ENGLISH PRACTICE Material 2-12-2020

Section One Reading

Article A: globalization

1. For many, the surprise of finding a McDonald's outlet in Moscow or Beijing provides no greater symbol of the spread of globalization. Used to explain all manners of economic, cultural and political change that has swept over the world in recent decades, globalization is a term that continues to cause intellectual debate. Some see it as inevitable and desirable, but it is a contentious issue with an increasing number of individual citizens around the world questioning whether or not the implications of globalization, in terms of international distribution of income and decreasing poverty, are effective.

2. The beginning of globalization is inextricably linked to technological improvements in the field of international communications and a fall in the cost of international transport and travel. Entrepreneurs and power-brokers took advantage of these advances to invest capital into foreign countries. This became the basic mechanism for globalization with the trading of currencies, stocks and bonds growing rapidly.

3. Breaking down the barriers through the free movement of capital, free trade and political cooperation was seen as a positive move that would not only improve living standards around the world, but also raise political and environmental awareness, especially in developing countries. Predictions were that nations would become more outward-looking in their policy-making, as they searched for opportunities to increase economic growth.

4. Roles would be assigned to various players around the globe as capital providers, exporters of technology, suppliers of services, sources of labor, etc. Consequently, countries and economies could concentrate on what they were good at and, as a result, markets would experience increased efficiency.

5. The process of economic globalization was without doubt led by commercial and financial power-brokers but there were many others who supported the integration of world economies. As multinational companies searched for new work-forces and raw materials, non-government organizations and lobby groups were optimistic that in the wake of global business, indigenous cultures might be given a reprieve with an injection of foreign capital. This would, in turn, provide local employment opportunities.

6. By spreading trade more evenly between developed and developing nations, it was touted that poverty would decrease and living standards would rise.

7. Governments saw the chance to attract multinational companies with tax-breaks and incentives to set up in-country, effectively buying employment opportunities for their constituents.

8. By the late 1990s, some trepidation started to surface and globalization faced its most public setback. The spectacular economic collapses in Korea, Brazil, Thailand and other countries were considered, rightly or wrongly, to be caused by the outwardly-oriented trade policies that globalization espoused such as the growth of exports. These countries had enjoyed record growth for a relatively short time, but when faced with difficulties, the growth appeared unsustainable. The vulnerability and risk associated with reliance on exports and international markets was made clear.

9. Meanwhile though, through the 1990s and early 2000s, multinational companies continued to do well financially. Profits were increasing, keeping shareholders happy, but the anticipated spin-offs were not being felt at the workers' level or in local communities in the form of increased employment. These successful companies did not want to share the benefits of the increased efficiency they were receiving as a result of introducing their own work practices.

10. The multinationals were setting their own agendas, with governments, in many cases, turning a blind eye fearing that they might pull out and cause more unemployment. Free trade was now accused of restricting governments, who were no longer setting the rules, and domestic markets felt increasingly threatened by the power that the multinationals had.

11. The negative consequences of globalization have now become a concern for many protest groups in different nations. If the concept of globalization was meant to benefit all nations, they say, then it has failed. Rich countries, like America, continue to grow richer and more powerful with many of the head offices of multinationals based there. The economies of some developing countries though, especially in Africa, are making only negligible if any progress in the war against poverty. As a result, protestors are confronting the advocates of globalization on their own doorstep as power-players meet at economic summits in already-globalized cities.

12. The International Monetary Fund (IMF) maintains that globalization has succeeded in establishing a more equitable share of world trade and remains optimistic that the gulf between rich and poorer nations, given the right conditions, will be considerably lessened in the future. They point out that no country can afford to opt out of globalization and, indeed, would be foolish to attempt to do so.

13. They maintain that 'non-globalizing developing countries' have made slower progress than 'globalizing developing countries' in the past two decades. Moreover, they suggest that developing countries with huge debts be assisted so that their economies can catch up with richer countries and integrate more effectively at an international level.

14. Regardless of what IMF affirms, if the benefits of globalization are to be more evenly spread, the goal of reducing world poverty needs to be re-prioritized. If this means imposing rules and standards on multinational companies that are acceptable internationally, then this will need to be done sooner rather than later. At this stage, the multinationals and their shareholders appear to be the only winners. The backlash against globalization has already begun.

1. Question

YES if the statement agrees with the writer's opinion
NO *if the statement does not agree with the writer's opinion*
NG *if the writer's opinion is not given in the text.*

27. Technical advances were vital in the growth and expansion of globalization.
28. World economic growth increases if countries concentrate on what they do best.
29. Motivated by employment opportunities, foreign governments invited multinational companies to their shores.
30. Outward-oriented government policies alone could not guarantee globalization's success.
31. Multinational companies have grown in size, but the local workers are not happy with their conditions.
32. An increasing number of protests in developing nations reflects concern for the negative by-products of globalization.
33. The IMF supports globalization and encourages all countries to globalize.
34. The shareholders of multinational companies are likely to contribute towards a more even distribution of wealth.

A. Multinational companies can provide local and regional communities with economic support.
B. The rewards of globalization have not been shared evenly.
C. Globalization will spread world trade more evenly.
D. The multinational companies' success is due to the introduction and implementation of good work practices.
E. All countries participate effectively in globalization.
F. Multinational companies are given too much autonomy.
G Reducing world poverty should be one of the main aims of globalization.
H Foreign debts are limiting the participation of developing countries in globalization.

Article B: Expanding Internationally: Grow As You Go

1. Large companies usually take advantage of the enormous potential of international markets. They simply budget for the expansion, and spend the necessary sums to build the infrastructure to support future revenue. Entrepreneurs, on the other hand, have limited resources, few connections, and tight budgets. When they go global, they need to be convinced that they are doing the right thing. They also need to believe and respect one guiding principle: grow as you go. In other words, you must finance global expansion as global revenue comes in--and not before.

2. News like this could terrorize a lot of entrepreneurs. Why go global at all? One reason for many entrepreneurs is that they must. Three years after the founding of our company, Evolutionary Technologies International Inc. (ETI), a large company approached us, saying, "Who represents you in Europe? We're ready to buy." At that time, in 1994, we had annual revenue of just $3.5 million. We quickly realized that we had to sell in markets outside the U.S. because of the nature of our product. Our software improves the consistency of data across entire computer systems. If we were selling applications particular to the U.S.--a package, say, for calculating documents for the tax system--it would not have been necessary to go overseas.

3. These days, entrepreneurial companies are more likely to be selling products used across geographic boundaries. By entering international markets, even very small companies can increase revenue significantly--as much as 50 percent can come from international markets. They can open their doors to global customers, which buy locally rather than from vendors based only in the U.S. And they can boost market share. Getting into foreign markets requires a minimal up-front investment, as well as decisions about which markets to enter and how best to do business in each--directly or through distributors. The following guidelines will help entrepreneurs to make their job easier and more efficient.

4. Getting Started When ETI decided to enter the global arena, we quickly decided to start in Europe. As a rule, small companies should select a first-priority region and focus on building operations there, rather than expanding into all regions at once. Europe was a good choice for ETI, as it is very large and technologically sophisticated. In addition, customers in Europe require the least amount of adjustments to ETI's software product. In entering Europe, I assumed responsibility for leading the charge.

5. This is another going-global basic for entrepreneurs: you try to assign one person to be responsible, ideally with a commercial background, international experience, and familiarity with small companies in general and your company in particular. With an overseer on the domestic front, it is better to hire a local manager to guide you through the machinations particular to each area. These might include accounting issues, such as how to record revenue (in Europe, it's best to transfer revenue to the U.S. where it's taxed at a lower rate), as well as prospecting and local hiring. Our European manager is a Frenchman. We gave him profit-and-loss responsibility.

6. Direct or Distributor? With both domestic and local managers in place, a company must then decide whether to do business directly in a given country or to work through distributors. The Case for Selling Directly In our case, in Europe, the decision was easy. Our product requires a good deal of support, and we were concerned that distributors wouldn't provide optimal care and satisfaction for our customers. So we chose to sell directly. Working through our local manager, we hired only a few people at first and only as revenue came in. In this way, we were able to reduce our risk, assure positive cash flow, and pay for the expansion. The strategy worked. With a staff of 48, our European operation now accounts for 28% of ETI's revenue of between $35 million and $45 million.

7. The Case for Using Distributors In foreign markets, however, what works best in one area of the world doesn't always work best in another. Although ETI needs to support customers, we discovered that we couldn't sell directly in Japan. Preparing to enter that market this year, we are currently selecting several distributors. As a very "foreign" place in which to do business, Japan isn't receptive to outsiders. The Japanese tend to buy from other Japanese. Its language serves as an additional barrier. If you haven't been there and done that, there is a lot to learn. Selling directly can be too costly, and you could be excluded. To get into Japan, we also turned to an American consultant to identify potential resellers. Our consultant is paid according to his/her results. He will receive a percentage of the revenue generated. If you don't have this expertise, don't be shy about buying from the outside.

1. True or False?

a. Large international companies have more opportunities and greater capital to enter the global market than entrepreneurs
b. The expression "grow as you go" means that you have to become old in order to become global
c. Small companies expanding overseas can increase their profits considerably
d. According to the writer, when companies decide to globalize they must expand into many foreign countries at the same time

e. ETI has never used distributors. It has always preferred to sell directly both in Europe and in the world

2. Answer the questions (Comprehension):

a. What is the difference between a domestic and a local manager?
b. What is the problem with the Japanese market?
c. Why did ETI decide to become global?

3. Answer the questions (language):

"tight budgets" means:
A. little money spent B. little money to spend C. no money to spend

2. "Entrepreneurs" are:
A. Actors B. Businesspersons C. Speculators

3. When you found a company you:
A. discover it B. move it C. find it D. create it

4. Among the following words, 2 are synonyms of "revenue"
A. capital B. banknotes C. profits D. cash E. earnings

5. What are the synonym and opposite of the word "vendors?"

6. The verbal expression "boost market share" means:
A. decrease market share B. increase market share C. limit market share D. divide market share

The nominal and verbal expressions "hire, hiring, hired" refer to the semantic field of:
A. car rental B. job recruitment C. professional career

4. What words and expressions in the text mean the same as:

a. amount, total, quantity (n. pl,)
b. probable, possible (adj.)
c. become bigger or greater in amount (v.)
d. in advance (adv.)
e. option, selection (n.)
f. responsibility (n.,)
g. supervisor (n., IV)
h. register, write down (v.)
i. something which is lost (n.)
j. worried, preoccupied (v.)
k. attention, supervision (n)
l. personnel, crew, team (n.)
m. found, learned of (v.)
n. advisor, counsellor (n.)
o. Proficiency, skill (n)

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