

Section II:

Globalization vs Internationalisation

2. GLOBALIZATION/Internationalisation

A/ GLOBALIZATION

GLOBALIZATION is a process by which business develop international influence or start operating on an international scale.

Advances in transportation and telecommunications infrastructure, including the rise of the telegraph and its posterity the Internet, are major factors in globalization, generating further interdependence of economic and cultural activities.



MAIN ADVANTAGES



Developing
international trade
and companies



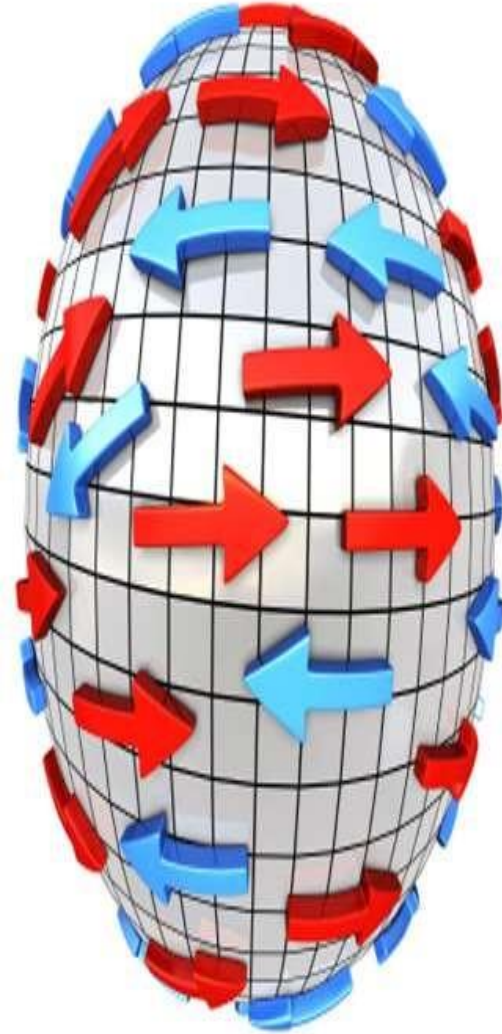
Enhancing
information speed



Price
pressure

OTHER ADVANTAGES

- ❖ Consumers to get much wider variety of products to choose from.
- ❖ Consumers get the product they want at more competitive prices.
- ❖ Companies are able to procure input goods and services required at most competitive prices.
- ❖ Companies get access to much wider markets.
- ❖ It promotes understanding and goodwill among different countries.
- ❖ Businesses and investors get much wider opportunities for



MAIN DISADVANTAGES



Unemployment



Great dependence of
one country on
others



Extreme pollution of
environment

OTHER DISADVANTAGES

- ❖ **Developed countries can stifle development of undeveloped and under-developed countries.**
- ❖ **Economic depression in one country can trigger adverse reaction across the globe.**
- ❖ **It can increase spread of communicable diseases.**
- ❖ **Companies face much greater competition. This can put smaller companies, at a disadvantage as they do not have resources to compete at global scale.**

b/ INTERNATIONALIZATION

- ***INTERNATIONALIZATION*** is the process of increasing involvement of enterprises in international markets.
- IT IS THE PROCESS OF **LEADING TO IDENTIFYING AND ENTERING INTERNATIONAL MARKETS.**

ADVANTAGES OF INTERNATIONALIZATION

- ❖ JOB CREATION
- ❖ ATTRACTING INVESTMENT
- ❖ NEW TECHNOLOGY & MATERIALS
- ❖ MEETING OUR NEEDS

DISADVANTAGES OF INTERNATIONALIZATION

- ❖ SUPPORT OF NON-DEMOCRATIC SYSTEMS
- ❖ CULTURAL IDENTITY ISSUES
- ❖ SOCIAL WELFARE ISSUES
- ❖ POLITICAL ISSUES