a generation Japan regained the status of a great power, not by replacing its armouries but by rebuilding its industries, regaining its foreign trade and reconstituting its reserves of cash and currencies; it was the one power in the world that could be referred to as a great power but had no nuclear capacity and it was evidently more powerful than some powers – Britain France, India – which had nuclear explosions."*<sup>cx</sup>

In this case Capitalism and democracy was forced upon the defeated Japanese and the Emperor was reduced to a Figure Head only.

*"Japan was bereft of many natural minerals such as: virtually no oil, uranium, aluminium or nickel, very little coal, iron ore, copper or natural gas; only half its requirements of lead and zinc."*<sup>cx</sup>

Not having some of the above minerals would make the position almost impossible for a nation endeavouring to move forward. However, it had the crystallising effect of directing Japan's foreign policy in a direction which was of a co-operative nature and

building bridges with those countries who could supply Japan with these most needed necessities.

Attempting to indulge in exploration to find these materials would have been enormously expensive even prohibitive for a fledgling nation, not to mention speculative. Therefore, the only sensible policy was to import their requirements and the structures were put in place to do this in a properly organised business way. Two bodies were created; the Allied Council for Japan<sup>cxii</sup> consisting of the United States, the USSR, China, Britain and the Pacific members from the Commonwealth: and the Far Eastern Commission<sup>cxiii</sup>, located in Washington with 11 members. This latter action has been referred to as the Birth of the Constitution of Japan. During this period, General Mac Arthur, the supreme commander was the de facto ruler of Japan until 1952.

This guided capitalism approach imposed by the United States was harsh for a country who hailed from a very different culture but Japan moved forward benefiting from cheap interest rates, the Korean War and the Vietnam War contributed to their commercial success with massive surpluses of cash. New abortion laws were introduced to contain the population growth and land reform was taken head-on with little succour for absentee landowners and Japan ended up with an efficient food production industry. Japan exported its finished goods and is well known for their car exports which reached almost every developed country in the world. Its GDP soared and was the envy of many other progressive countries.

In 1971 however the dollar was devalued by Nixon in a definitive move to hurt the Japanese economy and in addition Nixon accepted an invitation to China. Nixon also introduced a 10% surcharge in an overt effort to reduce the imbalance of payments between the two countries, "*but more generally in order to check the big Japanese surplus.*"<sup>cxiv</sup>

So, the trading went on between the US, Japan and many other countries in the Asian region and today their products are to be found in the majority of countries in the world. Is this Globalisation, I would say yes, the definition tells us: "*the process by which businesses start operating on a global scale.*"<sup>cxv</sup>

Japan's ups and downs in the twentieth century are well recorded, but its recovery was swift and spectacular. It became for a while arguably the second power in the world, militarily disarmed but economically rampant.<sup>cxvi</sup>

## CHINA – Communism & Global Expansion

China is and has been for decades a communist country and had dealings with the Russians, mostly not a happy arrangement in the early part of the 20<sup>th</sup> century, their policies were at odds with each other. In short Mao Zedong took control of the vast Chinese country after the demise and the resurgence of the Kuomintang who had established a Government in part of China. Continuous expansion from Russia in Asia after the Crimean War but the tsars of Russia “were more or less permanently preoccupied with the problems of Poland, the Balkans and the straits”.<sup>cxvii</sup> For many decades onwards the Russians and the Japanese were at war with the Japanese winning, and the Russians eventually reached the borders of Afghanistan when they met with the British. This was to be the end of Russian expansion in Asia who now had to turn their attention to the Germans and the 2<sup>nd</sup> world war, culminating in a Russian/Chinese treaty in 1945.

It may be a subtle point to observe, but by the end and conclusion of two world wars the potential big players we see today such as China and Russian must have realised the United States had the upper hand Militarily and Financially and those seeking expansionism must have realised that there must be a better formula for expansion and rather than pursuing the latter territorially made a conscious decision to join those who used the medium of commerce to import and export their goods and services.

The Marshall Plan initiated, supported and funded by the United States did not come without its terms and conditions, certainly the preservation of peace and democracy were top of the agenda. The aid to rebuild Europe under the Marshall Plan is best known in the West but as we have seen the Japanese received quite favourable terms and conditions also, which accompanied their aid. In the author’s opinion this outward looking approach was a win-win for all sides, peace was guaranteed for the most part, education and commerce prospered but this also gave the nutrients to explore a more peaceful global outlook, which we now refer to as Globalisation rather than Isolationism.

Viewed from afar, China has succeeded extremely well in bolstering its output of goods and creating a new and sustainable Middle Class. China has formed many alliances through trade but has little regard for Trademarks and Patents. While China has united its people generally and the country has sustained the efforts put in place by Mao Zedong, who declared in 1950, “that all China was his, except Tibet”,<sup>cxviii</sup> the latter have a poor record in relation to human rights. Today this important factor is linked to international trade negotiations but unfortunately in the author’s opinion appears on the discussion agenda’s under AOB and is subservient to the main agenda of business discussions. In more recent years, leaders in China are more immersed in Globalisation and having a bigger GDP surplus than their competitors and have also moved to a quasi-capitalism position and China will be the only country which will maintain its economic growth in 2020, despite the Pandemic, i.e. Covid 19 according to its public utterances<sup>cxix</sup>.

## Chapter 11: Economic Groupings which Sustains Globalisation

There are many regional economic groupings such as: The East Asian Economic Group of which China is a prominent member. China is the lead country Economically and Militarily in the BRICS Group consisting of Brazil, Russia, India, China and South Africa.

Some of the more prominent groups from the western viewpoint are the G7 and the G10. Because Russia and China are in dispute with some members of the G7 and G10, the former now proven by the bipartisan senate report that Russia were involved in the rigging of the 2016 US elections and by their actions over this point, the Ukraine incursions and the annexing of Crimea Russia have resulted in their exclusion.

China is excluded based on the Tariff disputes with the US and America's current Isolationist Policy of the administration (2016 – 2020). One must revert pre-world war two, to discover America's last isolationist policy. Isolationism in relation to economic activity does not benefit any country. On the other hand, Globalisation post the 2<sup>nd</sup> world war has brought peace to Europe and prosperity to many other countries.

The current member countries of the G10 are Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States, with Switzerland playing a minor role.

The G7 Economic Organization consists of the Group of Seven intergovernmental economic organization consisting of seven major developed countries: Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, which are the largest IMF-advanced economies in the world.

In addition to the foregoing groupings there are others in Asia but the G7 and the G10 are economically the most prominent and important in world politics. Virtually all these countries trade with each other and obey the international laws and treaties as set out and agreed over the decades.

In closing this section with China for now the attached Appendix 2, shows numerically and graphically the enormous growth for China over the past 70 years and the position China held in the World in 2018, surpassing Japan in 2010 as the world's second largest economy.

### FDI and Trade Services in India

The authors of a piece in relation to the growth of their trade in the service's industry in India acknowledge that the percentage contribution is in excess of 60%, of course it depends on the base line these authors are emerging from: "The paper empirically investigates the inter-linkage between FDI inflow and international trade in service sector in India.

Service sector emerges as the fastest growing sector worldwide during current phase of globalization, contributing more than 60 percent of output and almost 35 percent of trade in global economy. The sector also accounted for 63 percent of global stock of FDI. With hosting a large amount of FDI inflow, Indian service sector is also identified globally due to its substantial improvement in growth and export in international market. So there needs to be a study to explore the theoretically established causal relationship between FDI inflow and international trade in services towards sustainable and service led economic growth in India'.<sup>cxx</sup>

### Health in an age of globalization

In this extract the author discusses the correlation between health and Globalisation and acknowledges how diseases have spread over the decades but also is grateful for the efficiencies that come with globalisation. The latter may be responsible in some small part for the spread of these diseases but also contributes considerably to the cure but a cure is not inevitable but the knowledge is delivered from rich to poor countries quickly to stop the flow of these harmful pandemics.

“Disease has travelled with goods and people since the earliest times. Armed globalization spread disease, to the extent of eliminating entire populations. The geography of disease shaped patterns of colonization and industrialization throughout the now poor world. Many see related threats to public health from current globalization. Multilateral and bilateral trade agreements do not always adequately represent the interests of poor countries, the General Agreement on Trade in Services may restrict the freedom of signatories to shape their own health delivery systems, and it remains unclear whether current arrangements for intellectual property rights are in the interests of citizens of poor countries with HIV/AIDS. However, to the extent that globalization promotes economic growth, population health may benefit, and there have been substantial reductions in poverty and in international inequalities in life-expectancy over the last 50 years. Although there is a strong inverse relationship between the poverty and life-expectancy in levels, gains in life expectancy have been only weakly correlated with growth rates and, in the last decade, the HIV/AIDS epidemic has widened international inequalities in life expectancy. The rapid transmission of health knowledge and therapies from one rich country to another has led to a swift convergence of adult mortality rates among the rich of the world, particularly men. Globalization would do much for global health if transmission from rich to poor countries could be accelerated.”<sup>cxxi</sup>

### The correlation between globalization, economic growth and poverty reductions

In 2017, Max Roser<sup>cxxii</sup> the founder and director of Our World in Data wrote:

‘In the period in which international trade expanded, the average world income increased substantially and the share of the population living in extreme poverty went down continuously.

GDP per capita is a common metric used for measuring national average incomes. By this measure, average incomes followed a similar growth pattern to international trade. For thousands of years, global GDP per capita had a negligible growth rate: technological progress in the preindustrial world produced people rather than prosperity.

Over the course of the 19th century, however, alongside the first wave of globalization, this changed substantially. In this period, economic growth started accelerating and global GDP per capita has been growing constantly over the last two centuries—with the exception of lower growth rates during the years between the two world wars.

Regarding extreme poverty, the available evidence shows that up until 1800, the vast majority of people around the world lived in extreme deprivation, with only a tiny elite enjoying higher standards of living. In the 19th century we began making progress and the share of people living in extreme poverty started to slowly decline. This trend is shown in the chart<sup>cxxiii</sup> here. As we can see, today, two hundred years later, the share of people living in extreme poverty is less than 10%. This is an achievement that would have been unthinkable to our ancestors.

The stark trend in the incidence of poverty is particularly remarkable if we consider that the world population increased 7-fold over the same period. In a world without economic growth, such an increase in the population would have resulted in less and less consumption for everyone. And yet, as the chart shows if you switch to the 'absolute' view, the exact opposite happened: in a time of unprecedented population growth, **we managed to lift more and more people out of poverty.**

Living with less than 1.90 dollars per day is difficult by any standard—the term 'extreme poverty' is appropriate. However, recent estimates show that **no matter what global poverty line you choose, the share of people below that poverty line has declined.**<sup>cxxiv</sup>

In 2020 and the current COVID 19 Pandemic, it is well understood that the good work in bringing millions out of poverty will now, unfortunately receive a sharp reversal, to what extent remains to be seen, unless a vaccine is quickly brought to market.

However we have witnessed the reversals over the centuries and countries pick up again and there is always hope, metaphorically it is like the pull of gravity, whatever goes up must come back to rest and so it will be post COVID 19 as the world is stronger today than many years previously both financially, technologically and culturally. With good governance all countries will get a financial boost from the recovery and hopefully this will benefit the poor also, of course it is important that people VOTE and elect steadfast Governments..



## Chapter 12: Western Europe & The European Union.

Western Europe's recovery after 1945 was remarkable and robust, in particular the German economy grew more rapidly due no doubt to self-determination having been beaten in two world wars. In contrast the UK's economic recovery was moderate partially due to the expenditure on nuclear.

The more prominent countries in Europe moved forward quickly and were considering ways of co-operation among themselves. However, the point that each country was sovereign, psychologically made any thought of integration difficult, particularly for Britain, but in case of being left on the side-line, different governments with different ideologies felt that it was better to be in the club than without.

Initially the Treaty of Rome in 1957 got matters off to a start and both Britain and Ireland joined in 1972.

The EEC (European Economic Community) was established under the Treaty of Rome, signed in 1957, came into being in 1958 had the following countries in its midst: Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany (now a United Germany). The EEC was the most significant of the three treaty organisations that were consolidated in 1967 to form the European Community (EC). Other Treaties followed such as Maastricht, Lisbon, Nice Amsterdam, Single European Act, Merger Treaty-Brussels Treaty, Treaties of Rome: EEC and EURATOM Treaties, Treaty establishing the European Coal and Steel Community.<sup>cxxv</sup>

The European Union's eventual aim was economic and political union which it has achieved together with the free movement of labour, capital, goods, and services, the abolition of trusts and cartels, and the development of joint and reciprocal policies on labour, social welfare, agriculture, transport and foreign trade.<sup>cxxvi</sup>

Since the formation of the European Union commencing with the Treaty of Rome 1957, the EU has been an astounding success, despite some smaller difficulties which are more sadly on the humanitarian side and despite the rhetoric from the United States and the exit of the United Kingdom, the EU is a huge success.

President Charles De Gaulle of France, so intent on blocking British entry into the then EEC has to a point proven correct<sup>cxxvii</sup>, heightened in the 1980's by Thatcher's 'emotional and xenophobic tendency in the Conservative Party was significant.....to attitudes of glorious disdain for everybody except the United States.....under her rule Britain's relations with the EC were conditioned by an innate dislike of foreigners, imperfect comprehension of foreign affairs and dogmatic hostility to anything beyond minimal co-operation with the Community and minimal abandonment of formal sovereignty.'<sup>cxxviii</sup>



## The Four Freedoms

The 'four freedoms' of the European Union are the freedom of movement of goods, people, services and capital over borders. These key principles lie at the heart of the EU and underpin the single market, originally known as the common market. The freedoms, which are enshrined in EU treaties, aim to remove trade barriers and harmonise national rules at an EU level.

The European Union is perhaps the best example of an Economic Grouping which believes in integration on all fronts and 'while globalisation brings huge benefits and opportunities, it also means that Europe has to face increased competition in all traded goods and services.

Through globalisation, EU firms receive easier access to new and expanding markets and sources of finance and technology. EU consumers have access to a larger variety of goods at lower prices. And there are potential significant gains for the EU including higher levels of productivity and real wages.<sup>cxxix</sup>

There are today in 2020, 27 full members of the European Union with many others waiting to join. The European Commission estimates that living standards have also risen for those member countries over the past 50 years, which is attributable in their opinion to world economic integration.

From the consolidated versions of the treaty on European Union, Title II Free movement of goods is covered by Article 28 (ex Article 23 TEC), Title IV Free movement of persons, services and capital, Chapter I Workers, Article 45 (ex Article 39 TEC), Chapter 3 Services Article 56 (ex Article 49 TEC), Chapter 4 Capital and payments, Article 63 (ex Article 56 TEC)<sup>cxxx</sup>.

## Tourism

Tourism and related matters have received a major setback due to the current pandemic, especially so, when tourism is Global and unfortunately the virus is also Global.

Transportation is an obvious industry which is vital to the tourism and leisure industry. "The transportation sector is one of the most obvious sectors that falls under both the travel and tourism umbrellas and is concerned with the movement of people from one location to another. This includes a wide variety of different types of travel, including air, road, rail and water-based methods. This sector enables tourism in the first place, but also provides tourists with a means of getting around after they arrive at their destination."<sup>cxxxi</sup>

Condor Ferries in conjunction with UK Tourism Statistics forecast £106 billion figure for 2020 with tourists from all five continents. Many tourists come from China, Japan, Europe mainland, South Korea, the USA & Canada. This level of revenue supports some 2.6 million jobs and they forecast revenue increases for 2025 at £257 billion about 10% of the UK GDP supporting a projected figure of 3.8 million jobs<sup>cxxxii</sup>.

Once again this is another industry which partakes on a global basis supporting the hotel and tourism sectors.

This industry has been disrupted the most with the current pandemic and its ironic as the industry is truly global as is the COVID 19, and unfortunately, governments will be asked to give major support to this industry, once global but will become so once again, post the Virus.

Although other businesses will survive by virtual intervention and many people working remotely, there is no substitute for humans meeting up to conduct and engage in business transactions, globally. So, the desire is there on all fronts to confront, live with or manufacture a vaccine so that life in general can return to normal.

## Chapter 13: The European Commission

Having discussed the early days of the EEC from the Treaty of Rome (signed on the 25<sup>th</sup> March 1957) right up today and now collectively known as the EU (The European Union), this Union has brought considerable financial rewards by being members of a club with almost 500 million citizens, the transcribing and collective negotiation skills, the basic multiplier effect, including Health Cover (contributory and non-contributory) really excludes no one person/s. This success will continue but will take on a new impetus from lessons learned and experience gained as the EU moves forward.

The Three Pillars system of the European Union was intended to give flexibility to, and ultimately to extend, the area over which the EU could exert its influence. The Second and Third Pillars reflect a different level of integration and centralization, with the result that the Union can have input into the more politically sensitive and legally complex areas. "The most well-documented pillar is the European Communities Pillar, where Community legislation takes place, and Community methods, rather than intergovernmental methods, prevail. However, it is argued that the two intergovernmental pillars - The Common Foreign and Security Policy, and Cooperation in Justice and Home Affairs - make an important contribution to the increasing legal sophistication of the Union's constitution. The former has enabled the European Union to assert its own identity without compromising the sovereignty of the Member States, whilst the latter can be seen as a half-way house for subjects too sensitive for immediate integration into the Community Legal Order. This analytical examination of the combination of public international law methods and Community methods at work in Europe is essential reading for all those with an interest in the future development of the European Union."<sup>cxxxiii</sup>

The European Commissions proposals for a 'Horizon Europe' is very interesting and challenging and the next concentration will be the '3 Pillars' encompassing in particular EU RESEARCH & INNOVATION, for the Programme (2021 – 2027).

For a European citizen the next period will be very interesting and hopefully more enjoyable in this new normal. Being members of a large group of people in Europe will prove more successful without the disruption of the Brexit representative and democracy will flourish once again.

As of 2015 the EU lists 50 countries with which it has free trade agreements, and the list will surely grow as it has on February the 1<sup>st</sup> 2019 with Japan with both blocks rejecting protectionism:

"The EU and Japan's Economic Partnership Agreement entered into force on 1 February 2019. EU firms already export nearly €70bn in goods and €28bn in services to Japan every year. In the past European firms faced trade barriers when exporting to Japan, which sometimes made it hard for them to compete.

The trade agreement with Japan:

- removes tariffs and other trade barriers and creates a platform to cooperate in order to prevent obstacles to trade; and
- helps us shape global trade rules in line with our high standards and shared values, and.
- sends a powerful signal that two of the world's biggest economies reject protectionism.<sup>cxxxiv</sup>

## Commission Proposal for Horizon Europe

THE NEXT EU RESEARCH & INNOVATION PROGRAMME (2021 – 2027).

### Research and innovation at the EU<sup>cxxxv</sup>.

At this point in time the European Union and through its predecessors have learned from this short experience since the Treaty of Rome and are progressively moving the EU forward to become an even bigger union and a huge beacon of light for democracy.

The commissions proposal is to spend €100 billion over the 7 years from 2021 – 2027, (1) to strengthen the EU's scientific and technological bases, (2) to boost Europe's innovation capacity, competitiveness and jobs, (3) to deliver on citizen's priorities and sustain our socio-economic model and values.

An additional €4.1 billion is proposed to be allocated for defence research, in a separate proposal for a European Defence Fund.

The Vision as described by *Jean-Claude Juncker*, (a) a Europe that protects, (b) a Europe that empowers, (c) a Europe that defends.

Other matters: Tackling climate change (35% budgetary target), Helping to achieve Sustainable Development Goals, Boosting the Union's competitiveness and growth.

*Jean-Claude*, further states that: "Our knowledge and skills are our main resources".

Benefits for Europe are by added value through Horizon Europe:

- Trans-national collaboration, exchange and networks
- Critical mass to address global challenges
- Competitive funding promoting excellence
- Visibility for leading research and innovation
- Transnational mobility
- Creating new market opportunities
- Strengthened European R&I landscape
- Attracting the best talents

The foregoing is from the Horizon Europe plan for the next seven years and demonstrates a clear pathway for an innovative and exciting future. There will be much collaboration amongst equals and peers, countries, top class institutions and a plan for

greater freedom to travel freely transnationally, as is one of the founding pillars of the earlier EU, freedom of movement for Capital, Services. People and Enterprise.

Once again, the EU is reaching out globally with its science platform, investment and tackling together global societal challenges; access to the world's best talents, expertise and resources; enhanced supply and demand of innovative solutions<sup>cxxxvi</sup>.

This EU of 27 countries are more cohesive, experienced and outward reaching and encompassing unlike previous.

## Chapter 14: Is Globalisation Sustainable

This question was posed by Messrs Pim Martens and Mohsin Raza. It is a legitimate and interesting question being one side of the discussion in relation to this paper on the sustainability of Globalisation, with Populism, Covid 19 pulling the reader in the opposite direction, spurred on by the isolationism being pursued in the White House in Washington.

In referring to the abstract reply from their journal to this question their definition of Globalisation is all encompassing and worth repeating:

*“Globalisation is something more than a purely economic phenomenon manifesting itself on a global scale. Among the visible manifestations of globalisation are the greater international movement of goods and services, financial capital, information and people. In addition, there are technological developments, more international cultural exchanges, facilitated by freer trade of more differentiated products as well as tourism and immigration, changes in the political landscape and ecological consequences.”<sup>cxxxvii</sup>*

<b>Category</b>	<b>Variable Name</b>	<b>Variable definition</b>
Political Domain	Embassies	Absolute number of in-country embassies and high commissions
	Organizations	Absolute number of memberships in international organisations
	Military	Trade in conventional arms as a share of military spending
Economic domain	Trade	Imports + exports of goods and services as a share of GDP
	FDI	Gross foreign direct stocks as a share of GDP
	Capital	Gross private capital flows as a share of GDP
Social & Cultural Domain	Migrants	Those who changes their country of usual residence per 100 inhabitants
	Tourism	International arrivals + départeurs per 100 inhabitants
Technological Domain	Phone	Incoming + outgoing international telephone traffic in minutes per capita
	Internet	Internet users as a share of population
Ecological Domain	Eco footprint	Ecological deficit in global ha

While the Maastricht Globalisation Index is primarily for research, teaching and private purposes, it nevertheless gives the reader some influential information about a host of developments on a global scale and strengthens the argument that the evidence can be produced to prove the extent of the trading across borders.

## The Schumpeterian Model of Economic Growth

Shehu asks: “does a well-developed financial system serve the poor”<sup>cxxxviii</sup>. He further says that there is “ample theoretical justifications and empirical evidence indicating that a well-developed financial system can be an effective alleviation tool”<sup>cxxxix</sup> in reducing the suffering for the poor, perhaps in a trickle-down manner. On the macro side **a well-developed financial system is critical for success.**

Joseph Alois Schumpeter early theory of ‘creative destruction’ spoke of the replacement of a good by a more superior good in time such as the polaroid camera being replaced by the digital camera or in his words: “whereby a well-developed financial system is able to allocate resources to efficient newcomers”<sup>cxl</sup>. The latter positive position was: “further corroborated in a study by King and Levine where they investigated the correlation between **higher levels of financial development** and faster current and future rates of economic growth”<sup>cxli</sup>

Many technicians, engineers in the development software business will agree with the ‘creative destruction’ theory as they are living witnesses to this concept in their daily work as I experienced recently by asking one such individual if he was aware of the theory of ‘creative destruction’, surprise, surprise he was even though the works of Schumpeterian were written in the 19th century. It seems quite normal to him in their constant strive to compete and keep ahead of the competition. In the latter’s case they have a number of influential banks who are constantly requesting new ways to keep ahead of the poachers and are demanding answers to their micro and macro challenges.

The continuing development of new products in the world of medicine is quite prolific of late with many promising cures coming on stream and while this will not necessarily assist the poor financially, at least the social welfare and health care systems in many countries will be able to pick up on this thus making life a little easier for the underprivileged. In similar fashion ‘Obama Care’ has helped to reduce and/or alleviate the medical burden for many millions in the United States, which one hopes will continue, especially for those who have or are disposed to preexisting medical condition/s.

Foundations of economic change by Pyka and Cantner, in his book “illustrates the considerable advances in modern evolutionary economics and addresses core questions of economic behavior, interaction of heterogeneous actors in uncertain environments and the possibility of aggregating observations on a macro-economic level. It presents the foundations of economic change as the major building blocks of an economic approach that focusses on complex processes driven by endogenous innovation as well as crisis. The theoretical considerations are complemented by econometric studies to demonstrate the relevance of evolutionary-economic thinking to improve our understanding of the most challenging issues related to economic



growth and development.”<sup>cxlii</sup>

**Evolutionary economics** sees the economy as always in motion with change being driven largely by continuing innovation. This approach to economics, heavily influenced by the work of Joseph Schumpeter, saw a revival as an alternative way of thinking about economic advancement as a result of Richard Nelson and Sidney Winter's seminal book, *An Evolutionary Theory of Economic Change*<sup>cxliii</sup>.

Admittedly this propulsion is beyond my comprehension, nevertheless if those Economists can produce successful outcomes whether from within or through the evolutionary economies which are in continual motion and by such a process add to the value of what has been created to date, it is therefore an encouraging sign for the future and creation of new wealth and predisposes us to the belief that this is yet another driver which encourages globalization in an evolutionary way.

## Chapter 15:

### America and the World - Isolationism

America experienced isolationism on a grand scale during the years 1935 -1941 under the President of the time Franklin Delano Roosevelt. After the bombing of Pearl Harbour by the Japanese, America reluctantly joined the second world war and fought to liberate Europe and Asia.

America once again had the capacity to lead the world in manufacturing and at that time manufactured the Atom Bomb which effectively ended the war.

Post the end of World War II, the Americans introduced the Marshall Plan to Europe in particular and other places like the rebuilding of Japan. This in essence was the real beginnings of trade on a Globalised scale. At the very least it was the main driver for such an adventure and along with-it peace has remained in Europe and elsewhere for the past 75 years.

The question regarding an isolationism policy for the United States has been asked again, recently, however it is a myth as discovered by the author of the book: "Misreading the Public: The Myth of a New Isolationism."<sup>cxliv</sup>

Steven Kull: 'Do American policymakers really know what the American public wants in U.S. foreign policy? Through extensive interviews with members of the policy community, the authors reveal a pervasive belief —especially in Congress —that, in the wake of the cold war, the public is showing a new isolationism: opposition to foreign aid, hostility to the United Nations, and aversion to contributing U.S. troops to peacekeeping operations. This view of the public has in turn had a significant impact on U.S. foreign policy. However, through a comprehensive review of polling data, as well as focus groups, the authors show that all these beliefs about the public are myths. The public does complain that the United States is playing the role of dominant world leader more than it should, but this does not lead to a desire to withdraw. Instead people prefer to share responsibility with other nations, particularly through the UN. The authors offer explanations of how such a misperception can occur and suggest ways to improve communication between the public and policymakers, including better presentation of polling data and more attention by practitioners to a wider public.'<sup>cxlv</sup>

In 2015, *America in Retreat: The New Isolationism and the Coming Global Disorder*, by Bret Stephens<sup>cxlvi</sup>

'The world is tipping into chaos. Why? In this acclaimed and influential book, Pulitzer Prize-winning columnist Bret Stephens shows how the retreat of American power, orchestrated by Barack Obama, has created the power vacuums now being filled by our enemies. From Vladimir Putin's quest to restore the old czarist empire, to China's efforts to dominate the South China Sea, to Iran's nuclear ambitions, to ISIS's dreams of an Islamic caliphate, we have entered an era in which our foes no longer fear us and our friends no longer trust us. With his stylistic flair and analytical brilliance, Stephens explains the ideological roots of Obama's suspicions of American power. He demonstrates how a false belief in American decline has led to a disastrous

prescription of retreat, as if the cure for domestic weakness is international weakness. In a prophetic chapter, he warns of what the world could look like in 2019 if we do not change course. And he lays out the right formula for U.S. foreign policy—the same formula that brought order to our once crime-ridden streets. America in Retreat is shaping the greatest foreign policy debate of our decade.<sup>'cxlvii</sup>

Whether one believes Bret Stephens analysis, the current incumbent and populism are both attempting to spread disruption and deceit, with the cover being FAKE for any objective fact tracking of what is being fed to the American public on a daily basis from the far right medias.

**Multinational Corporations** have for decades exported their capital finance, skills and cultures to destinations outside the United States mainly for business reasons, whether this is for tax shelters, cheaper labour for their manufacturing base, in some cases all of the above and in return this meant cheaper costing imports of the goods manufactured abroad or overseas for the American consumer and a better standard of living for the host countries.

With so much interlinking through the Internet, common Software, Several Social medias, LinkedIn for business, Zoom for conference, Skype, Facebook, massive search engines like Google and principally cost reductions, ease of access, **the world has indeed become more connected.** Infinitely more cultures being exposed to all inhabitants of the Planet, it can only be positive and good for all including developing economies and the poor, who can strive to join in, rather than being isolated.

The energy and propulsion to connect comes naturally to people, communities and commerce so much so that at certain moments in time projects are undertaken by forward thinking people as in 1854, cxlviii entrepreneur **Cyrus Field secured a charter for the earliest transatlantic cable.** Laying it took four attempts and the help of the U.S. and British navies; efforts lasted between 1857 and 1858, but the cable failed in just a few months. This was a setback, but the seed of the idea changed the course of history.

**The first long-term transatlantic telegraph cable was finally laid under Field's direction by 1866,** and he was praised around the world for his foresight and dedication to the effort. As crucial as this early cable was, though, it was only a prototype for the effort that would follow more than a century later: the first fibre-optic across the Atlantic, more commonly called "**the transatlantic cable**" now. This later cable, a "light pipe" using advanced laser technology, represented a quantum leap in speed over the copper cables used for domestic telephones and early data lines.'

Updates in relation to these connections continue to this day, but their very existence confirms that we are better connected than not.

With the more prolific use of **satellites, cable TV and security systems** one can now get the weather information at the touch of a button. At the domestic level one can view their homes while away on holidays and at the international level **drones can be directed in warfare from thousands of miles away** without putting the pilots lives in danger. Weather forecasting has technically become much easier to manage. With the current COVID 19 pandemic one can feel connected with others across the world

and not feel as isolated or on one's own. **Online schooling** at secondary and third level institutions is now more normal in this abnormal situation/s we find ourselves in today.

We have moved a long ways from world wars and the first cable laying in 1854 to super satellite connections where everyone is connected in some format whether it is your TV, Mobile or your sat navigation when driving in most countries, speaking and giving direction in a selection of languages.

## Chapter 16: Globalisation or not?

Cullen and Parboteeah<sup>cxlix</sup> have a simple definition for Globalisation: 'It is the worldwide trend of cross-border economic integration that allows businesses to expand beyond their domestic boundaries.'<sup>cl</sup>

However, George Yip declares that industries become global when the global drivers are in play such as the conditions in an industry which are conducive to a more global oriented transnational or international strategy over the locally oriented multidomestic or regional strategies.<sup>cli</sup> They have identified four drivers which are necessary to transform the industry from domestic boundaries to a global position and these are: (1) Global Markets, Costs, Governments and Competition. The more positive the answers to this probing, makes the strategies for globalisation more likely.

### Global Markets

To investigate those drivers mentioned it is necessary to dig deeper. The first scenario we will look at: '**are there common customer needs?**' The Japanese auto manufacturers answered this question many decades ago when they foresaw the requirement for better cars and small vans which were more reliable and more adaptable across most of the world. Today several Japanese vehicles from small to luxury vehicles are seen all over the world.

The manufacturers of television sets back in the 1960's had to lease their TV's rather than sell them, (a) because they were a new product and the consumer was not yet quite sure of their benefit, (b) the cost of production in Europe at that time was too high. Today several Japanese countries have gone international and were able to offer the consumer a more reliable TV set with additional programs and in conjunction with **Netflix and YouTube** to name only two manufacture the TV sets and components are assembled in several countries and exported to a very satisfied audience at a considerable reduced cost to the buyer.

Pharmaceutical manufacturing companies have also dispersed across the world where the tax benefits are more in line to their manufacturing requirements. Equally the labour highly educated must be a little cheaper or be cost competitive where loyalty by the conglomerate is thin. In addition, the cost of manufacturing is offset by Government financial incentives and both sides are appreciative of each other.

Customer needs in many developed countries and emerging countries are converging, however in industries where cultural differences, income, and physical climate are important, common customer needs are less likely.<sup>clii</sup>

The second imperative, '**Are there global customers.**' As eluded to above the demand from consumers electronics is global and in the above case the TV set which is forever evolving, such as the Smart TV of today is manufactured in several countries with different parts being manufactured where the fit is best and all the various parts

converging in one country for the final assembly. At the upper end of the scale and as seen as the heavier industries, Airbus is a global company which manufactures different parts for its Aeroplanes in many different countries in Europe and eventually combines the various parts into one complete aircraft in Toulouse, France.

Some call Airbus a primarily French company, and there is some truth to that – after all, the manufacturer’s main airport and assembly site are located in Toulouse, France (TLS). TLS is also home to the departure destination of many Airbus’ test flights, including the first one it ever has done, when the Airbus A300 took off on its maiden voyage into the skies in 1972.

Simultaneously, Airbus is a multi-national company in every sense of the word, as Europe is not the only continent where aircraft, named using the A3XX formula, are assembled and shipped off to customers. Plants in Mirabel, Quebec, Canada, Mobile, Alabama, United States and Tianjin, China are all the second home of Airbus.<sup>cliii</sup> BOEING in the United States also qualifies under this category and the Global brand.

Thirdly, ‘*Can you transfer marketing?*’ Marketing is all about promoting one’s product whether it is a packet of Crisp potatoes from Tayto to TV’s manufacture under the brand name of NordMende, vehicles from Toyota, Mitsubishi, Mercedes in Germany or some famous football team’s merchandise. Branding, repositioning, differentiating from others is a strategic nightmare for branding companies but once they achieve the objective fortunes are made.

Therefore, if one can use the same brand name, advertising, and channels of distribution, the industry is more global.<sup>cliv</sup>

## Costs

‘*Are their global economies of scale?*’ Cullen *et al* states, in some industries, such as the disposable syringe industry, no single countries markets are big enough to buy all the products of efficient production runs. Companies in this industry must go global and sell worldwide to be cost-competitive.

Start up businesses are obviously not in a financial position to go global and will remain in the micro section, however a small number of the ‘tech’ companies such as Bill Gates and Microsoft, Google and Facebook have mushroomed over a relatively short period but have been assisted by their own strategy in choosing the IPO route and therefore opening up the ownership of their business to millions of shareholders.

‘*Are there global sources of low-cost raw materials?*’ This approach and question mirror the previous efforts but can also expose ‘child labour’ factories which we must guard against. On the assumption that it is cheaper to purchase your raw materials abroad then one must do that, provided all health and safety issues are observed.

‘*Are there cheaper sources of highly skilled labour?*’ Emerging economies or markets such as the Asian emerging economies have skilled people and more educated than the poorer countries and their wages are lower, the latter are suitable for companies to go overseas to these economies such as the US manufacturing operations moving

to Mexico and the use of manufacturing plants in Eastern Europe by German companies. The latter are examples of many companies seeking global sources at lower costs.<sup>clv</sup>

## Governments

Ireland is a very good example for FDI (Foreign Direct Investment) management and the approach they took back in the 1950's. After shaking off the shackles of the British, the Irish Government put Education front and foremost. Having endured tariffs on their most basic items imported from Britain the government in Ireland set about devising a tax code/system which would be attractive to companies abroad to invest in Ireland in manufacturing initially but this soon made way for the International 'tech' Companies to establish their European Headquarters in Ireland with an educated workforce speaking English and European languages, young and educated to 3<sup>rd</sup> level and beyond, the 'tech' companies soon took advantage, Ireland being a member of the EEC (now the EU) since 1972/3 with access to almost 500 million people in the EU.

Isolationism currently being pushed to the forefront in the USA; plus, the imposition of tariffs only increases the cost of imports for the consumer in the USA. Bringing back jobs from Mexico to the USA is laughable as is the idea of kick starting the steel mills in the USA is even more ridiculous. The American is not going to work for the same wages as dispensed in Mexico or even less. The imposition of tariffs only increases prices in the home currently and restricts competition even further.

In Europe the heavy steel manufacturing has moved substantially out of Europe to lower costs economies such as TATA<sup>clvi</sup> in India, a major steel producer, in addition to ship building which moved enemas to South Korea back in the 1980's where they are proficient in ship building and extremely competitive.

The litmus test is, will a steel worker (former) in the USA work for the same wage as the steel worker in Mexico, India or South Korea, the answer is no, and the idea of bringing jobs back to the US is simply a non-starter (from these industries) and no benefits will accrue from such a scenario. Ultimately the producers and manufacturers of other goods and products who are forced to buy steel, manufactured in the United States will not be competitive, resulting in further unemployment in the long run, so the benefits from economies of scale are not a realistic proposition for a developed country in these scenarios.

Cullen *et al*, makes the point that '**Government trade policies** differ by industry and by product. Import tariffs, quotas and subsidised local companies are examples of policies that restrict global strategies, e.g. import restrictions and heavy subsidies of rice farmers in other countries keep foreign competition out of Japan and maintain domestic prices that often approach four times the world market price.

Trade agreements such as the World Trade Organisation facilitates and trading blocs such as NAFTA now the USMCA and the EU encourage global strategies by lowering governmental trade at least among member nations.<sup>clvii</sup>



## Competition.

'What strategies do your competitors use?' Cullen *et al*, 'If transnational or international companies successfully attack the markets of multidomestic companies, then the multidomestic companies may have to become more global'. This is not a good scenario or challenge as the multidomestic companies may not have the management skills or finance to take this leap. A better suggestion in my opinion is to reduce their price marginally and reposition their marketing strategy and by becoming a thorn in the side of the MNC's may be become a target for a take over or an M&A.

## Caution.

Cullen *et al*, states that going global may backfire due to differences in cultural and national differences when he first wrote this textbook. However, in 2020 his reference then to differences now, could be slightly true today in some countries where populism is being promoted.

In making a decision to go global depends also on whether your strengths are in the downstream or upstream activities. In the Oil & Gas industry the strengths in this industry are in the downstream activities, after the refining of the crude petroleum oil and the processing and purifying of the natural gas, in addition to the marketing and distribution of products, the downstream sector reaches consumers through many products such as: Petrol, Kerosene, Jet Fuel, Diesel Oil, Heating Oils, Lubricants, Waxes, Asphalt, LPG, hundreds of Petrochemicals, etc.. to millions of consumers, the latter has no difficulties in reaching major economies of scale. However, the upstream side of the Oil & Gas business can be very much hit and miss when drilling for oil and is considered as being the more speculative side.

So, how do managers choose whether to go the MNC way or other way. Cullen *et al*, suggest that there are two ways to select one over another. 'The MNC manager must believe that **the benefits of dispersing activities worldwide must offset the costs of coordinating a more complex organisation**, such as a company may do R&D in one country, parts manufacturing in another, final assembly in another, such as **IBM**.

## Chapter 17:

### Lessons from IBM:

Knowing when to change your Multinational Strategy, otherwise referred to as your Multinational Management Challenge.

IBM was founded in 1924 by a Thomas Watson and is a Global corporation for decades with sales into every continent, if not every country on the planet. IBM concentrated its efforts initially in Europe and Japan with its headquarters in the USA, and as it expanded this philosophy continued, until 2007 when the new CEO a Mr Samuel J. Palmisano decided to decentralise out of the USA.

'IBM now sets up value chain activities where it can find the right price and the right talent, with IT in India, the global supply chain management works out of china and the global financing back office is in Brazil. There are 86 software development centres spread over the globe. This caused major shifts in corporate culture and the resulting turmoil for many employees.'<sup>clviii</sup>

While the move was painful with the US, Europe and Japan loosing 20,000 jobs the company created 50,000 in India and 10,000 in China. IBM took this decision as it was seen as a hardware company in the US and henceforth **now makes two-thirds of its revenues outside of the USA**. Their focus was on high growth countries like China and India together with those countries breaking away from the USSR, the Philippines and Vietnam.

The PC end of the business was sold off to the Chinese Company Lenovo. IBM continued its **diversification** and entered more into the services industries such as the purchase of PricewaterhouseCoopers Consulting for \$3.5billion and generating software for the individual to use to best effect. Today IBM is nimbler and can move data and information **from platforms throughout the world**.

Source: *Based on Ham, Steve, 2007, "IBM's global hold" Business Week, August 13; Lohr, Steve, 2010, "Global strategy stabilized IBM during turndown." The New York Times, April 19<sup>th</sup> ; Lohr, Steve, 2011. "Even a giant can learn to run". The New York Times, December 31<sup>st</sup>.*<sup>clix</sup>

### Tesco (Case In Point):

Tesco who are better known for their FMCG (Fast Moving Consumable Goods) position in the world are now as equally famous in the Franchise Clothing industry, globally, where they have 2,400 foreign subsidiaries, as stated many of which are franchises, trading as 'F&F Clothing Stores'. Commencing in parts of Eastern Europe such as Prague in 2011, Warsaw in Poland.

Tesco decided that in order to spread their business model, they made a slight but significant change to allow others to grow this market for them. They changed the F&F Clothing entry-mode strategy to a **franchise model only**, which **gave the flexibility**

**to engage early and seamlessly** with local people who knew their market in their own territories.

In Saudi for example Tesco has huge success with **Fawaz Abdulaziz Al Hokair & Co**, the largest owner of shopping malls in this area operating over 80 retail franchises in 11 countries.

This has worked for Tesco and has turned their clothing business into a truly global fashion world.

Source: *Based on Whiteaker, Jan. 2012. "Tesco unveils F&F franchise model," Retail Gazette. January 17; [www.tescopl.com](http://www.tescopl.com). 2012. "Tesco Fashions F&F franchise concept." January 17.*<sup>clx</sup>

## Toyota (Case)

Toyota Motor Corporation (Toyota) is emblematic of what a Global company is. It is a truly successful story from its beginning in 1918 as a spinning and weaving company around the time that Ford was leading the way in motor cars, through to the present day, equally competing with each other, from the 1970's onwards. In January 2004 Toyota replaced Ford Motors as the world's second largest automobile manufacturer.<sup>clxi</sup>

**Toyota's early globalisation efforts commenced in June 1995**, when they announced their '**New Global Business Plan**'. Over the next three years **they collaborated with foreign automobile companies and strategic locations for increased production**. A major objective of this plan was to increase Toyota's offshore production capacity to 2 million units by 1998.<sup>clxii</sup>

The increase in market share for Toyota in the US was at the expense of Ford's share of the US market, as Japanese profits and share of the US market rose this showed active market penetration was working for them.

From the early days the Japanese motor car was seen as very reliable but somehow the body frames did not suit the Northern European cold winters however the Japanese now had a foothold in other markets including North America, Europe, South America, Southwest Asia, Southeast Asia, Africa and further expansion in Japan itself **with vast improvements in the quality of aluminium/steel bodies, and many extra gadgetry which appealed to the driver**.

Toyota coming from a very weak position in the 1970's with their products being the butt of many jokes, used their marketing skills to the most positive and objective policies to reach their global goal piece by piece:

1. New Global Business Plan (1995-1998)
2. Global Vision 2005 (1996-2005)
3. Global Vision 2010 (2002-2010)

GM's Chairman remarked about Toyota: '**They are very focused on what they do, and they do it very well, and that is what makes them great**'.<sup>clxiii</sup>

One of their reasons for expansion abroad was because of the lack for expansion in Japan itself. However, their 'Global Vision 2005' incorporated a very sharp focus on, '**asserting a competitive edge in technology and accelerating globalisation**'.<sup>clxiv</sup>

The focus on technology and superior car and truck bodies from the earlier days really assisted Toyota to never look backwards, again. Their reputation for reliance, soared, despite intense competition from BMW and Honda, and so the confidence to expand their sales network worldwide was guaranteed.

In concluding this success story for Toyota as **a truly global automobile major**, external analysts summarised that the following attributes were and are responsible for Toyota's success:

- (a) Strong financial condition
- (b) Globally efficient production system
- (c) Unique corporate culture
- (d) The ability to develop a product range that met the unique needs and desires of customers in different regions of the World.

## **Nike (Case)**

Nike who commenced operations in the USA made a decision to move its main manufacturing base to China over 30 years ago and **expanded globally from there**. Equally the population is huge by comparison with other possible locations say like tax exile countries, usually off shore islands but also Nike brought a **well branded Sportswear Company** to China which had its own positive outcomes, china being a major football (soccer) country.

Nike's headquarters is still based in Oregon, USA, with 700 shops worldwide, offices in 45 countries and in excess of 700 contract factories with nearly 1 million workers across 50 countries.<sup>clxv</sup> To break it down further in relation to China, Nike have 146 factories in China with 189,000 workers. These factories provide much, valuable employment for China which provides **a better standard of living for the Chines with no slave labour or exploitation**.

**The Global partnership between Nike and China continues to grow** from strength to strength which will entice other foreign countries and TNC's to come to China.

The Chinese Government are on their guard regarding '**Cost Push Inflation**' from a rise in wages as this might encourage companies like Nike to move to countries with a lower cost base, paying lesser wages than China's low wages at the moment, it may cause Nike to move in the future. One other advantage for Nike is that it can get its profits back to the US and out of China which is a huge benefit to Nike.

Therefore, the four TNC's mentioned above: **IBM, Tesco, Toyota, and Nike** are all **testimonies to the world of commerce that Globalisation is strong and most likely to be even more popular into the distant future**. It has shown that there is a

win-win situation for both sides and isolationism will **not** increase the plight for poorer countries **nor** keeping the production in the US benefit the poor either as the cost base in the US is far too high being a rich country, where the cost of living is much higher.

The TNC's will also bring a stabilising factor to the less well-off countries and hopefully the latter's GDP will show benefits in their quarterly figures to the host countries, indicating a growing economy, allowing them to have a better social welfare system for their people.

There are many thousands of companies both listed on the various stock exchanges together with privately own TNC's which trade Globally and thus ever increasing the opportunities to grow from LEDC's to MEDC's.

## Chapter 18:

### The Case for Globalisation

CBS News in May 2014 reported some violence and arrests in Seattle by black-clad protesters against capitalism<sup>clxvi</sup>.

The anti-capitalist protesters who wrecked the Seattle trade talks in 2014, and who hope to make a great nuisance of themselves in Prague, when the city hosts this year's annual meeting of the World Bank and the International Monetary Fund, are wrong about most things. However, they are right on two matters, and the importance of these points would be difficult to exaggerate. The protesters are right that the most pressing moral, political and economic issue of our time **is third-world poverty**. And they are right that the tide of "globalisation", powerful as the engines driving it may be, can be turned back. The fact that both these things are true is what makes the protesters—and, crucially, the strand of popular opinion that sympathises with them—so terribly dangerous.<sup>clxvii</sup>

International economic integration is not an ineluctable process, as many of its most enthusiastic advocates appear to believe. It is only one, the best, of many possible futures for the world economy; others may be chosen and are even coming to seem more likely. Governments, and through them their electorates, will have a far bigger say in deciding this future than most people appear to think. The protesters are right that governments and companies—if only they can be moved by force of argument, or just by force—have it within their power to slow and even reverse the economic trends of the past 20 years.<sup>clxviii</sup>

In March 2014, close to a million protesters gathered in London to protest against capitalism, therefore the protesters are known as anti-capitalist. They cover their faces with Guy Fawkes masks and march annually endeavouring to disrupt the capitalist member country meetings, wherever they take place, but normally in major cities nonetheless, to further their cause.

The masks became a symbol of civil disobedience following the 2006 film *V for Vendetta*, based on the comic book of the same name. The movie depicted a totalitarian vision of Britain, where protesters donned Guy Fawkes masks and gather to rally against their oppressors. Some were protesting against austerity, infringement of rights and mass surveillance, others have personal grievances against institutional paedophilia and was the main reason (why I am here)," he told reporters. "I want to see a real inquiry and I want to see prosecutions and people jailed in the establishment, where we all know it is rife. That is my biggest reason." Therefore, not everyone is protesting against capitalism.<sup>clxix</sup>

Global News reported from Montreal in 2019, 'the climate change strike gathered around 500, 000 people through the streets of Montreal, which of course is directed at capitalism'<sup>clxx</sup>.

In her new book 'The Age of Surveillance Capitalism' the author: Shoshana Zuboff, ponders about the future as to whether it will be smart people around the machine

or a smart machine around smart people? She advises that 'the digital realm is overtaking and redefining everything familiar even before we have had a chance to ponder and decide. We celebrate the networked world for the many reasons in which it enriches our capabilities and prospects, but it has birthed whole territories of anxiety, danger and violence as the sense of predictable future slips away.'<sup>clxxi</sup>

In a democracy it is not illegal to protest about most if not all matters that effects the inhabitants in a negative way either perceived or not. but it is illegal to damage property and this will have legal consequences.

One should not feel pessimistic about the demonstrations in any of the big cities in the world, as these groups are often infiltrated by others who are simply out to create mischief.

**Globalisation will continue no matter what as it simply makes sense that as humans we look outward and feel good about access to other cultures and products, perhaps some items may be out of reach but nonetheless the human desires is to do better.**

The unfortunate imbalance in people's wealth (financial wealth) is seriously regrettable and I am not referring to one salary versus another. I am referring to the greed at the top and we don't have to look to Africa or Russia. This time it is in our living rooms being beamed in for what should be the greatest democracy in the world, but at last has been found out. In the USA 99% of the wealth is held by 1% of the population and with the current COVID 19 pandemic this has surely been highlighted by the current incumbent giving major tax breaks to that 1% and personally benefiting, with the lower 25% unemployed and in some cases starving. Eventually it is the lower 25% of tax compliant citizens will have to pay back in part the tax relief just given to their wealthy 1% richest people in the world. I am sure the quantitative amount would 'feed' millions. It is a blatant abuse of power by one individual trying get a job for himself and extended family and taken from the 'collective pot' by this greedy individual.

So, Globalisation is not to blame but it helps when we are all connected, and we can see the true workings of Capitalism and its **misuse**. This is particularly true in Africa whether it is a Military or Civilian leader managing a quasi democracy. **Wealthy donors like Bill Gates are putting millions into real causes in Africa which is giving so much hope to the recipients.**

The people have it within their own power to elect people who are suitable to govern but often times the persons going forward for office are narcissistic and are only interested in the trappings of the office.

**Energy and food security** are the main goals for any nation and **shared equitably** with its population.

We have discussed the work of the United Nations and others like Doctors beyond Borders, the Red Cross and **so many others** who rely on donations to help people to survive and many, many small nations contribute more in comparative terms to all causes, when compared to the US.



It is the lack of proper education facilities and opportunities thereafter, the meagre health facilities and the greed at the TOP is to blame and without the benefits which Globalisation brings the world would be in a far worse situation.

If the insular path and isolationism was chosen, the world would be indeed a sad place but maybe a happy place for those who only care about themselves and wish to continually turn a blind eye to what does not concern them, in their mighty opinion.

Long live Globalisation and may it expand even further and make the world a more positive place with the support of everyone including the following:

**Corporate Governance** in the Boardroom making the stakeholders/shareholders accountable the world over.

Together with the full force of the law being put into positive action, whether it is the **World Trade Organisation**, (WTO), making sure there is fairness in global trading or as 'Marco Bronckers stated, it has the potential to become a key pillar of global governance'<sup>clxxii</sup>.

Vecchio in referring to the Law of Business Organisation, talks about the different stages for Group Formation and Development in business, the relationships which build on proper foundations and lays this process out in four stages:

The following table shows the 'Stages Of Group Formation and Development'

<b>Stages</b>	<b>Concerns</b>
Forming	Testing and Dependency
Storming	Division of Power
Norming	Rule Making
Performing	Accomplishing Goals

Source: Vecchio, p217, FIGURE 9.2<sup>clxxiii</sup>

Finally, we have the law of commercial contracts and (Anti-Money Laundering), International Money Laundering Regulation.

The law regulating Commercial Contracts is the one which ensures that the contracts are agreed between consenting parties and that the goods and services sold are marshalled in line with the Terms and Conditions pertaining to those contracts. Remedies can be sought in the courts, whether its is for Quantum Meruit, enforcement of the plaintiff's rights and aggrieved parties.

Remedies can also be sought under the general law and the law of torts.

International Money Laundering has many powers of persuasion in its arsenal and as the title suggests it is linked closely to preventing Money Laundering and bringing those to account who launder money and/or use it for illegal and illicit purposes whether it is for buying and selling drugs, arms worldwide, terrorist activities. It has the powers to examine bank accounts locally or in offshore accounts, while building their case/s against known and suspected criminals. In Chapter 6 we have listed Companies and Banks who have fallen foul of the law in these related areas.

In supporting my arguments for Globalisation, these laws (and others) form an essential part in keeping the playing field level for all who participate in the Capitalist system and allowing an equal opportunity to all inhabitants in this world.

## Chapter 19:

### Conclusion.

As we ease closer to the end of the Thesis, we are hoping to bring an amicable conclusion as to the facts which point us in one direction or another. Let us remind the reader regarding the question and context within which this question became relevant: THE SUSTAINABILITY OF GLOBALISATION – POST – POPULISM & COVID 19.

From the moment the idea of the subject matter fermented itself in my mind, the task became a little more difficult with all of the negative and confusing news and information coming out of the United States, which one once looked upon as beacon of true light and hope for all the values we in the west uphold, particularly Decency, in addition to Democracy, Free Trade and the Free Movement of Capital, Enterprise and People, Globalisation in preference to Isolation.

There are a number of definitions for Globalisation, but most are very much the same: **Globalisation** is the process by which the world is becoming increasingly interconnected as a result of massively increased trade and cultural exchange.

**Globalisation** has increased the production of goods and services. The biggest companies are no longer national firms but multinational corporations with subsidiaries in many countries<sup>clxxiv</sup>.

As we mentioned earlier in the thesis, **Globalisation** has been taking place from time immemorial which is recognised as 1189 ad, but even before that time the Romans and the traders along the Silk Road linking Afghanistan and modern Turkey (formerly Constantinople) were exchanging goods and medical services for reward, most likely for barter.

**Globalisation** in the modern age is responsible for billions even **trillions** of trade and services worldwide. In the years 2005 to 2015 there were increases year on year with a slight decline in 2014/5<sup>clxxv</sup>. The following information was extracted from the WTO'S – **World Trade Statistics Review 2016**: 'The value of merchandise trade and trade in commercial services **in 2015 is nearly twice as high as in 2005**. The value of merchandise trade and trade in commercial services declined in 2015 following modest growth in 2012 to 2014.

A decline in world commodity prices had a significant impact on the value of global merchandise trade in 2015. The ratio of merchandise trade to GDP fell sharply in 2009 following the economic crisis but bounced back quickly in 2010-2011. In 2012-2014 it declined gradually, before falling significantly in 2015.

Asia, Europe and North America have accounted for 88% in total merchandise trade of WTO members over the past ten years. The share of developing economies in merchandise exports increased **from 33% in 2005 to 42% in 2015**.

**Merchandise trade** between developing economies has increased from 41% to 52% of their global trade in the last ten years.

The top ten merchandise traders accounted for 52% of the world's total trade in 2015. Developing economies had a 42% share in world merchandise trade in 2015. The top ten traders in commercial services accounted for 53% of the world's total trade in 2015. Developing economies accounted for 36% of total trade in commercial services in 2015. Exports of commercial services by WTO members totalled **US\$ 4.68 trillion in 2015**.<sup>clxxvi</sup>

These figures represent the WTO trade and during the ten years in question, the 9/11 tragedy happened in 2001, the world trade crises and the collapse of banks and most notably Enron, Fanny Mae, and many more,<sup>clxxvii</sup> occurred between 2007 and 2009 but since then the world has recovered with markets getting back to normal, which is one of the strengths of being a global player. Oil (crude) prices, Coffee, Grain prices all fluctuate within their bubble depending on the threat of regional wars, poor or not suitable weather for the crops will also add difficulties but all manage to bounce back within a very short period of time.

According to the Oxford English dictionary the definition for **Isolationism** is described as follows: 'a policy of remaining apart from the political affairs of other countries'<sup>clxxviii</sup>.

Remaining isolated means that your country is paying more for imports and there are no savings for the governments to carry out infrastructure work or improvements to existing infrastructure and communications. However, scarcity of suitable labour with essential skills are difficult to find, being an isolated country, the money is not available to cover such costs.

**Cultural events suffer** in an isolated society, others such as law students completing their Erasmus<sup>clxxix</sup> year in another country and learning about its deep culture is inhibited. There are ample examples of movements like 'doctors without borders', (active in 70 countries in 2019)<sup>clxxx</sup> including nurses, other paramedics, logistical backup, travelling for a number of years to less developed countries bringing hope to the sick and infirm, (budget in 2019 \$.1.63b).

The **TEFL** Certification recommended for teaching English abroad is another method for bringing good to non-speaking English countries and earn a little money while learning the culture of the host country. Compared to the financial power of TNC's learning other countries cultures can be just as rewarding for both parties.

The real connection between the micro and the macro and this leap of faith between small coffee farmers in **Colombia and Starbucks** is a clear sign of co-operation, benefiting both parties. The farmer is also given hope of a regular and reliable income from his/her coffee production rather relying on just producing coca leaves.

In supporting the coffee farmers, Starbucks ensures that the farmers have signed contracts for the delivery to Starbucks in addition to helping them secure credit lines and loans at a reasonable interest rates.

'Providing access to credit at reasonable terms is a critical aspect of our farmer support model. Our goal is to invest in farmers and their communities by increasing farmer loans to \$20 million by 2015. In 2011 our loan commitments to **Root**

Capital, Verde Ventures and the Calvert Foundation reached a total of \$14.7 million.<sup>1clxxx1</sup>

**Starbucks direct arrangement with an SME is clear evidence that this kind of arrangement can and will succeed.** However, there are also many examples of this situation where sub-contractors carry out paid work for TNC's all over the civilised world. Other named arrangements in the Oil & Gas industry call for long term 'off-take' arrangements for 30-40 years, this guarantees continuity of supply and also reassures the banks who are involved, that their repayments are secured.

All types of **renewable energy** are also locked into long term agreements with Governments for the sustainable supply of energy, in a similar way to the arrangements with the finance houses and banks will be long term.

One of the criticisms of Globalisation is that the richer countries, dominate and continue to take the bigger part of the winnings, the reverse is true if the businesses fail, those who have contributed the most will obviously lose the most.

Using the same statical correlation, it is true again that the provider of 95% finance will be rewarded rather more than the person who has contributed either nothing, or 5% or some green or brown belt of land which in some countries may be granted by the local authority for free.

However, everyone still wins, jobs are provided including training, health & safety are brought to the fore, social welfare, the local government receives an annual rent/tax for the property provided and the **WTO** has a responsibility as an intergovernmental organisation to ensure fair play and ensure that the regulations of the **WTO** are carried out to their maximum between trading nations.

During the last three recessions in the USA, in 1990, 2008 and 2020 the bottom 25% survived the first two occasions but this time the bottom 25% have been disseminated and the situation with COVID 19 has to be properly controlled and contained in the absence of a vaccine, but the recovery will take time. Once again it will be those with the finances who will eventually resurrect the situation in addition to Government assistance for other sections of the communities.

Moving forward from the latter, the **Environment** must be tied into everything we do, pollution has to be controlled and we saw for a brief moment how some cities for the first time in decades could be seen far more clearly from space and also the blue skies could be seen again by the earths inhabitants. **Pollution** of all types must be routed out by legislation and peer pressure.

Anti-globalisation campaigners draw attention to many issues especially when they demonstrate against The World Trade Organisations but included in their message is a requirement to cater more for the poor. It is ironic as this is one of the aims for setting up the WTO which has as one of its mantras, to promote the flow of free trade around the world, by reducing tariffs and excessive custom duties.

One of the first duties of Government is to protect its people in every possible respect and rich countries who have their own affairs in order allocate a percentage from their budgets towards poorer countries (**foreign AID**) on an annual basis. Ironically some

of the rich countries wealth may be **repatriated profits** from LEDC's and MEDC's but the TNC's pay taxes to their Government when finance is repatriated and allows their home country to carry out all the social matters a Government must do but also allows the home Government the flexibility to donate to the foreign aid budget. You may wish to call it a quasi 'Multiplier Effect', but it happens for the betterment of the human race.

As discussed throughout this document it is obvious that the world is interconnected in so many ways, through Geopolitics, the Colour Revolutions, the Institutions of Law and Order, the United Nations, International issues, Transnational Corporations, the European union and Chambers of Commerce with the globe.

In order for **Globalisation** to succeed and continue to do so **it must be supported by rules and regulations** such as some of those discussed in this paper i.e. Corporate Governance, Managing Change, International Money Laundering Regulations, Business Organisation, the Laws of the World Trade Organisation and the laws relating to Commercial Contracts.

Stemming from the many upheavals, two world wars, regional unrest, **trade and culture manages to keep people connected** in a healthy and open way rather than sinking into an isolated situation where there are many more challenges than answers.

**Globalisation** is good for the world's economy and success; however new opportunities may emerge Post Covid 19 and Populism for countries in Latin America. The Economist's Intelligent Unit reports that 'the coronavirus (COVID 19) pandemic has exposed the fragilities of globalised supply chains, raising the possibility that many of them will be **localised** over the coming decade to reduce operational risks<sup>clxxxii</sup>. Being localised means more jobs and a more equitable process.

The Economist believes that Mexico is best placed to succeed because of its business experience through NAFTA dealing with the United States and Canada. Geographically, Costa Rica, Chile, Colombia and Mexico are better placed to compete with Asia in the supply chain business, where one of the best-known carriers is Amazon.

In concluding my Thesis, I hope that I have given direction and focus as to the position I see 'Globalisation' currently in 2020 and post Populism and COVID 19.

In a practical sense the world will have to live in a newly defined way by our respective Governments with COVID 19, until the Scientists and Medical professionals find a cure or not withstanding the fact that a vaccine may not be available for some time, **business and Globalisation must continue** and will, Communism has been tried and failed and even China today is involved in a quasi globalisation at the very least and mixing with the Capitalist elite in order to do so.

If the USA continues with its current policies in 2020, both China and the European Union will come out on top as the stronger economies. Finally, it is hoped that the **European Union**<sup>clxxxiii</sup> will become even stronger and facilitate the world economy with an alternative to the once mighty dollar. Having the USA calling the shots all of the time in relation to the financial process is not benefiting anyone but the USA.

## Appendices:

### Appendix (1) THE COLOR REVOLUTION

Blue Revolution – Kuwait – 2005, Bulldozer Revolution – Yugoslavia – 2000. Cedar Révolution – Lebanon – 2005, Coconut Révolution – Guinea – 1988 – 1998.

Colorful Révolution – Macédonisa 2016, Grape Révolution – Moldova – 2009.

Jasmine Révolution – China 2011, Jeans Révolution – Belarus – 2006.

Orange Révolution – Ukraine – 2004-2005, Purple Révolution – Iraq – 2005.

Rose Revolution – Georgia, Saffron Revolution– Myanmar – 2007.

Snow Revolution – Russia 2011 – 2013, Tulip Revolution - Kyrgyz Revolution, Kyrgyzstan, 2005.

Velvet Revolution – Armenia 2018.



## Appendix (2) THE RISE OF CHINA OVER 70 YEARS

GDP figures below are in current US dollars

Replay

05,000,000,000,000 10,000,000,000,000 15,000,000,000,000 20,000,000,000,000

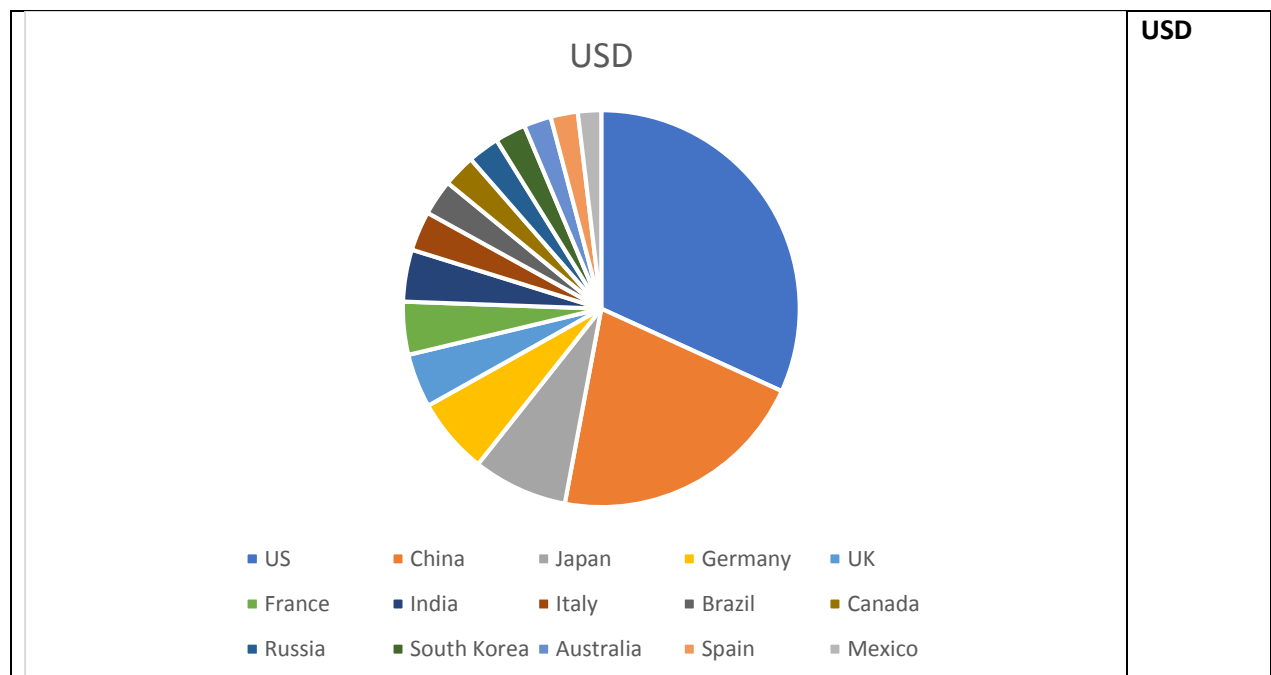
**2018**

US 20,494,099,845,390  
 China 13,608,151,864,638  
 Japan 4,970,915,556,639  
 Germany 3,996,759,291,058  
 UK 2,825,207,947,503  
 France 2,777,535,239,278  
 India 2,726,322,616,821  
 Italy 2,073,901,988,878  
 Brazil 1,868,626,087,908  
 Canada 1,709,327,324,240  
 Russia 1,657,553,765,581  
 South Korea 1,619,423,701,170  
 Australia 1,432,195,178,668  
 Spain 1,426,189,137,597  
 Mexico 1,223,808,885,586

In 2010, China overtook Japan as the world's second-largest economy

SOURCE: World Bank, OECD

<https://www.visualcapitalist.com/china-economic-growth-history/>



US	20.494
China	13.608
Japan	4.970
Germany	3.996
UK	2.825
France	2.777
India	2.726
Italy	2.073
Brazil	1.868
Canada	1.709
Russia	1.657
South Korea	1.619
Australia	1.432
Spain	1.426
Mexico	1.223

**LINK:**

**The People's Republic of China: 70 Years of Economic History**

<https://www.visualcapitalist.com/china-economic-growth-history/>

## **Glossary:**

**AML: Anti-Money Laundering**

**AML/CTF: Anti-Money Laundering & Counter Terrorist Financing**

**CACG: Commonwealth Association for Corporate Governance**

**DSB: DISPUTE SETTLEMENT BODY**

**EY: Ernst & Young (Accountants)**

**FATF: Financial Action Task Force**

**GAFTA: Grain and Feed Trade Association**

**GATT: General Agreement on Tariffs and Trade**

**GCGF: Global Corporate Governance Forum**

**ICGN: International Corporate Governance Network**

**TNC's: Transnational Corporations**

**MEDC: A developed country (MEDC) is a rich country.**

**LEDC: A developing country (LEDC) is a poor country.**

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- <sup>x</sup> **Justin Raimondo**, American Author, Justin Raimondo was an American author and the editorial director of Antiwar.com. He described himself as a "conservative-paleo-libertarian." **Born:** 18 Nov 1951 · [White Plains, NY](#)  
**Died:** 27 Jun 2019 · [Sebastopol, CA](#) **Spouse:** [Yoshinori Abe](#) **Party:** [Republican Party](#)  
<https://www.bing.com/search?q=Justin+Raimondo&cvid=7946509d67e34b0da809e980beae6788&pglt=43&FORM=ANNTA1&PC=DCTS>
- <sup>xi</sup> **Michael Lind**, Writer Michael Lind is an American writer and academic. He has explained and defended the tradition of American democratic nationalism in a number of books, beginning with *The Next American Nation*. He is currently a professor at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin. **Born:** 23 Apr 1962 (age 58) · [AUSTIN, TX, TX](#), **Founded:** [New America](#)  
**Education:** [Yale University](#) · [University of Texas at Austin](#) · [University of Texas School of Law](#)  
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Published: 09-08-2018

Format: **Hardback**

Edition: 1<sup>st</sup>

Extent: 224

ISBN: 9781509916207

Imprint: Hart Publishing

Series: [Studies in International Trade and Investment Law](#)

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xcii LS Sealy and RJA Hooley (HW Disney The Elements of Commercial Law (1931) p1

xciii [https://en.wikipedia.org/wiki/Silk\\_Road](https://en.wikipedia.org/wiki/Silk_Road)

The Silk Road was a network of trade routes which connected the East and West, and was central to the economic, cultural, political, and religious interactions between these regions from the 2nd century BCE to the 18th century. The Silk Road primarily refers to the land routes connecting East Asia and Southeast Asia with South Asia, Persia, the Arabian Peninsula, East Africa and Southern Europe.

xciv The Bosphorous Bridge

[https://en.wikipedia.org/wiki/Bosphorus\\_Bridge](https://en.wikipedia.org/wiki/Bosphorus_Bridge)

xcv Ibid at xcv, page 489

xcvi NCND Agreement refers to a non circumvention nondisclosure agreement. It is an agreement used in the preliminary stages of a business transaction where the seller and buyer do not know each other but are brought into contact with each other by one or more intermediaries to fulfil the transaction. The purpose of such agreement is to ensure that (1) the intermediaries who brought the buyer and seller together are not bypassed and (2) the information disclosed during the negotiations is not revealed to any external or unauthorized party. These agreements are usually valid for a specified term.

<https://definitions.uslegal.com/n/ncnd-agreement/>

xcvii Ibid at xcvii, page 489

xcviii Ibid at xcviii, page 492

xcix Ibid at xcix, page 496

c Ibid at c, page 496

ci Britannica <https://www.britannica.com/topic/maritime-law>

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cii America in retreat: the new isolationism and the coming global disorder, Author Bret Stephens, Publisher: New York, New York: Sentinel, an imprint of Penguin Random House LLC, 2015

""A world in which the leading liberal-democratic nation does not assume its role as world policeman will become a world in which dictatorships contend, or unite, to fill the breach. Americans seeking a return to an isolationist garden of Eden--alone and undisturbed in the world, knowing neither good nor evil--will soon find themselves living within shooting range of global pandemonium"[https://www.worldcat.org/title/america-in-retreat-the-new-isolationism-and-the-coming-global-disorder/oclc/900624001&referer=brief\\_results](https://www.worldcat.org/title/america-in-retreat-the-new-isolationism-and-the-coming-global-disorder/oclc/900624001&referer=brief_results)

ciii The incumbent is the current holder of an office or position, usually in relation to an election. For example, in an election for president, the incumbent is the person holding or acting in the office of president before the election, whether seeking re-election or not. In some situations, there may not be an incumbent at time of an election for that office or position, in which case the office or position is regarded as vacant or open. In the United States, an election without an incumbent is referred to as an open seat or open contest.

<https://www.bing.com/search?q=incumbent+definition&qs=SC&pq=incombant+&sc=8-10&cvid=50270COA770C4C19815902CE41796412&FORM=QBRE&sp=1&ghc=1>

civ The Progressive Democrats of America is a progressive political organization and grassroots political action committee operating inside and outside of the United States Democratic Party.

<https://www.bing.com/search?q=progressive+democrats&cvid=be4724ca835a4f70a6ac1e66cd926235&pglt=299&FORM=ANSPA1&PC=DCTS>

cv Minsk is the capital and largest city of Belarus, located on the Svislač and the Nyamiha Rivers. As the capital, Minsk has a special administrative status in Belarus and is the administrative centre of Minsk Region and Minsk District. The population in January 2018 was 1,982,444, making Minsk the 11th most populous city in Europe. Minsk is the administrative capital of the Commonwealth of Independent States and seat of its Executive Secretary.

cvi World Politics since 1945 (9<sup>th</sup> Edition)', Peter Calvocoressi. Year 2008, Publisher: Longman, pages 856, ISBN 10: 1405874519.

cvi WORLD POLITICS SINCE 1945, 9<sup>th</sup> Edition. PETER CALVOCORESSI, Routledge, Taylor & Francis Group, London and New York. ISBN: 978-1-4058-9938-3 (pbk).

cviib Ibid at cvii

cviix Ibid at cvii

cviix Ibid at cvii

cviix Ibid at cvii

cviix <https://www.ndl.go.jp/constitution/e/etc/glossary.html>

cviixiii Far Eastern Commission, Project Gutenberg Self-Publishing Press

[http://self.gutenberg.org/articles/Far\\_Eastern\\_Commission](http://self.gutenberg.org/articles/Far_Eastern_Commission)

cviixiv WORLD POLITICS SINCE 1945, 9<sup>th</sup> Edition. PETER CALVOCORESSI, Routledge, Taylor & Francis Group, London and New York. ISBN: 978-1-4058-9938-3 (pbk).

cviixv Oxford English Dictionary sixth edition, edited by Catherine Soanes and Julia Elliott, Oxford University Press. ISBN: 978-0-19-861424-1

cviixvi WORLD POLITICS SINCE 1945, 9<sup>th</sup> Edition. PETER CALVOCORESSI, Routledge, Taylor & Francis Group, London and New York. ISBN: 978-1-4058-9938-3 (pbk).

cviixvii ibid

cviixviii ibid

cviixix RAILLY NEWS

<https://railynews.com/2020/08/Jinn-will-be-the-only-country-that-maintains-its-economic-growth-in-2020/>


cviixxx FDI and Trade in Services Towards Sustainable Economic Growth

Author: Madhabendra Sinha Affiliation: National Institute of Technology Durgapur, India; Partha Pratim Sengupta Affiliation: National Institute of Technology Durgapur, India

[https://www.worldcat.org/title/fdi-and-trade-in-services-towards-sustainable-economic-growth/oclc/8296806614&referer=brief\\_results](https://www.worldcat.org/title/fdi-and-trade-in-services-towards-sustainable-economic-growth/oclc/8296806614&referer=brief_results)

cviixxi Health in an age of globalization,

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Author: [Angus Deaton; National Bureau of Economic Research.](#)  
Publisher: Cambridge, Mass. : National Bureau of Economic Research, ©2004.  
Series: [Working paper series \(National Bureau of Economic Research\)](#), working paper no. 10669.  
Edition/Format:  Print book: English View

[https://www.worldcat.org/title/health-in-an-age-of-globalization/oclc/56516007&referer=brief\\_results](https://www.worldcat.org/title/health-in-an-age-of-globalization/oclc/56516007&referer=brief_results)

<sup>cxvii</sup> Max Roser

<https://ourworldindata.org/team>

<sup>cxviii</sup> Source: OECD (Graph)

Public social spending as a share of GDP, 180 TO 2016

<https://ourworldindata.org/grapher/social-spending-oecd-longrun>

<sup>cxviiii</sup> Is Globalisation an engine of Economic development?

The correlation between globalization, economic growth and poverty reductions

<https://ourworldindata.org/is-globalization-an-engine-of-economic-development>

<sup>cxviiii</sup> EUROPEAN UNION – EU TREATIES

[https://europa.eu/european-union/law/treaties\\_en](https://europa.eu/european-union/law/treaties_en)

<sup>cxviiii</sup> THE EUROPEAN ECONOMIC COMMUNITY

<https://encyclopedia2.thefreedictionary.com/European+Economic+Community>

<sup>cxviiii</sup> **Why was then French President Charles De Gaulle so intent on blocking British entry into the EEC?**

[https://www.quora.com/topic/European-Economic-Community-EEC?merged\\_tid=1074505](https://www.quora.com/topic/European-Economic-Community-EEC?merged_tid=1074505)

<sup>cxviiii</sup> WORLD POLITICS SINCE 1945, 9<sup>th</sup> Edition. PETER CALVOCORESSI, Routledge, Taylor & Francis Group, London and New York. ISBN: 978-1-4058-9938-3 (pbk), p 179.

<sup>cxviiii</sup> EUROPEAN COMMISSION, Globalisation & the EU economy. [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/international-economic-relations/globalisation-and-eu-economy\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/international-economic-relations/globalisation-and-eu-economy_en)

<sup>cxviiii</sup> EU Treaties & Legislation 2012 – 2013 Nigel Foster, Blackstone’s Statutes, OXFORD ISBN 978-0-19-965623-3

<sup>cxviiii</sup> REVFINE Optimising Revenue

<https://www.revfine.com/travel-and-tourism/>

<sup>cxviiii</sup> Source: <https://www.condorferries.co.uk/uk-tourism-statistics>

Condor Ferries & UK Tourism Statistics 2020

<https://www.condorferries.co.uk/uk-tourism-statistics>

<sup>cxviiii</sup> The intergovernmental pillars of the European union, Constitutional Law – European Union

Author: Eileen Denza, Publisher: New York: Oxford Press, 2002.

[https://www.worldcat.org/title/intergovernmental-pillars-of-the-european-union/oclc/52450436&referer=brief\\_results](https://www.worldcat.org/title/intergovernmental-pillars-of-the-european-union/oclc/52450436&referer=brief_results)

<sup>cxviiii</sup> EU -JAPAN

<https://ec.europa.eu/trade/policy/in-focus/eu-japan-economic-partnership-agreement/>

<sup>cxviiii</sup> Commission Proposal for Horizon Europe

[https://ec.europa.eu/info/sites/info/files/horizon-europe-presentation\\_2018\\_en.pdf](https://ec.europa.eu/info/sites/info/files/horizon-europe-presentation_2018_en.pdf)

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<sup>cxviiii</sup> Sustainability 2010, 2, 280-293; doi: 10.3390/su2010280

ISSN 2071 – 1050 Is Globalization Sustainable?

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<sup>cxviiii</sup> Crime Law Soc Change (2012) 57:305–323, DOI 10.1007/s10611-011-9351-0, Promoting financial

inclusion for effective anti-money laundering and counter financing of terrorism (AML/CFT) Abdullahi Y. Shehu,

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Published online: 13 January 2012, # The Author(s) 2012. This article is published with open access at Springerlink.com

<sup>cxix</sup> Ibid at lvi

<sup>cxl</sup> Ibid at lvi

<sup>cxli</sup> Ibid at lvi also referenced: [17] King, R. G., & Levine, R. (1993). Finance, entrepreneurship and growth: theory and evidence.

<sup>cxlii</sup> Foundations of Economic Change: A Schumpeterian View on Behaviour, Interaction and Aggregate Outcomes

by [Andreas Pyka](#), [Uwe Cantner](#)

[https://www.barnesandnoble.com/w/foundations-of-economic-change-andreas-pyka/1133657715;jsessionid=2936A02958BA26778D92F2CD88DC656A.prodny\\_store01-atgap12?ean=9783319620091&st=AFF&2sid=OCLC%20Inc\\_3630151\\_NA&sourceId=AFFOCLC%20Inc](https://www.barnesandnoble.com/w/foundations-of-economic-change-andreas-pyka/1133657715;jsessionid=2936A02958BA26778D92F2CD88DC656A.prodny_store01-atgap12?ean=9783319620091&st=AFF&2sid=OCLC%20Inc_3630151_NA&sourceId=AFFOCLC%20Inc)

<sup>cxliii</sup> Publish Year: 2018

Author: Richard R. Nelson, Giovanni Dosi, Constance E. Helfa

<https://www.cambridge.org/core/books/modern-evolutionary-economics/93F3159BF1F74BB1F2392707DC1C12FE>

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**Kull, Steven; Destler, I.M.**

1 ratings by [Goodreads](#)

ISBN 10: [0815717660](#) / ISBN 13: [9780815717669](#)

Published by Brookings Inst Pr, Baltimore, Maryland, U.S.A., 1999

**About the Author:**

**Steven Kull**, a political psychologist, is director of the Program on International Public Attitudes (PIPA) at the University of Maryland and WorldPublicOpinion.org, an international project studying public opinion around the world. He manages the international polling for BBC World Service. His previous books include *Misreading the Public: The Myth of a New Isolationism* (Brookings, 1999), written with I.M. Destler. He regularly appears in the U.S. and international media and has briefed Congress, the State Department, NATO, the United Nations, and the European Commission. His articles have appeared in *Political Science Quarterly*, *Foreign Policy*, *Public Opinion Quarterly*, *Harpers*, the *Washington Post*, and other publications. **I. M. Destler** is professor and director of the Program on International Security and Economic Policy at the School of Public Affairs, University of Maryland.

"About this title" may belong to another edition of this title.

[https://www.abebooks.com/servlet/BookDetailsPL?bi=10931373263&cm\\_ven=sws&cm\\_cat=sws&cm\\_pla=sws&cm\\_ite=10931373263&clickid=Vc71H-WBAxyOUPtwUx0Mo3EUUkiSCLQl02IRwg0&cm\\_mmc=aff--ir--353196--77798&ref=imprad353196&afn\\_sr=impact](https://www.abebooks.com/servlet/BookDetailsPL?bi=10931373263&cm_ven=sws&cm_cat=sws&cm_pla=sws&cm_ite=10931373263&clickid=Vc71H-WBAxyOUPtwUx0Mo3EUUkiSCLQl02IRwg0&cm_mmc=aff--ir--353196--77798&ref=imprad353196&afn_sr=impact)

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**Stephens, Bret**

328 ratings by [Goodreads](#)

ISBN 10: [1595231218](#) / ISBN 13: [9781595231215](#)

Published by Sentinel, 2015

<sup>cxlvii</sup> Ibid at <sup>cxlvii</sup>

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<sup>cxlix</sup> Multinational Management, A STRATEGIC APPROACH 6e, John B. Cullen Washington State University & K. Praveen Parboteeah, University of Wisconsin, Whitewater. SOUTH-WESTERN CENGAGE Learning. ISBN-13-: 978-1-285-09494-6, ISBN-10-: 1-285-09494-8 .....Chapter 6, page 224.

<sup>cl</sup> Ibid at <sup>cl</sup> p 7

<sup>cli</sup> Misumi, J., and M.F. Peterson, 1985 "The performance-maintenance theory of leadership: Review of a Japanese research program." *Administrative Science Quarterly*, 30, 198-223

<sup>clii</sup> Ibid at <sup>clii</sup> p 224

<sup>cliii</sup> AIRBUS, <https://www.aerotime.aero/rytis.beresnevicus/24385-airbus-manufacturing-sites?page=1>

<sup>cliv</sup> Ibid at <sup>cliv</sup> p 224

<sup>clv</sup> Ibid at <sup>clv</sup> p 224

<sup>clvi</sup> TATA STEEL

<https://www.tatasteel.com/#spotlight>

<sup>clvii</sup> Ibid at <sup>clvii</sup>, p 224/5

<sup>clviii</sup> Ibid at <sup>clviii</sup>, p 226

<sup>clix</sup> Ibid at <sup>clix</sup>, p 226

<sup>clx</sup> Ibid at <sup>clx</sup>, p230

<sup>clxi</sup> ICRM IBS Centre for Management Research.

<https://www.icmrindia.org/casestudies/catalogue/Business%20Strategy2/Business%20Strategy%20Toyota%20 Globalization.htm>

<sup>clxii</sup> Ibid at <sup>clxii</sup>

<sup>clxiii</sup> Ibid at <sup>clxiii</sup>

<sup>clxiv</sup> Ibid at <sup>clxiv</sup>

<sup>clxv</sup> BBC Bitesize Globalisation – Nike Production in China

<https://www.bbc.co.uk/bitesize/guides/zxm3srd/revision/4>

<sup>clxvi</sup> CBS NEWS

<https://www.cbsnews.com/pictures/seattle-violent-may-day-protests/>

<sup>clxvii</sup> Ibid at <sup>clxvii</sup>

<sup>clxviii</sup> **The Economist Leaders Sep 21st 2000 edition**

<https://www.economist.com/leaders/2000/09/21/the-case-for-globalisation>

<sup>clxix</sup> INDEPENDENT

<https://www.independent.co.uk/news/uk/home-news/million-masks-march-2014-thousands-gather-anti-capitalist-protest-london-9842407.html>

<sup>clxx</sup> Global NEWS

<https://globalnews.ca/news/5963635/montreal-anti-capitalism-protest/>

<sup>clxxi</sup> THE AGE OF SURVEILLANCE CAPITALISM, THE FIGHT FOR A HUMAN FUTURE AT THE NEW FRONTIER OF POWER, SHOSHANA ZUBOFF, Profile Books Limited, London, WC1X 9HD. ISBN:978 1 78125 685 5, e,ISBN: 978 1 78283 274 4 Page 3-4.

<sup>clxxii</sup> Ibid at <sup>clxxii</sup>

<sup>clxxiii</sup> Ibid at <sup>clxxiii</sup>

<sup>clxxiv</sup> ICRM IBS Centre for Management Research

<https://www.bbc.co.uk/bitesize/guides/zxm3srd/revision/1>

<sup>clxxv</sup> Trends in world trade: Looking back over the past ten years

[https://www.wto.org/english/res\\_e/statis\\_e/wts2016\\_e/WTO\\_Chapter\\_02\\_e.pdf](https://www.wto.org/english/res_e/statis_e/wts2016_e/WTO_Chapter_02_e.pdf)

<sup>clxxvi</sup> World Trade Statistical review 2016

[https://www.wto.org/english/res\\_e/statis\\_e/wts2016\\_e/WTO\\_Chapter\\_02\\_e.pdf](https://www.wto.org/english/res_e/statis_e/wts2016_e/WTO_Chapter_02_e.pdf)

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clxxvii List of Bank Failures in the United States from 2008 to 2019

[https://en.wikipedia.org/wiki/List\\_of\\_bank\\_failures\\_in\\_the\\_United\\_States\\_\(2008%E2%80%93present\)](https://en.wikipedia.org/wiki/List_of_bank_failures_in_the_United_States_(2008%E2%80%93present))

clxxviii Oxford English Dictionary, sixth edition edited by Catherine Soanes with Sara Hawker and Julia Elliot, Oxford University Press, ISBN 978 – 0 -19 – 861424 - 1

clxxix **Desiderius Erasmus.** Philosopher

Desiderius Erasmus Roterodamus was a Dutch philosopher and Christian scholar who is widely considered to have been one of the greatest scholars of the northern Renaissance. As a Catholic priest, Erasmus was an important figure in classical scholarship who wrote in a pure Latin style. Among humanists he enjoyed the sobriquet "Prince of the Humanists", and has been called "the crowning glory of the Christian humanists". Using humanist techniques for working on texts, he prepared important new Latin and Greek editions of the New Testament, which raised questions that would be influential in the Protestant Reformation and Catholic Counter-Reformation. He also wrote On Free Will, In Praise of Folly, Handbook of a Christian Knight, On Civility in Children, Copia: Foundations of the Abundant Style, Julius Exclusus, and many other works.

Born: 28 Oct 1466 · Rotterdam, Netherlands. Died: 12 Jul 1536 · Basel, Switzerland. Education: University of Turin · Collège de Montaigu. Parents: Gerard. Era: Renaissance philosophy · 16th-century philosophy  
School or tradition: Christian philosophy · Renaissance humanism.

[https://ec.europa.eu/programmes/erasmus-plus/node\\_en](https://ec.europa.eu/programmes/erasmus-plus/node_en)

<https://en.wikipedia.org/wiki/Erasmus>

clxxx **Médecins Sans Frontières**

Organisation



Médecins Sans Frontières, sometimes rendered in English as Doctors Without Borders, is an international humanitarian medical non-governmental organisation of French origin best known for its projects in conflict zones and in countries affected by endemic diseases. In 2019, the group was active in 70 countries with over 35,000 personnel mostly local doctors, nurses and other medical professionals, logistical experts, water and sanitation engineers and administrators. Private donors provide about 90% of the organisation's funding, while corporate donations provide the rest, giving MSF an annual budget of approximately US\$1.63 billion.

<https://www.bing.com/search?q=doctors+without+borders&qs=EP&pq=doctors+without+borders&sc=8-23&cid=042B572CCE1B4A7A8E59FCFDCF2E8564&FORM=QBRE&sp=1>

clxxxix Starbucks: Goals & Progress: Farmer Support

<https://www.starbucks.com/responsibility/global-report/ethical-sourcing/farmer-support>

clxxxii Will Latin America take advantage of supply chain shifts?

[https://www.eiu.com/n/campaigns/will-latin-america-take-advantage-of-supply-chain-shifts/#mktoForm\\_anchor](https://www.eiu.com/n/campaigns/will-latin-america-take-advantage-of-supply-chain-shifts/#mktoForm_anchor)

clxxxiii The European Union is a political and economic union of 27 member states that are located primarily in Europe. Its members have a combined area of 4,233,255.3 km<sup>2</sup> and an estimated total population of about 447 million. The EU has developed an internal single market through a standardised system of laws that apply in all member states in those matters, and only those matters, where members have agreed to act as one. EU

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policies aim to ensure the free movement of people, goods, services and capital within the internal market; enact legislation in justice and home affairs; and maintain common policies on trade, agriculture, fisheries and regional development. Passport controls have been abolished for travel within the Schengen Area. A monetary union was established in 1999, coming into full force in 2002, and is composed of 19 EU member states which use the euro currency. The EU has often been described as a sui generis political entity.

END