

Transnational Corporation Activity

There is a competition among countries to entice US-based corporations to select them as a destination for their future businesses. This is due to policies (in the foreign country) which may be more financially favorable than those found in the United States.



Rules and procedures

1. Choose any country (not the United States). You are the decision-maker for that nation
2. Select starting point from Part II, Part III and Part IV. Add them all together
3. Engage in multiple rounds of bidding on Part I. Keep track of “lowest” bids.
 - ↳ **Lowest bid = +25 points, 2nd lowest bid = +50 points, 3rd lowest bid = +75 points**
 - ↳ You can be the lowest bid twice with no penalty, BUT for every 3 (or more) lowest bids your country’s people will rise up and you will have a **REVOLUTION. With each revolution, subtract 200 points!**
4. Recalculate based on changing conditions within the game
5. Engage in more rounds of bidding.
6. Final recalculations – including adjustment to account for Most Favored Nations status and current stability issue – and see who the five corporations select!

PART I – Minimum Wage

<u>Minimum wage</u> <u>per each hour</u>	<u>“Friendly to Capital”</u> <u>points received</u>
\$5.00	– zero points
\$4.75	– 10 points
\$4.30	– 15 points
\$4.25	– 20 points
\$4.00	– 25 points
\$3.75	– 30 points
\$3.50	– 33 points
\$3.25	– 37 points
\$3.00	– 40 points
\$2.75	– 43 points
\$2.50	– 46 points
\$2.25	– 49 points
\$2.00	– 52 points
\$1.75	– 55 points
\$1.50	– 58 points
\$1.25	– 61 points
\$1.00	– 64 points
\$0.85	– 67 points
\$0.75	– 70 points
\$0.65	– 73 points
\$0.55	– 76 points
\$0.45	– 79 points
\$0.35	– 82 points
\$0.30	– 85 points
\$0.25	– 88 points
\$0.20	– 91 points
\$0.15	– 94 points
\$0.10	– 97 points
\$0.05	– 100 points

PART II – Environmental Laws

<u>“Friendly to Capital”</u> <u>points earned</u>	<u>State of the environment</u>
zero points	– Environmental laws are tied to other countries
15 points	– Many environmental laws, strictly enforced
33 points	– Few environmental laws in place, enforced
66 points	– Many environmental laws, loosely enforced
77 points	– Few environmental laws, rarely enforced
88 points	– No environmental laws

PART III – Child Labor Situation

<u>“Friendly to Capital”</u> <u>points earned</u>	<u>Child Labor situation</u>
zero points	– Child labor below age 16 is illegal, strictly enforced
15 points	– Child labor below age 16 is illegal, weakly enforced
30 points	– Child labor below age 16 is illegal, not enforced
50 points	– Child labor below age 14 is illegal, strictly enforced
70 points	– Child labor below age 14 is illegal, weakly enforced
85 points	– Child labor below age 14 is illegal, not enforced
100 points	– There are no child labor laws

PART IV – Tax rate your government (foreign country) will enforce

<u>“Friendly to Capital”</u> <u>points earned</u>	<u>Corporate taxation rate enforced</u>
zero points	– A tax rate of 35%
30 points	– A tax rate of 20%
60 points	– A tax rate of 10%, but tax credits will be considered
100 points	– 0% taxes for five years, and will gain tax credits.