

# Globalisation, crises and sharing economy

## 1. The basics

**Deindustrialisation:** the reduction of industrial activity or capacity in an economy.

**Financialisation of the economy:** financial capitalism developing since the 1980s with financial markets prevailing

**Free trade:** international trade without restrictions.

**Globalisation:** global integration and interdependence of economies through inter-change of ideas, cultures and goods.

**Liberalism:** belief in organised economy along individual lines without a government trying to control it. It supports **free markets** and **private ownership** of capital assets.

**Transition(al) economy:** the shift from a centrally planned economy to a market economy.

**Rogue capitalism:** the **exploitative capitalism**, or **wild capitalism**, that fails to pay for the rent of the natural and social capital it derives its excessive profits from.

**Shareholder value (maximisation):** a much-criticised form of capitalism measuring a company's success according to its ability to enrich shareholders.

## 2. New trends

**Sustainable development:** a form of economic development based on renewable energies, without depletion of natural resources.

**Sharing economy:** a **hybrid market model** through the **community-based mutualisation** of goods and services meant to improve society.

**Social entrepreneurship:** **start-up companies** and entrepreneurs who develop, fund and implement solutions to social, cultural, or environmental issues indulging in for-profit endeavours while generating a positive "return to society".

**Solidarity economy:** **non-profit** initiatives to improve the quality of life of a community. Considered a reaction to the **shareholder-dominated** economy, it aims at humanising the capitalist economy.

**Uberisation:** a term derived from the company name **Uber** whose phone app enables consumers to buy services from local drivers using their own vehicles – and a way to respond to the **underutilisation of existing assets** or human resources with very low transaction cost.

► **Looking further:** tariff, trade barrier, restrictive quota, state-owned enterprise, alter-globalisation, cultural exception, Westernisation, standardisation, Americanisation, basic income, benefit corporation, flexible purpose corporation, collaborative consumption, peer-to-peer economy, social economy, fair trade

## Facts and figures

### 1. Economic and financial crises: a timeline

**1929:** the Stock Market Crash (known as **Black Tuesday**, October 29, 1929) marked the beginning of the Great Depression; **1999-2000: Dotcom bubble** (collapse of technology- and Internet-related stocks along with that of related **dotcom companies**); **2007-2008: global financial crisis** (worst crisis since the Great Depression; it saw large financial institutions, like **Lehman Brothers**, go bust in the "**subprime crisis**"; **2008-2011: Icelandic financial crisis** (best explained in the movie *Inside Job* by Charles H. Ferguson in 2010); **2008-2010: Irish banking crisis** (the Irish government spent €64 billion euros to bail out major banks on the verge of bankruptcy); **2008-2010: automotive industry crisis** (General Motors, Chrysler and Ford bailed and the 2009 "stimulus package"); **2009-?: Greek government-debt crisis** (shed light on the structural weaknesses of the Greek economy and on general tensions within the EU); **2014: Russian financial crisis**; **2015-2016: Chinese stock market crash**

### 2. International bodies and treaties

**World Economic Forum:** a Swiss non-profit foundation devoted to public-private cooperation; it is known for its annual conference in Davos, Switzerland.

**The World Trade Organisation (WTO):** an intergovernmental organisation that replaced the **GATT** in 1995, in charge of regulating international trade and enforcing agreements.

**The North American Free Trade Agreement (NAFTA):** an **agreement** ratified by Canada, Mexico, and the United States in 1994; it sets the principles of a trilateral bloc without barriers to trade and investment.

### 3. A few movements

**Occupy Wall Street (OWS):** a protest movement initiated in September 2011 in the Wall Street financial district as a reaction to the apparent impunity of the financial gurus who plunged the world into chaos.

**Anonymous:** a catch-all name for an international network of several "hacktivist" entities defending freedom of speech and denouncing abuses here and there (and early supporters of OWS).

**World Wide Opportunities on Organic Farms – aka Willing Workers on Organic Farms:** a network of national organisations that facilitate placement of volunteers on organic farms. Australia has the most host farms and enterprises (2,600) while the US and the UK count respectively 2,052 and 688.