



## **Economic Polarization and Negative Mediatization—Re-Focus on the Positive Sustainable Economic Models in the 21<sup>st</sup> Century**

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**Key Words:** economic polarization, digital communication, blue and circular economy, mediatization, social justice, sustainability

### **Objectives and Scope of Work**

The purpose of this paper, which is currently being researched, is to examine the role of *negative media*, all the alarming reports and devastating impact of unsustainable economic models such as the dominance and hegemony of Multi-National Corporations (MNCs), most of them harnessing a power and influence on par or beyond that of many nations. The environmental impact and footprint of most MNCs on our planet in the context of globalization has led to exacerbated social, cultural and economic polarization. This has resulted in unprecedented social injustices, such as exploitative labor, child labor, slavery-like manufacturing practices, human trafficking, deplorable housing condition, lack of sanitation and health and low wages. As these multi-national corporations expand, they find it economically lucrative to grow their global foot-print, exploring advantageous conditions such as fiscal and taxation incentives, low marginal costs, including low wages to ensure labor productivity. Functioning in a globalized market economy, where supply chain management is paramount to achieve “just-in-time” delivery and scale, a lot of these collateral damages to local communities is due in part also an “outsourcing” business modus operandi. One would argue that the MNC contracting services in the supply chain is partly responsible and for any injustices caused by the business model itself. A sort of



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ascending liability should be invoked for all the side effects caused by such corporations to local communities. Some argue that among the visible and tangible downsides of such a dominant business giants, local communities die, unemployment among youth and other age groups is prevalent, resource are being depleted and cash is flowing out of many countries. These economic models are designed for profit not for people (Branson, 2012). Not that profitability is intrinsically wrong, but the effects on society are disruptive and detrimental. Furthermore, the convergence of economic power has created a concentration of political influence in society which is reflected nationally and globally. The resulting influence of the private sector has also manipulated global economic, political and public thinking and established an unsustainable, consumerist culture. These “corporations rule the world” argued Shimon Peres, former president of Israel, at the World Economic Forum a few years ago. He went on to say that “governments will wake up without occupations because the economy is global and they are national”. It is therefore no novelty that corporations have been and remain under a lot of pressure to become more transparent and assume their corporate social responsibility (CSR). For instance Rute has identified up to seven key stakeholders as a result of CSR experiences and practices in Portugal, such as: the environment – call for action for environmental impacts management and responsibility before future generations; government and society stakeholders – call for political transparency and social leadership; the consumers and customers stakeholders- the call social dimension of consumption; the community – the engagement of corporations with social action, the local community, voluntarism, etc.; the suppliers—a more responsible selection and supply chain management and partnership type relationship is encouraged; the workers as key stakeholders—a call for individual rights, respect, mutual dialogue, participation , dignity, etc.; and lastly, the call for transparency and values—a sort of self-



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regulation of conduct and transparent interaction with society (Rute, et al, 2005). As we know, utter disregard of some of the above measures have resulted in mediatic scandals and fines imposed for some of these corporations.

Mediatization of these injustices by the various forms of communication, including the social media has led to reputational risks and damages for some of these corporations (Caroll, 2013). When it comes to social media bubbles and polarization some studies indicate that the influence of such mediums of communication are not as impactful as one would assume (Boxell, Gentzkow, Shapiro, 2017). Such most recent studies do not diminish the importance of the rise of digital technologies and platforms, and that they may account for some polarization but not in a significant way. Other studies need to be evaluated as part of this research.

Nevertheless, the current paper is also trying to evaluate the importance of spreading the positive news, the re-focusing on the good work achieved so far in fighting social injustices and poverty; I am wrestling with the question: did the progress made by corporations in becoming more accountable, transparent and involved in Social Corporate Responsibility (SCR), repair some of their reputation, etc. led to decreased polarization and better perception by the public? Is this the alternative? Is this just another cost of doing business in a world where digital communication and social networks can scrutinize better ethical business practices and principles? Or is there another alternative?

My paper is also trying to also examine the emerging sustainable economic business models that do not deplete local resources and respond to basic needs of communities and respects their dignity and may result in a catalyst for change, increased solidarity and less polarization. Therefore, I will be reviewing new explorations and the progress made by the blue economy (circular economy—whose tenets were adopted by the European Commission in 2014 and



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in November 2018 the first global Blue Economy Summit was held in Kenya sponsored by the Government of Canada and Japan), vs. the green economy and contrasted with the red economy, the old model and dominating model of doing business (since the Industrial Revolution). This emerging economic model is defining economic sustainability as regaining and harnessing the capacity of responding to the *basic* needs of all people with the resources that are already available locally (Pauli, 2010). The power of entrepreneurship, including local initiative (so a bottom-up approach) can then result in building the national capital. Such systems result in the creation of new jobs, increased national revenues, without exploiting local communities and the environment and focusing on long term sustainability.

Additionally, as a PhD candidate, I am also researching the role of the “affect” and how *affective capitalism* is being employed by corporations to reach out to consumers and affect perceptions. For this paper, I am mostly focusing on the “economic” aspects of polarization in society, aspects of mediatization and wish to examine alternative positive solutions to the problem.

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