1. **Megatrends for 2030 (as per NIC report)**

The NIC(National Intelligence Council) outlines megatrends that will shape the world in 2030. These trends will form the way business is done on a global scale.

The first is individual empowerment due to an increase in the global middle class. The NIC believes there will be a significant decrease in poverty worldwide, meaning that for the first time the majority of the world will not be impoverished.

The second megatrend is the diffusion of power. By 2030, Asia will pass the West in GDP, population size, military sending and technological investment. China would become the world’s powerhouse, with India and Brazil on the rise. Due to this power shift, effective global communication will be stressed in the business place.

The third megatrend is demographic pattern changes. The NIC estimates the world population will grow from 7.1 billion to 8.3 billion pushed by aging, migration, and urbanization. The most noticeable implications will be the continued growth of cities.

The fourth megatrend is the rise for demand for food, water, and energy, which will grow by 35, 40, and 50 percent respectively due to the overall increase of the world’s population. Climate change will accelerate that will amplify existing weather patterns.

1. **Drivers of Globalization**

Two macro factors underlie the trend towards globalization.

The first is the decline in barriers to the free flow of goods, services, and capital that has sparked since WWII. International trade and foreign direct investment has been a result of the factor, and has allowed countries to participate in business activities outside of their home. Firms can now view the world as their market instead of their home country, and therefore base production at optimal locations.

The second factor is the technological change, particularly in information technologies, communication, and transportation. Moore’s law has decreased the cost of communication, thus increasing ability to organize and control a global organization. Transportation advances has made the world seem smaller as more distance can be travelled in less time and has lowered the costs associated with shipping and travelling fees.

1. **Four main reasons to take a pro globalization stance**

Four main reasons to take a pro globalization stance are listed below.

The Promotion of greater Global Economic Prosperity- economy as a whole is better off due to decreased trade barriers and increased specialization

Lower Prices for Goods and Services- free trade will result in countries specializing in those goods and services that they can most efficiently produce and will have to import inefficient goods. All countries will gain.

Increased Environmental Regulations- As countries get richer, they will raise their environmental policies. Free trade leads to less pollution and exploitation.

National Sovereignty- without the support of the members of the states, the international organizations have no decision making power. This decreases the superpower organizations power as the ability for a country to communicate its decisions increases.

1. **Four main reasons to take an anti globalization stance**

Four main reasons to an anti globalization stance are listed below.

the negative effect on global wage rates- Outsourcing jobs to poorer countries will lower global hourly wage rates and increase the amount of unskilled labor, thus shifting jobs away from the powerful countries. Increased gap between the rich and poor.

the increased difficulty in global business management- managers have to adapt cultural, governmental, and management policies to fit the country they are managing in. Also international transactions require conversion of funds which are susceptible to exchange rate fees.

the decrease of sovereignty of nations- the power of individual weaker nations will be overtaken by bigger supernatural countries such as the WTO, EU, and UN.

the harmful effects to the environment- manufacturing firms will move production sites to places that don’t have environmental infrastructure to support pollution output to region.

1. **Main ways political systems can be assessed (with country examples)**

Political Systems are the system of government in a nation. The two types are collectivism and individualism with multiple iterations in between. The two basic theologies are listed below.

Collectivism- political system that stresses the groups goals over an individuals

-communists- believed that socialism could only be achieved through violent revolution and totalitarian dictatorship

-socialism- political philosophy that advocates public involvement through government ownership

-social democrats- achieving socialism through democratic means

Individualism- stresses that an individual should have economic and political freedom in their pursuits.

Democracy- political system in which government is by the people(United States, Ireland, Germany)

Totalitarianism- one person or party exercises absolute control over government

-Communism- socialism can be achieved through total dictatorship(China, Vietnam, North Korea)

1. **Three main economic systems (with country examples)**

The three main economic systems are listed below:

Market Economy- all productive activities are privately owned, as opposed to being owned by the state, production is determined by the interaction of supply and demand

-United States, Canada, UK

Command Economy- the government plans the goods and services that a country produces, the quantity, and the price they are set at

-France, Spain, Italy

Mixed Economy- between market and command

-Cuba, China, Vietnam

1. **Three main legal systems (with country examples)**

The three main legal systems are common, civil, and theocratic law

Common law- based on tradition, precedent, and custom

- United States, Great Britain, Canada

Civil law- based on a detailed set of written laws and codes

- Germany, France, Japan

Theocratic law- law that is structured around religion teachings

- Islam, Iran, Vatican City!

1. **Components in a cultural analysis**

Values and Norms-

-values- abstract ideas about what a group believes to be good an right

-norms- social rules and guidelines that prescribe appropriate behavior in particular situations

Religion- the primary religion of the culture, Christian vs. Islamic

Social Structure- social organization and stress on individual or group

Language- the primary spoken language of culture and how worldwide it is

Education- the literacy rate and educational structure

Political Philosophy- individualistic vs socialism

Economic Philosophy- command vs market vs mixed

1. **Two main dimensions for a Social Structure analysis**

The Two dimensions are listed below:

Degree to which the basic unit of social organization is the individual, as opposed to group-

-the individual- emphasis on the individuals performance versus the group in many Western societies, emphasize individual achievement

-the group- group is the primary unit of social organization, social status is determined by the standing of the group(Japan)

Degree to which a society is stratified into classes or castes-

-social mobility- extent to which an individual can move away from the strata they were born in

-caste system- a closed system of stratification, social position is determined by family

-class system- person can change strata through personal achievements or luck

1. **Hofstede’s 4 dimensions of culture**

Hofstede’s 4 dimensions of culture are listed below;

Power Distance- the degree of inequality that exist between people with or without power

Individualism- strength of the ties people have to others within the community

Masculinity- the distribution of emotional roles between genders and how masculine or feminine cultures are. How much power is given to females.

Uncertainty Avoidance Index- a society’s tolerance for uncertainty and ambiguity, assesses the ability of members to cope with change and stress and anxiety

1. **5 Main ethical issues in International Business (using company example for each)**

The five main ethical issues are listed below

Employment practices- Nike’s sweatshop employment pays workers $1.25 a day

Human rights- Turkey breached human right in military operation, declaring relatives of operatives missing

Environmental regulations- Intel builds new production facilities in India and dumps silicon waste off

Corruption- ENI paid off subsidiary Saipem in Algeria to report earnings under both names on stock market

The moral obligation of multinational companies- Enron falsely reported their financials so they could get away with raising their stock price and financials weren’t able to be timely verified because of the speed of global communication

1. **6 Roots of Unethical behavior**

Personal Ethics- business ethics reflect personal ethics, and managers will face pressure to violate their own ethics because of power

Decision making processes- decisions should be based on ethics first combined with economic logic

Organizational culture- values and norms may not emphasize business ethics

Unrealistic performance expectations- unrealistic pressure from higher ups may force team to cut corners to meet deadlines

Leadership- leaders that act unethically encourage employees to do the same

1. **Philosophical approaches to ethics**

The four philosophical approaches to ethics are listed below:

Straw men- raised by business scholars primarily for purposes of demonstrating that they offer inappropriate guidelines for ethical decision-making

Friedman Doctrine- only social responsibility of a business is to increase profits, so as long as they stay within law

Cultural Relativism- ethics are culturally determined and that business should adopt culture that they operate in

Righteous Moralist- a multinationals home country of ethics are appropriate for companies to follow

Naïve Immoralist- if manager sees that other international companies aren’t following ethics, why should they

Utilitarian and Kantian-

Utilitarian- moral worth or actions is determined by consequences

Kantian- based on philosophy of Immanuel Kant that people should be treated as ends and not merely as ends to others, that they deserve dignity and respect

Rights theories- human beings have fundamental rights that transcend national boundaries and cultures

-Universal Declaration of Human Rights

Justice theories- focus on attainment of a just distribution of economic goods and services, John Rawls