

# BUSINESS STUDIES

## and Financial Justice



**Certain decisions taken with the goal of promoting business can impact negatively on many people, both in Ireland and elsewhere.** That is why it is important that we bring a sense of ethics and morality to Business Studies, and to our future careers!



**“Taxation is key to increasing our legitimacy and ability to make our own decisions.”**

Mary Baine, Commissioner General,  
Rwanda Revenue Service, 2009<sup>1</sup>



Countries are **losing a total of \$483 billion** in tax a year to global tax abuse committed by multinational corporations and wealthy individuals

(Tax Justice Network)<sup>2</sup>



**Unpaid care and domestic work** is valued to be 10 and 39 per cent of the Gross Domestic Product and can contribute more to the economy than the manufacturing, commerce or transportation sectors (United Nations)<sup>6</sup>



**The world's richest 1%** have more than twice as much wealth as 6.9 billion people

(Oxfam)<sup>3</sup>



34 of the world's poorest countries are spending **5 times more on debt** payments a year compared with what they're spending to address climate change (Jubilee UK)<sup>7</sup>



Globally, women earn 24 percent less than men and **own 50% less wealth**

(Oxfam)<sup>4</sup>



**Earth Overshoot Day** marks the date when humanity's demand for ecological resources and services in a given year exceeds what Earth can regenerate in that year. In 2021, it fell on July 29 (Overshootday.org)<sup>8</sup>



**“GDP doesn't tell us** whether health care, education, and the wealth of the natural world are being built up or plundered”

(The World Bank)<sup>5</sup>

1 [https://actionaid.org/sites/default/files/nds\\_report\\_-\\_final\\_version.pdf](https://actionaid.org/sites/default/files/nds_report_-_final_version.pdf)

2 <https://taxjustice.net/reports/the-state-of-tax-justice-2021/>

3 <https://www.oxfam.org/en/what-we-do/issues/extreme-inequality-and-essential-services>

4 <https://www.oxfam.org/en/what-we-do/issues/extreme-inequality-and-essential-services>

5 <https://openknowledge.worldbank.org/handle/10986/29001>

6 <https://www.unwomen.org/en/news/in-focus/csw61/redistribute-unpaid-work#notes>

7 <https://jubileedebt.org.uk/press-release/lower-income-countries-spend-five-times-more-on-debt-than-dealing-with-climate-change>

8 <https://www.overshootday.org/>





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### KEY CONCEPTS



## FINANCE

concerns the flow of money, of capital



## ECONOMICS

concerns the distribution of resources

### The 'race-to-the-bottom'<sup>1</sup>:

A competitive situation where a company, state, or nation attempts to **undercut** the competition's prices and attract investment by **sacrificing quality standards** or **worker safety** (often defying regulation), or **reducing labor costs**.



#### Scenario

An MNC is considering setting up a factory in a country.

It is looking for the best way to maximize profits. A meeting has been arranged with representatives of a number of countries where they are considering locating their factory. Your country desperately needs jobs and investment in the economy. But how far are you prepared to go to win them over...?

### Linear v. Circular Economy:

Which do you prefer?

#### LINEAR ECONOMY



### The 4 Rs of Taxation:

#### Revenue

Governments need tax revenue to be able to fund essential services, like healthcare, education and roads.

#### Redistribution

Governments use taxes to help make sure there is a more equal distribution of wealth within the economy. They do this by taxing higher incomes at higher rates (above a certain level).

#### Repricing

Governments place a tax on certain items to either encourage or discourage their use. For example, cigarettes and alcohol have extra taxes, and electric vehicles have reduced taxes.

#### Representation

This means that the citizen is only required to pay taxes if the taxing authority, such as the government, provides them with a political voice through elected representatives.

<sup>1</sup> <https://www.investopedia.com/terms/r/race-bottom.asp>

## CLASSROOM BASED ASSESSMENTS: IDEAS

### 1. Business in Action



#### Enterprise

Fair trade tuck shop  
Clothing swap shop



#### Economics in action

Carbon tax: The pros and cons  
Overseas Development Aid:  
How are we doing?



#### Finance in Action

Investigate the financial challenges facing social enterprises and non-profit companies  
Investigate one multinational company's global organisation structure  
What are the positive and negative impacts on Ireland of a Multinational Corporation (MNC) locating here?

### 2. Presentation

- Clonakilty - Ireland's first fair trade town.
- The 'library of things': Could borrowing everything from drills to disco balls cut waste and save money?
- The carbon tax and fuel poverty in ethnic minorities: How to implement climate positive policies in a just way?
- Community wealth building: What is it, and how do we do it?
- The NU Wardrobe: An example of the circular economy in action.
- The Rediscovery Centre: An example of the circular economy in action
- Thriftify: An example of the circular economy in action#
- The Dublin Food Co-operative: How does it operate?
- Voting with our pockets - can shopping ethically change the lives of people around the world?
- Environmental policies: How Ireland led the way in introducing charges for plastic bags.
- Clann Credo: What is it and how it is financed?

