

Labour and Globalisation Glossary

Introduction

The purpose of this Labour and Globalisation Glossary is to help students and other people interested in labour and globalisation issues to cope with the most frequent vocabulary used in these fields. This material is focused on the needs of the participants in the Global Labour University Master's program and it is likely to be helpful to both English native and non-native speakers. The main aim is to provide quick and concise information about general vocabulary, concepts and theories from the social sciences, including economics. The glossary comprises terms related to labour, business, globalisation, political science, economics and other social sciences. The glossary also contains a "guide to use", a "list of abbreviations", and a list of internet websites that provide further glossary lists, specialised dictionaries, and international organisation sites.

The idea of this labour and globalisation glossary came from my personal experience as a participant in the first group of "Labour Policies and Globalisation Master's Course" (LPG) held in Kassel and Berlin in 2004-2005. This is above all the result of a collective experience which comprises contributions from several other participants of this first group. This is not meant to be the final guide in terms of a glossary. Rather, it is a first attempt to provide initial and immediate help to the participants of this Masters' program. In this sense, it may and should be improved upon as the program progresses. It does not eliminate the important role of self-searching and self-made lists. Building these skills is essential in

developing academic competence. This glossary is a specific tool designed for this very intensive program where time saving cannot be underestimated. Moreover, this material may greatly benefit the participants of the program not only in providing first-hand help but also by motivating further vocabulary building and research.

How to use this glossary

The Main Entry Word

All main entries are listed in strict alphabetical order and are set in large, boldface type. The idiomatic phrases listed cover only definitions considered important for the purpose of this glossary. The spellings are not necessarily the most frequently used.

The Definitions

For the purpose of this glossary, only one definition is given, except where additional definitions are considered relevant. Where verbs are usually followed by a specific preposition or prepositions, this has been indicated in either of the following ways: the preposition has been worked into the definition, or italicized and usually enclosed in parentheses – (). Examples are given in italic followed by the abbreviation *Ex.* They are usually given for more general terms and verbs used within the context of the issues handled in this glossary.

British and American English

Labour Policies and Globalisation: what does the spelling of the chosen words for this master's program tell us?

labour or labor?

labour (WORK) United Kingdom (UK), United States (US) **labor** *noun*

1 practical work, especially that which involves physical effort:

The car parts themselves are not expensive, it's the labour that costs the money.

manual *labour* (= hard work using the hands)

2 workers, especially people who do practical work with their hands:
skilled/unskilled labour

labour UK, US **labor** verb

1 [I] to do hard physical work:

He travelled around Europe labouring to pay his way.

[+ to infinitive] *Three hours after the explosion, rescue teams were still labouring to free those trapped.*

2 [I + adverb or preposition] to do something slowly with great physical or mental effort:

He laboured up the hill with his heavy load.

She's been labouring over the same article for days.

globalisation or globalization ?

globalize, (US) **globalise** (UK), verb

to (make a company or system) spread or operate internationally:

Satellite broadcasting is helping to globalize television.

As the economy develops, it will continue to globalize.

globalization noun

1 (UK USUALLY **-isation**) the increase of trade around the world, especially by large companies producing and trading goods in many different countries:

We must take advantage of the increased globalization of the commodity trading business.

2 when available goods and services, or social and cultural influences, gradually become similar in all parts of the world:

the globalization of fashion/American youth culture

As you can see through these definitions from the “Cambridge Advanced Learners Dictionary” which deal with very general ideas of labour and globalisation, the difference focused on here is to outline the different spelling of British and American English. The British spelling, in this case, is the adopted pattern to express these two terms which are extensively handled during the LPG program.

In this glossary, our focus is not the language but the contents. Therefore, the glossary will not express distinction between British and American terms as in the examples above. However it is important to have the main differences in mind and especially when writing, that you choose one pattern and stick to it until the end. The main pattern used in this glossary is British English, but you will also find many terms and concepts which are common in American English.

Acknowledgements

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Cesar Costa de Araujo

Glossary

Abide (by something or someone): to obey or accept an agreement or rule. *Ex. The bargaining parts must abide by the arbitrators' judgement.*

Absolute advantage: term coined and theory developed by Adam Smith (1776). A country has an absolute advantage if its output per unit of input for a good or service produced is higher than any other country. If country A, for example, can produce and export more of a commodity X at a cheaper cost than country B; country A has an absolute advantage in producing X over country B.

Accountability: often used as synonyms of concepts such as answerability, responsibility, blameworthiness, liability and other terms associated with the expectation of account-giving. As an aspect of governance, it has been central to discussions related to problems in both public and private worlds. Accountability implies a concern for the welfare of those with whom one works. In politics, and particularly in representative democracies, accountability is an important factor in securing good governance.

Accountable (to): to be responsible for what you do and to be able to give a satisfactory reason for it. *Ex. Trade unions should be accountable to their members.*

Acquisition: the taking over by one company of a controlling interest in another, also called a takeover. The action may be friendly or unfriendly. The company

initiating the takeover is the suitor. The company which is taken over is the target.

Ad hoc: not planned; made for a specific purpose. *Ex. It is better for unions to have a planned agenda rather than dealing with problems on an ad hoc basis.*

Ad Valorem Taxes: type of tax imposed as a percentage of the price of a good or service. The VAT, value-added tax, is one example of ad valorem taxes.

Affiliated Union: a union which has aligned itself with other unions in a union group, federation or confederation (also central).

Affirmative Action: also Positive Discrimination. It is a policy or a program promoting the representation in various systems of people of a group who have traditionally been discriminated against, with the aim of creating a more egalitarian society. This typically focuses on education, employment, health care or social welfare. In employment, it may also be known as employment equity or preferential hiring with the increase of hiring and promotion of candidates of mandated groups. The expression was first used by US President Lyndon Johnson in 1965. Under pressure from the Civil Rights movement, the US government adopted policies to ensure that minority groups were given equal hiring, educational and other admission opportunities (Civil Rights Act – 1964).

Aggregate Demand: measure of the real purchasing power of a group. It is the total amount of all expenditures within an economy.

Aggregate Supply: sum of all the goods and services produced within an economy.

Agribusiness: mass production of agricultural goods and services usually through mechanisation that is connected with preparing and selling products.

Allegiance: loyalty and support to a group, belief, country or ruler. *Ex. Throughout her term in office Margaret Thatcher maintained a strong allegiance to the free market ideology. The Islamic terrorists' allegiance to their cause leads to extreme action such as suicide bombing.*

Alliance for Progress: US foreign aid assistance program for Latin America established in 1961 by US President John Kennedy. It was primarily created to finance social reforms in Latin American countries while countering the appeal of revolutionary politics, such as those adopted in Cuba.

Amnesty International (AI): A private, non-profit, non-partisan organisation founded in 1961 with the stated purpose of promoting all the human rights enshrined in the Universal Declaration of Human Rights and other international standards. AI is dedicated to securing the release of political prisoners or their

fair and prompt trials, and to the abolition of the death penalty, torture, and other cruel, inhumane, or degrading treatment of those in custody.

Anarcho-Syndicalism: form of anarchism developed in early 20th century in France. It was echoed in some European countries, especially in Italy. This ideology focused on the labour movement and views labour unions as a potential force for revolutionary change, replacing capitalism and the state with a new society democratically self-managed by workers. Anarcho-syndicalists seek to abolish the wage system and private ownership, which leads to class divisions. Its principle ideas are workers' solidarity, direct action and workers' self management.

Anti-Trust: laws to protect commerce and trade from monopolies or unfair business practices. In general antitrust laws prevent companies from controlling prices. This is a term that was originally used in the US where monopolies were called TRUSTS. So anti-trust laws were passed to limit the power of monopolies and prevent mergers or the buying of new companies which would inhibit competition.

Apartheid: it means "separateness" or "apart-ness". It was a political system of strict racial/ethnic segregation established in South Africa from 1948 to 1990 in which black people were discriminated against and denied some rights such as voting rights. After considerable domestic resistance under the leadership of Nelson Mandela, who later became the President, and international pressure, as well as innumerable deaths and human rights abuses, apartheid was finally repealed and a new constitution was established in 1991.

Apparel: clothing garments; anything that clothes or adorns. It also refers to clothes of a particular type when they are sold in shops such as sports apparel.

Arab League (AL): also known as the League of Arab States. Organisation of 21 Middle Eastern and African nations and the Palestines, now the Palestine Authority (Ex- Palestine Liberation Organization -PLO) created in 1945. The Arab League's purpose is to promote closer political, economic, cultural, and social relations among members.

Arbitrage: the method on the stock exchange of buying something on one place and selling it at another place at the same time in order to make profit from the difference in price in the two places. It is a common form of speculation in which the arbitragers or "arbs" buy a company's shares at today's price expecting them to be bid for tomorrow at a higher price in a takeover bid for example.

Arbitration: the process by which the parties to a dispute submit their differences to the judgment of an impartial person or group appointed by mutual consent or statutory provision.

ASEAN (Association of South East Asian Nations): founded in 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Originally conceived as a multi-national cooperation among member states to build major industrial plants, it has extended its goals to reducing intra-import tariffs on certain goods. It has also opened its doors to new countries such as Brunei, Vietnam, Burma and Laos.

Asia Pacific Economic Cooperation (APEC): a group of Pacific Rim countries who meet with the purpose of improving economic and political ties. It is an association of 21 member countries that have borders on the Pacific Ocean. Recently the organisation has been pushing for the reduction of agricultural trade barriers in WTO negotiations.

Babbage Principle: principle that production should be organised based on a division of labour because specialisation leads to higher productivity. Babbage's book, "On the Economy of Machinery and Manufacturers", deals with the division of labour and with a systematic analysis of the economies associated with increasing returns to scale.

Back Pay: wages that are due for services previously rendered. Usually as a result of a retroactive adjustment to wage rates after working without a contract for a period of time.

Bail Out: a term used in economics and finance to describe a situation where a bankrupt or nearly bankrupt entity, such as a corporation or a bank, is given a fresh injection of liquidity (funds), in order to meet its short term obligations. Often bail outs are given by governments, or by consortiums of investors who demand control over the entity as the price for injecting funds

Balance of Payments (BOP): shows an economy's relationship with the international economy in terms of goods and capitals that leave and enter a certain country. The BOP is made up of two components: the Current Account of the BOP and the Capital Account of the BOP. (See definitions).

Balance of Trade: difference between a nation's imports of goods and services and its exports of goods and services. If exports exceed imports, the trade balance is said to be "favourable"; if imports exceed exports, the trade balance is said to be "unfavourable".

Ballot: a system or occasion of secret voting. Also the name for the piece of paper on which voter's indicate their electoral choice of preference. It may also refer to the list of candidates for a particular office or the number of votes cast in an election.

Bank for International Settlements (BIS): an international organisation of central banks located in Basel, Switzerland. It was originally established in 1930

to administer post-WWI reparation agreements. Now the BIS has evolved into an important international monetary institution that provides banking services and a forum for central bankers to meet and consult on a monthly basis.

Behest: on somebody's orders or commands. *Ex. At the behest of the US Government, the World Economic Forum was moved to Davos, Switzerland. The officials adopted the leadership's behest.*

Beneficiation: the process of working on raw materials like iron ore so that they can be used in the production process to make other goods. A good example is when sugar cane is made into sugar, value is added to the crop and it is made more useful. It is beneficiated.

Bilateral Agreement: international agreement between two states, or more general, a formal or informal understanding between two parties.

Example for "Bilateral **Trade** Agreements"

The United States pursues comprehensive free trade agreements on a bilateral basis to expand opportunities for American companies in other countries. The U.S. government expects that on a bilateral basis it can achieve greater market openings than through multilateral trade talks within the framework of the WTO. It is a divide and rule strategy.

Bilateral Aid: transfer of funds, goods or services from one government to another as a form of assistance.

Blackleg: a disapproving word for a worker who works while others are on strike.

Bloated: unnecessarily wealthy or large. *Ex. The bloated bureaucracy in the country is an obstacle to the new congressmen.*

Blue Collar Worker: a working class employee who performs manual or technical labour, such as in a factory, in contrast to a white-collar worker, who does no manual work generally at a desk. "Blue-collar" is also used as an adjective to describe the environment of the "blue-collar worker": i.e., a "blue-collar" neighbourhood, job or factory.

Bolshevik: connected to the political system introduced in Russia by Lenin and the October Revolution of 1917, or a supporter of that system. The word "Bolshevik" is sometimes used as a synonym of Communist. It was often used by right-wingers outside the Ex-Soviet Union as derogatory term for left-wingers, not all of whom were necessarily Communist.

Bond: a financial instrument issued by governments or corporations showing that you have lent them money which they have to pay back to you at a specified interest rate over a specified period of time.

Boulwarism: named after Leo Boulware, who was vice president of General Electric in the US. Boulwarism is the practice of management circumventing the union by making an offer directly to the workers. It was first used in the 1950s in the US.

Bourgeoisie: in modern use it refers to the wealthy or propertied social class in a capitalist society. It is also a term used in Marxism to name the social class, including employers and wealthy people which exploits the working class, or proletariat.

Bretton Woods: town in New Hampshire (US), famous for a major international meeting in 1944 where world leaders mapped out a common strategy for the post World War II economy. This led to the formation of the Bretton Woods Institutions (BWIs): the World Bank; the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT).

Budget: a plan to show how much money a person or organisation will earn and how much they will need or be able to spend. It is also a formal statement of income and expenditures over a given period of time, usually a given fiscal (financial) year.

Buffer Country: a peaceful country, between two larger countries, established to reduce the chances of a conflict between them.

Business Unionism: form of unionism which focuses its policies on cooperative negotiations with employers and on providing services such as health plans and insurance rather than organising its members. Business unionism grew out of the logic that trade unions were developed in defence of workers' economic interest to obtain better wage-levels and working conditions.

Camp: a group of people who share the same opinion, especially a political one.
Ex. The union was divided into two different camps over the collective agreement.

Capital Account: measures the difference between the inflow of foreign capital and the outflow of local capital. If more capital is leaving the country than entering, the capital account is in deficit (shortage). A deficit on the current account can be financed either through decreasing foreign reserves or through the inflow of foreign capital.

Capital Flight: transfer of money abroad, usually in US dollars and often under questionable circumstances.

Capital Goods: products or goods such as machinery, buildings, equipment that are used by capitalists to produce other goods. They are not used directly (see Consumer Goods) by consumers, but are part of the means of production.

Capital Market: market for securities and corporate equities, where companies and the government can raise long-term funds. The capital market includes the stock market and the bond market. The capital markets consist of the primary market, where new issues are distributed to investors, and the secondary market, where existing securities are traded.

Capital Stocks: the total amount of Capital Goods existing at any one time in a firm, industry or economy.

Capital: property, goods, money, or any other asset such as machinery used to produce a finished good. It is one of the three factors of production alongside land and labour.

Capital-Intensive Production: production process using higher levels of capital than labour or land.

Capitalism: economic system based on private ownership of the means of production and distribution in which the goal is to accumulate wealth through profit. Also used to describe an economic philosophy or type of economy based on private property within a market in which prices are set on the basis of supply and demand. Capitalism has also been referred to by the terms free market economy, free enterprise system, and economic liberalism. Some describe most modern Western developed economies as capitalist.

Cardiff Trade Union Research Network (CTURN): network of researchers committed to working with trade unions in the UK and internationally; located in Cardiff, UK.

CARICOM (Caribbean Community and Common Market): a group of 14 states formed in 1973, which sets a common external tariff, foreign exchange restrictions, and free movement of skilled workers among all member states. Its secretariat is in Georgetown, Guyana and its main members include: Guyana, Barbados, the Dominican Republic, Jamaica and Trinidad and Tobago.

Cartel: an organisation of producers that work together to maximize joint profits. It is a group of independent producers whose goal is to fix prices, to limit supply and to limit competition.

Cavalier: without care; not caring about other people's feeling or safety. *Ex. The police dealt with the protest in a cavalier manner generating tension and violence.*

Central Bank: a bank that provides services to a national government, puts the official financial plans of that government into operation and acts as a banker to the commercial banking system by controlling the amount of money in the economy. It is responsible for monetary policy.

CEPAL: See ECLAC.

Ceteris Paribus: a Latin phrase, translated as “other things being equal”, used mainly by economists as a reminder that all variables other than the ones being studied are assumed to be constant.

Chaebol: South Korea’s business conglomerates such as Samsung, Hyundai and LG. *Chaebol* refers to the several dozen large, family-controlled Korean corporate groups, assisted by government financing, which have played a major role in the domestic economy since the 1960s. In Korean *Chaebol* means business group or trust.

Chartism: 19th century movement in which workers began to organise the labour movement in Britain. It was also a movement for social and political reform. It gained its name from the People’s Charter of 1838, which set out the main aims of the movement related to universal suffrage and other political organisational demands.

Chicago Boys or Chicago School: free-market and monetarist economic school of thought, authors, theorists, and/or policy makers associated with the Economics Department of the University of Chicago. **Most prominent theorist-Milton Friedman.**

Christian Democracy: political ideology born at the end of the 19th century in which the Vatican recognized workers’ misery and agreed that something should be done about it, in reaction to the rise of the socialist and trade-union movements. Though very heterogeneous, generally the Christian Democratic movement does not question the capitalist system but it does oppose Christian socialism. Recently Christian Democratic parties in Europe have shifted more towards a right-wing policy of economic liberalism based on reducing **(redefining)** the role of the state in the economy.

Christian Socialism: political ideology which refers to those on the Christian left whose politics are both Christian and socialist and who see these two things as being interconnected, perhaps because one derives from the other. Broadly speaking, this category can include Liberation theology and the doctrine of the social gospel. Christian socialists draw parallels between what some have characterized as the egalitarian and anti-establishment message of Jesus.

Class Consciousness: a Marxist idea about objective awareness of a class system. It includes the perception of the common interests of people within one’s own class and its relative position to other classes.

Classical Economics: economic school of thought often characterised as initiated by Adam Smith’s “Wealth of Nations” (1776) and ending with John Stuart Mill’s “Principles of Political Economy” (1848).

Closed Shop: a union security clause wherein the employer can only hire and retain those workers who are already members of the union. Hiring is usually done out of a hiring-hall.

Coalition: the temporary union of two or more groups or political parties in order to advance a shared political objective.

Code of Conduct: business term which refers to a formal statement of the values and business practices of a corporation. A code may be a short mission statement or a sophisticated document that requires compliance with articulated standards that have some enforcement mechanisms. However, a code of conduct is a unilateral initiative that often does not recognise all core labour standards and rarely covers suppliers. Monitoring, if any, is controlled by management. Codes of Conduct usually represent a weak basis for labour-management dialogue.

Co-Determination: a practice whereby the employees have a role in the management of a company. In Germany, co-determination is a legal system in which workers have an important role in the management of companies. In systems with co-determination, workers in large companies usually form special bodies – worker councils and in smaller companies elect worker representatives. These act as intermediaries in exercising the workers rights of being informed or consulted with on decisions concerning employee status and rights. They also elect worker representatives in managerial and supervisory organs of companies. Though this kind of representation is independent from union representation, in many cases, it is quite influenced by trade unions who manage to elect members to the workers councils and supervisory boards of companies.

Cold War: a state of hostility, through geo-strategic, economic and ideological struggle, between the global superpowers the United States and the Soviet Union supported by their emerging alliance partners that took place after the Second World War. It expressed itself not through direct fighting or direct armed conflict, but through political and economic pressure, selective aid, threats, propaganda, assassination and low-intensity military operations and full-scale proxy war (such as the wars in Vietnam and Afghanistan). It lasted over four decades until the collapse of the Soviet Union in 1991. The Cold War divided the world into two blocks: the capitalist and the communist supporters and witnessed the largest arms race (both conventional and nuclear) in history, leading to widespread global fears of a potential nuclear war.

Collective Agreement: a contract, either negotiated or imposed, between an employer and a union (acting as a bargaining agent) which contains the substantive and procedural clauses that determine the terms and conditions of employment for the employees of the applicable bargaining unit (wages, hours, working conditions, fringe benefits, rights of workers and grievance procedures).

Collective Bargaining: the process or method by which employers and trade unions voluntarily and directly arrive at their own agreement regarding the terms and conditions of employment.

Collectivism: term used to describe any doctrine that stresses the importance of a collective, rather than the importance of the individual. Collectivists see the individual as being subordinate to the collective, which may be a group of individuals, a whole society, a state, a nation, a race, or a social class. In economics, it is a system in which the means of production are owned by a state or collective rather than being privately owned.

Commodification: the process, by which something that traditionally would not be considered in economic terms, for example, an idea, identity or gender, is traded, bought or sold as part of an economic cycle generating surplus. It is the transformation of what is normally a non-commodity into a commodity, to assign economic value. For instance, sex becomes a marketed commodity, something to be bought and sold rather than being freely exchanged.

Commodity: in business, that is a largely homogenous product. In Marxian political economy, it refers generically to wares offered for exchange or trade that generates value (profit).

Commonwealth: also the Commonwealth of Nations – a loose association of nations, formerly or currently under British control such as Canada, Australia, Ghana, Zambia, etc... with one exception: Mozambique. The purpose is to provide mutual support and co-operation. The head of the Commonwealth is Queen Elizabeth II. She also reigns as monarch directly in a number of states, known as Commonwealth Realms, notably the UK, Australia, Canada, New Zealand, Jamaica and others.

Communal Sector: society in which pre-capitalist relations prevail. The ownership of property is shared and the main focus of production is subsistence.

Communism: a conjectured future classless, stateless social organisation based upon common ownership of the means of production, and to a variety of political movements which claim the establishment of such a social organization as their ultimate goal. It is an economic philosophy devised by Karl Marx and Friedrich Engels in *The Communist Manifesto* (1848). While the former USSR is often regarded as the first communist country, it never came close to resembling Marx's definition of the communist nation. Marx held that society could not be transformed from the capitalist mode of production to the communist one in one rapid move, instead society required a transitional period which Marx described as the revolutionary dictatorship of the proletariat. However, the term "Communism" was and still is often used to refer to the political and economic regimes under communist parties.

Company Union: unions largely controlled by companies in which workers and management representatives meet periodically to discuss various issues and problems. It also refers to any weak union which falls under the influence of, or is incorporated into, the management of the enterprise.

Comparative Advantage: term coined, and theory developed by David Ricardo in 1817 which explains why it can be beneficial for two countries to trade, even though one of them may be able to produce every kind of item more cheaply than the other. It is based on the idea that because of different cultural, geographic and historical circumstances, some nations are more efficient at producing certain goods. For example, country A is said to have a comparative advantage over country B if country A's opportunity cost of producing product X instead of another product Y is lower than country B's. This concept is commonly used as a justification for free trade. See Opportunity Cost.

Comrade: a member of the same political group, usually a communist or socialist group or a trade union. It is also used to describe a friend or companion.

Conciliation (Mediation): a process through which voluntary agreement is sought between the parties with the help of a neutral third party. Conciliators (usually appointed by the state) and mediators (usually privately hired by the parties themselves) do not produce binding awards such as arbitrators do. They make recommendations which the parties are free to accept or reject.

Conditionality: the requirement that countries agree to implement certain economic policy reforms, as a condition of receiving financial assistance. Also known as policy-based lending.

Conglomerate: a large company which owns several smaller businesses operating in a number of different industries. For example, Samsung is a conglomerate because it has subsidiaries in the electronics, machinery, chemical and financial industries.

Conservatism: political ideology or outlook that attempts to favour past systems, policies, or principles, rather than those representative of social progression.

Constrain: to restrict or control something. *Ex. Many employers believe that labour policies should not constrain economic development.*

Consumer Goods: goods that people buy and consume for personal use, such as food, clothing and others.

Contingent Workers: part-time, temporary, or contract workers.

Contract Manufacturer (CM): a firm that manufactures components or products for another company. Many CMs make electronic products, but this business

model is used in industries beyond electronics. Many well-known companies use CMs as an alternative to operating and maintaining their own factories. Printers, computers, and cellular phones are examples of products that are made using this method.

Contracting Out: See Outsourcing.

Conundrum: any difficult problem or situation where the answer is very complex, possibly unsolvable without deep investigation or effort. *Ex. German unions consider wild strikes quite a conundrum for industrial relations, because the legislation is very restrictive to those actions.*

Cooperative: any organization formed by a group of people who share in its operation and planning, as well as any financial profits or losses.

Core Labour Standards (CLS): defined in 1998 by the ILO annual conference as the *ILO Declaration on Fundamental Rights at Work*. The CLS covers four areas of fundamental rights: elimination of forced or compulsory labour; abolition and elimination of child labour; elimination of discrimination in respect of employment and occupation; and freedom of association and recognition of the right to collective bargaining.

Corporate Social Responsibility (CSR): an expression used to describe what some see as a company's obligation to be sensitive to the needs of all of its stakeholders in its business operations, both locally and globally. The principle is closely linked with the imperative of ensuring that these operations are sustainable taking into account not only the financial/economic dimension in decision making but also the social and environmental consequences. Many see CSR only as a strategy companies use to improve their public image and keep away the influence of trade unions over their employees.

Corporation: a form of business organisation where the firm has a legal existence separate from that of its owners. It is usually a large company or group of companies that is controlled together as a single organisation. Corporations can be privately owned or publicly traded. It can also be a local organisation responsible for services such as cleaning roads.

Cost Disease: phenomenon discovered by Baumol and Bowen, often used to explain the increasing costs of bureaucracy, particularly public administration. Baumol's cost disease occurs when there is little or no growth in productivity with the result that unit costs tend to inflate

Coup d' Etat: a sudden illegal, often violent, take over of government power, especially by an armed group or army.

Covenant: binding agreement. In law, a sealed writ containing the terms of agreement between two or more parties. It is also an international treaty between countries or organisations.

Craft Union (Horizontal Union): known as the “aristocracy of labour”, these unions organise on the basis of some craft or skill and limit their membership to persons possessing those skills.

Creative Destruction: Schumpeter’s explanation of how the new comes from the destruction of the old, overrunning its basis through radical innovation. Creative destruction is a powerful economic concept because it can explain many of the dynamics of industrial change such as the transition from a competitive to a monopolistic market, and back again. It has been the inspiration of endogenous growth theory and also of evolutionary economics.

Cross-national Production Network (CPN): term used to name the disintegration of an industry’s production process (value chain) into constituent or basic functions that can be contracted out to independent producers wherever those companies are located in the global economy. Like Wintelism it is related to industrial competition and mainly used in the electronics sector.

Cul-de-sac: a term which means no through road or dead end. It is used to describe a difficult situation or a situation that leads nowhere. *Ex. The investigation led to a political cul-de-sac.*

Currency Board: a system by which a currency is guaranteed to be fully convertible at a fixed exchange rate with another currency. In orthodox currency boards the currency is fully backed by a hard currency (a strong currency such as the US dollar) which means the monetary authority, in this case the currency board, must hold enough of the ‘hard currency’ (also called a reserve currency) to cover the full value of the notes and coins it issues. It implies a legal commitment by the monetary authority to hold 100% plus of the reserve currency (or equivalent bonds etc) in order to cover the total amount of notes and coins issued.

Currency Peg: a country can ‘peg’ its currency to another currency by setting a fixed exchange rate between its domestic currency and the chosen currency – usually a hard currency, which in economic terms, refers to a currency in which investors have confidence, like the US Dollar, the Euro, the Pound Sterling, the Japanese Yen, and the Swiss Franc. Currency pegs can range along a continuum from more flexible (basket peg) to the strongest fixed-rate commitment (monetary union or dollarisation). A policy of commitment to peg is more flexible than a currency board and they are designed to give investors confidence that the ‘pegged’ currency will maintain its value.

Current Account: measures the difference between the imports and exports of commodities (goods and services). The balance on the current account is said to be positive if exports exceed imports and negative (a deficit) if imports exceed exports.

Customs Union: form of economic integration between two or more countries, defined by free internal trade and a common external tariff on all non-member goods and services.

Damp squib: an event that is not as popular or successful as expected. *Ex. The demonstration turned to be a damp squib. Very few people attended the protest.*

Deadweight Loss: loss in efficiency prejudicing consumers and producers.

Debar: to stop someone doing something by law or to ban or prohibit something. It also means to refuse someone entry. *Ex. The union officials were debarred from the factory for inciting the strike.*

Debt Buy-Back: a secondary market debt relief mechanism whereby the debtor buys back its own debt outright at the market's discounted prices, thus providing the debtor country immediate debt relief. It is also an arrangement under which a group of friendly countries donate cash to set up funds to buy a debtor country's claims.

Debt Forgiveness: a debt relief arrangement that reduces the present value of contractual loan obligations of the debtor country. Forgiveness schemes often are made mandatory by a creditor country and apply to all creditors of the debtor.

Debt Reduction: voluntary and negotiated reduction of a debtor country's burden of servicing its external debt.

Debt Relief: easing of a debtor country's burden of servicing its external debt.

Debt Rescheduling: agreement between creditors and debtor to provide debt relief by altering the original payment terms of an existing debt. This is most often accomplished by lengthening the original schedule for principal and interest payments, and postponing interest payments. In the early 1980s the debt of certain large Latin American countries became so large that they could not repay the interest let alone the capital borrowed and they were given longer to repay it and annual repayments were reduced.

Debt Service: the amount of interest and principal repayments on outstanding debts that have to be met annually.

Debt-Equity Swap: the exchange of a debt instrument for an equity investment. The most frequently used secondary market debt relief scheme whereby a

commercial bank sells its debt at a discount to a multinational corporation or other private investor who transfers it to the debtor country for redemption at near or full face value in local currency or government notes. The investor then uses the proceeds to buy equity shares in a local business in the debtor country.

Default: to fail to do something that you legally agreed to do such as pay a debt. A default occurs if a debtor country refuses to repay its debts or a creditor takes legal action over arrears in payment. It can also refer to any arrears on debt servicing, especially to any failure to pay interest payments. *Ex. Countries that default on their debts may have their international credit cut.*

Deficit: when money spent is more than money received. It is the shortfall between a country's revenues from taxation and its expenditures, in any one year. It must then borrow money or reach an agreement with its creditors to meet its expenditures.

Deflation: a reduction in the general level of prices, resulting from changes in domestic or international business cycles as well as deliberate policies by government. These Government policies usually aim to reduce inflation in order to increase exports and improve the balance of trade and the balance of payments.

Demand-Side: that part of the economy ruled by consumers. Countries like the USA and most European countries are considered to be part of the demand-side because the demand for consumption in these countries plays a determining role in the international economy. A demand-side crisis is one that is caused by lack of demand on the part of consumers usually causing a fall in the prices of goods.

Demise: the end of something powerful or its downfall. *Ex. The demise of the Soviet Union had a huge impact on Eastern European countries.*

Democracy: system of government in which ultimate political power rests with a nation's citizens at large, either directly or through elected representatives. Citizens have the right to participate in political decision-making. Democracy is not an Ideology, but rather a social ideal that can be reached or embodied by various institutional arrangements according to one's ideological conception of freedom, participation, rights, etc...

Demotion: the transferring of an employee (sometimes as a disciplinary measure) to a job with reduced duties, responsibilities, and/or pay as compared to the employee's previously held position.

Dependency Theory: theory about the economic dependence of periphery economies (developing nations) under the political and economic pressure of core economies (developed nations) to achieve economic growth.

Deploy: to use something or someone in an effective way. *Ex. The security forces deployed heavy weapons to contain the protests.*

Depression: in economics, a prolonged period of deflation or the slowing down of an economy, resulting in mass unemployment, wage drops, shortage of capital flows, etc... Also refers to the period of 1929 and 1933-35, in which the US experienced a depression that would later extend throughout Europe and the entire World. Also known as the Great Depression

Deregulation: reducing or eliminating the laws, policies, guidelines and other measures that control business practices. It is often used to reduce the state's role as a producer, provider of services, and promoter of social welfare. It can involve a reduction of bureaucratic procedures but can also mean the reduction or elimination of labour standards, taxes and other state institutions designed to ensure an equitable distribution of wealth and fair business practices.

Derivatives: a financial contract whose payoffs over time are derived from the performance of assets (such as commodities, shares or bonds), interest rates, exchange rates, or indices (such as stock market index). This performance can determine both the amount and the timing of the payoffs, and these payoffs can be in cash, as well as be the delivery of the underlying asset.

Détente: an improvement in the relationship between two countries which were not very friendly or trusting in the past. However, today it has come primarily to refer to a general reduction in tension between the Soviet Union and the United States and a weakening of the Cold War.

Devaluation: when a country decreases the value of its own currency relative to other countries. This lowers the price of a country's exports on the world market and increases the cost of its imports.

Development: the growth of a person or society toward its full potential. It is often used to mean "industrialisation" or "modernisation" of the countries of the South (developing countries) or less developed countries, with the underlying assumption that the industrial model is the 'development model' worth emulating. Other concepts of development include the idea of sustainable development which tries to balance economic, social and environmental issues in a way that ensures long term development without jeopardising nature's continuous reproduction.

Dialectic: a way of discovering what is true to someone by considering opposite theories. It is also an interpretation of change which regards the clash of opposing interests and the resulting struggle as the engine of social transformation. Hegel believed that history advances dialectically, through conflict that modifies prevailing structures, creating new ones in their place. This

was the basis of class conflict, which Engels developed in his theory of Dialectic Materialism.

Direct Action: the use of strikes, protests and other means of action to achieve a desired outcome rather than talking or negotiation.

Discourse Analysis: includes a number of approaches to analysing language use above the sentence or clause level. It is also the study of speeches, newspapers and other means of communication (discursive forms) that tries to identify underlying assumptions and power relations. Although each approach emphasizes different aspects of language use, they all view language as social interaction, and are concerned with the social contexts in which discourse is embedded.

Division of Labour: the specialisation of cooperative labour in specific, circumscribed tasks and roles, intended to increase efficiency of output. Historically the growth of a more and more complex division of labour is closely associated with the growth of trade. The division of labour reaches the level of a scientifically based management practice with the time and motion studies associated with Taylorism.

Down Time: a period when production is halted or paralysed due to no fault of the employee. The employee is usually paid for downtime.

Downsize: to make a company or organisation smaller by reducing the number of people working for it.

Downstream: refers to the bottom end of the production chain where the raw material has already been processed or beneficiated and is now being used to make cars, car parts, window frames, etc...

Downturn: a reduction in the amount or success of something, such as a country's economic activity or a business. *Ex. There are indicators of a coming downturn.*

Draw on: to use information or your knowledge of something to help you. *Ex. He was able to draw on his personal experience to make his lecture clearer.*

Dual Labour Market Theory: theory that divides the economy into two parts, called "primary" and "secondary" sectors. The distinction may also be drawn between formal/informal sectors or sectors with high/low value-added. The secondary sector is characterised by short-term employment relationships. It is also a belief that labour markets are segmented into a variety of non-competing groups. Its major contribution in understanding the labour market is the belief that wages are not clearly related to individual productivity.

Dumping: when a product is exported below the selling price for the same product in domestic markets. Rules created by countries to protect themselves from this practice are called anti-dumping laws. Additional tariffs imposed on imports that have been dumped are called dumping duties.

Dutch Disease: an economic phenomenon in which the discovery and exploitation of natural resources *de-industrialises* a nation's economy. In the given scenario, the value of the country's currency rises (making manufactured goods less competitive), imports increase, non-resource exports decrease. In the 1970s, the Netherlands' economy was a natural resources exporter. There was a huge increase in the exports of these goods and the exchange rate went up. As a consequence, the industrial production slowed down. The expression is used to refer to similar situations in other countries.

ECLAC (Economic Commission for Latin America and the Caribbean): founded in Chile in 1948 by the Economic and Social Council of the United Nations, its purpose is to coordinate policies promoting economic development in Latin America and the Caribbean while fostering regional international trade. In Development Economics circles it is regarded as the origin of Structuralism and to a certain extent Dependency Theories.

Ecological Footprint: concept based on how much land and water area a human population needs to produce the resources required to sustain itself and to absorb its waste, given the prevailing technology. It also refers to data about the amount each country consumes in terms of the available natural resources.

Ecological Leapfrogging: a situation in which you skip some phases of economic development, like intense industrialisation, in order to get to a state of welfare and well-being while preserving the environment.

Ecological Overshot: sum up of balances of countries in terms of deployment of natural resources.

Economic Growth: an increase in the quantity of goods and services produced in a nation, as traditionally measured by GDP. More recently, economic growth has been associated with qualitative improvements as well.

Economies of Scale: a situation where the price of each unit of production falls as the numbers produced increase. This happens because the cost of expensive machinery and other production costs have to be recovered by the capitalist. To do this they include a part of the cost of the machine in the price of each unit of production. Therefore the more units produced, the less production cost added to each unit. This allows the price of each unit to be lowered, although often capitalists keep the price high and make a greater profit. However, there must be a large enough market for a product before there can be economies of scale.

Efficiency Curve: a concept in economics that argues that after a certain number of workers are contracted by a single company, productivity goes down.

Electronics Manufacturing Services (EMS): the term used for companies that design, assemble, produce, and test electronic components for original equipment manufacturers (OEMs).

Embargo: international diplomatic act in which a nation bans its citizens from trading with one or several other countries. Embargoes are often the result a country's desire to economically punish another country generally because of trade or political disagreements.

Enclave: a part of a country surrounded by another country. *Ex. Lesotho is an enclave in South Africa.*

Enclivity: the conditions of an enclave or when one country is, in a way, part of another regardless of the differences such as language, culture and different social relations of production. It also refers to a condition of incomplete penetration of capitalism. See Grafted Capitalism. *Ex. Namibia's situation could be considered an enclivity in relation to South Africa.*

Engel's Law: a law in economics which states that, given tastes and preferences, the proportion of income spent on food diminishes as income increases. It was developed by Ernst Engel in the mid 19th century.

Equity: in economics, the value of a company, which is divided in equal parts or shares owned by the shareholders. It also means justice or fair play.

Ethnocentrism: belief or tendency to judge other cultures by the standards of one's own culture. It also refers to the belief that one's culture or ethnic group is inherently superior to others.

ETUC (European Trade Union Confederation): established in 1972 to provide a trade union counterbalance to the economic forces of European integration. Following the changes in Central and Eastern Europe, a large number of new trade unions have joined its ranks. At present, the ETUC has as members 76 National Trade Union Confederations from a total of 34 European countries making a total of 60 million members.

Euro Dollars: deposits of US dollars at banks or other financial institutions outside the United States. Although the name originated because of large amounts of such deposits in Western Europe, similar deposits now exist in other parts of the World, yet bear the same name.

European Community: most important of three European Communities, it was founded in 1957 (Treaty of Rome) under the name of the European Economic

Community (EEC). The “Economic” was removed from its name by the Maastricht treaty in 1992. There are 12 member states – Belgium, France, Holland, Germany, Luxembourg, Italy, Britain, Ireland, Denmark, Spain, Greece, Portugal. Governments of these countries are working towards greater unity so that goods, capital, services and people will be able to move across their borders.

European Free Trade Association (EFTA): an international organisation established in 1960 whose members are not in the European Community. There are four member states: Iceland, Liechtenstein, Norway, and Switzerland. The purpose of the organisation is to monitor and manage relationships among the members. Because of the European Community, this group has become smaller with less influence.

European Union (EU): an intergovernmental and supranational union of 25 European countries, known as member states (Belgium, France, Germany, Italy, Luxembourg, The Netherlands, Denmark, Ireland, United Kingdom, Greece, Portugal, Spain, Austria, Finland, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia). Bulgaria and Romania will join in 2007. EU's activities cover all areas of public policy, from health to foreign affairs and defence. A key activity is the establishment and administration of a common single market, consisting of a customs union, a single currency (adopted by 12 of the 25 members) and other economic and trade policies.

Expenditure(s): the total amount of money that a government or person spends.
Ex. The government can afford to increase its expenditures on social programs.

Export Processing Zone: See Free Trade Zone.

Export Substitution: when a country has an industrial capacity whose explicit purpose is geared toward exporting to markets outside of the country of origin.

Extreme Poverty: a severe state of poverty in which people are unable to purchase even basic human necessities, such as food, clothes, and shelter, and are said to be living under the absolute poverty line. A person living in extreme poverty may be suffering from hunger, malnutrition, and disease.

Fabian Society: group founded in Britain in 1884 who advocated socialist ideas. They were against the use of revolutionary violence to bring about socialism. Instead they believed socialism would come about through the ballot box after a long period of political evolution.

Factors of Production: resources that are required to produce goods and services. Subcategories: Labour, Land, Capital.

Fair Trade: a way of buying and selling products that makes certain that the original producer receives a fair price. Although there has been an increase in fair trade practices and goods in the market its proportion of the whole market is quite insignificant.

FAO: the Food and Agricultural Organisations of the United Nations was founded in 1945 to raise levels of nutrition and standards of living, to improve agricultural productivity, and to better the condition of rural populations.

Fascism: political ideology stressing nationalism, anti-communism, and militarism under a totalitarian regime ruled by a single dictator. It places the importance and survival of the State, as the symbol of its nation, over the needs of the individual. Common examples of fascism are Benito Mussolini's Italy fascist movement and Adolph Hitler's Nazism.

Fast track: fast track refers to the practice of making use of a process which is accelerated in comparison to the one in typical use. According to the Oxford English Dictionary, the term's first published use was in an April 1976 Business Week article, where it referred to the construction industry's practice of beginning construction before design was complete.

Fast track has a more narrow meaning with respect to the federal government of the United States:

For trade agreements, it refers to the authority that the President has to negotiate agreements that Congress can approve or disapprove but cannot amend. It was in effect from 1975 to 1994 and led to the adoption of the North American Free Trade Agreement. It was restored in 2002 by the Trade Act of 2002.

Federalism: system of government in which power is constitutionally divided and delimited between a central government and that of provinces or states. Each level of government has its own powers and obligations to provide services and raise revenues.

Feminism: advocacy of the social equality of the sexes. Political, social, and cultural movement dedicated to promoting equal rights for women in all aspects of life. Feminism is not a single ideology, but rather characterised by a diverse set of perspectives and movements dedicated to promoting the rights of women.

FES (Friedrich Ebert Stiftung): a private, non-profit institution founded in Germany in 1925 committed to the ideas and values of social democracy. With 33 offices in Europe and 70 offices in Asia, Africa, the Middle-East and Latin America, FES spends nearly half of its annual budget on international activities. FES also has offices in the US and Japan. Its partners come from politics, business, associations, trade unions, and academia and also from the communication sector and cultural institutions.

Fiscal Policy: an economic term which describes how a government raises its revenue (e.g. through taxation) and how it decides to spend it in terms of health, education, transport, etc... Governments act to set the level of public expenditure and how that expenditure is funded.

Fiscal: from the Latin word Fiscus, meaning 'basket' or 'purse' this refers to the total revenue or income which the state gets from the public in one form or another and how it expends this revenue. A "fiscal crisis" occurs when the expenditure of the state is far greater than its income and it cannot correct this by normal means.

Flexible Specialisation: where a worker is taught many different skills so that he or she can take part in the production process at different levels – maintenance/planning/production/orders etc...

Flower Power: a slogan used by youth in the 1960s and 1970s (often called hippies) as a symbol of their non-violent ideology which opposed war and encouraged a different world based on love and peace.

Food Security: the notion that all people, especially the most vulnerable, should have dignified and unthreatened access to quality and a sufficient quantity of culturally appropriate food that will fully support their physical, emotional and spiritual health.

Fordism: this refers to the mode of mass production and mass consumption that dominated the relations of labour and capital from the World War II (and perhaps even before) until the **late 1980s**. It consisted of domestic mass production and stabilizing economic policies that provided national demand and social stability by paying relatively high wages and various other economic policies. Fordism also refers to a scientific process of highly organised production with emphasis on the mechanisation and automation of work first developed by Henry Ford to mass-produce the motor car. It is also considered a system that leads to accumulation through productivity gains

Foreign Direct Investment (FDI): investment that is made to acquire a lasting interest in an enterprise operating in another country's economy and which grants the investor an effective voice in the management of the business. "Lasting interest" means at least 10% of voting shares though usually most of the money invested through FDI constitutes a much larger share of ownership, often providing the majority vote for the investors.

Foreign Exchange: this refers to all foreign currency (often shortened to FOREX). Some foreign currency is more widely used in trade, tourism and other international transactions. Because it is easier to exchange these currencies (convert them to another currency), they are referred to as convertible. The most important convertible currency is the US dollar, followed by the Euro (EC).

Forth (and so forth): and so on. It is used together with other similar things when giving examples. *Ex. We had meetings, seminars, and so on and so forth.*

Free Enterprise: this term comes from a theory of capitalism in which enterprises (firms) freely trade with each other and freely employ labour, unrestricted by the State. The essential elements of the theory of the free capitalist enterprise are: prioritising of individual decision making and property rights over collective decision making and social decisions; free markets where prices are set purely by demand and supply; and competition between capitalists and labour to set wages.

Free Riders: in economic terms those who consume more than their fair share of a resource without contributing a fair share towards the costs of its production. In union terms those who do not contribute to the collective struggle (by becoming union members) but still take advantage of the benefits gained by a collective agreement.

Free Trade Area of the Americas (FTAA): a US-led expansion of NAFTA (North America Free Trade Agreement) that seeks to bring countries of North and South America into one single trading bloc. FTAA is known in Spanish as *Area de Libre Comercio de las Americas (ALCA)*.

Free Trade Zones (Export Processing Zones – EPZs): industrial and geographic areas which are deregulated by governments to attract foreign companies in which conditions for export are favourable. This includes lowering or eliminating laws and standards which normally protect wages and working conditions, health and safety and the environment. Unionisation of workers is usually restricted or banned. Companies are allowed to import duty-free or subsidised component parts for assembly, and then re-export finished products. The rationale for these zones is that they will attract employers and thus reduce poverty and unemployment and stimulate the area's economy. However, these areas undermine labour rights and wages in the host country and other countries by encouraging unfair competition based on goods produced at an artificially low price. Examples of countries are: Philippines, Malaysia, Mexico, Hong Kong and Singapore. Some industrial areas like the Special Economic Zones in China are similar to these Free Trade Zones.

Free Trade: international trade arrangements where tariffs (taxes on imports) or other barriers to the free flow of goods and services, including restrictive government regulations and policies are eliminated or drastically reduced. In general, neo liberal policies aim to achieve free trade.

Frictional Unemployment: short-term unemployment caused by mobility in the labour market. Seasonal workers or people changing jobs to find something better, for example, are considered frictionally unemployed.

Fringe Benefits: non-wage benefits, paid in whole or in part by the employer, which make up an integral part of an employee's entire wage/effort bargain. They can include: paid leave; vacation; pension; health & welfare benefits; life insurance; etc.

Fundamentalism: the belief in old and traditional forms of religion, especially the belief that what is written, in scripture or a holy book for example, is completely true and the authentic word of God. It is also used to identify static and conservative, many times radical, adherence to political or economic ideas. Often used as a negative term to refer to extremist groups e.g. Christian fundamentalists or Muslim fundamentalists.

G20 (Group of Twenty): a bloc of developing countries established in 2003 during the 5th WTO Conference in Cancun, Mexico. In trade negotiations, the group has pressed for rich countries to end subsidies to their farmers and opposed the liberalisation of their own agricultural sectors.

G7 (Group of Seven): an informal but very powerful group of countries (USA, UK, Japan, France, Italy, Canada and Germany) whose heads of State meet every year to discuss issues. This group of countries has been discussing the world agenda. Sometimes Russia is invited to take part in the meetings which is then called the G8 (Group of Eight).

G-77 (Group of Seventy Seven): a group of developing countries established in 1964, which meets to discuss common policy issues. Recently there has been a considerable increase in the number of countries to around 133.

Gambit: an opening move in a game of chess, in which a minor piece (often a pawn) is sacrificed to gain an advantage. It is used to describe a clever action which is intended to gain an advantage and usually involves sacrificing something or taking some risk. *Ex. The promise to raise wages is clearly an election-year gambit.*

GATS (General Agreement on Trade in Services): a treaty of the World Trade Organization) that entered into force in January 1995 as a result of the Uruguay Round negotiations. The treaty was created to extend the multilateral trading system to services, in the same way the GATT provides such a system for merchandise (goods) trade. The aim of the GATS is to gradually remove all barriers to trade in services, including education, healthcare, provision of water and energy, banking, insurance, telecommunications, rubbish collection, tourism and transport. A growing number of local governments, trade unions, NGOs, parliaments and developing country governments have criticised the GATS and called for a halt to negotiations. Their main concerns include: the negative impacts on universal access to basic services such as healthcare, education, water and transport; possible restrictions on the right of governments and communities to regulate companies in areas such as tourism, retail,

telecommunications and broadcasting; and the lack of a comprehensive assessment of the impacts of GATS-style trade liberalisation.

GATT (General Agreement on Tariffs and Trade): the precursor to the World Trade Organization (WTO) trading system. GATT was created by the Bretton Woods meetings in 1944, setting out a plan for post WWII economic recovery. First signed in 1947, it was designed to encourage free trade between member states by regulating and reducing tariffs on traded goods and by providing a common mechanism for resolving trade disputes. It was originally formed by 23 countries but in 2004 the membership was over 110. It is dominated by the major powers including the G7 countries. Each set of trade agreements, called "Rounds" have been pushing countries, especially developing countries, to drop all tariffs on imports. In 1995, the Uruguay Round created the WTO as an international body to administer the GATT and other international trade agreements.

GDP (Gross Domestic Product): measures the size of an economy. It is the value of all goods and services produced by the economy over a period of time, normally a year. To find out how wealthy a country is, GDP PER CAPITA is used. This divides the GDP by the number of people living in the country. (Per capita = per head/person).

GDS (Gross Domestic Savings): total domestic investment financed by domestic public and private output.

General Strike: a strike in which most workers in a country, city or region go on strike at the same time to protest about an issue or to achieve industrial or political demands. It usually involves both union and non-union workers.

GINI Coefficient: a measure of inequality developed by the Italian statistician Corrado Gini, that measures inequality of income but it can also be used to measure other factors such as health. It ranges from 0, perfect inequality (where everybody has the same income) to 1, perfect inequality (where one person has all the income and everyone else has zero income). Most developed European nations tend to have Gini coefficients between 0.24 and 0.36, but the United States Gini coefficient is above 0.4, indicating that the United States has greater inequality.

Global Compact: also UN Global Compact. The United Nations Global Compact was announced by UN Secretary-General Kofi Annan in 1999 when he challenged business leaders to join the Global Compact to bring companies together with UN agencies, labour groups and civil society to support 10 principles in the areas of human rights, labour and environment. Officially launched in 2000, by 2004 it had 1800 companies from all regions of the world, as well as international labour and civil society organizations. It is not a regulatory body but a forum designed to promote responsible corporate

citizenship so that business can be part of the solution to the challenges of globalisation.

Global Governance: commonly used to refer to the management of global processes in the absence of an overarching global government. It refers to the collection of laws, institutions, processes and practices, both formal and informal through which the relationships of states, markets, organisations and citizens are managed at a global level.

Global Labour University (GLU): the Global Labour University initiative is a network of universities, trade unions, foundations and the ILO to address the challenges that globalisation pose to labour and trade unions. The GLU project was an idea launched in 2002 in order to facilitate discourse, stimulate research, and provide university-level qualification programs, such as a Master course on “Labour Policies and Globalisation”, on the political, economic and social dimensions of globalisation for labour and trade union experts. The project was initiated by ILO in cooperation with Global Unions, the Friedrich Ebert Foundation (Germany), universities and national trade union centers from Brazil, Canada, Germany, South Africa and the UK.

Global Restructuring: the changes being made by global capitalists in an attempt to re-establish a basis of sustained profitability and accumulation comparable to that of the post World War II period.

Global Warming: scientific theory that states that increases in global temperature are the result of polluting gases such as carbon dioxide, which are slowly but surely depleting the world’s protective ozone layer. Global warming is said to be the result of the Greenhouse effect.

Globalisation or Globalization: the term used to describe the changes in societies and the world economy that result from dramatically increased international trade and cultural exchange. It describes the increase of trade and investment due to the lowering of barriers and the interdependence of countries. In specifically economic contexts, the term refers almost exclusively to the effects of trade, particularly liberalisation or “free trade”. More broadly the term refers to the overall integration and resulting increase in interdependence, among global actors. It is useful to distinguish economic, political, and cultural aspects of globalisation, although all three aspects are closely intertwined. The other key aspect of globalisation is advances in technology, particularly in transport and communications, which some people claim is creating a ‘global village’.

Gold Collar Worker: recent term for highly-skilled individuals who know a great deal about several areas of their company's work and are frequently crucial to its continuing profitability (knowledge workers).

Gold Exchange Standard: a variant of the gold standard in which a country pegs the value of its currency, such as the US dollar or sterling pound, which itself is pegged to the gold standard. Historically, this was the monetary system in place between 1958 and 1970.

Gold Standard: a monetary system in which currencies are defined in terms of a given weight of gold and currency issuers guarantee, under specified rules, to redeem notes in that amount of gold. In theory this means that all circulating money is backed by its value in gold. The use of gold as a monetary standard has a long and varied history, from the period of time when coinage was the primary means of regulating money supply all the way through to the 20th century, where it was used to regulate international trade flows.

Governance: the set of processes, customs, policies, laws and institutions by which an organisation or a society operates. Frequently a government or a multilateral organisation such as the United Nations is established to administer these processes and systems.

Grafted Capitalism: a kind of capitalist system transplanted from one country to another through colonialism and/or imperialism without considering the specific circumstances of the country it is being imposed on.

Grassroots: the common people, at a local community level, workers or common members of a union; the rank-and-file or the shop floor. It also refers to 'bottom up' decision making where people at the lowest level are empowered to make decisions that benefit their community.

Green Revolution: term used to describe the increased crop yields produced by introducing Northern agricultural technologies, such as growing a single crop with chemical fertilizers, pesticides and fungicides, to Southern countries. Critics argue that the introduction of large scale modern agricultural methods to traditional agricultural societies has frequently led to massive displacement, urbanisation and poverty. It has reduced bio-diversity, destroyed traditional livelihoods, created dependence on hybrid seeds and artificial fertilisers and polluted the environment.

Greenhouse Effect: accumulation of gases in the atmosphere that act like the glass roof of a greenhouse, letting sunlight in but trapping the radiant heat, thus creating global warming. It is believed to be caused by atmospheric pollutants, mostly originating from the burning of fossil fuels.

Grievance: a complaint or protestation based on an actual or supposed circumstance regarded as just cause for protest. It is also a formal complaint against management by an employee(s) or a union concerning an alleged breach of their collective agreement, legislation, or natural law.

Gross National Product (GNP): the total value of goods and services produced by a country in a year, including profits made in other countries.

Guerrilla Movement: unofficial military organisation that attempts to destabilise an authority or change a government by using guerrilla tactics based on intelligence ambush, deception, sabotage, and espionage, usually with the support of friendly local supporters. It often makes sudden, unexpected attacks on the official army forces and other public authorities and places.

Guild: an association of people who have the same trade or have the same interests (usually associated with a skill or craft) formed to protect mutual interests and protect common standards, often a forerunner to trade unions.

GURN (Global Union Research Network): research network established in 2004 as a follow up to the millennium debate of the Global Unions Group, after a request from the international labour movement. The aim of the research network is to give union organisations better access to research carried out within trade unions and allied institutions, while enabling them to exchange information on matters of joint concern and to develop the capacity to make analyses and take part in debates and policy formulation. The initiative was taken by the ILO's Bureau for Workers' Activities (ACTRAV) in cooperation with the International Confederation of Free Trade Unions (ICFTU), the Trade Union Advisory Committee to the OECD (TUAC), the Global Union Federations (GUFs) and the ILO's International Institute for Labour Studies (IILS).

Hassle: difficulty or trouble (a situation causing). *Ex. Workers who lose their jobs have to face the hassle of unemployment.*

HDI (Human Development Index): quantitative measurement of national socioeconomic development. Based on life expectancy at birth, education level attained, and adjusted real income per capita.

Hegemony: term associated with Antonio Gramsci (1891-1937). It refers to the dominant authority or influence of one group or country over others. The idea that in modern industrial societies, control is exercised not by brute force, but rather through subtle manipulation in which the dominant class or nation gains consent throughout civil society by legitimizing the norms and institutions of bourgeois society. The dominant ideas become 'naturalised' and accepted as common sense.

Herald: to be a sign of something good or new. *Ex. The new government heralds a new period of hope for the people.*

Historical Materialism: Marx's interpretation that processes of social change are determined primarily (but not exclusively) by economic factors. It looks for the causes of development and changes in human history in economic,

technological, and more broadly, material factors. Also called by Marx “the materialist conception of history”, it is a social theory and an approach to the study of history and sociology, normally considered the intellectual basis of Marxism.

Holocaust: a systematic extermination of approximately 6 to 7 million Jews by the Nazis in World War II. In general, the holocaust is viewed as mass destruction, especially by fire or heat, or the killing of very large numbers of people.

Human Capital: word used in business to describe the productive investments found in Labour such as skills, ideals, knowledge, know-how and creativity. It views Labour as an asset which can be invested in through education, training, etc...

Human Rights: belief that people possess certain rights by virtue of simply being human beings, not because they are citizens of a particular state. Rights commonly include the right to life, the right to an adequate standard of living, freedom from torture and other mistreatment, freedom of religion and of expression, freedom of movement, the right to self-determination, the right to education, and the right to participation in cultural and political life. The United Nations passed the Universal Declaration of Human Rights on December 10, 1948.

ICTUR (International Centre for Trade Union rights): an organising and campaigning body with the fundamental purpose of defending and improving the rights of trade unions and trade unionists throughout the world. In 1993 it was reorganised and granted accredited status within both the United Nations and the International Labour Organisation.

ILO-ACTRAV: the Bureau for Workers’ Activities of the International Labour Organisation (ILO) is the main link between the International Labour Office and workers. It focuses on developing activities to strengthen workers’ organisations at the international, regional and national levels. Its aim is to strengthen representative, independent and democratic trade unions in all countries, to enable them to play their role effectively in protecting workers’ rights and international levels, and to promote the ratification and implementation of ILO Conventions.

Imperialism: a system in which a country rules other countries, **either through direct territorial conquest** or through indirect methods of exerting control over the politics and/or economy of the other countries. It has been employed for economic exploitation in which the imperialist power makes use of other countries as sources of raw materials and cheap labour, shaping their economies to suit its own interests. It also refers to an intellectual position of superiority or the global spread of a single culture: the American culture for example.

Import Quota: limit on foreign goods imported.

Import Substitution: an economic developmental model where the state intervenes in the economy in a way that decreases the country's dependence on imported goods. Usually involves forms of protection for locally produced goods against imported ones.

Incentive Pay: a method of pay which varies according to production and/or profits. Workers are usually guaranteed a minimum hourly rate and are able to increase their wages through increased production: piece work, lump-sum bonus, etc.

Independent Union: a union which is not affiliated to any other union or union central.

Industrial Action: when workers act in order to force their employer to agree to something, especially by going on strike.

Industrial Economics: the study of economics related to macro-economics. It looks at the practical application of macroeconomics in relation to real case studies. It is a science that goes deeply into the organisation and theory of the firm. Besides analysing the past and present trends of the market, it also looks at future possibilities and trends. It takes into account decision-making under market competition conditions.

Industrial Relations: links between workers and managers. It can refer to the relationship between management and employees in an industrial company. It also refers to relations between organized management and labour: the relations and procedures between employers' organizations and labour unions that are institutionalized in an industrial society.

Industrial Reserve Army: unemployed workers who provide a downward pressure on wages and working conditions by being available to compete for employment.

Industrial Tribunal: a court which decides on (arbitrates) disagreements between workers and their employers.

Industrial Union (Vertical Union): a union which organizes on the basis of industry and will allow all workers working in the industry, whether skilled or not, membership of the union.

Inflation: increase of the overall prices in an economy. In general, this persistent rise in the level of prices reflects a decrease in purchasing power of a currency. Inflation is measured by taking a "basket" of goods (e.g. food, clothing, household bills, etc...) and comparing the prices at two intervals (e.g. from month

to month), and adjusting for changes in the intrinsic basket. Thus, there are different measurements of inflation, depending on the basket of goods selected.

Informal Economy: in economics this refers to the process of income generation which is unregulated by a given society, in a legal and formal way. People who earn their income in this way are said to be in the 'informal sector'. This term usually replaces the term "informal sector", used in earlier studies.

Informal Sector: untaxed and unaccounted as being part of a national economy. In developing countries or lesser developed countries it plays an important role in the economy and in social relations. See also Informal Economy.

Information Technology (IT): also called Information and Communication Technology (ICT). It is a broad subject concerned with technology, especially electronic computers and computer software, and other aspects of electronically managing and processing information, especially in large organization.

Infrastructure: the basic installations, systems and services, such as power supply and transport needed for a country or organisation to work effectively and on which most economic activity depends. It is also commonly used to refer to any substructure or underlying system, such as the 'financial infrastructure' of a company, for example.

Insider Trading (also Insider Dealing): the illegal buying and selling of company shares by people who have special information because they are involved with the company.

Intellectual Property Rights: monopoly protection by law for creative works such as writing (copyright), inventions (patents), processes (trade secrets) and identifiers (trademarks) which are derived from intellect. At an international level these rights are regulated under a trade agreement between WTO member states called TRIPS (Trade-Related Intellectual Property Rights).

Interchangeable Companies: multinationals and trans-national companies.

International Confederation of Free Trade Unions (ICFTU): the biggest trade union organisation in the world, with 236 affiliated organizations in 154 countries and territories on all five continents, with a membership of 155 million. Members consist of confederations of national trade union centres that represent the trade unions of that particular country, are independent of outside influence, and have a democratic structure. The ICFTU was formed in 1949 following a split within the World Federation of Trade Unions (WFTU) when a large number of non-communist national trade union federations seceded, alleging Communist domination of the WFTU. It gained members from developing regions (Asia and Africa) and following the collapse of the Soviet Union and Eastern Europe, it has grown significantly. The ICFTU plans to join forces with other trade union

organisations with the aim of achieving one united world international trade union and a stronger trade union movement.

International Division of Labour: refers to the theory and practice of international planning and agreements where countries specialise in the production of those commodities for which they (theoretically) have the greatest comparative advantage. Not to be confused with the Division of Labour. According to Dependence Theory it leads to interdependence of countries which trade on global markets under unequal terms.

International Federation of Workers' Education Associations (IFWEA): international organisation responsible for the development of workers' education. It brings together national and international trade unions, workers' education association, NGOs and social-democratic foundation engaged in the provision of adult education opportunities for workers and the communities in which they live throughout the world.

International Finance Corporation (IFC): international financial institution affiliated to the World Bank which provides capital to private enterprises in LDCs (Less Developed Countries).

International Financial Institutions (IFIs): The World Bank (WB), the International Monetary Fund (IMF) and the Regional Development Banks which include the Inter-American Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.

International Framework Agreement (IFA): an agreement negotiated between a multinational company and a global union organisation concerning the labour aspects of the international activities of that company. Its purpose is to establish an ongoing relationship between these actors in order to solve problems and work in the interest of both parties.

International Labour Organization (ILO): an agency of the United Nations. The ILO is a tripartite body composed of labour, government, and employer representatives. It sets minimum recommended international labour standards which member nations may or may not adopt. Its headquarters are located in Geneva, Switzerland.

International Monetary Fund (IMF): also known as "the Fund", the IMF was one of the Bretton Woods institutions created as a central pillar of the post-WWII global economy. Its purpose is to coordinate the international monetary system. It provides emergency loans to countries that find themselves unable to meet current international payments, in exchange for the imposition of conditionalities such as the so-called Structural Adjustment Programs (SAPs).

Jettison: to get rid of things or people. *Ex. Capitalists today prefer to jettison collective bargaining negotiations.*

Job Analysis: a process by which the duties and operations of jobs are correlated to the human abilities and relationships required to carry them out.

Job Classification: the classification of jobs based on an analysis of each job's requirements.

Job Description: a part of the job evaluation process wherein a review of the nature of work occurs in relation to other jobs, working conditions, the degree of responsibility required, etc.

Job Evaluation: a system wherein a hierarchy of jobs is created based on such factors as: skill level, responsibility, experience level, time/effort, etc. Job evaluation is most often used to arrive at a rational system of wage differentials between jobs or classes of jobs.

Job Security: a collective agreement clause which prevents or ameliorates the detrimental effects of job loss due to such factors as technological change, economic downturn, contracting-out, etc.

Joint Venture: an international business undertaking defined as a commitment, for more than a very short duration; of funds, facilities, and services by two or more legally separate interests or companies to an enterprise for their mutual benefit.

Just-in-Time: process established by employers to cut down on non-value added time. Parts and components for the production process are ordered as and when they are needed for production. This cuts back on unproductive storage space and cuts back on high amounts of capital usually invested in building up stocks needed for the production process.

Keynesian or Keynesianism: of or relating to the economic theories of John Maynard Keynes, especially those theories advocating governmental monetary and fiscal programs designed to stabilize the economy, increase employment and stimulate business activity. His main work "The General Theory of Employment, Interest and Money" (1936) was a response to the Great Depression of the 1930s. In Keynes's theory, general (macro-level) trends can overwhelm the micro-level behaviour of individuals. Instead of the economic process being based on continuous improvements in potential output, as most classical economics had focused, Keynes asserted the importance of the aggregate demand for goods as the driving factor, especially in downturns. From this he argued that government policies could be used to promote demand at a macro-level, to fight high unemployment and deflation. A central conclusion is that there is no automatic tendency to move toward full employment levels.

Kyoto Protocol: short term for the Kyoto Protocol to the United Nations Framework Convention on Climate Change. It is an international treaty on climate change. Countries that ratify this protocol commit to reduce their emissions of carbon dioxide and five other greenhouse gases, or engage in emissions trading if they maintain or increase emissions of these gases. It was negotiated in 1997 in Japan and came into force in February 2005. It includes 156 members with some notable exceptions, particularly the United States and Australia.

Labour Force: the total number of people in a particular country who are employed plus those actively looking for work or who are of the right age to work.

Labour Law: system of law established by or under legislation governing relations between workers (and their unions) and employers. It may include law relating to representation rights, unfair labour practices, collective bargaining rights, industrial conflict, and grievance arbitration under collective agreements.

Lacklustre (Lackluster): lacking strength and effort. *Ex. The company has produced lacklustre outcomes.*

Laissez Faire: literally, “let it be”, a philosophy that advocates minimal government interference in the economy. If a government is laissez faire it does not have many laws and rules which control the buying and selling of goods and services.

Lame Duck: an unsuccessful person or thing. In the US, a politician whose power is reduced because his or her successor has already been elected is referred to as a ‘lame duck’.

Layoff: a temporary or permanent dissolution of the employment relationship due to any causal factor (economic slowdown, technological change, reorganization, etc.).

Lean production: management philosophy originating in Japan and developed to cope with a capital shortage caused by the devastation of WWII. All efforts are made to ensure that the production process is as cost cutting as possible. This can involve reorganising the process of production so that goods are assembled in a more time-saving and labour-saving manner. This can be done by rearranging the production line so that the process is sped up or by saving space on the production line so that this space can be used for something else. It also means rationalising the workforce into work teams and multi-skilling by improving and teaching workers a number of different skills. Team leaders are responsible for production, work teams have to work to strict targets, sometimes supervisors are done away with. Such changes can theoretically empower workers, but they often lead to even greater control of worker’ time and labour. Because of this

some workers have termed it “lean and mean production”, meaning it is unpleasant and undesirable.

Leave of Absence: a temporary period of leave either paid or unpaid, granted to employees, and usually dependant on collective agreement provisions, legislation, or employer prerogative.

Leeway: freedom to act within specific limits or an additional amount of time which can be used if needed. *Ex. The works council are given some leeway to make decisions at the supervisory level of the company.*

Leveraged Buyout (LBO): a kind of takeover in which a company buys another company using borrowed funds, with the assets such as equipment and building of the acquired company serving as security for the loans.

Liberal Economics: also liberal theory of economics. Developed by classical liberal authors such as Adam Smith and Anders Chydenius. The concept of economic liberalism underpinned the move towards a free market economic system and the subsequent demise of the mercantilist (protectionist) system. Private property and individual contracts form the basis of this theory which states that allowing individuals to act primarily out of self-interest without any restrictions will produce the best results. Economic liberals today stress the importance of a free market and free trade, and seek to limit government intervention in both the domestic economy and in foreign trade.

Liberal Politics: also liberalism. It is an ideology, or current of political thought, which holds liberty of the individual as the primary value. Liberalism seeks a society characterised by freedom of thought for individuals, limitations on the power of government and religion, the rule of law, and a system of government that is transparent. The word liberalism is today used differently in various countries. In the US, liberalism is usually contrasted with conservatism. In Continental Europe, liberalism is not only contrasted with conservatism and Christian Democracy but also with social democracy and socialism.

LIBOR (London Inter-Bank Offered Rate): the reference rate for the interest rates when banks borrow funds from other banks. It is also the primary benchmark used by banks, securities, houses and investors to fix the cost of borrowing on the money, derivatives and capital markets around the world. The LIBOR is determined by a small group of large banks in London. The rate is fixed once a day but it changes throughout the day.

Lightning Strike: see Wildcat Strike.

Liquidity: in economics, the measurement of quality of any asset to be quickly and easily converted into cash.

Living Wage: a wage sufficient to meet the basic needs of a worker and his/her dependents, including housing, food, utilities, transport, health care and a certain amount of recreation, thus guaranteeing them a basic standard of living. Not to be confused with a minimum wage. This is usually legislated by governments and may not guarantee a basic standard of living.

Lockout: a work stoppage in which an employer prevents employees from working. It is a situation wherein an employer refuses to allow bargaining unit employees or unionised workers to work or ceases operations entirely in an attempt to apply pressure on a union so that it will accept a settlement on more favourable terms. For example, if part of the workers strike so that the work of the rest becomes impossible or less productive, the employer may declare a lockout until the workers end the strike.

London Club: a negotiating forum of the world creditor banks. It meets largely to reschedule and renegotiate official debts with countries of the South.

Loophole: a small mistake in a law or agreement which gives someone the opportunity to avoid having to do something. *Ex. The firm's lawyers found loopholes in the new legislation to avoid paying higher taxes.*

Luddites: term used to brand those who are against "all" forms of modern technology. Historically, they were workers who posed extreme resistance to the machines settlement; often textile machines, through selective sabotage and machine destruction; often textile machines, in protest against unemployment and wages reduction in England (1811-1816) during the Industrial Revolution.

Macroeconomics: the economics sub-field of study that considers aggregate behaviour, i.e. the study of the sum of individual economic decisions, rather than the behaviour of individual consumers, firms or industries. Macroeconomics looks at the overall issues in the economy of a nation like national income, average saving and investment. It is also used to analyze how best to influence government policy goals such as economic growth, price stability, full employment and the balance of payments.

MAI (Multilateral Agreement on Investment): an investment treaty which was negotiated within the OECD countries between 1995 and 1998. Besides the OECD countries there were other European communities and observers from different parts of the world interested in such an agreement. It was designed to provide a broad multilateral framework for international investment with high standards for the liberalisation of investment regimes and investment protection. The MAI was also designed to restrict governments from regulating corporate behaviour. The agreement was not ratified as many OECD members felt the changes were too radical. Widespread public protests were also influential in persuading member countries not to sign. However, attempts have been made by

some countries to introduce a similar agreement through the General Agreement on Services (GATS) at the World Trade Organization (WTO).

Manager: person who, although not owning the enterprise, is involved in decision making along with or in the absence of the legal owners.

Maquiladora: a manufacturing plant whose output is exported and whose imports are imported duty-free. Originally termed for those plants on the Mexico-US border, they have been notorious for environmental degradation, low wages and poor working conditions.

Marginal Cost: the incremental cost of production from producing one more unit of output. For example, the added cost of making two rather than one pair of shoes.

Marshall Plan: US plan for the reconstruction of Europe following World War II named in honor of ex-United States Secretary of State George Marshall in which millions of dollars in economic and technical assistance were given to help the recovery of Western European countries. One consequence was the systematic adoption of American managerial techniques.

Marxism: the social theory and political practice based on the works of Karl Marx (especially "Capital: A Critique of Political Economy") along with Friedrich Engels in the 19th century to develop a critique of capitalist society. The theory influenced left-wing parties, led to revolutions and political unrest world-wide and in the 20th century formed part of the ideology of many socialist or communist states. Marx proposed a systematic correlation between labour-values and money prices. He claimed that the source of profits under capitalism was the extra value added by workers not paid out in wages. Marx made a distinction between "labour power" which workers freely exchanged for their wages, and "labour", over which asset-holding capitalists gained control. This practical and theoretical distinction was Marx's primary insight, and allowed him to develop the concept of "surplus value", which distinguished his work from that of classical economists.

Means of Production: elements needed for production to take place including land, raw materials, natural resources, buildings, machinery and equipment. According to Marx, the concept includes both technology and the social relations among the producers (based on the ownership of that technology).

Mediation: See Conciliation.

MERCOSUR: a regional trade block in South America composed of Brazil, Argentina, Uruguay and Paraguay. It came into force in 1995 and other countries such as Bolivia, Chile, Colombia, Ecuador and Peru have associate member status. Venezuela was accepted as a new member in 2005. MERCOSUR's

purpose is to promote free trade and the fluid movement of goods, peoples, and currency. For the US, MERCOSUR has been an obstacle to American economic policy in the region aimed at establishing a broader continental bloc, the Free Trade Agreement of the Americas (FTAA).

Merger: the acquisition by one corporation of the stock of another. The acquiring corporation then retires the other's stock and dissolves that corporation. Therefore, only one corporation retains its identity in a merger.

Microeconomics: the study of the economic behaviour of individual consumers, firms, and industries.

Migration: movement of people from one country or region to another with the objective of settling temporarily or permanently in their new location. It is a historical phenomenon which gained another dimension with the process of globalisation.

Mince words (not to mince words): to say what you mean directly, even if you have to upset people. *Ex. Let's not mince words – if workers don't fight for their rights they will lose them.*

Mixed Economy: an economy that contains both private and public, or state owned (or controlled) enterprises. There is not one single definition for a mixed economy, but relevant aspects include; a degree of private economic freedom (including privately-owned industry) mixed with centralised economic planning (which may include intervention in the realms of environmentalism and social justice, or state ownership of some of means of production).

Monetarism: an economic policy utilized by the government to control inflation through the use of monetary controls such as raising interest rates until the economy stalls. This school of economic thought, led by Milton Friedman, believes that inflation is caused by excessive growth in the money supply.

Monopoly: a company, organization or group that has complete control of something, especially an area of business or industry.

Moonlighting: a situation wherein an employee enters into an employment relationship with more than one employer at the same time.

Moral Hazard: in law and economics, the name given to the increased risk of problematical (immoral) behaviour and thus a negative outcome ("hazard"), because the person who caused the problem doesn't suffer the full (or any) consequences, or may actually benefit. A good example is "fire insurance". Fire insurance increases the incentive to commit arson, especially if someone is operating a failing business and decides that they'd rather have the cash from the insurance proceeds on the buildings than the buildings themselves.

Multiculturalism: the public policy of managing cultural diversity in a multiethnic society, officially stressing mutual respect and tolerance for cultural differences within a country's border. It also refers to societies or nations which have many distinct cultural groups, usually as a result of immigration. This can lead to anxiety about the stability of national identity, yet can also lead to cultural exchanges that benefit the cultural groups.

Multinational Corporation (MNC): a corporation or enterprise that manages business or production and operates in at least two countries. Multinationals have played an important role in globalisation, given their international reach and mobility.

NAFTA (North American Free Trade Agreement): a trade agreement between Canada, Mexico and the USA which enables goods to be traded freely. It came into force on January 1, 1994. Canadian and North American unions claim to have lost many jobs as factories have closed down and moved to Mexico where labour is cheap, laws (like health and safety/environmental laws) are non-existent and production is made cheaper as a consequence.

NAIRU (Non-Accelerating Inflationary Rate of Unemployment): also called the natural rate of unemployment. The theory behind the NAIRU is that if the unemployment rate falls too low, inflation will be stimulated. The concept arose in the wake of the popularity of the Phillips curve which summarised the observed negative correlation between the rate of unemployment and the rate of inflation for a number of industrialised countries with more or less mixed economies. As a result, governments were supposed to seek a point of trade-off between unemployment and inflation which matched a domestic social consensus.

Nationalism: an individual's internalisation of the set of beliefs and values expressing love, pride, and identification with a given nation state. Ritual and symbols are important tools in fostering nationalism among citizenry. It also refers to the desire for and the attempt to achieve political independence for your country, nation or even ethnic group.

Neo-conservatism: a new capitalist orthodoxy, which supports the theory of unfettered free-market capitalism. The ideology whereby capitalists should have the absolute right, unregulated by government or state, to pursue ever higher profits at any social cost.

Neo-liberalism: refers to a revived form of economic liberalism which has become the dominant global business-government philosophy. It is a political-economic philosophy which rejects government intervention in the domestic economy, favours free-markets, reduced government regulation, property rights, free trade and the opening of international markets. Neoliberal policies favour solutions based on the free movement of goods, services and capital, with

reliance on market forces to allocate resources and reject labour policies like minimum wages or collective bargaining.

Net Foreign Investments: difference between what you invest abroad and what is invested in your country.

NIC (Newly Industrialising Countries): also Newly Industrialized Countries. The term is used to describe those countries that have experienced rapid economic development with some level of industrialization to become major international economic actors. NICs are countries that are not quite yet at the status of a fully-fledged first world nation, but still more **industrially** advanced than countries in the third world or in the category of least developed countries. NICs began to be recognised in the 1970s, when the “East Asian Tigers” (Taiwan, South Korea, Hong Kong and Singapore) rose to global prominence. Other countries such as Brazil, Mexico and South Africa would also fall into this category although they would not feature among the top achievers.

NIEO (New International Economic Order): a principle declared by the United Nation General Assembly (UN GA) in 1974, along with a Programme of Action and a Charter of Economic Rights and Duties of States to revise the international economic system in favour of developing (then known as Third World) countries. In the 1970s and 1980s, the developing countries pushed for NIEO and an accompanying set of policies to be adopted by the UN GA. Subsequently, however, these norms became only of rhetorical and political value, except for some partly-viable mechanisms.

Nitty-gritty: the basic aspects of a given situation. *Ex. The negotiations focused on the nitty-gritty: wages and working hours.*

Non-Governmental Organization (NGO): broadly used to mean any organisation that is neither government nor business, though it generally refers to those involved in environmental or social issues, whether they have a domestic or international orientation.

North-South: while not entirely geographically correct, the term identifies a world social and economic division. The North represents the richer developed countries of North America, Europe as well as Japan, Australia and New Zealand; the South represents the poorer majority of countries in Africa, Asia and Latin America.

OECD (Organisation for Economic Co-operation and Development): organisation formed in 1948 as the Organisation for European Economic Co-operation (OEEC) to help administer the Marshall Plan after WWII. It was reformed into the OECD in 1961 and extended to non-European states. There are currently 30 members; of these, 24 were described as high-income countries by the World Bank in 2003 (Australia, Austria, Belgium, Canada, Czech Republic,

Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, UK, USA). Other countries have special status membership. The OECD aims to provide a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and co-ordinate domestic and international policies. It also aims to help governments to foster economic prosperity and fight poverty. With active relationships with some 70 other countries, NGOs and civil society, it has a global reach. Best known for its publications and its statistics, its work covers economic and social issues from macroeconomics, to trade, education, development and science and innovation. Critics see the OECD as something of a club for the rich and powerful countries.

Offshore: financial paradise or a business in a different country with advantageous tax rules and other incentives.

Off-shoring: the shifting of business processes such as production, manufacturing or services to a different country, usually to gain advantageous tax rules, cheap labour costs or other incentives.

Oligopoly: a type of economy where a small number of firms control most of its industry.

OPEC (Organization of Petroleum Exporting Countries): cartel of 11 major oil-exporting nations formed in 1960 to control oil prices, avoid unnecessary competition and safeguard members' interests. Since 1965 its international headquarters has been in Vienna, Austria. Current members include Algeria, Indonesia, Iran, Iraq, Kuwait, Nigeria, Saudi Arabia, United Emirate States, and Venezuela. Ecuador and Gabon are former members. Because OPEC countries control about 40% of the world's oil production they exert considerable influence over the price of oil. In the 1970s they were part of the group of developing countries calling for a new international economic order (NIEO).

Opportunity Cost: in economics this refers to the cost of what you give up when you choose to do something else. *Ex. I earn \$2 an hour and I decide when I work. I decide to play a 1 hour soccer game. However, I cannot work at the same time. Therefore, my opportunity cost if I choose to play the game is \$2.*

Original Equipment Manufacturer (OEM): a company that builds products or components that are used in products sold by another company.

Outsourcing: also known as subcontracting this involves using individuals or companies from outside the organisation to complete work that could be, or was formerly, done within the organisation. It can be done within the country or abroad. Outsourcing is a business decision that is often made to lower costs or

focus on core competences. Off-shoring is similar to outsourcing when companies hire overseas subcontractors, but differs when companies transfer work to the same company in another country.

Over-accumulation of capital: when large companies in capitalist countries accumulate huge amounts of profits and have nowhere to invest them.

Overhaul: to repair or to improve something in order to make it work properly.
Ex. The government is planning to overhaul the whole railway system.

Overproduction: production of a higher proportion of goods relative to demand.

Overtime: hours worked in excess of regular hours, required by statute or collective agreement or on scheduled days off.

Oxfam: the Oxford Committee for Famine Relief is an international confederation of 12 independent, not-for-profit, secular, community-based aid and development organisations founded in 1995 who work with global partners in over 100 countries worldwide to reduce poverty, suffering, and injustice. It originated in England and the name OXFAM was adopted after its telegraph address.

Pacific Rim: usually refers to all countries of Asia, Australasia and the Americas that boarder the Pacific Ocean. It is a political and economic term used to designate the countries on the edges of the Pacific Ocean as well as the various island nations within the region. Tokyo, Japan, is possibly the most important commercial and cultural capital of the Pacific Rim. Other centres are Shanghai and Hong Kong (China), Singapore, Kuala Lumpur (Malaysia), Seoul (South Korea), Los Angeles (Western US), Vancouver (Canada), and Sydney (Australia). The term also includes the Russian Far East, Chile, Indonesia, New Zealand, the Philippines and Taiwan.

Parastatals: companies that are owned completely by the state or where the state is the majority shareholder.

Paris Club: an informal group of the main countries that give credit to the IMF and the World Bank (mainly the G7 countries) chaired by the French Treasury who meet to discuss any proposal to reschedule or reduce debt in the debtor countries of the South or Developing World.

Paternalism: a system or practice of governance based on the patriarchal family system of the father as the head of the family, whereby the social superior acts in a “fatherly” fashion, providing for the oppressed social inferior’s needs but allowing few rights or responsibilities.

Pax Britannica: Latin for “the British Peace”, modelled after *Pax Romana* and referring to a period of supposed peace under British imperialism and expansion

during the 1800s. It is basically a Euro-centric term and quite misleading. It was not a period of peace but there was no systematic war either. Britain dominated overseas markets and favoured a strategy of informal colonialism which led to the spread of the English language, democratic system, laws, and market rules. The political economy of the period can be characterized by two major aspects: free trade and the Gold Standard.

Paymaster: a person or organisation that pays for something to happen and therefore has some control over it.

Peg (currency peg): fixing of an exchange rate. See currency peg.

Picket: often referred to as a 'picket line', this is a type of non-violent resistance often used by union members who are on strike or who have been locked out in which workers gather outside a place of work (often in a line) and attempt to stop other workers (often referred to as scabs) from going in, or 'crossing the picket line' to perform work for the employer or discourage others from using the employer's goods/services. It is used to apply pressure on an employer in order to procure a favourable settlement to the labour dispute.

Piece-Work or Piece Rate: forms of incentive pay wherein the employee is paid in relation to his or her rate of production—the more produced, the higher the remuneration. This form of pay is notorious for its use by unscrupulous employers to increase production to unhealthy levels by lowering the rate per piece so as to force workers to speedup in order to earn enough money just to survive.

Pink Collar Worker: the female equivalent of the (assumed male) blue-collar worker, which is particularly applied to women who assemble electronic equipment and run back-office data-entry systems.

Portfolio Investment: a passive form of foreign investment motivated by the desire to benefit from the interest, dividends or capital gains of an enterprise, without any active say in its management. Such investment can be of a fleeting or temporary nature and money is often moved in and out of an enterprise and/or country very quickly. It is designed to maximize the expected return on the money invested for the level of risk. Much of the fluctuating pool of money in the stock market is used for this kind of investment.

Post-Fordism: term used to describe the mode of production increasingly found in most industrialised countries today, used in contrast to Fordism. Instead of a single firm with an assembly line from raw materials to finished product, the production process becomes fragmented as individual firms specialise in their areas of expertise, or 'core business'. Post-Fordism is characterised by use of new information technologies; emphasis on types of consumers in contrast to previous emphasis on social class; the rise of the service and the white-collar

worker; the feminization of the work force; and the globalisation of financial markets.

Post-Industrial Society: society based on the production of services and information rather than material goods. A notion advocated by those who believe that the industrial order is passing.

Poverty Line: the level of income below which one cannot afford to purchase resources one requires to live. People who have an income below the poverty line have no discretionary disposable income, by definition. Though countries use different poverty lines, globally, it is more common to use the purchasing power parity exchange rate. Thus, 'living for under \$ 1 a day', the widely accepted definition of the poverty line, should be understood as having a daily total consumption goods and services comparable to the amount of goods and services that can be bought for \$1.

Preferential Hiring: a system wherein an employer agrees to hire only union members so long as the union is able to fulfil the employer's demand.

Premium Pay: a rate of pay that it is higher than the regular straight time rate of pay. It could be for overtime work, work on holidays, work on scheduled days off, or work under dangerous, dirty, or unpleasant conditions.

Primary Products: products like raw materials, minerals and agricultural products. They still have to be beneficiated (be processed to add value) because they are at the upstream end.

Prior: earlier; before a particular time. *Ex. Members should be entitled to give their opinions prior to the agreement being signed.*

Private Sector: the part of a free market economy that is made up of companies and organisations that are not owned or controlled by the government.

Privatisation: when a Government sells off state-owned land or enterprises such as companies or public services so that they become privately owned or controlled. This can also be done through the outsourcing or subcontracting of services.

Privative Clause: legislation which deprives the court of all or part of its jurisdiction to review.

Productivity: the amount of output created (in terms of goods produced or services rendered) per unit input used. For instance, labour productivity is typically measured by what a worker can do within an hour in terms of production.

Proletariat: the class of industrial wage earners who, possessing neither capital nor the means of production must sell their labour in order to earn their living. It also refers to the poorest class of working people or the working class in general as referred to by Karl Marx.

Protectionism: practice of using tariffs and other trade barriers, such as taxing imported goods to protect domestic trade or industry against competition from cheaper imports.

PTA (Preferential Trade Area): a trading bloc which gives preferential access to nominated products from certain countries by reducing tariffs. It is considered the weakest form of economic integration.

Purchasing Power Parity (PPP): the purchasing power of a country's currency measured in terms of the number of currency units required to buy a product. For example, it takes one dollar to buy a cup of coffee in the US, whereas it takes two pounds to buy a similar cup of coffee in the UK.

Purveyor: a business that provides goods or services or a supplier of economic inputs. *Ex. OPEC countries are the biggest purveyors of oil.*

Quid pro quo: something given in return for something done. *Ex. The company promised to resume negotiations with the union as a quid pro quo for stopping the strike.*

Race to the bottom: said to occur when economic competition between nations leads to the progressive dismantling of regulatory norms such as labour standards or tax systems, leading to lower and lower standards.

Rank-and-file: the ordinary workers in a company or the ordinary members of an organisation. It is a term used by trade unions and socialist groups that refers to the working class and/or general members of a union.

Reaganomics: a combined word made up of Reagan and economics to describe and condemn the economic policies of US President Ronald Reagan during the 1980s. Reagan assumed office during a period of high inflation and unemployment, which had largely been abated using a set of orthodox fiscal policies. Reaganomics or supply-side economics can be interpreted many different ways. In brief, it has two key ideas: lower taxes and smaller government.

Recession: a period when the economy of a country is not successful and the conditions for business are bad. There is usually a decline in the economic activity over an extended period and a drop in the Gross Domestic Product (GDP). This fall is called recession and the rise is called revival. There is a pattern of recessions and revivals in the capitalist economies that seem to follow a cyclical path.

Reckon: to think or believe. *Ex. They reckon they'll win the elections.* It also means to consider or to have the same opinion. *Ex. He's reckoned as one the main leaders of the organization.*

Reengineering (or re-engineering): a theory developed by Michael Hammer and James Champy to fundamentally change the organisation and management of work which involves the radical redesign of an organisation's processes, especially its business processes. Its advocates claim dramatic improvements in service to customers, efficiency, and lower costs. Reengineering has earned a bad reputation because such projects have often resulted in massive layoffs. Many companies would downsize and call it reengineering. **Also used to describe the process by which one company attempts to retrace (and copy) the exact make-up of specific pharmaceuticals in order to produce them itself. This process has come under fire and was one of the key reasons for the implementation of the TRIPS regime of Intellectual Property Rights in 1995.**

Relocate: to move a company or business to a new place inside or outside its original place of business or country. *Ex. The company has relocated to Eastern Europe.*

Research and Development (R&D): usually refers to the research, development and application of new technologies to create new products or processes for commercial application. R&D activities are often conducted by specialised units or centres belonging to companies, universities or State agencies.

Restructuring: new organisation process of production adopted by companies in order to save costs, increase efficiency, productivity and profitability, and thus become more competitive. This is achieved by introducing new machinery, cutting back on the labour force or by imposing stricter control on workers. 'Lean Production' and Just-in-Time production are examples of restructuring.

Revenues: money or income received regularly from taxes or business.

Revolution: process of change involving the mobilizing of a mass social movement, often using violence or war, in order to break the political status-quo and radically transform the society.

Roadmap: in political terms, a simplified policy, strategy or action plan which outlines a course of action, such as the Roadmap for peace for Israel and the Palestinians.

Sanction: punitive economic, diplomatic, social, or other action taken against a State that violates international laws. Normally taken as a group through an international organisation such as the UN and never involves military action.

Scab: an insulting word for a worker who continues working while others are on strike or takes the place of a striking worker.

Scapegoat: a person or group who is blamed, punished, or stigmatized for wrongs that they didn't commit.

Seafarers: also seafaring men. It refers to workers involved in the shipping industry.

Semi-autonomous workers: persons who are identified by the relatively greater control that they hold over their work (social workers, university professors, salaried professionals).

Semi-Peripheral Countries: term that refers to countries in the initial stages of industrialisation which provide labour and raw materials to the core countries, while exploiting the Peripheral Countries. **These countries are regarded as being the harmonising force of an exploitative world system, acting in a similar way to the middle-class.** It is a concept developed by Immanuel Wallerstein in his World Systems Theory.

Seniority: a method of designating an employee's status relative to other employees in a workplace. Seniority can be based on length of service alone or in combination with other factors such as ability, skills, or union office. Seniority provisions are often codified within a collective agreement.

Service Trade Unionism: refers to a trade union model where the organisation and its full time officials represent and provide services for a predominantly passive membership which is rarely mobilised as most issues are solved by the experts at the negotiating table or by legal representation, etc...

Severance Pay: a monetary sum that is paid by an employer to an employee upon the dissolution of the employment relationship. It can be negotiated or imposed by statute, a labour relations board, or an arbitration board.

Shape: to make something become a particular form or way. *Ex. Globalisation is shaping labour in a rather negative way.*

Shift Differential: an additional amount of pay, over base rate, which is paid to employees who work shifts other than regular daytime hours; i.e. afternoon shift differential or graveyard shift differential.

Shift: typically an eight hour working period between set times; for example 9am – 5pm. Monday to Friday is regarded as a standard daily shift in many countries. However, you can also have other work shifts including, a night shift, a week-end shift and a graveyard shift (working during the early hours of the morning).

Shop Floor: general term used to describe the area where the actual productive work takes place.

Shop Steward: a worker elected by other workers to represent them in discussion with management. Also known as a union delegate or staff representative. A shop steward is a member of a union who represents workers in a specific department or area of the workplace but normally remains in his or her regular job, performing his or her duties as a shop steward on a part-time, voluntary basis.

Silicon Valley: refers to the southern part of the San Francisco Bay Area in Northern California in the United States. The term originally referred to the region's large number of silicon chip innovators and manufacturers, but has become a metaphor for all high tech business in the area.

Slowdown: See Work-to-rule.

Social Corporatism: a guarantee of certain social and economic benefits—other than wages—promised by corporations to unions, in exchange for voluntary wage restraint and economic restructuring.

Social Movement Unionism: a form of unionism that mobilises rank-and-file members for specific or broad political, social and economic gains. In northern countries, it involves organizing the unorganized, using political action to strengthen union influence and aims to reform labour relations and state institutions toward the interests of workers. In southern countries, it is defined by workers' commitment to an agenda of social change beyond the workplace and by their extensive links and alliances with other social and political movements. The concept emerged from new trade union experiences in countries like South Africa, the Philippines, Brazil, Canada, and the US, mainly in the 1980s. Besides having a more conflict-based approach this kind of unionism aims to build broader coalitions for social and economic justice in which organisations support each other to achieve mutually beneficial goals.

Social Relations of Production: the relations between people who are involved in the production of goods and/or services. The relationship between an employer and his/her employee is a social relation of production.

Social Security: a system of payments made by a government to people who are in need of assistance in conditions such as unemployment, retirement, illness, death of husband or wife, etc.

Socialism: a political and economic ideology with core belief that the means of producing and distributing goods and services should be collectively owned and controlled by all of society, rather than by individuals. Ideally this would eliminate the unfair distribution of wealth. It is based on a belief that all people are equal

and should therefore share equally in the wealth of a country. In Marxist theory, it also refers to the society that would succeed or supplant capitalism, and would later develop further into communism, as the necessity for the socialist structure would wither away. Most past and present states led by parties of Communist orientation called (or call) themselves “socialist”. Some self-described socialists, especially in Europe (also identified as social democrats or Euro-communists), advocate a re-working of capitalist economies along socialist lines.

Sovereignty: the exclusive right to exercise political (legislative, judicial and/or executive) authority over a geographic region, group of people or oneself. It usually refers to the power of a country to control its own affairs through its own government and system of laws without supervision or permission from another power.

Spearhead: to lead something such as a project or course of action. *Ex. Brazil and India spearheaded the G-20 countries in the WTO negotiations.*

Speculation: a type of investment where profits are made through “paper” transactions in which shares in companies, currencies and bonds are bought and sold without any goods being produced or services being delivered.

Speedup: an employer initiated increase in production; usually achieved via means over which the employee has no control. Speedup can occur in the case of machine-paced assembly lines (auto industry) or disassembly lines (meatpacking) where the speed of the line is controlled exclusively by management—often to the mental and physical detriment of workers.

Spill over: activity or situation that begins to affect another situation or group of people, usually in an unwanted way or the effect of something that has spread beyond the original intention. *Ex. The conflicts threaten to spill over into smaller cities.*

Split Shift: the division of an employee’s regular workday into two or more periods of time, often with a gap of some hours in the middle, usually in order to meet peak demands in production.

Stagflation: a term in macroeconomics used to describe a period of high inflation combined with economic stagnation or recession where growth rates are below the level necessary for full employment.

Stake: risky situation for something valuable. *Ex. Thousands of jobs are at stake in Europe.* It also means to have an interest in something. *Ex. Trade Unions have a stake in training shop stewards.* Term also used as a share or financial involvement in something such as a business. *Ex. The company holds a 60% stake in its subsidiary.*

Stakeholder: a person or group involved in, or who have an interest in a particular group or organisation, or who may be affected by a particular action or endeavour. *Ex. We have to consult the stakeholders of this community and see how they will be affected by the new measures.* In business it means a person or group of people who own a share in a company or an investment.

Stock Exchange: also Stock Market. The place or market in which company shares and other financial assets are bought and sold. Companies sell shares publicly in order to raise money for the operation, and usually the expansion, of the company. Once shares have been issued by a company, other people continue to buy and sell them on the stock exchange as forms of investment.

Stock: part of the ownership of a company that people buy as an investment or the money that people invest in government and which produces a fixed rate of interest. It also refers to the capital or funds that a corporation raises through the sale of shares, which entitle the 'stockholder' to dividends and to other rights of ownership, such as voting rights. It is also used to describe the total merchandise kept on hand by a merchant, commercial establishment, warehouse, or manufacturer, referred to as their stock.

Stoppage: a time when work is stopped because of a disagreement between companies and their workers.

Strike (Walkout): the total or partial cessation of work, undertaken collectively by employees, in order to apply pressure to the employer it usually occurs when collective bargaining has broken down or a workplace safety issue arises. During enterprise bargaining, workers may strike, or refuse to work until certain demands are met. A strike may consist of workers refusing to attend work or picketing outside the workplace so as to prevent or dissuade other people from working in their place or conducting business with their employer. Less frequently workers may occupy the workplace, but refuse either to do their jobs or to leave. This is known as a sit-down strike.

Strike Pay: money paid to workers involved in a strike by their union from a sum especially designated for this purpose.

Strike Vote: a vote, usually required by law, undertaken by union or bargaining unit members, in order to authorize—or withhold authorization from—the union leadership to call a strike should negotiations break down.

Strikebound: a place that is closed or unable to operate as a consequence of a strike.

Strike-breaker: also known as a "scab" or "blackleg", strike-breakers are workers who continue to work despite their fellow employees undertaking a strike. More commonly, strike-breakers are hired by the employer from outside

the bargaining unit and brought across the picket lines of striking workers in order that the employer can continue production during the strike.

Structural Adjustment Program (SAP): refers to a package of “free market” reforms designed to create economic growth and generate income to pay off accumulated debt. Imposition of SAPs has been tied to getting new loans from the IMF and the World Bank for many developing countries, often with disastrous results.

Structuralism: a general approach in various academic disciplines that explores the inter-relationships between fundamental elements of some kind, upon which some higher mental, linguistic, social, cultural etc “structures” are built, through which the meaning is produced within a particular person, system, culture.

Student Union: an organisation of students in a college or university that represents students on academic boards and defends their interests. It often negotiates student discounts for public transportation, promoting social events and helping students find accommodation and providing many other services.

Subcontractor: an individual or in many cases a business that signs a contract to perform part or all of the obligations of another’s contract. A subcontractor is hired to perform a specific task as part of the overall project. The incentive to hire subcontractors is either to reduce costs or mitigate project risks.

Subsidiary: a company that has 50 – 100% of its shares owned by another company or corporation, usually a larger company, and which is legally controlled by that company. Subsidiaries are separate, distinct legal entities for the purposes of taxation and regulation.

Supervisor: one who is in charge of a particular department or unit and exercises authority over others, who oversees the completion of a task or tasks without being necessarily involved in the planning and decision making

Supply-Side: that part of the economy related to the process of production. In the international economy, countries like China, Brazil or South-Africa are considered to be part of the supply-side because their economies are mainly oriented to supplying foreign markets. A supply-side crisis is one caused by lack of supply usually causing an increase in the prices of goods.

Surface Bargaining: a practice wherein a party to negotiations frustrates the process by going through the motions without any intentions of making any meaningful concessions.

Sustainable Development: development that does not deplete the land or its people and allows future generations to live at least as well as the current

generation does. Sustainable practices are ecologically sound, economically viable, socially just and culturally appropriate (??).

Sweatshop: small factory or workshop where workers are underpaid and work long hours under bad conditions. It is common in the textile and clothing industry. Also used as an adjective. *Ex. The metalworkers have been working under sweatshop conditions.*

Systematic Disinvestment: international capital movement of investments to the Third World or Newly Industrialised Countries (NICs) in order to take advantage of the very low cost of labour, escape stringent employment standard laws, and undermine the collective agreements of powerful unions within developed countries.

Takeover: See Acquisition. A takeover can be friendly or unfriendly, also called a hostile takeover. A hostile takeover is a kind of acquisition in which the suitor company plans to replace management, downsize the workforce or liquidate assets of the target company.

Tariff: tax on goods or services entering a country. A tariff is usually put on imports to raise the price of goods coming into a country so that the same goods produced locally are protected.

Taylorism: also referred to as 'scientific management', a set of ideas developed by Frederick Winslow Taylor in 1911 involving simplifying and coordinating the actions of workers to produce maximum efficiency. Taylorism is often mentioned along with Fordism, because it was closely associated with mass production methods in manufacturing factories. It relied upon time and motion studies to find the "one best method" to achieve a goal, i.e., one that removed unrequired extra movements.

Teamster: originally a person who drove a team of oxen, a horse-drawn or mule-drawn wagon or a mule train but it now refers to someone who works as a truck driver. The International Brotherhood of Teamsters (IBT) is one of the largest unions in the US.

Technological Change: the introduction of advanced technology into the workplace which results in an alteration of work often leading to the loss of jobs.

Terms of Trade: the ratio of prices of exports to those of imports. Deteriorating terms of trade mean the price of exports has decreased relative to the price of imports.

Third World: a synonym for countries in the poorest regions of the world – Latin America, Africa, the Middle East and many countries in Asia. The term is still frequently used in this context, although it is an anachronism from the Cold War,

vis-à-vis the First World of capitalist liberal democracies and the Second World of socialist centrally planned economies.

Threshold (on the threshold of something): at the beginning of a new and important time or development. *Ex. The fall of the Berlin Wall occurred at the threshold of a new era in European history.*

Tobin Tax: a tax on international financial transactions proposed by Nobel Laureate James Tobin. The tax would be set at a fraction of one percent, so as to discourage speculation, but not productive investment. It is designed to discourage short-term speculation in currencies

Toll (take its/their/a toll): refers to something that causes damage or a bad effect on something or someone. *Ex. The deepening economic crisis has also taken its toll on the automobile industry.*

Total Quality Management (TQM): a management strategy aimed at embedding awareness of quality in all organisational processes. TQM has been widely used in manufacturing, education, government, and service industries, as well as space and science programs. It aims to satisfy customers by keeping a high level of quality and by eliminating waste and defects from operations, ensuring that things are done right the first time. Though it was originated in the US in the 1940s it gained another dimension in Japan in the 1970s before spreading around the world.

Toyotism: also known as Toyota Production System (TPS) this is a framework and philosophy for organising the manufacturing facilities and their interaction of these facilities with the suppliers and costumers. TPS is a kind of flexible mass production system originating in Japan that emphasises management-worker cooperation (or control), multifunctional labour (flexible worker), total quality control and reduction of uncertainty to eliminate waste and maximize profits.

Trade Balance: also called net exports (NX) this is the difference between a country's exports and imports. It forms part of the balance of payments, which includes other transactions such as the international investment position.

Trade Deficit: when the amount of imports is higher than the amount of exports.

Trade Surplus: when the amount of exports is higher than the amount of imports.

Trade-off: a situation in which you accept something bad in order to get something good. *Ex. For some union leaders, lower wages are seen as an acceptable trade-off to keep the workers' jobs.* It is also a situation in which there is a balance between two opposing or different situations or qualities. *Ex. Union*

activists have to make a trade-off between their political activities and their private lives.

Trade-Related Aspects of Intellectual Property Rights (TRIPs): the agreement under which intellectual property rights were brought into the GATT/WTO negotiations.

Trade-Related Investment Measures (TRIMs): provisions of the WTO agreement which limit the controls member countries can place on foreign investment.

Transnational Corporation (TNC): a corporation with economic activities and operations in two or more nations. It is also known as a multinational corporation (MNC).

Transnationals Information Exchange (TIE): a network of research groups to exchange information among workers created by researchers and union activists who attended the 1977 conference on TNCs and the Third World in Nairobi, Kenya, sponsored by the World Council of Churches (WCC). By the early 1990s, TIE had offices in Amsterdam, Frankfurt, São Paulo, Bangkok, and Detroit. It is considered to be a good example of international union cooperation.

Treasury Bill (T-Bill): the characteristic form of short-term government debt. It is a bond that represents the promise to pay a certain amount of money at a specified time in the future (usually 90 days).

Treasury Bond: an official US government document that shows that someone has lent money to the government which will be paid back in 10 years and on which interest will be paid twice a year.

Treaty: in International law, it is a formal agreement between sovereign states or organisations of states. A treaty ordinarily deals with the rights and duties of nations, but treaties may also grant specific rights to private individuals. GATT and GATS are examples of international treaties.

Trickle-down: situation in which something spreads from the top to the whole of a system. *Ex. One theory of wealth distribution argues that government policies which benefit employers and the wealthy will have a trickle-down effect and distribute income to lower socio-economic classes.*

Tripartism: the ideal represented by formal structures consisting of capital, labour, and the state, whose mandate it is to implement social corporatism.

Truce: temporary cessation of hostilities through the mutual consent of the contending parties for a pre-determined and specified period of time. The term

implicitly suggests that a general or permanent termination of hostilities is unlikely.

TUAC (Trade Union Advisory Committee): recognised as being labour's formal representative to the OECD. It has 39 affiliates from 23 OECD member countries representing around 65 million organised workers. International confederations like the ICFTU, WCL, ETUC, as well as ITS also participate in the work of TUAC. Standing Groups exist on Economic Policy, Multinational Enterprises, Education/Training and Manpower Policy. There are major national centres affiliated from Europe, North-America and Asia.

Turnout: number of people who cast a ballot or go to vote in an election. It also refers to the number of people who are present at an event.

Turnover: the rate at which employees leave a company and are replaced by new people. Also applies to union leadership that is replaced by new leaders. *Ex. The last union elections had a low turnover.* In business it refers to the amount of business a company does in a period of time. *Ex. The company has an annual turnover of US\$ 100,000.*

Unbundling: the process whereby conglomerates sell off their subsidiaries to make them independent companies. This supposedly makes these companies more focused because they are owned and controlled separately. Sometimes the unbundling is not genuine since shareholding is merely rearranged instead of selling taking place.

UNCTAD (The United Nations Conference on Trade and Development): a permanent subsidiary body of the United Nations (UN) established in 1964 as a result of complaints from many undeveloped countries about being disadvantaged in comparison to industrial countries because of the unjust world economic order. It is composed of 192 member states. UNCTAD's decisions require a two-third majority with each state having one vote. However, it can only make recommendations, not binding rulings or decisions.

Underemployment: refers to people who have less work than they want or need, for example, a part-time job, or a low-income job, when they would rather have a full-time job and a better income.

Underpinning: basic idea or foundation that supports something. *Ex. The political underpinnings of the project were quite clear.*

Unemployed: those who are without paid work, while being available for work and actively looking for work. It usually includes people not actively looking for work but on layoff and available for work. The unemployment rate is the number of unemployed workers divided by the total civilian labour force, which includes both the unemployed and those with jobs (all those willing and able to work for

pay). In practice, measuring the number of unemployed workers is notoriously difficult. And it is even more difficult to compare the countries statistics because of the different methods for measuring between countries.

Uneven: not equal, flat or continuous. *Ex. There is an uneven distribution of income within the working class.*

Unicorn: a global unions anti-corruption network based in Cardiff, UK, supported by the TUAC, PSI and ICFTU.

Union Label (Bug): a tag, label, or imprint which is attached to products that are produced through unionised labour. Its purpose is to encourage consumers to buy union made products and avoid non-union products.

Union: trade unions are associations of workers organised by skilled trade, occupation or industry, who act collectively to improve their wages, working conditions, hours and resolve mutual-interest issues.

Union-Basher: someone who strongly criticises unions and tries to reduce their power.

Upstream: the top end of the production chain where the raw material is mined or capital equipment is put into the process in order to convert raw material into something usable.

Upswing: an increase or improvement in something. *Ex. The new measures may bring about an upswing in the economy.*

Usher (in): to bring in a new period with important changes. *Ex. The end of apartheid in South Africa ushered in a new life for the majority of people.*

Value chain: described and popularised by Porter in 1985, the value chain refers to the generic value-adding activities of an organisation. The concept has been extended beyond individual organisations. It can apply to whole supply chains and distribution networks. The delivery of a mix of products and services to the end customer mobilises different economic actors, each managing its own value chain.

Value-Added: refers to the additional value created at a particular stage of production. For example when apples are made into apple juice, or soy beans are converted into tofu this adds value to the original product. Value can also be added by using a type of production process, such as organic farming.

Wage Premium: See Premium Pay.

Wage Structure: an agreement which sets out a number of different wage rates; the pattern of differentials between said rates being the wage structure.

Wage System: the manner in which pay is calculated (hourly, weekly, incentive, piece-work, etc.)

Walkout: See Strike.

Washington Consensus: term used for the group of economic policies and ideas designed initially to deal with the Latin America debt crisis in the 1980s and 90s. It comprises long standing macroeconomic stabilization policies designed by the International Monetary Fund (IMF) and the World Bank's market deregulation ideas in vogue in Washington early in the Reagan period followed by London's zeal for privatising public enterprises. These policy instruments were very convenient for some industrialised countries' aims of market liberalisation, often with the enthusiastic support of local elites.

Watershed: a turning point; an event or period which represents a big change in thinking and behaviour. *Ex. The 1960s have been considered a watershed in political and cultural matters.*

Welfare State: system in which government undertakes responsibility for providing for the social and economic security of the state's population through programs such as – but not limited to – social security benefits, free health care, food subsidies, etc. In many "welfare states", especially in continental Europe, welfare is not actually provided by the State, but by a combination of independent, voluntary, mutualist and government services. The functional provider of benefits and services may be a central or state government, a state-sponsored company or agency, a private corporation, a charity or another form of non-profit organisation. The term was first used during the WWII to contrast wartime Britain with the "warfare state" of Nazi Germany.

Whistle-blower: someone who gives information to an authority about corruption or illegal activities in a company or government.

White Collar Worker: office or clerical worker (bank tellers, secretary, data-entry, etc.)

White Goods: those consumer durables which are white in colour like washing machines, fridges and stoves.

Wholesale: selling of goods in large amounts usually to shops and businesses. It is the opposite to retail.

Wildcat Strike: a sudden strike without the usual warning by the workers and often without the support of the trade unions.

Wintelism: term used to define the shift in competition away from manufacturing, final assembly and vertical control of markets by final assemblers to competition based on control over market standards, operating standards and intellectual property rights. It refers mainly to computer and the electronics sector but also to the auto industry and others. It is considered to be a response by American firms to international competition.

Works Council: a “shop-floor” organisation representing workers which functions as local/firm-level complement to national labour negotiations. There are different forms of works councils in European countries such as Germany, the Netherlands, France and Spain, with different names. The most commonly-examined is the form found in Germany where there is a clearly defined legal basis for the representation of workers. Agreements are made at the national level by national unions and national employer associations, and local plants and firms then meet with works councils to adjust these agreements to local circumstances. Created after WWII in Europe, when firms were weak and trade unions relatively strong, the works councils were established in order to manage industrial relations as a sort of trade-off. This structure made strikes a difficult possibility and even illegal in some circumstances. On the other hand, everything that is related to working conditions is subject to the works councils discussions and meetings. Works councils representatives are frequently appointed to the supervisory board of large companies and play a role in co-managing production organization.

Work-to-rule: also slowdown or slow-wheel. It is a practice wherein workers concertedly obey all laws and rules pertaining to their work, but don't do anything more, effectively slowing down production. A work-to-rule is undertaken in order to apply pressure to, and exact concessions from, the employer. As it is a collective action designed to negatively affect production it is considered to be a form of strike and is usually illegal during the currency of a collective agreement.

World Bank (WB): international financial institution originally known as the International Bank for Reconstruction and Development, the WB was set up after WWII to facilitate the reconstruction of economies in Europe devastated by the war. In later years, it took on the role of providing loans to countries of the South and other developing countries for development purposes. It is based in Washington.

World Confederation of Labour: international trade union confederation of 144 unions from 116 countries with over 26 million members, mainly from Third World countries. Its head office is located in Brussels, Belgium. Founded in 1920 as a confederation of unions associated with the Christian Democratic parties of Europe, it sunk into obscurity in the 1930s when affiliates in Germany, Austria and Italy were suppressed and it lost most of its Eastern Europe affiliates after WWII. It remained independent of both ICFTU and WFTU. The WCL announced plans to merge with the ICFTU in 2006.

World Federation of Trade Unions (WFTU): international trade union organization established in Paris in 1945 in the wake of WWII. After a number of Western trade unions left in 1949, as a result of disputes over support for the Marshall Plan, to form the ICFTU, the WFTU was made up primarily of state-run unions from communist countries and unions affiliated with or sympathetic to communist parties elsewhere. The WFTU has declined precipitously since the fall of the communist regimes in the ex-Soviet Union and Eastern Europe. Its headquarters is in Prague, Czech Republic.

World Systems Theory: theory developed by Immanuel Wallerstein that explores the role and relationships between societies (and the subsequent changes produced by them). It was a response to the many new activities in the capitalist world-economy during the mid 1970s and it is derived from two intellectual sources: the neo-Marxist literature on development and the French Annales School. The World Systems Theory criticises the conception of Dependency Theory based on a bimodal system of world classification. It advocates the belief in the semi-periphery, which created a tri-modal system consisting of the core, semi-periphery, and periphery.

World Trade Organization (WTO): the only global organization dealing with the rules of trade between nations. It was formed in 1995 and its headquarters are in Geneva, Switzerland. As of January 2002, the WTO had 144 member countries around the world. Strongly influenced by the US and other wealthy countries the organisation pursues free trade, liberalisation and privatisation policies worldwide. Its functions include: administering WTO trade agreements; providing a forum for trade negotiations; making rulings on trade disputes; monitoring national trade policies; technical assistance and training for developing countries; cooperation with other international organisations.

Xenophobia: extreme dislike or fear of foreigners, their customs, their religions, etc...*Ex: racism is sometimes described as a form of xenophobia.*

Zero-Sum: a situation in which any gain by one person, country, or other party always means a loss to the other party involved. *Ex. The stock market has been a zero-sum game, in which one party gains what the other loses.*

Zionism: a 19th century political movement which had as its original aim the creation of a country for Jewish people, and which now works to help the development of Israel.

Abbreviations

AI: Amnesty International

BWIs: Bretton Woods Institutions

CAFTA: Central America Free Trade Agreement

CCSCS (Central Coordinadora de Sindicatos do Cone Sul): Supra-national union organisation for the MERCOSUR area

CLS: Core Labour Standards

CSR: Corporate Social Responsibility

EC: European Community

EI: Education International

EEC: European Economic Community

EFTA: European Free Trade Association

EPZ: Export Processing Zone

ETUC: European Trade Unions Confederation

FDI: Foreign Direct Investment

FES: Friedrich Ebert Stiftung

FTA: Free Trade Agreement
FTAA: Free Trade Agreement of the Americas
GDP: Gross Domestic Product
GLU: Global Labour University
GU: Global Unions
GUF: Global Union Federation
HIPC: Heavily Indebted Poor Country
ICEM: International Federation for Chemical, Energy, Mine and General Workers
ICFTU: International Confederation of Free Trade Unions
ICTUR: International Centre for Trade Union Rights
IDL: International Division of Labour
IFA: International Framework Agreement
IFBWW: International Federation of Building and Wood Workers
IFC: International Finance Corporation
IFI: International Financial Institution
IFJ: International Federation of Journalists
IFWEA: International Federation of Workers' Education Associations
ILO: International Labour Organization
ILO-ACTRAV: ILO Bureau of Workers' Activities
ILR: International Labour Rights
IMF: International Monetary Fund
IMF: International Metalworkers Federation
IMS: International Monetary System
IFE: International Political Economy
ITF: International Transport Workers' Federation
ITGLWF: International Textiles, Garments and Leather Workers' Federation
IUF: International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco
JIT: Just-In-Time
LDC: Least Developed Countries
LPG: Labour Policies and Globalisation
NAFTA: North American Free Trade Agreement
NAIRU: Non-Accelerating Inflationary Rate of Unemployment
NGO: Non-government Organization
NIC: Newly Industrialised Country
NIEO: New International Economic Order
OPEC: Organization of Petroleum Exporting Countries
Oxfam: Oxford Committee for Famine Relief
PRP: Poverty reduction papers
PSI: Public Services International
R&D: Research and Development
SMU: Social movement unionism
SPD: Social Democratic Party (Germany)
TNC: Trans-national Company
TUC: Trade Union Congress (UK)
UNCTAD: The United Nations Conference for Trade and Development

UNI: Union Network International
UNICORN: United Against Corruption Network
WB: World Bank
WC: Washington Consensus
WCL: World Confederation of Labour
WFTU: World Federation of Trade Unions
WTO: World Trade Organization
WWII: World War II

Sources:

Cambridge Advanced Learner's Dictionary

Canadian Labour Congress – Labour Related Definitions – Local 110

COSATU Winter School – Political Economy Course (Glossary)

Elmer Social Science Dictionary

Locomotive Engineers (Glossary)

LPG 2004-2005 - Texts, Documents and Documentary Searches

Real Alternatives Information Network (UG Glossary)

Wikipedia

Internet Websites

Union Research Networks and Projects

Cyber Picket Line (World Trade Union Directory) - www.cf.ac.uk/socsi/union

Global Labour University - www.global-labour-university.org

Global Union Research Network (GURN) - www.gurn.info

International Centre for Trade Union Rights (ICTUR) – www.ictur.labournet.org

International Federation of Workers' Education Association – www.ifwea.org

UNICORN - www.againstcorruption.org

International Union Confederations

European Trade Union Confederation (ETUC) – www.etuc.org

International Confederation of Free Trade Unions (ICFTU) - www.icftu.org

World Confederation of Labour (WCL) - www.cmt-wcl.org

World Federation of Trade Unions (WFTU) - www.wftu.cz

Global Union Federations

Building and Wood Workers - www.ifbww.org
Chemical, Energy, Mine - www.icem.org
Commerce, Finance, Telecom, Tourism (UNI) - www.union-network.org
Education - www.ei-ie.org
Food, Agricultural, Hotel, Restaurant, Catering, Tobacco - www.iuf.org
Journalists - www.ifj.org
Metalworkers - www.imfmetal.org
Public Services - www.world-psi.org
Textiles, Garments and Leather - www.itglwf.org
Transport - www.itfglobal.org

Other Labour

European Industrial Relations Observatory - www.eiro.eurofound.ie
Human Rights for Workers - www.senser.com
International Labor Rights Fund - www.laborrights.org
Labor Notes – www.labornotes.org
Labour Start (international labour news) – www.labourstart.org
Maquila Solidarity Network - www.maquilasolidarity.org
Trade Union Advisory Committee to the OECD - www.tuac.org
Union Ring - www.geocities.com/CapitolHill/5202/unionring.html
Women Working Worldwide - www.poptel.org.uk/women-ww

International Organisations

Amnesty International - www.amnesty.org
European Union - www.europa.eu.int
ILO-ACTRAV - www.ilo.org/public/english/dialogue/actrav/index.htm
International Finance Corporation (IFC) - www.ifc.org
International Labour Organisation - www.ilo.org
International Monetary Fund - <http://www.imf.org>
OECD - www.oecd.org
United Nations Conference for Trade and Development - <http://www.unctad.org>
World Bank - www.worldbank.org
World Trade Organisation - www.wto.org

Social Movements / Observatories / ONGs

Attac - www.attac.org
CEE Bankwatch Network - www.bankwatch.org
CorpWatch (Transnational Resource & Action Center) - www.corpwatch.org
Focus on the Global South - www.focusweb.org
Independent Media Center - www.indymedia.org
Institute for Agriculture and Trade Policy - www.tradeobservatory.org
Oxfam - www.oxfam.org
SOLIDAR (Alliance of NGOs) - www.solidar.org
SUNS – South-North Development Monitor - www.sunsonline.org
War on Want – www.waronwant.org

World Social Forum - www.forumsocialmundial.org.br

Private Institutions and other international initiatives

Friedrich Ebert Stiftung (FES) - www.fes.de

UN Global Compact - www.unglobalcompact.org

Business

Business in Europe - www.unice.org

Codes of Conduct – www.codesofconduct.org

Currency Boards and Dollarization - <http://www.dollarization.org>

European Centre of Enterprises - www.ceep.org

European Chambers of Commerce - www.eurochambres.be

European Industrialists - www.ert.be

International Chamber of Commerce - www.iccwbo.org

International Organisation of Employers - www.ioe-emp.org

Glossary Lists

Agriculture and Environment - <http://www.agtrade.org/glossary.cfm>

Business and Investments - <http://www.investopedia.com/dictionary>

<http://www.investorwords.com>

Online Encyclopedias

www.wikipedia.org

www.encyclopedia.com

www.answers.com