



# CORPORATE INFLUENCE ON THE GLOBAL ECONOMY



Corporations are challenging national laws and regulations that govern labor standards, wages, environmental protection, energy, public health, land use and transportation in countries across the world. Listed below are a few examples of corporate influence on the rules of the global economy.

In your groups, review and discuss the examples listed and determine which corporation was responsible for each activity.



	<p>1. A major U.S. food chain purchased a smaller Canadian firm (Tim Hortons) and merged operations, allowing it to effectively renounce its U.S. “citizenship” and avoid paying \$117 million in taxes owed to the United States on profits held offshore in 2013. This corporation will dodge an estimated \$400 million to \$1.2 billion in taxes between 2015 and 2018.</p>
	<p>2. This German manufacturer created an international bidding war for the building of a manufacturing plant that pitted working people against each other. The company weighed offers from 250 localities in 10 countries before building a \$400 million facility in South Carolina. Company officials were attracted to the temperate climate, year-round golf, the region’s cheap labor, low taxes and limited union activity.</p>
	<p>3. This French multinational corporation—that operates privatized utilities like water, waste-management and energy services—challenged an increase in the monthly minimum wage, from \$56 to \$99, in Alexandria, Egypt. The corporation filed a claim for compensation in 2012 from the government of Egypt under free trade agreement provisions.</p>



	<p>4. This major South Korean electronics company sources parts from subcontracted supplier factories in Malaysia. A 2014 report revealed that nearly a third of some 350,000 workers in Malaysia’s electronics industry—many of them migrant workers—are subject to conditions of forced labor and other forms of exploitation including passport confiscation, debt bondage from labor recruitment fees, poor living conditions, and restrictions that prevent workers from being able to resign.</p>
	<p>5. This U.S. company runs on a contingent workforce of 160,000 drivers in more than 200 cities around the world. The drivers have no say in the pricing or the share of the fares they earn. Drivers must carry their own insurance and pay all costs for their vehicles; they often work long hours for minimal compensation. Representative of the “on-demand” economy, the company does not provide any benefits or protections like unemployment insurance, health insurance or sick leave. The company has evaded local transportation and safety rules and has fought back against any regulations that would impact its profits.</p>
	<p>6. This U.S. waste disposal company sued the Mexican national government over a local government’s decision to deny a permit to operate a toxic waste dump. Local citizens thought the dump would pollute their water supply and petitioned their government to deny the permit. The corporation won more than \$15 million in compensation from the Mexican government using provisions under NAFTA.</p>