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NGO-Industrial Complex Despite the global market competition, large-multinational companies are challenged to strengthen its business performance in order to grab a bigger share in the world market. As one of the commonly used business strategies today, companies like Starbucks and McDonald's have been exerting effort in promoting the importance of social and environmental protection. Specifically the article written by Gereffi, Garcia-Johnson and Sasser discussed and analyzed whether or not the process of corporate governance is beneficial on the part of the workers and environment rather than weakening the government policy on international business activities.

As a common globalization and free trade expansion practices, state government and international organizations are focused on addressing the corporate accountability of multinational companies. Other than requiring certain companies to issue forest and apparel certification, corporate environmental reports are normally broken down into four major categories known as the first-party, second-party, third party, and forth party certification (pp. 57 – 58). Even though there has been a continuous promotion of corporate governance in the global markets, there are no clear evidences that can prove that social and environmental protection could contribute to the improvements of employees' working condition nor increase the overall business performance of multinational companies (p. 57).

Corporate governance is a system of authoritative direction or government which includes the specific role and responsibilities of the shareholders, the board of directors, and the Chief Executive Officer (CEO). I strongly agree that through a good corporate leadership among the members of the top  
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management and establishing a strong organizational culture that gives priority to teamwork and fair business practices, it is possible for corporate governance to contribute to the increase in profit and business success of multinational companies even though the implementation of corporate governance could sometimes fail.

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## References

Gereffi, Gary, Ronnie Garcia-Johnson and Erika Sasser. " The NGO-Indus." Foreign Policy (2001): No. 125, pp. 56 - 65.

Student's Name

Instructor's Name

Subject / Course

Date

Is Globalization Reducing Poverty and Inequality

Wade discussed and provided evidences that globalization could either increase or decrease poverty and inequality between and within nations. In line with this, India, China, and the rest of the East Asian countries are benefiting from globalization. Since the overall operational costs in developing countries are much lower and more attractive as compared to the operational costs in developed countries, a lot of large-scale multinational companies from developed countries continuously transfer their business operations in developing countries.

With regards to the issue on poverty, it has been reported that “ the number of people living on less than \$1 a day has fallen by 200 million over the past 20 years” and that “ the absolute poverty decreased from 29% in 1990 down to 32% in 1998” (Wade, p. 571). Contrary to the issue on poverty, inequality <https://assignbuster.com/two-reading-report-ngo-industrial-complexand-is-globalization-reducing-poverty-and-inequality/>

is believed to have been widening since globalization particularly when measuring income disparity in terms of exchange rate, pay inequality, and PPP-income using per capita GDP, richest to poorest decile, weighted by population, and between- and within-country distributions (pp. 575 – 578). Even though there were some reports stating that poverty rate around the world has been constantly improving over time prior to globalization, it is difficult to confirm that the rate of poverty around the world has improved because of the presence of margin of error when measuring the real cost of living over the past few years (p. 572). I do not agree that globalization reduces poverty and inequality. Since there are people who remain uneducated and incompetent in facing the challenges of globalization, I strongly believe that globalization is a significant factor that contributes to the increase in poverty and world inequality.

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#### Reference

Wade, Robert Hunter. " Is Globalization Reducing Poverty and Inequality?"  
World Development (2004): Vol. 32, No. 4, pp. 567 - 589.