

## Strand: **Our Economy**

### Globalisation and Our Economy

#### **Learning outcomes in focus**

##### **Students should be able to:**

**Our Economy 3.7** Debate the implications of globalisation of trade, including the benefits and challenges of international trade

#### **Learning intentions\***

##### **We are learning to:**

- understand and describe the activities of a particular global company
- understand and appreciate why a global company locates in Ireland and the benefits of it locating here
- be able to present information to attract and communicate to an audience

This task was completed after seven classes (40 minute periods) which covered the theory of globalisation and TNCs. This task was partly completed at home as home work. Students spent one class period (40 minutes) assembling their work into posters to display on the classroom wall. Students were required to use a computer and textbook to research their information. They could complete the task using a computer but this was not a requirement for success as not all students have access to a computer. This was an individual task.

#### **Teaching and learning context**

Students will be introduced to the concept of what Globalisation is and what effects it has on Ireland. The term 'Transnational Company' will also be covered by the students in great detail. The students will be able to apply theory to a real company so they can demonstrate they can understand it in a real-world scenario. Students will learn the importance of TNCs to the Irish economy

and what the benefits the company and the country can gain from globalisation and TNCs.

The students will be:

- Introduced to the concept of a "Globalisation" and its definition
- Introduced to Interdependence and its importance for them and the country
- Identify a number of TNC's that are located in Ireland
- Recognise a number of products and services offered by TNC's located in Ireland
- Evaluate the benefits for Ireland of TNC's and globalisation
- Evaluate the benefits for a TNC of locating in Ireland

#### **Task**

Create a poster which profiles a Transnational Company (TNC) based in Ireland.

#### **Success Criteria\*\***

**SC1:** Create an attractive poster for our target audience

**SC2:** Demonstrate an understanding of the terms 'globalisation' and 'interdependence'

**SC3:** Describe the activities of a TNC of their choice

**SC4:** Investigate the benefits to the company and the Irish economy of a TNC locating in Ireland

**SC5:** Use the language of business in a simple and clear way for the target audience

\* What the student should know, understand and be able to do at the end of the lesson or series of lessons

\*\* Summary of the key steps the student needs to fulfil in order to achieve in the task

## PRIMARK

**Headquarters:** Dublin  
**CEO:** Paul Marchant (Sep 13, 2009–)  
**Founder:** Arthur Ryan  
**Founded:** June 1969, Dublin  
**Revenue:** 5.347 billion GBP (2015)  
**Net income:** 673 million GBP (2015)

The company's first store was opened by Arthur Ryan on behalf of the Weston family in June 1969 in Mary Street, Dublin, under the name Penney's. Success in Ireland led to expansion to the United Kingdom, and the company opened a large store in Belfast City Centre in 1971 and one in Derby, England, in 1973. The company could not use the name "Penney's" in Europe outside Ireland because J. C. Penney had the name registered. The name "Primark" was then invented to use outside Ireland.

In October 2011, Primark opened its first concession model: Primark is now stocked in Selfridge's department stores in Trafford Centre, Manchester, in The Bull Ring, Birmingham, and in Oxford Street, London. Like Primark, Selfridges is a subsidiary of Associated British Foods.

Primark opened its current international headquarters in 2015 in a redeveloped Dublin building, Arthur Ryan House, formerly Chapel House.

**How Primark has benefited from Ireland**

- Low tax rate (12.5%)
- We speak English as our first language
- Excellent transport
- Highly skilled work force

**Draw backs**

- Exploitation of workers
- Export of profits
- Uncertainty
- Environmental issues

**How Ireland has benefited from having Primark**

- More jobs
- More money for them to spend
- More different collections of clothes

**Locations**

Primark own over 290 stores. The largest Primark store is located on Market Street, Manchester, England, occupying 155,000 sq ft (14,400 m<sup>2</sup>) of retail space across three floors.

Primark expanded rapidly in the UK in the mid-2000s. In 2005 they bought the Littlewoods retail stores for £409m, retaining 40 of the 119 stores and selling the rest.

In May 2006, the first Primark store outside Ireland and the United Kingdom opened in Madrid, Spain. After 10 years of constructing a chain around 40 stores in Spain, Primark opened another store in Madrid in October 2015, the second biggest in the chain.

In December 2008, Primark opened in the Netherlands, followed in 2009 by Portugal, Germany and Belgium. Primark opened its first store in Austria on 27 September 2012 in Innsbruck. It expanded to France in 2013, in Marseille. The first Italian store opened in 2014. Primark opened its first store in the United States in 2015 in Downtown Crossing, Boston, in the location that was once the flagship store of Filene's.

Primark is located in different countries including, Austria, France, Spain, Germany, Italy, Ireland, Portugal, U.K., U.S. and Belgium

Globalization: globalization refers to the growing integration of the world's economies

**Benefits/ advantages of Primark in other countries**

- Direct inward investment
- Helps domestic firms
- Multinational pay taxes on their profits which can boost government revenues
- International trade
- National reputation
- Providing employment
- Increasing choice

**Products**

Primark offer a diverse range of products, including newborn and children's clothing, women's wear, men's wear, home ware, accessories, footwear, beauty products and confectionery. The company sells clothes at the low cost end of the market below average prices. Along with retailers such as Zara and H&M, Primark contributes to the contemporary fast fashion trend. According to an article about Primark in *The Economist*, "For many shoppers, Primark has an irresistible offer: amazing trendy clothes at amazingly low prices. The result is a new and even faster kind of fast fashion, which forces consumers to buy heaps of items sometimes even the same ones to use when the first ones worn out, discard them after a few wears and then come back for another batch of new outfits.

Primark have created a cosmetics line called "PS Pro" which has been praised by many beauty bloggers for its high quality and low price.

**Service**

Primark gives customer services. They answer frequently asked questions, including: refunds and exchanges, Primark gift cards, customer surveys, garment care and stock queries

**Interdependence:** the dependence of two or more people or things on each other

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## Teacher annotations using the success criteria

The annotations capture observations by the teacher, using the success criteria, with a view to establishing the level of achievement this work reflects. The annotations and judgments were confirmed by a Quality Assurance group, consisting of practising teachers and representatives of the Inspectorate, the State Exams Commission and the Junior Cycle for Teachers support service.

### The student fulfilled all success criteria as they:

This student fulfilled most of the success criteria to a high standard.

This student could improve further by including better images and by highlighting headings so they are more visible. This would make it more attractive and clear to the target audience. The student must ensure all information is relevant.

**Overall judgement:**  Above Expectations