**Theme 3 – The Global Economy**

**Key Terms List**

|  |  |
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| 3.1 Globalisation | |
| Index number |  |
| Nominal value |  |
| Real value |  |
| Purchasing power parity |  |
| Technology transfer |  |
| Open economy |  |
| Closed economy |  |
| Creative destruction |  |
| Trade liberalisation |  |
| Foreign Direct Investment (FDI) |  |
| Trade bloc |  |
| Tariff |  |
| Quota |  |
| Trade creation |  |
| Trade diversion |  |
| The Common Agricultural Policy (CAP) |  |
| Protectionism |  |
| Subsidy |  |
| Bilateral trade agreement |  |
| SPICED |  |
| Austerity |  |
| 3.2 Economic factors in business expansion | |
| Market saturation |  |
| R&D |  |
| Off-shoring |  |
| Supply chain |  |
| Outsourcing |  |
| Product lifecycle |  |
| Capacity utilisation |  |
| Niche market |  |
| Mass market |  |
| Corporation tax |  |
| Ease of doing business |  |
| 3.3 Impact of globalisation on global companies | |
| Globalisation |  |
| Glocalisation |  |
| Ethnocentric |  |
| Geocentric |  |
| Polycentric |  |
| Reverse innovation |  |
| Culture |  |
| Values |  |
| Joint venture |  |
| Standardisation |  |
| Customisation |  |
| Sub-culture |  |
| Long Tail |  |
| 3.4 Global labour markets | |
| Structural change |  |
| Capital account |  |
| Current account |  |
| Profit repatriation |  |
| Transfer pricing |  |
| The Shareholder model |  |
| CSR |  |
| Sub-contracting |  |
| Lobbying |  |
| Voluntary code of conduct |  |
| Pressure group |  |
| 3.5 Global labour markets | |
| Birth rate |  |
| Mortality rate |  |
| Urbanisation |  |
| Knowledge economy |  |
| Underemployment |  |
| Human capital |  |
| Derived demand |  |
| Voluntary unemployment |  |
| Occupational immobility |  |
| Monopsony power |  |
| 3.6 Inequality and redistrubition | |
| Absolute poverty |  |
| Relative poverty |  |
| Child poverty |  |
| Lorenz curve |  |
| Income redistribution |  |
| Gini coefficient |  |
| Quality of life |  |
| NGO |  |
| Crowdsourcing |  |
| Deprivation |  |
| Social mobility |  |
| Dysfunctional society |  |
| Short-term contracts |  |
| Zero-hours contracts |  |
| OECD |  |
| Tax evasion |  |
| Progressive tax |  |
| Poverty trap |  |