

Sustainability is a term that describes the capacity to endure. Sustainable development advocates resource use that aims to meet human needs and at the same time ensuring the sustainability of natural systems and the environment. The UN Global Compact Management Model represents management thinking for translating the UN Global Compact (a global leadership platform for the development and implementation of responsible and sustainable corporate policies and practices) principles into realistic business practice, based on the belief that by explicitly considering sustainability topics it is possible to widen a company's view on risks and opportunities, thus facilitating longer term value creation.

Fair Trade is an organized social movement which aims to help producers in developing countries obtain better trading conditions and promote sustainability. It advocates the payment of a higher price to producers as well as social and environmental standards.

Hyperglobalization

Hyperglobalization refers to the rapid rise of trade integration, while the dematerialization of globalization describes the rising importance of services rather than physical products. With hyperglobalization, world trade has grown way faster than the world GDP. The fragmentation of manufacturing across borders is obvious - individual production stages are operated in locations where costs are the lowest. This can happen since modern technology allows successive stages of production to NOT be physically contiguous (i.e. second unbundling). There is also a significant increase in the number of multinational corporations and the flow of foreign direct investment FDI. In fact, FDI flows have been growing substantially faster than the GDP. It is further believed that hyperglobalization has been associated with the most dramatic turnaround in the economy of major developing countries such as China, Brazil, India ...etc. China in particular is playing a critical role in defining the future of globalization since its economy is almost as large as that of the US in terms of purchasing power parity (today China is being considered as a mega-trader).