**GLOBAL BUSINESS MANAGEMENT**

**GLOBALIZATION**

Globalization is the process by which businesses or other organizations develop international influence or start operating on an international scale.

International business refers to the trade of goods, services, technology, capital and/or knowledge national borders and at a global or transnational scale. It involves **cross-border** transactions of goods and services between two or more countries. International business is also known as **globalization**.

**GLOBALIZATION OF BUSINESS**

Globalization refers to the changes in the world where we are moving away from self – contained countries and toward a more integrated world.

Globalization of business is the change in a business from a company associated with a single country to one that operates in multiple countries.

**According to International Monetary Fund (IMF)**

Globalization is the growing economic Interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services of international capital flows and also through the more rapid and widespread diffusion of technology.

**RECENT TRENDS IN GLOBALIZATION**

There are several major trends pertaining to globalization, which consist of: demographic, scientific, governance, economic interdependence.

* Population trends - Decreasing population in developed countries, while increasing population in developing countries, and increased life expectancy
* Science and technology - Includes the Internet and other computer components as well as GPS, genetically modified food, etc.
* Increasing integration and interdependence - Includes all areas of economic life as well as an increasing exchange of products and services across national borders through trade
* Governance - How national and international laws govern the economic activity and transnational institutions.

These trends are often interdependent and cannot be easily separated. The various factors associated with trends in globalization, has been shown to affect population growth. In addition, advances in technology can have significant impacts on society. Technology has allowed global commercial transactions to take place at increasingly faster rates, and at greater volumes across national borders. This has also led to other challenges regarding global commerce, which involve the complex coordination, interaction and compliance of current international and domestic laws. The information in Section IV., includes literature, as well as news, and statistical sources that assist with researching trends in globalization

**IMPLICATION AND IMPACT OF GLOBALIZATION**

Globalization is commonly charged with being responsible for increasing inequality and falling wages in certain sectors of industrialized economies, as lower-skilled jobs are shifted offshore.

* Promote far-reaching international alliances through expanded educational programs and research collaborations
* Increase the global awareness of students, faculty, and staff by creating a campus environment that enhances and supports cultural diversity

Globalization creates greater opportunities for firms in less industrialized countries to tap into more and larger markets around the world. Thus, businesses located in developing countries have more access to capital flows technology, human capital, cheaper imports, and larger export markets.

The impact of globalization on business can be placed into two broad categories: Market Globalization and Production Globalization.

**Market Globalization**

Market globalization is the decline in barriers to selling in countries other than the home country. This change will make it easier for your company to begin selling products internationally, since lower tariffs keep consumer prices lower and fewer restrictions when crossing borders makes it easier for a company to enter a foreign market. It also means that companies must consider other cultures when developing their business strategies and potentially adjust the product and marketing messages if they aren't appropriate in the target country. This may not be an issue in the camera industry, but a hamburger company entering India would definitely need to revisit their product and strategies to be successful!

**Production Globalization**

Production globalization is the sourcing of materials and services from other countries to gain advantage from price differences in different nations. For example, you might purchase materials and components for your cameras from multiple countries and then assemble the product in yet another international location to reduce your costs of production. This change should lead to lower prices for consumers since products cost less to produce. It also impacts jobs, since production may shift from one country to another, usually from more developed countries to less developed countries with lower average wage rates.

**POLICY OPTIONS OF GLOBALIZATION**

The process of globalization involves the transnationalisation of production and capital which gives rise to global trade.

**Transnationalism and the Nation – state**

The relationship between the two phenomena integral to globalization and the two corresponding phenomena of international capitalism. It is obvious that nation-states still exist and constantly interact with global financial and trade organizations such as the International Monetary Fund (IMF) The world Bank, and the World Trade organization (WTO) it stands to reason then that nation-states are still relevant in a globalized world.

**Capitalists, Political Power and the Transnational Working class**

Another important consideration in class information in class formation in the new approach of globalization is the rise of the transnational working class. NAFTA is crucial to global capitalism. It has open borders to the free flow of goods and facilitated the movement of production plant to Mexico, where labor power is much cheaper than it is in the United States NAFTA has been aboon to the transnational corporation and to transnational capital which also can move freely across borders.

The danger of political reactions could also come from the transnational capitalist with support from the international capitalist.

**LIBERALIZATION**

Liberalization the loosening of government controls. Although sometimes associated with the relaxation of laws relating to social matters such as abortion and divorce, Liberalization is most often used as an economic term. In particular, it refers to reductions in restrictions on international trade and capital.

**LIBERALIZATION AND INTEGRATION WITH THE GLOBAL ECONOMY**

Economic liberalization refers to the reduction or elimination of government regulations or restrictions on private business and trade. For example the European Union has liberalized gas and electricity markets, institute a competitive System.

LPG stands for Liberalization, Privatization, and Globalization. India under its new Economic Policy approached international Banks for development of the country. These agencies asked Indian Government to open its restrictions on trade done by the private sector and between India and other countries.

Through the process of globalization business enterprises in developed countries develop new markets, new expertise is achieved, and efficiency increased to global levels. The liberalization of 1991 has exposed the Indian companies, which were under protection for over decades, to the process of globalization.

**PRIVATIZATION**

The transfer of ownership, property or business from the government to the private sector is termed privatization. The government ceases to be the owner of the entity or business. The process in which a publicly-traded company is taken over by a few people is also called privatization.

**PRIVATIZATION IN INDIA**

Post- independence India had adopted a very conservative economy tha was practically shut to the outside world. But as time went by, Indian leaders and economists recognized the need to merge with the global economy. So in 1991, India went through some very major economic reforms. Let us focus on one such aspect of the reforms – privatization in India.

**IMPACT OF PRIVATIZATION IN INDIA**

Privatization has a positive impact on the financial growth of the sector which was previously state dominated by way of decreasing the deficits and debts. Privatized enterprises provide better and quick services to the clients and help in improving the overall infrastructure of the country.

The privatization of SOEs in transition economies increases employment and productivity. The probability that firms export increases due to privatization, primarily because their attitudes about risks and profits change. Privatization may lead to a virtuous cycle among productivity, exports and employment.