

Chapter 1

GLOBALIZATION

Learning Objectives:

- Understand the meaning of the term ‘globalization’
- Learn About the drivers of globalization
- Know the Introduction and Outline
- Discover the value of the global economy’s transformation
- Comprehend how globalization impacted pros and cons
- Recognize the opportunities for intelligent resources and business growth through better management

Introduction

The Focus on the World: The Early Years of International Business:

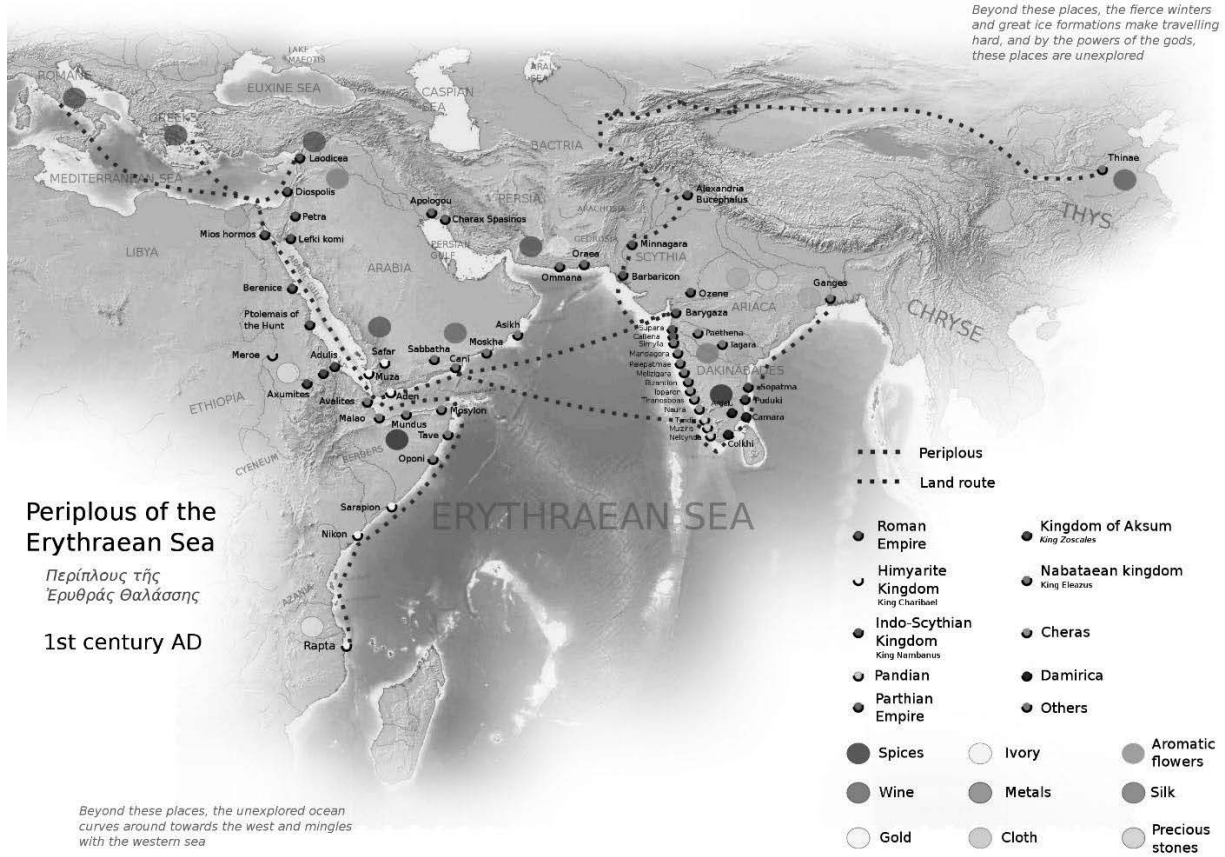
Globalization is, in simple terms, the creation of a global market where sooner or later, all countries become participants. It defines the monetary amalgamation of and interdependence of sovereign nations through a global marketing system. Thus, the effect of globalization on culture surpasses ethnic and demographic barriers. From the United States to Europe and Africa and Asia, globalization provides a fresh meaning and personal identity to people inhabiting this earth.

The international economic order is moving away from a state of closed isolationism to a universal trend of open competitiveness. The days of over protection, that filled the hearts and minds of nationalist citizens who take pride in their products, are behind us. For instance, in the initial period of independent India, the undisputed leader of the freedom struggle, Mahatma Gandhi, endorsed the use of Khari clothes, made from hand-spun cotton rather than the machine-made soft cotton promoted by the British. Also, during the early phase of their migration from England and rest of Europe, settlers in America established niche markets for their own goods and ignored foreign goods and ensure minimal use of such goods.

In the current milieu of globalization, firms have a great social responsibility that they are often subjected to critical examination on the nature of their business ventures. In the world of business, all the stakeholders including consumers, employees, investors, government, and communities nurse high expectations, and expect the firms to carry on ethical and socially accountable trade practices. Hence, it becomes necessary and useful for entrepreneurs, managers, political leaders and economic experts to recognize the way nations depend on each other adopt programs that accommodate divergent economic philosophies. Emerging market economies generally register outstanding progress, though determining the exact reasons for such growth is not easy growth, considering the constraints of this analysis.

Glimpses of World Trade: Globalization is not a replacement phenomenon; it has been developed and established since the sixteenth century. Established empires that are at the forefront within the early second millennium engaged in business via land and sea. Even throughout the foregone recent centuries, countries like China, India, Iran, and Saudi Arabia have let the way in carrying on multiple trade exchanges with Western nations. This means that economic science and politics have been around together between for a protracted period.

Empire building during the last 3000 years was intimately linked with the attempts to monopolize global trade. Those from Spain and Portugal captured trade routes from the Mediterranean rulers during the fourteenth to sixteenth centuries. Thereafter, these routes fell into the hands of the British, Dutch, and French powers. Major parts of the world that began as ‘economic’ colonies (controlled by the three European powers and divided among them), later became political colonies (including North America).

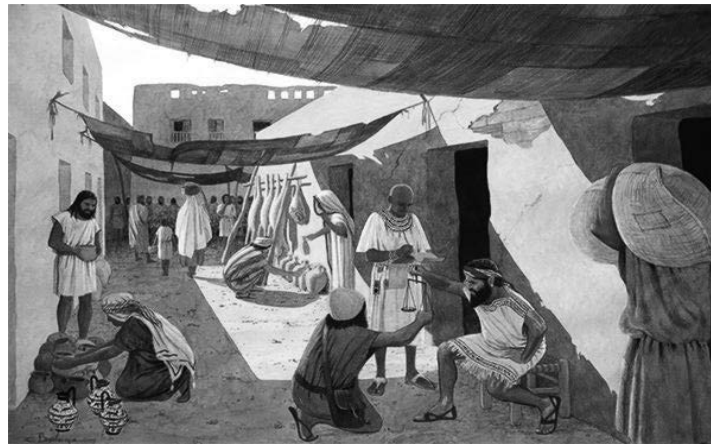
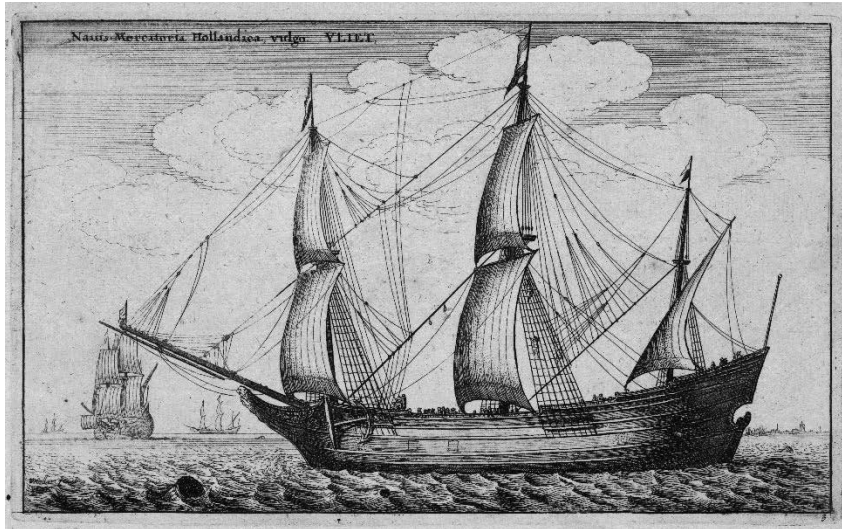


Not very long ago, Indian commodities were transported in Arabian vessels to Aden and the cargo was shipped regularly as a segment of the trade between India and Egypt.

Transportation was by camels, through the deserts; Sea routes were also used to ship goods, precious metals and condiments.

Typical transactions were made in narrow alleys that can still be seen in many countries' villages or small towns and even in cities' outskirts.





Several wars were waged in Europe and rest of the world for control of commercial interests, trade routes, and safeguarding trade monopolies. Mercantilism being the propulsion behind the promoting of new innovated and made export of products became the quality by that a country's industrial and economic strengths were measured. By virtue of such activities, together with the commercial revolution, before the nineteenth century began, the United Kingdom became the unquestioned global economic power due to control of key exports. Economic Historians who analyze the economic angle have come up with a bundle of factors to explain British tread supremacy. These include greater technological advances, innovative practices in textiles, coal, iron, and steel industries, harnessing of steam power, and dislocation of the agricultural sector to meet the growing needs of the fast-growing industrial sector. Other aspects were the popularity of the Protestant ethics and abundant riches plundered from colonies it colonies around the world. It is noteworthy that by the middle of the nineteenth century, Britain accounted for 40 % of the world's exported manufactured goods.

Globalization is also the creation of a global market in which it eventually becomes imperative that all countries must participate. It describes the economic integration and interdependence of sovereign states through global markets. Therefore, the impact of globalization on culture transcends racial and demographic boundaries. From Europe to the United States via Africa, globalization continues to give people new meaning in their personal identities.

Apart from the human migration, modern international economic assimilation is greatest ever and is set to grow further.

Gone are the days when protectionism permeated the hearts of all nationalist peoples who were proud of its products. In the early days of India's independence, the leader of the independence movement,

Mahatma Gandhi, promoted Khadi fabrics made from man-spun cotton instead of the machine-made soft cotton encouraged by the British. Also, early in their migration from England and Europe, Americans created niche markets for themselves and avoided outside products, and minimized consumption of those.

In the present day's global environment, companies have such a large social aspect that they are critically questioned about their business activities. In the business world, expectations are high for consumers, workers, investors, communities, governments, and other stakeholders to engage in socially responsible business practices. Therefore, it is in the interests of entrepreneurs, executives, politicians, and economists to understand the interdependence of nations and to assume measures to adapt to diverse economic philosophies. Emerging market economies are experiencing remarkable growth, but it is a difficult task to find out why they are growing, taking into account the limitations of this discussion.

The global market brings a variety of elements in the form of goods, people, and cultural practices that are heavily influenced by social and religious ethos. This chapter first provides an understanding of some of the many identifiable areas of world religions and their businesses and readers' understanding of the origins of civilization from several thousand centuries ago to the present day. A country's social responsibility enables it to be broadened and deepened. As a means of survival, people engage in innovative activities or ways of survival that can be traced to a wide range of traits, from risk aversion to personality traits, education, human capital, and unemployment. But religious beliefs usually, may not be associated with economic activity such as entrepreneurship.

However, according to David B. Audretsch, scholars dating back to Adam Smith and Max Weber claim that religion plays a fundamental role in shaping individual behavior to build their finances. Therefore, each religion affects individuals in different ways and it is our responsibility to investigate or study the consequences of such stimuli.

The development of civilization and also the somewhat total blockade of compliance showed courage, power, and advancement to the liberated consumers of the many countries that were of course beneath colonial rule. For example, within the mid-70s, in underdeveloped countries, switch from Bicycles to motorcycles; stoves to gas stoves; the comfort of refrigerators began to emerge leading to an entirely new business prospect. This massive rush resulted in the emergence of worldwide markets for standardized buyer preferences. Nearer to the present new fact, corporations reap massive economies of scale in manufacturing, sales, advertising, and management.

Contemporary and Past Reflections

Many scholars and International Business Academicians, feel that deliberations pertaining to current standardized geo-centric definitions based on expansive writings shared by many authors may not present precisely the arguments one could embrace with most modern thoughts on globalization. The first postulation is globalization is an indisputable phenomenon that characterizes our development era, a phenomenon that human society is compelled to comprehend because, for the first time, it calls into question human society's survival and evolution. The second is that globalization, as a socio-historical occurrence, revealed itself first as a concept, then as a practical necessity, becoming a strategy for the formation of a single market.

This market spreads across a vast surface that engulfs states, regions, and continents reminding us of Thomas Friedman's 'World is Flat' metaphor. A level playing field for those in the market wherein all competitors, using resources, commerce, except for labor, have an equal opportunity. Amidst all these, IB has identified itself as the removal of obstacles to international movements of goods and services, technology, etc., is perceived as a global unit. It broadens the environment in which international businesses (IB) can thrive. It has promoted the expansion of industries to far-flung places yet ensured that quality products with wide-ranging varieties are produced with the best resources and competitive prices.

1. Universal populace must first understand the operational relationship with the environment. This would enable the companies to function in a friendlier atmosphere with a diverse and complex social setting in different parts of the globe.

2. Non-business decisions need to be taken as they are related to economic growth, employment, consumer prices, national security, etc. Therefore, a thorough understanding of IB helps in making more informed decisions that guide us in accepting the standard government policies that will be useful in dealing with IB challenges.

In spite of all the rave reviews, it may be premature to contend that this is the best way to promote global businesses. Some inexhaustible arguments have been made by many scholars, like Friedman, Peter Begley, Charles Hill, Radebaugh, and Sullivan yet Sunanda Sen, a professor in economics disagrees with the mainstream conception of the success of globalization in terms of growth and productivity only. She explained her views in many points of discussion. We will elucidate her arguments later in this chapter.

1. A few centuries ago, it was the Aristocrats and commoners who remained in this standing from birth to demise. Economic process these days is a way off from similar processes, that prevailed within the past few centuries. It has been a qualitative amendment for society, economy, establishments, and world order that generated a four-tier structure of society consisting of super-rich billionaires, rich-multi-millionaires, and well-to-do middle class or socio-economic class and the marginalized. Irony in this idiosyncratic nature of the society remains transitional as opportunities arise and intelligence and intellectualism prevailed, even the commoners or the marginalized were able to change their status into higher echelons of the system.

Individuals from all walks of life whose higher cognitive capabilities to attain essential credentials to enter Indian Institutes of Technology (India), Massachusetts Institute of Technology, Stanford University, Oxford, and alternative academically exceptional establishments everywhere the world, have achieved greatness jumping from the individual standing to super-rich billionaires. Barriers were broken through psychological feature talents and also the creative and innovative configuration of some. With the same factors in mind, the optimism of worldwide integrated markets leads us to believe that this has higher returns in many ways.

2. Distinctive character of today's economic process additionally lies in geopolitical reality. It includes the hegemonic perspective of one over a lot of nations (in specific the United States), over the remainder of the world. This form of government attracted alternative nations, to name a few, Russia, China, and oil-rich Arab countries, in particular, Saudi Arabia. They shaped their own oligopolies to regain an advantage over other nations. However, the interdependent nature of the global business created them to be creatures of habit driven by survivalist constraints and have dissuaded them to incline towards a greater degree of collaboration and to search out reciprocally agreeable solutions to attain their own goals to counterpoint themselves. This didn't, essentially, infuse a spirit of comprehensive cooperation however, an ephemeral acceptance of the new world order.

Sporadically, varied dependable indicators have assured us that economic reciprocity is on the increase since the twentieth century. Presently, a quarter of the global production is sold outside the country wherever it's originally produced. Restrictions on imports are reduced and output from foreign countries has increased. This makes it arduous to measure the extent of an economic process one can envision. However, globalization is less pervasive than what it seems to be. It's economic and non-economic magnitudes that are inspired by varied influences. For example, the size of the countries, per capita income, and variance among economic process aspects are a couple of factors that reveal certain commonalities.

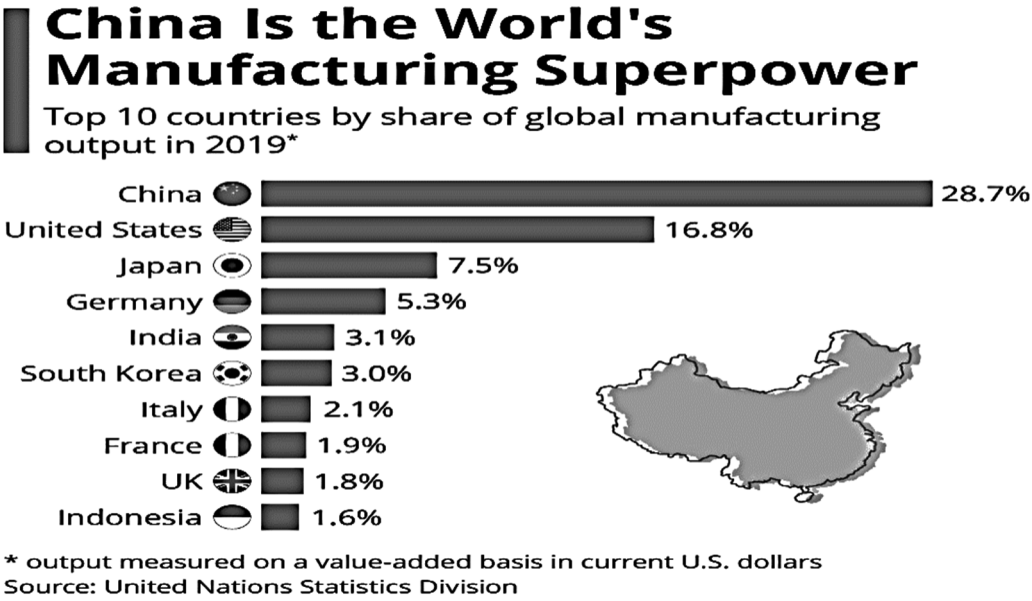
Stockholder Trade-offs

Managers' decisions on how to interact with different types of laws and cultures are very often influenced by globalization. Critical social issues need to be addressed as well as the shared value of companies doing their best to increase their profits. Stakeholders are concerned about increased sales, production, and profits, employees are looking for safer and better-paid workplaces, customers want quality products at reasonable prices and, ultimately, the company wants more support from quality services provided to them by managers. This clearly tells us that socially significant groups need to be considered from both a short-term and a long-term perspective.

As we noted in our case, different customers have different tastes and choices based on cultural and religious identities. In addition, there are always pressures from various stakeholders regarding profits, long-term employment together to attract businesses, also to increase the tax base. New opportunities for new entrepreneurs in the form of franchises would be an attractive incentive to expand markets to provide raw materials, components, and other materials necessary to ensure timely production of products (supply chain) while minimizing the cost of goods sold.

Sunanda Sen counters the past and contemporary reviews by prominent authors, Sunanda makes her 8 points.

As reported by Felix Richter, data released by the United Nations Statistics Division, China is credited with 28.7% of the international output of manufactured goods in 2019. This places China over 10 % points more than the USA, which boasted of the world’s number one position in the sector of manufactured goods till China surpassed it in 2010.



Source: United Nations Statistics Division

Significance of International Institutions: (UNO, GATT/WTO, IMF, WB ASD): Globalization in recent years matches the fast pace of market driven policies in most economies. Developing economies are driving hard to join the advancing economies. Because the competitive spirit has driven deep into the mindsets of governing leaders of many advanced and developing nations is becoming a catalyst for comparative growth. Though each country has its policies based on the historically established standards which have placed socio-political norms to govern the trade policies. However, as the global nations have their disputes pertaining to restrictive trade, they could seek arbitration from the World Trade Organization (WTO), a world body originally founded as GATT in 1947, following World War II.

After World War 2, United Nations was established due to the need for global institutions to support this giant mission.

Contemporary and Past - Counter Arguments

Sunanda Sen a world famous professor in economics, disagrees with many famous economists and her arguments are presented below:

1. With perpetual world problems close to the global business community, several have chosen to establish a centralized body for dispute resolution and was headquartered in Geneva, Switzerland

since 1995. This was necessitated subsequent to major economies, such as the U.S.A., Germany, France, and the U.K. faced intense competition from developing East Asian countries requiring them to expand their territories in global markets to further their own cause and gain greater advantages as major economies, but not necessarily for the advances of developing countries.

2. The global spread of Information and communication technologies (ICT) very fast paced technological innovations have expanded globally in a more accelerated pace (and their global spread of the technology in recent decades) added a new pattern to the current, market-driven innovation. Dissemination of information whereby the growth of medium-sized industries advances towards their goals of increasing production and ultimately reaches the advancing nations which on numerous occasions have hindered their growth to maintain their supremacy, as in the colonial days. Beyond beliefs, it leads to a viable question of whether the disadvantaged should stay the same and the rich should get richer.
3. Today's technology frequently works against the interests of labor. Blue collar insignia would keep them bound to the lower echelons of the social construct! These ideas should not be misconstrued as socialist; rather, every hardworking individual should have an equal opportunity to survive with dignity and self-esteem. The advancement and application of technology is to meet the ever-increasing needs of the world's population. This technological innovation makes use of many financial and intellectual resources that are available in various countries, and they must collaborate in order to produce goods that can be sold both domestically and internationally. Technology did not help them but another category of Science and Technology, Engineering and Mathematics (STEM) class of workers took over and had the better end of it.

Unless the organizations or manufacturers redesign the processes enabling average workers who could learn to enter the advanced skill category, it will always be that the blue collar insignia will be difficult to erase. But if one believes in the degree of satisfaction in whatever standard one accepts, it could be their choice. Certainly, it is not a national or local phenomenon but a global phenomenon in which none can take pride.

4. Unless organizations or producers redesign the processes that allow an average worker who could learn to fall into the advanced skills category, it will always be that workers' signs will be difficult to erase. But if you believe in meeting the standard you accept; it could be your choice. Of course, this is not a national or local phenomenon but a global phenomenon that no one can brag about.
5. The premise that technology has worked against workers is based on this argument. Technological advances applied in industries, often replace work rather than create greater job openings with more attractive terms. While the growth of technology has been a tool to increase profits and benefit businesses in many ways. As mentioned above, it is the advanced skills that many lack and are deprived of attaining due to local, state, and national conditions which may or may not provide the necessary funds to obtain a higher science education.

For example, India in some cases encourages disadvantaged people to pursue higher education in engineering and science. To be optimistic, parents will prepare their pupils to study subjects that they could not at the beginning of their life.

6. Globalization implies an integration of markets not only for goods and services but also with the free and fast-paced international financial flows. With information technology controlling every aspect of banking and finances, customers should find it speedier to complete transactions. For some, it may not be as easy but the millenniums are increasingly fortunate to manage their banking accounts within the clasp of their Palms. This is making the world a smaller place to live but with caveats of threatened life existence as well.
7. There remain the dimensions of the dominance of finance in the global economy which is linked to the continuing privilege of the dollar as the major hard currency in circulation. One must agree with this observation because China is against the dominance of the US dollar because firstly it concedes major advantages to those who engage in dollar exchanges in global currency markets; secondly, it eases the complexity of transactions associated with trade albeit in limited volumes.

8. A staggering inequality under present-day globalization, not only across but also within nations, an aspect which sounds as an antithesis to the so-called harmony and prosperity for all those who advocate globalization. These inequalities are mainly due to the subversive nature of transactions that circuitously enable the MNCs to obtain an advantage over the growing and smaller economies. As an example, buying products from weak economies concealing the names of the actual buyer (country)

Opening the discussion, we tend to raise ourselves a repeat question; what's globalization? With some contradictory thoughts from scholars, however, students and readers will gain transparency on the contradictory incidence that swamped the academicians to gain consensus on whose thoughts are more acceptable. To start with, we'll agree on some definitions of Globalization,

It brings together a well-knitted industrial nations' integration, crossing barriers to make the best use of resources; material, human, financial, and technological research to gain maximum returns.

Globalization as a convergence of multi-national entities that cross the barriers of territory, culture, religion, and political ideologies to produce goods and services that serve respective countries and their people and to further the cause of investors to gain profitable returns.

However, many authors consider common definitions such as follows.

"Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture. Put in simple terms, globalization refers to processes that promote worldwide exchanges of national and cultural resources."

"Advances in transportation and telecommunications infrastructure, as well as the upward jolt of the Internet, are the most important factors in globalization, resulting in greater interdependence of financial and cultural activities."

"Globalization is the shift from a local workforce to a competitive global workforce, requiring all people to compete across the world for the availability of jobs."

Globalization and International Business are somewhat intertwined with other factors such as external environments that affect the operations carried out in IB because most of the environmental differences are problematic since some stories about the failures are not quite true and these have to be measured against the domestic opportunities and risks. These physical, institutional, and competitive factors have to be properly understood as they influence many different business operations that are responsible for success in international scenarios.

International Business (IB) and Operating Approaches

IB Operations: Identifying appropriate modes of operation is crucial to International business. The tangible products of merchandise exports and imports are those which are sent out of and brought into the country. These visible goods bring in the major share of revenues and help with the expenditures. Service exports and imports are of a non-merchandise nature and they are the Invisibles. We can also discuss tourism and transport, services (turnkey operating and management contracts), and asset use (license fees, license agreements, and franchises).

Investments refer to dividends and interest from overseas transactions, and such overseas investments mean ownership of the property in exchange for financial income, and this can be direct or a portfolio.

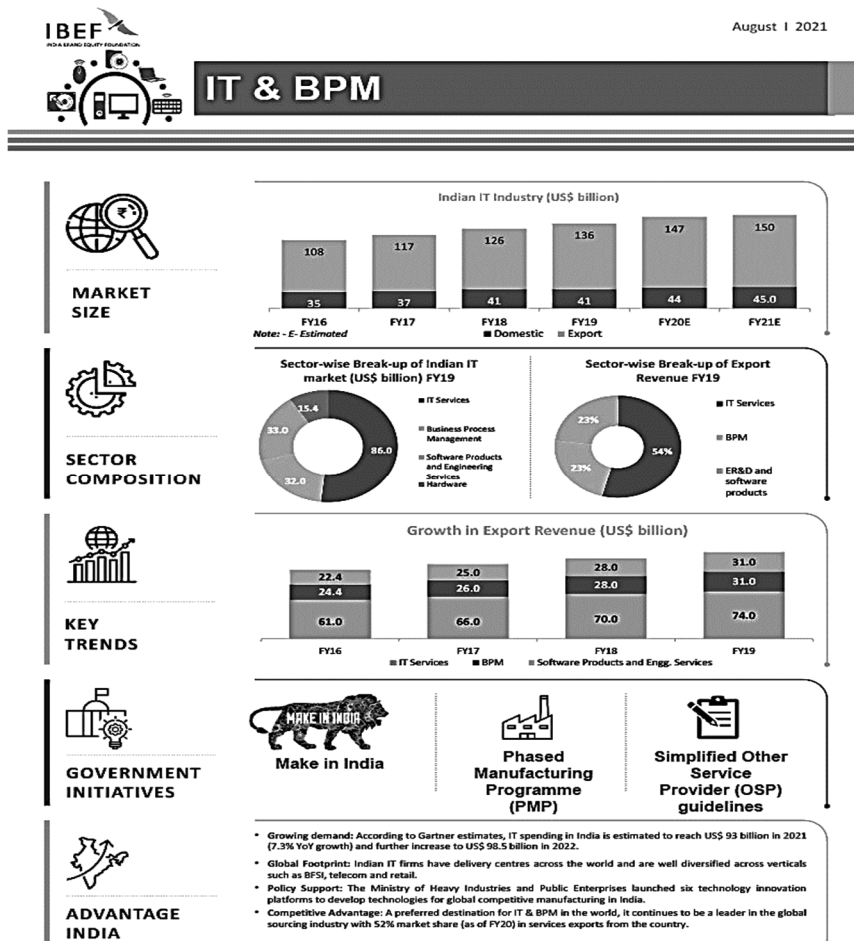
Physical factors: These refer to the geographical features that may act as barriers (mountains, deserts, jungles, and land-locked areas). The populations of different countries are different in many ways, especially, in education, age distribution, density, and life expectancy. Himalayan ranges have been a barrier to other eastern countries from entering India and to the USA, the Atlantic Ocean and distance has been a protective barrier from the European countries, especially Germany in early to mid-twentieth century. Which may not be a barrier now because of the advanced Air Forces of other nations.

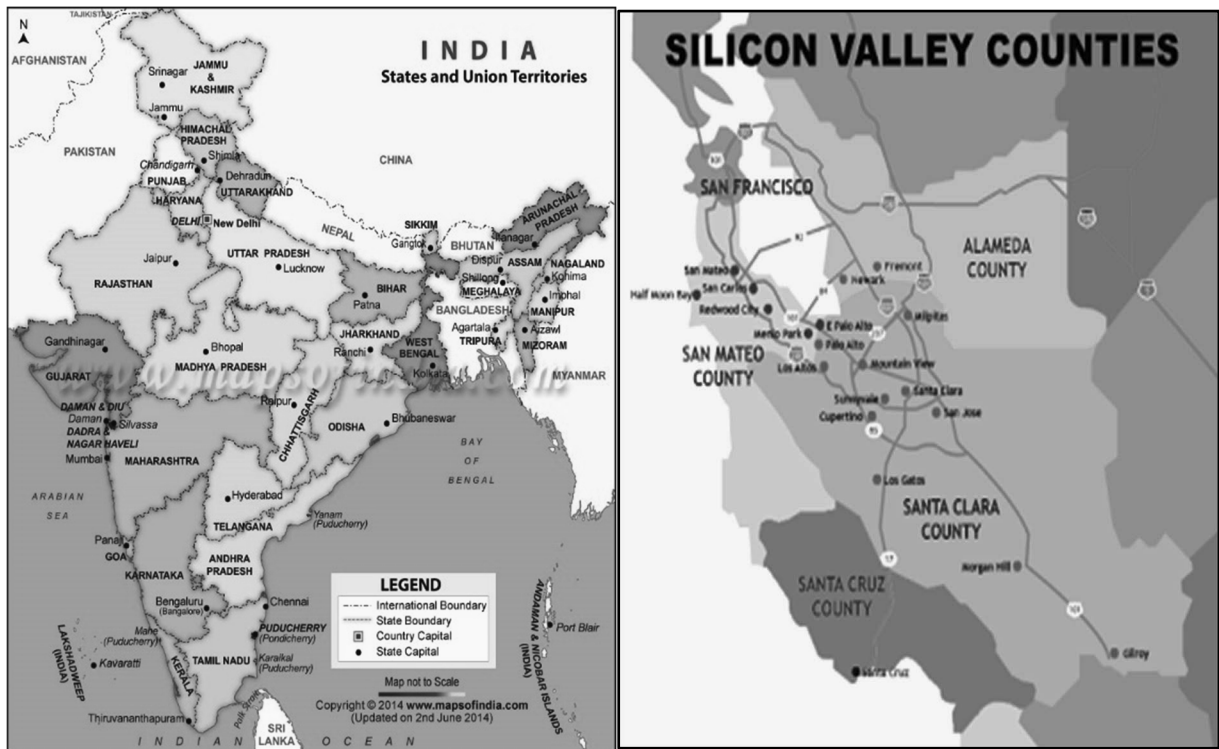
Institutional factors refer to the well-established social rules and social interactions. The political climate decides where and how IB can be carried out. Political policies, conflicts, can disturb the IB relationships among the participating countries. Further, the legal policies also play a role in that the laws and regulations differ from one country to another. Domestic laws and International laws are different and the laws of the host country may not be applicable in the home country. Finally, the way in which the laws are implemented influence a company’s foreign operations, and all the countries involved in international business have to be meticulous in the implementation of their laws whether at the domestic level or the international level.

The Behavioral factors related to the study of psychology, anthropology, and sociology are definitely useful for international business managers since it helps them to understand the social, economic, and political conditions of the host country. This in-depth understanding of behavioral factors helps the managers to deal with any differences in attitudes and beliefs that in turn, encourage the right decisions to be taken.

Economic factors explain why goods and services are exchanged, why the currency value changes from one country to another. It also provides the analytical tools to evaluate the impact of an international company’s operations in both the host and home country. It explains how each countries’ volume of trade is viewed as its strength in International Business in context to high priced high-tech goods ruling the world.

The competitive Environment is responsible to manage the external factors in IB as the competitive situations are different in diverse countries. There is the need to develop a favorable brand image and special features as a part of a competitive product strategy. The size of the company, its resources, and experience are factors that promote competition as they try to create a national market share and brand image that influence the international operations in the IB environment as a whole. Finally, market success depends on the strength of the competition in both the local and the international scenario.





Country Focus-India:

According to Indian Brand Equity Foundation, (www.ibef.org) Software Sector, the IT industry in India added about 7.7% to the nation’s GDP and as per current predictions, it is expected to add as much as 10% to the country’s GDP by 2025.

MNCs - Realigning to Global Markets

Multi-Nationals Pervading the Global Markets: Now let’s examine how the global economy is developing to be more globalized.

1. It explores the challenges presented by speedy globalization and looks at the fall outs of such a change for top level managers. And for senior executives, it involves policy-making for interactions with other countries’ large corporations and other government agencies. This could involve softening the escalation of conflicts where indispensable. Concomitantly, it leads to higher quotients in the areas of emotions (EQ) and intelligence (IQ) to grasp the transitional nature of political, cultural, and ideological aspects of the areas being dealt with.

Broken barriers lead to an integrated global market.

2. According to Kavous Ardalan, any elucidation of the driving spirit of globalization has a broad-based perspective. This idea is based on the principle that any global outlook can be categorized into four general paradigms: these are functionalist, interpretive, radical humanist, or radical structuralist. Hence the following discussion looks at the concept to the driving force of globalization from four differing viewpoints. It underscores that the four perspectives mentioned are all equally scientific and meaningful; they assess the occurrence from their individual paradigmatic outlook. When these are pooled together, they indicate quite a balanced appreciation of the happening being considered. Such a method can be applied to any phenomenon, including financial phenomena.

Rapid Globalization poses challenges to managers, senior executives; needs high IQ, EQ and public relations.

3. Valued points of discussion have been brought to the forefront: as a result, talking about American, Japanese, or German products is becoming increasingly irrelevant, as "global" items are progressively replacing them. For example, Automobiles that carry a brand name like Toyota originating from Japan have saturated the world markets but many of these products are manufactured in different countries while assembly lines are in other countries where the demand is high for specific cars or trucks. This reduces the transportation costs and delivery times to suit the local market conditions yet makes it a global product.
4. The trend towards globalization appears to be driven by two factors: reducing trade hurdles and rapid progress in communication, dissemination of information, and transportation technology. Many corporations became enlightened with sales within the international marketplace as current markets become saturated and new ones should be found. However, will they customize products for the pressure of recent markets? Produce things that shoppers want? With astute international competitors behind them, various organizations assume that the exercise is simply not worth the effort.
5. Implications of Market Globalization

World view is classified into one of four paradigms; functionalist, interpretive, radical humanist, or radical structuralist.

Integrated and interdependent world economy.

We have watched the globalization of markets and manufacturing during the last three decades; let's look at them in detail.

- (a) Market globalization entails the consolidation of national marketplaces into a single massive marketplace. It's vital, though, not to take this viewpoint too seriously. Single marketplace results in a better exchange of products with desired options to select the best products. As a result of globalization, businesses are locating their individual productive activities in the most advantageous worldwide locations.

Effective pressure is riding the arena closer to an unusual place of convergence, and this force is modern technology; it has a message for the proletarian masses. Better transportation, and travel facilities for all. It has made remote locations accessible and even impoverished people yearn for the charms of modernity; nearly every person anywhere in the globe, wishes to replace the needs with comforts that have entirely, become normal.

This has led to greater demand for sophisticated lifestyles furthering the cause for raising the bars of living standards with high-tech goods and services. Aftermath the Covid-19 pandemic, people in many developing countries have taken the course to home delivery systems though with higher price tags yet being able to save in terms of time and travel expenses. This demand which led to the establishment of new distribution services also further fortified the existing marketing big names such as Amazon, Tata group, Walmart, SHOPIFY Inc. balance sheets are becoming stronger with higher product prices in lieu of on-sight deliveries.

Profit decreases due to international expenses can decimate competition nonetheless dwelling within the side of the crippling clutches of vintage assumptions approximately how the arena works. Gone are the equal antiqued versions in countrywide or neighborhood preferences. Gone are the instances when an agency ought to sell final year's models or substandard versions of advanced products inside aspect the lots much less superior international higher than at home. Obstacles to the unfastened float of goods, services, as well as capital had substantially decreased because of the conclusion of the Second World War. Above all, this has aided the fashion closer to the globalization of manufacturing through permitting organizations to treat the globe as one single market.

With barriers to the unfastened float of products and services, gone are the equal antiqued versions in country wide or neighborhood preferences.

Barriers to the free movement of goods, services, and capital have been reduced significantly since the end of the Second World War and also consequence to the disintegration of the Soviet Union during the Gorbachev, Reagan era, which has contributed to the trend towards globalization of production, mainly through the possibility for companies compete in on a flatter playing field. However, the field may have other invisible bumps through ideological regulations that differ from country to country.

- (b) In the course of globalization, companies are relocating their private production activities to cheaper locations in the world. It can be noted that many companies in the west have established product partnerships where they can produce products for 10 percent of the cost and gain high profits even with exorbitant marketing and brand name costs. It is a universally known fact, how advertising through mega sports stars grabs the largest percent of product prices. Though the human face that has captivated the populations of many countries is the cause of exorbitant price rise in selling the product or services; the monetary gains by the very few have confounded the ethical aspect of global marketing.
- (c) One can agree with some of the recipients of such wealth because of their skills, marketability, and appeal; yet the corresponding gains for the few and expenses for many do not win the argument of the underprivileged. One must be cautious about being denigrating this specific act because the ultimate choice made by giant buyers with their corporate interests in mind that ultimately shower profits on shareholders and stakeholders. In most businesses, corporate interests are considered greater over commoners' or consumers' interests.



Michael Jordan's lifetime contract with NIKE is 1.3 billion dollars and was paid USD 130 Million in 2019 according to Forbes reports on 26th June 2020. MJ as he is known universally brought him the high price. This cost is included in the market price of all NIKE Air Jordan shoes. Likewise, there are hundreds of other stars who are universally popular whose market value is much higher in the product advertising markets depriving the average consumer to afford the Shoes or buying basketball tickets.

Face and skills are worth millions of U.S dollars in advertising products, mainly in sports.



Roger Federer, one of the greatest tennis stars, had signed a US\$ 5 million a year contract for 10 years ending 2027 with an added bonus with a top model Mercedes car every year.



David Beckham became a brand ambassador for QATAR football world cup 2022, signed a contract worth 175 million British Pounds for ten years including promoting tourism for Qatar. He will be paid 17.5 million British pounds for the year 2021 and thereon.

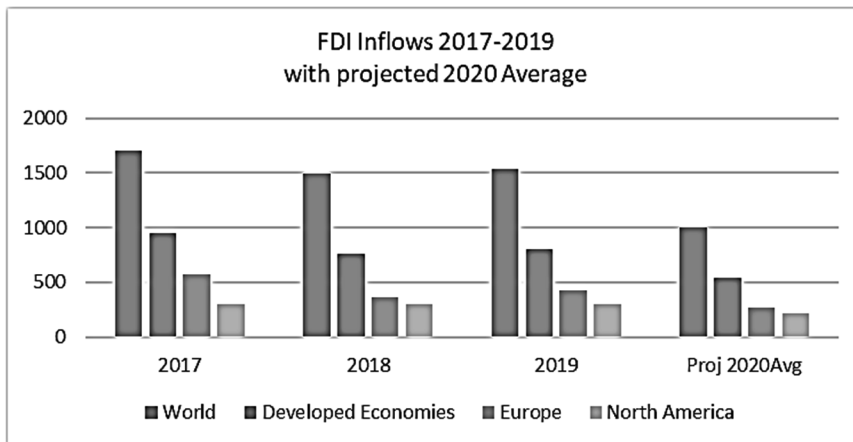
- 6. Global business mindset is inversely related to global political mindset in spite of efforts to build unified regional partnerships based on common interests like the size of economies, common

products, the convenience of supply-chain, cultural identity, resource availability, and convenience of transportation or shipments. Unless they are major economies, emerging economies are being swayed away by the imaginary fear instilled in them to make them feel vulnerable.

Because of globalization of production and markets, global commerce has grown faster than global output in the last decade, foreign direct investment has shot up, imports of goods have percolated farther into highly industrial countries around the world, and competitive forces have engulfed almost every industry. Simultaneously, the level of opulence has taken different standards causing widening economic disparities like commercial and agricultural.

However, during the Trump administration, FDIs have declined due to Trump’s, volatile reactions towards earlier administration’s policies causing uncertainties in the global markets.

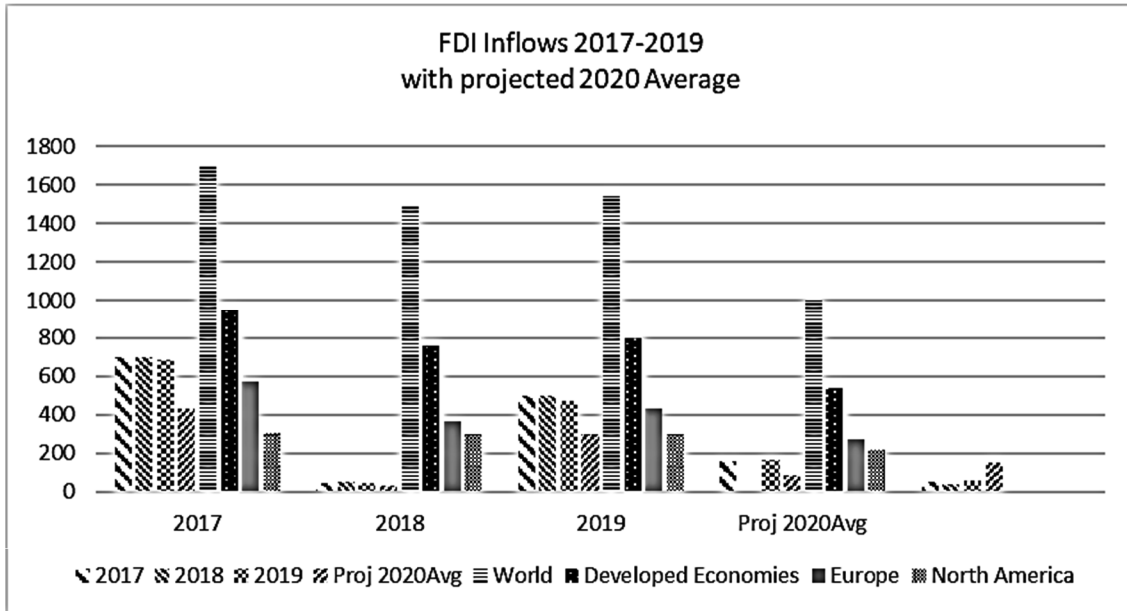
	2017	2018	2019	Projected 2020Avg
World	1700	1495	1540	1000
Developed Economies	950	761	800	540
Europe	570	364	429	270
North America	304	297	297	215



FDI Inflows have shown a downward trend during the last four years because of American reduction of FDIs during Trump Administration.

	2017	2018	2019	Projected 2020Avg
Developing Economies	701	699	685	430
Africa	42	51	45	30
Asia	502	499	474	295
South America Caribbean	156	149	164	85
Transition Economies	50	35	55	149

One can observe that inflow of FDIs into developing economies has declined from 701 billion in 2017 to 430 billion on average due to a reduction of the USAs contributions towards investments as a shift in policies of the Trump administration as well as the declining world economy due to worldwide pandemic impact. Whereas the Latin American and Transition economies remained stable. This does not necessarily mean a long-term prospectus for aspiring South American Countries.



7. Firms were fit for coordinate their overall activities into best-in-class measurements networks approach related to upgrades in report and insights handling innovation. Stream air visit has moreover supported worldwide organizations in interfacing their overall tasks through bringing down visit time. Firms were equipped to obtain more tight coordination in their overall tasks as a result of those advances and to see the globe as an unregulated economy.

This, likewise comprises of speedier Air shipments through FEDEX, UPS, and DHL what's more, once in a while, if financially suitable, shipments are dispatched through passenger airliners' trips too. These transportation techniques commonly lead to cost accelerations yet, not upsetting the inventory network empowers organizations to stay aware of their conveyance dates without bringing about fines adding up to a huge number of dollars if not in billions. In a new assertion made by America's transportation secretary, Pete Buttigieg expressed that store network interruption will not actually disappear until we ' put the pandemic in rearview reflect' (Business Insider)

8. American based firms have led the list of big multinational companies, even when nearly half the economies of the Communist Block are barred to Western corporations. However, eleven of the top 20 multinational corporations are US-based totally and dominate global markets, with the modern 2019 discern being 01/21. For comparison, the world common in 2019 based totally on 162 international locations is 24.87 percent. However, the COVID19 pandemic can also put a strain on global foreign direct funding (FDI) in the year, 2020.

US Domination by established MNCs moving into Global markets with strong financial support from investors and innovative techniques and products- Amazon, Microsoft, Apple, Facebook.

These fundamental resources are projected to decline from \$ 1.5 trillion in 2019, nicely beneath the low hit during the global economic crisis, reversing the already slow surge in global funding over the past decade. Flows to growing countries would be mainly affected, as export-oriented and raw material-related tasks will be hardest hit.

Statista.com estimates that foreign direct investment (FDI) originating from the USA to other countries total \$6.15 trillion in 2020. Foreign Direct Investment (FDI) stands for investment made to own a whole or part a business in another country by a person from one country.

In the mid-1990s, the USA's share in world production had become half, while countries of the Western Europe and South East Asia accounted for the remainder. Multinational corporations in the United States now faced a multitude of Japanese and European competitors. The growth of mini-multinationals was also mentioned.

Manufacturing

1. **United States** has been domineering in the field of manufacturing output with almost half the global share. This share gradually declined but is on the uptick since 2011 and on. Nonetheless, in order to progress, it is necessary to examine how American manufacturing compares to that of other countries. One should establish a global manufacturing Scorecard, which considers five aspects of the manufacturing environment: We have chosen to discuss America's strength in the global market because of its enormous size and influence.

Overarching rules and regulations that bring about the success of the enterprise, but paradoxically, we can get to the goals if we are able to deal with global challenges through adaptation and partnership but not with a bully approach. In spite of it, the interdependency of American businesses as well as the consumers it becomes obvious that the average American consumes an end product that is a mix of multi-national raw materials and components that may have its design origins in Country A, products made in Country B and the assembling and product completion in Country C.

Maybe in the United States or neighboring Mexico, Canada depending on shipping costs in different parts of the country. Fuel, for example, is another raw material that has a significant impact on final products. Chips used in computers, automobiles, and other mechanical and electrical devices are in high demand and can constitute or destroy the product lines and/or revenues of any company in the global market. NAFTA helped the United States achieve more trade. The United States gained significantly due to spurt in foreign trade among its three partners.

In 1993, the three partners accounted for an estimated \$ 297 billion worth trade, and in 2015 they were \$ 1.14 trillion. During the Trump administration, 2017-2021, there were some hiccups on deriving the benefits from NAFTA, but Mexico and Canada managed to walk through the volatile period.

Export Growth: Since the introduction of NAFTA, US exports have increased from the US \$ 142 billion to well over the US \$ 500 billion. During that period, exports from the United States to Canada and Mexico went up by 156 percent, whereas the US exports to rest of the globe increased by only 65%. The low cost of international trade has led to lower prices for key raw materials.

As a result of this arrangement, the money spent on importing food produce and fuel into the United States has been significantly reduced and domestic prices have fallen. Chain reaction improved the automobile industry by specializing skilled workers through the fusion of manufacturing industries, leading to the process of modernization and rationalization. The automotive industry of the USA was earlier a regional industry. Today, it is not so any longer and is now acquiring inputs from NAFTA partners too and thus rule the international market.

Increase in Foreign Direct Investment: Since any hurdles to foreign direct investment (FDI) has been lowered or removed, American firms enjoy greater freedom to invest in countries like Mexico and Canada and establish their feasibility and profitability. Similarly, the pact has paved the way for greater foreign investment from these partners. In 2007, FDI from Mexico and the USA touched \$219 billion. This further rose to \$240 billion in 2015, boosting the overall business climate.

On the other hand, India's reserves of foreign exchange that at present is over USD 500 billion, represents the fifth biggest, world-wide net only to China, Japan, Switzerland, and Russia, according to International Monetary Fund (IMF) reports. This foreign exchange reserves are roughly equal to 20 % of the nation's gross domestic product (GDP).

Further, in March ending 2021, the global market capitalization of the top 100 companies totaled \$31.70 trillion US dollars. The following chart depicts the steady growth since 2015. One can notice a 15-month spurt from 2020-2021 March. In spite of the pandemic effect many top companies withstood the normal business practices and switched more to online supplies as well as e-market transactions.



Source: Bloomberg

2. **Tax policy:** Government's choice of what taxes to charge, in what amounts, and on whom is known as tax policy. The macroeconomic components of fiscal policy are concerned with the total amount of taxes to be collected, which can have an inverse effect on the level of economic activity; this is one part of fiscal policy. There are various forms of taxes, including income, sales, capital gains, real estate, and so on. In many countries, federal and state tax systems are fully distinct, and each has its own taxing power. The federal government has no legal authority to intervene in state taxation.

In a global environment, however, in some countries, the federal or central government can intervene in the state policies regarding taxation given that it impacts people who are employed by the federal or central government, working in different states. Some governments tax moving money to other countries depending on the amounts. Payment of dividends from the same company's subsidiaries outside the country are subject to tax including transfer of goods and services.

3. Expenses

- (a) Energy,
- (b) Transportation,
- (c) Health-care.

Every country has its way of managing its expenses based on budgetary approvals of its administrative authorities. We can look at energy, transportation and health care separately to understand.

Energy: is the heart and soul for the survival of any country. Considering such a criticality, any administration will pay prioritized importance to keep its energy sources running uninterruptedly as well as its capacities at peak. The energy resources readily available for purchase at a standard price is termed commercial energy. The most common and significant types of commercial energy are electricity, coal, and refined petroleum products like petrol and diesel. This kind of commercial energy is vital for the progress in all forms of industrial, agricultural, transport, and commercial progress in today's world.

Other sources of energy obtainable today are nuclear energy from radioactive substances, thermal energy that is stored inside the earth, and potential energy that comes into play as a result of the earth's gravitation. The leading primary and secondary sources of energy are depicted in Figure 1.1 Primary energy sources are generally transformed in industrial utilities into secondary sources energy sources. For instance, coal, oil, or gas can be changed into steam. In spite of the presence of diverse forms of sources of energy, most nations depend on three main fossil fuels. In 2018, over 81% of the energy for nations came from fossil fuels. The rest of the energy requirements were met from Hydroelectricity and similar renewable sources (making up 14%) and nuclear energy (around 5 %t).

As of August 2019, 27 percent of the global power is obtained from renewable sources of like solar, wind, hydro, and biomass. However, according to informal estimates, the scope for tapping of renewable energy is much beyond the level of production at present.

It enables one to understand why we should discuss energy in detail. The idea of energy is also linked to changes in the state of a body or system. Energy is a measure or potential to carry out work. Hence, it can neither be created nor destroyed, nor used up. It can only be transferred or changed from one form into another. For instance, solar cells do not create or consume the energy from the sun. All that they do is transform radiant energy of the sun into electric energy. This in turn can be changed into other forms of energy such as light or heat and utilized for convenient living. All these steps involve costs. The well-known scientific Principle of conservation of energy, where pristine energy from the sun is conserved in various other forms, still remains valid. The process of conversion of the energy from one form into another involves some loss of energy that can be high or low, depending on the set up for the conversion. For instance, a solar cell converts radiant energy into electric energy, along with a related loss of energy.

The table below lists various forms of energy that we encounter in nature and how they are used.

Form of Energy	Alternate Terms	Example/ / Occurrence	Technical Application of Energy
Mechanical Energy	Energy of motion= kinetic energy Stored energy = potential energy	Flowing water, traveling car, fly wheels, Dams, archer's drawn bow	Hydro-power Storage power plant
Heat Energy	Thermal Energy	Central Heating Radiator, hot water bottle	Heat storage tank, heater
Electrical Energy		Electric current, lightning	Generator, electric motor
Chemical Energy		Fuels, Explosives	Coal power plant, wood stove
Nuclear Energy		Atom Splitting	Nuclear Power Plant
Radiation Energy	Electro-magnetic energy	Sunlight, radio waves	Photovoltaic system

Transportation: It is the vein that connects all the blood vessels of any country. Modern transportation has progressed from large boats, horse riding to buggies driven by horses, to coal fired engines, ships, and the rail trains to cars and finally flying high on single engine air craft to Jumbo Jets Boeing 747 carrying 500 passengers and Airbus 380 carrying up to 800 passengers. This has changed the whole world travel from months on a ship to less than 24 hours to travel 15000 miles.





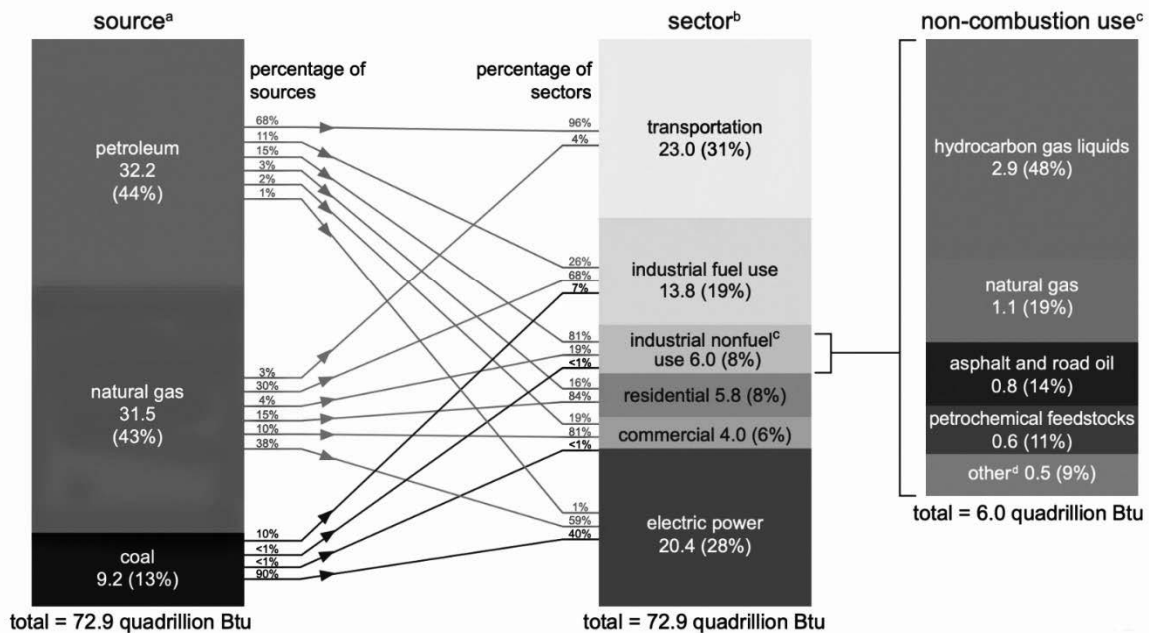
Reduction of costs: Containerization of shipments via Railroads and Ships.

Global transportation expenses have caused numerous modifications to financial system speedily. The U.S. Energy Information Administration says that the outstanding component is because of fossil oil charge hike. It rose substantially for the year 2000 but fell by 30% over 20 years. It modified the diesel charge simultaneously causing various components become balanced to involve and deliver freight shipping service. In 2020, the total use of fossil fuels in the USA, like petroleum, natural gas, and coal, decreased to 72.9 quadrillion British thermal units (Btu), falling by 9% from the 2019 level, marking the lowest level since 1991, as reported in *Monthly Energy Review*. A new chart shows the U.S. fossil fuel consumption by source and sector, indicates how each sector uses fossil fuels. The chart also depicts fossil fuels used for industrial non-combustion or nonfuel purposes, for instance, for producing plastics and chemicals.

Fossil fuel is a natural fuel such as coal or gas formed in the geological past from the remains of living organisms.

U.S. fossil fuel consumption by source and sector, 2020

quadrillion British thermal units (Btu)



Cost slicing: Offshoring to near-shoring sourcing approach is the manner adapted. The firms are selecting to cut back the number of miles. The gap pushed costs is reduced and therefore the supply chain is shortened.

This allows in fee-slicing greatly and can definitely support revenues, freight expenses, etc. The freight expenses are reduced; thanks to the very fact is greater inland transportation approach with lesser miles ending up with lesser burning of fuel and other relative costs such as trucker hours, wear and tear etc.

According to Argus Energy – Return of Fossil Powers: with the post pandemic economy thundering back to life, request for gasoline (petrol) flying fuel, warming fuel, and each kind of distillate has spiked. Deficient supply is pushing costs higher. Energy companies, which cut generation in 2020 in the midst of sinking costs are presently reflecting a step up in their E&P budgets. At the same time disastrous climate incidents have heightened weight to move past fossil fuel for all time. At this primary point in time, speculators need to know in case of the recuperation in fossil vitality is genuine, or a fair side steps on the street to a petroleum-free future.

With the fee of product layout and packaging is reduced additionally, and the eye shifted to move only. This approach that greater area is formed for items to be shipped during a single go resulting in the increase of sales at reduced costs and timely deliveries. Higher transportation expenses have caused a challenging financial system. People are, in large part, looking on it to create a lift within the country's growth irrespective of distinctive conditions, or with rapid delivery, the transportation area isn't often in danger. This creates minimal impact on transportation's ultimate delivery systems.

Disadvantage: Finding the opportunity- To cope with the transportation fee, some must explore for other ways. Using different modes of shipping offerings as a chance to truck services to haul freights could also be applicable. Turnpikes with mileage fee entailing reduction in time as well as miles including petrol and diesel expenses which are on the increase; each case may have to be looked into with cost-benefit analysis study to justify the pros and cons.

Health: World Health Organization (WHO) which has been actively involved with the current Pandemic ridden global community. WHO has been monitoring different parts of the globe with the help of John Hopkins' Hospital in Baltimore, U.S.A. that has constantly reported the number of cases, Country wise, and Worldwide. We will discuss more about Covid-19 related issues in a separate chapter, as such, we will dwell on topics that are pertinent to every day global health issue under this sub-heading. According to WHO, *"It is responsible for providing leadership on global health matters, shaping the health research agenda, setting norms and standards, articulating evidence-based policy options, providing technical support to countries and monitoring and assessing health trends."* WHO works around the world to enhance health, protect the world and serve the weak. Moreover, WHO aims to make sure that over one billion people have access to comprehensive health insurance, thereby protecting 1 billion people against health emergencies, and extend better health and well-being to 1 billion people. The WHO framework for measuring performance consists of three essential goals of the medical system. It is health, responsiveness, and funding fairness. Collecting and providing information about the occurrence of epidemics. Examples- Cholera, Typhoid, etc.

Five Key Responsibilities of the World Health Organization (WHO):

1. Provide Global Health Leadership 2. Formulating the Research Program 3. Establishing Standards for Global Health 4. Advocacy of Evidence-Centered and Ethical Policy 5. Assessing and Monitoring Health Patterns and Issues

Let us look at each of these in some detail.

- 1. Provide Global Health Leadership:** The World Health Organization (WHO), leads the way in fighting killer diseases. However, to understand the major tasks of this global organization are, citizens of the world, should be made aware of the Twelfth Program of Work, elucidating the functions and its role.

World Health Organization is not the sole role-playing entity to monitor global health; a number of other institutions to play their role; yet, when they come up with divergent views, it is a body like WHO that has to provide the overall directions to care for world health as it happened in the case of Covid-19 and Omicron announcements. Many specialists, volunteers, political leaders and governments had to make sure that intelligent and essential information was gathered and

disseminated in a timely manner. WHO is the organization that is well equipped and positioned to carry out this key function. It is expected to always provide the right kind of direction, and it must be acknowledged that ever its establishment, it has done this job quite commendably.

2. **Formulating the Research Program:** Analysis of the state of health is obviously the primary task of WHO; it is done through relevant research of various illness that impact health; Sound health practices are prescribed and enforced on a global so as to save precious human lives whenever feasible. Such analysis is carried on in a dynamic and ongoing manner. WHO considers it a priority to ensure that the research carried out are always beneficial to the general public. WHO also disseminates life-saving information across the world, by passing on its learning particularly to communities most afflicted by poor state of health.
3. **Setting the Standards for Global Health:** Another responsibility of WHO is to establish global standards for the monitoring and execution of international health policies and programs. Of course, WHO works in cooperation with various governments and non-governmental institutions. But all other health-oriented organizations depend on WHO for overall guidance of world health related matters. WHO responds to this obligation reviewing its own standards and updating them, on an annual basis, taking into account the feedback received by the global health community.
4. **Advocacy of Evidence-Centered and Ethical Policy:** WHO may not be the best employer that strives to promote worldwide health and well-being. But, it is probably the only organization that considers its obligation to create a robust foundation of evidence- based technological know-how and ethical principles. Since it works around the world, it is quite essential for it to initiate the right steps to ensure that its programs are carried out through application of sound technological know-how, ethical principles and emerge as a role model for its worldwide partners and similar other institutions. WHO has always striven tirelessly to project its image as a reputed employer and be a beacon of ethical standards for all.
5. **Assessing and Monitoring Health Patterns and Issues:** World Health Organization maintains a high-quality assessment pattern even when faced with adversities like the Covid pandemic that crippled the international and local health systems. To mitigate such unforeseen issue, WHO makes use of a timely and comprehensive Communication for Health (C4H) technique to make sure that the voice of the network is heeded to by the world. One of the many demanding situations dealing with the COVID 19 pandemic was the communique mode to make sure that people all over, have access, have to the most updated and authentic information and statistics that can provided maximum protection of the global population.

Contributors	Funding Received in US\$
United States of America	853
United Kingdom (GB)	464
Bill & Melinda Gates Foundation	455
GAVI Alliance	389
Germany	359
(UNOCHA)	286
Japan	234
European Commission	213
Rotary International	168
National Philanthropic Trust	116
UN Central Emergency Response	100

Contributors	Funding Received in US\$
Kuwait	95
World Bank	95
Norway	93
China	89
Canada	87
Sweden	87
Republic of Korea	72
Australia	71
France	71

Case Study

Globalization at McDonald's

McDonald's provider to fill one's hunger globally



Human nature (in the United States) always yearns for the best food available to satisfy their hunger. McDonald's has filled and continues to spread that satiable function around the world symbolized by its ever-present Golden Arches, capturing the attention of everyone from a three-year-old to an octogenarian. Despite the impact of Covid-19, it is one of the largest Multi-National Corporations (MNCs), we outline a MNC as a company that owns or controls the manufacturing of products or offerings in the least countries. Our definition stems from facts availability the usage of CompStat databases (see Section 3.1); different pupils use special definitions, regularly ones that concentrate on the share of possession for subsidiaries overseas which they acquire from the U.S. Bureau of Economic Analysis (BEA)'s exclusive databases.

**Golden Arches,
The symbol of
McDonald's
Hamburgers, the
early fast food of
the U.S.A.**

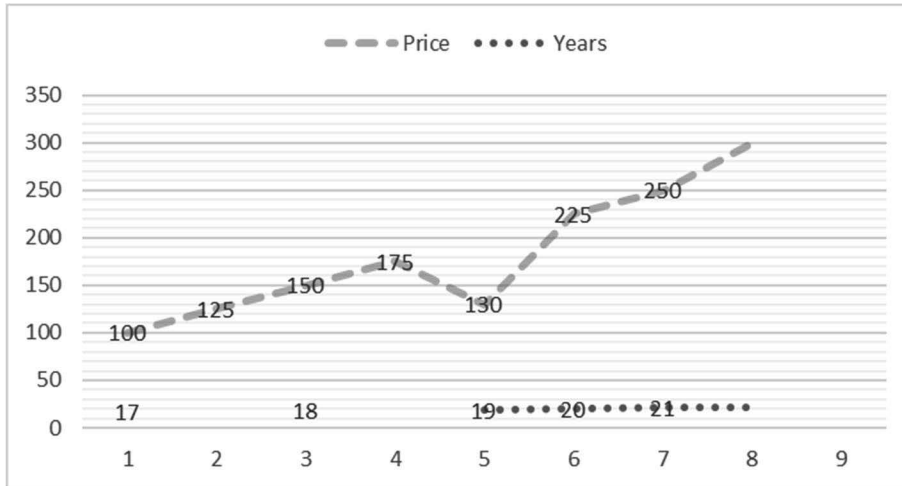


McDonald's, with annual sales of over \$ 200 billion and a net profit of around \$10 billion. *With an amazing 14,146 outlets (or 37 percent of the total number of McDonald's outlets worldwide), the United States is by far the largest market for McDonald's.* Another important component in the global success of McDonald's is its strategic planning and market segmentation. It was *Richard and Maurice McDonald's established McDonald's 1940, in San Bernardino, California, as a fast-food restaurant.*

As an extremely standard and mega MNC, McDonald's is cognizant of that audiences are their most ardent, revenue-bearing customers who are vital the marketplace. For this reason, McDonald's continues to stay on high of cultural trends and adapts to the ever-changing tastes and customizes menus to suit in with them. With this benefit, McDonald's continues to expand and sell multiple products, indicating that the corporate is doing well. The company's pursuits became International or 'McDonalized, to assist it to succeed vital growth in its operations, permitting it to become winning within the fast-food service market. One of the foremost significant elements of McDonald's success, within the eyes of customers, is delivering a consistent and consistent product. They were not known for its rigorous standards, quality food, service, or ambiance in the early days.



Once the sales of hamburgers exceeded the 100 billion mark, in 1993, McDonald's chose to leave the 99 billion indication on its advertisement plank. McDonald's, continues as the clear leader in cost, quickness, and consistency, as evidenced by the massive number of consumers they serve. McDonald's is so important to globalization because it represents various groups and cultures around the world sharing a common experience. It indicates the globalization of a shared interest in one region (North America). Globally, it is famous for their combo of burger with cheese and fries but it also provides other forms chicken, breakfast items, and coffee. Soft drinks and French fries are, according to many sources, the most profitable *"McDonalds's items in terms of profit % is its soft drink which is about 90%. Meaning that if McDonalds's sells you a drink for \$1, McDonalds's makes a profit of 90 cents."*



**McDonald's
Growth in Stock
Years 2017 and on
in US Dollars.**

Source : McDonald's Stock Price: 2012-2021

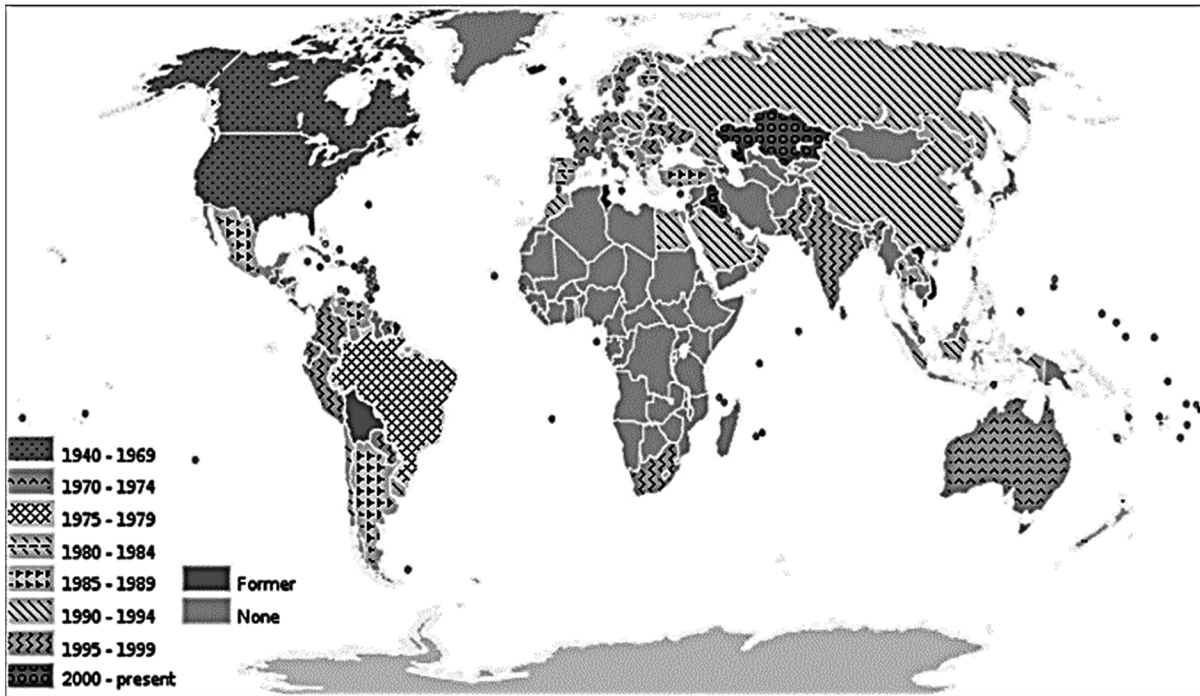
Year	Avg. Price of Stock	Open	High	Low	Close	Yearly Change
2021	230.2815	210.2200	250.5800	204.8400	249.2400	16.15%
2020	200.8851	200.7900	229.6400	137.1000	214.5800	8.59%
2019	198.2747	176.0600	221.1500	173.9700	197.6100	11.29%
2018	166.0624	173.2200	189.2600	148.2700	177.5700	3.17%
2017	148.7594	119.6200	174.2000	119.4800	172.1200	41.41%
2016	120.1418	117.5800	131.6000	110.5700	121.7200	3.03%
2015	100.283	93.2600	120.0700	88.7800	118.1400	26.08%
2014	96.3815	96.4100	103.5300	88.4600	93.7000	-3.48%
2013	97.2632	90.1200	103.5900	89.8487	97.0300	10.00%
2012	92.5260	98.8400	101.7400	84.0500	88.2100	-12.08%

Observing the trend of each factor over the past decade, McDonald's has weathered the pandemic era and continues to serve breakfast, lunch, and dinner in many parts of the world with its personalized food and beverages. One cannot rule out the continuing success of this company through many more decades if not till the end of the 21st century. Also because of its size and patronage provided by American consumers as well as global customers with franchises in different countries able to successfully manage their businesses.

The Chart shown, along with table of stock market performance, depicts the growth of McDonald's stock during the preceding ten years of 2021. One can observe the impact of Covid-19 during the year 2019 as the stock price fell about 30% of its previous year average. We will discuss the world-wide impact of Covid-19 as a different chapter altogether. We have limited our observations from 2017 since an underlying change has been occurring in the global economy. At this time McDonald's operates in 11 countries in North America, apart from the U.S.A., 17 Countries in South America, 28 countries in Europe, 5 countries in Africa, and 29 Countries in Asian and Oceanic Markets according to McDonald's corporate statement.

**Beginning with \$100, MCD stock shot up to \$250
Covid-19 impact was felt in 2019-20.**

Countries and territories with a McDonald's outlet



Analyzing its growth from the beginning till the present times, McDonald's successful survival through the last seven decades in the global markets, was not easy as it encountered increasing competition locally and globally. Penetrating through the cultural and religious practices and customizing to satisfy the appetites of billions around the world serving their choice foods cooked locally with a large number of local ingredients, is an enormously intricate task. But it survived by changing meals, including the type of meat.

For international business students the story of McDonald's can become a great learning experience since it becomes a multi-variable situation demanding managerial skills to deal with cultural, political, religious and other regional issues involving state and local regulations from city to city where the sales are high. Consider for example India, with about 10-12 cities exceeding a population of 20 million and another dozen exceeding 10 million population can make the sales, marketing, human resources and public relations decision makers lives more thought-provoking than they wish.

As a result, in the early days of its entry into India, McDonald's chose the most cosmopolitan city, Mumbai, to introduce culturally and religiously acceptable burgers such as chicken and lamb, as well as various vegetarian burgers, in hopes of making them more palatable to the citizens of Mumbai. Changing the nomenclatures or change in content made it difficult to escape as some religious zealots resisted the lamb burgers, accused the product of not being halal or no-kosher, a religious technique to kill the animal, and also secretly threw a glove of beef or cow meat (which is sacred to Hindus) for taste and Unfortunately, the employer had to give in to the politically motivated cataclysm, dropped the lamb burgers and assured the public that the butchers who had gone through the halal process slaughtered the chickens on the spot. We know that as a result of the discussion cited above, McDonald's has gone through a variety of instabilities in the path of maintaining profits and attracting investors and increasing the number of franchises, as well as the growth and profitability of its existing franchisees all over the world. It stays strong, albeit with stiff global competition around the world, with local fast foods to satisfy the locals' appetites.

Summary

The field of International Business (IB) encompasses the interplay between operations and the external environment, including non-business decisions and the integration of technology to address the needs of an expanding population. As trade and resource liberalization across borders increasingly depend on advancements in communication and transportation, managers are better equipped to oversee foreign operations.

Essential components of this field include the physical, institutional, and competitive factors that impact business operations at all levels. While globalization underscores human interconnectedness and a shared desire for progress, regional growth remains a viable alternative. However, the surge in anti-globalization sentiments within the United States has undoubtedly influenced the International Business Environment.

Critics of globalization highlight the risks to national sovereignty, overreliance on small economies, and cultural uniformity. The depletion of natural resources has led to environmental pressures, but some advocate for global collaboration and growth. The automobile industry, for example, has developed vehicles with lower gas consumption and emissions.

Questions

1. Over the last 30 years, there have been major shifts in the world economy. Identify the implications to MNCs in the U.S.A., Canada, Mexico, U.K, and Hong Kong. Elucidate.
2. Employed by MNCs is fine as an International Business student but how does it help those working with small firms? Evaluate this statement.
3. How have technological advancements influenced market and production globalization? Would the globalization of markets and manufacturing have been conceivable without these technological advancements?
4. "In the end, studying international business is similar to studying domestic business. As a result, a separate foreign business course is pointless." Analyze the above statement.
5. What impact does the Internet and its associated World Wide Web have on international commerce and globalization?
6. If current trends continue, China may, but did not, overtake the United States as the world's most powerful economy by 2020. Consider the ramifications if such a change took place:
 - (a) The world trading system,
 - (b) The world monetary system,
 - (c) The business strategy of today's European and U.S.-based global corporations, and
 - (d) The global commodity prices.

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