

Internationalization & Export Management (IEM 6CFU)

Drivers of globalization

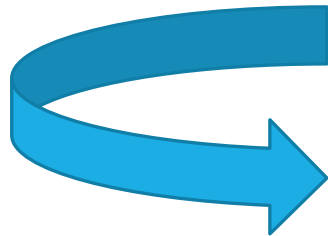
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DIPARTIMENTO DI STUDI
AZIENDALI E QUANTITATIVI
DIPARTIMENTO DI ECCELLENZA

Globalization

1. It refers to the integration of economics and societies all over the worlds
2. It involves several changes in technological, economic, political and cultural domains, made possible by several causes



DRIVERS OF GLOBALIZATION

Drivers of globalization

Several factors made possible the interaction among countries in the world:

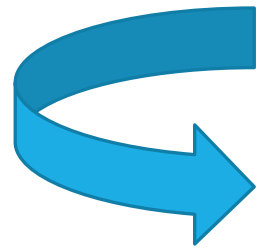
1. Declining Trade and Investment Barriers
2. Technological Change

Drivers of globalization

1. Declining Trade and Investment Barriers

The economic integration is allowed by the harmonization of regulatory regimes, particularly through trade agreements.

Many barriers to international trade declined from 1920 and international institutions (like GATT – now WTO) helped to lower commercial barriers.



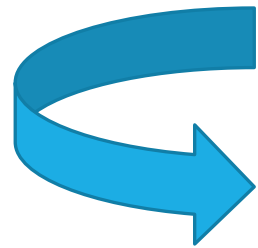
Trade in goods and services and the value of foreign direct investment have all been growing faster than world output.

- More firms dispersing production process to different locations around the globe.
- Economies of the world's nation-states are becoming more intertwined.
- World has become significantly wealthier in the past two decades.

Drivers of globalization

2. Technological Change

Technology shaped and set the foundation for modern globalization



- a. Information and communication technologies (ICT)
- b. Innovation in transportation sector

Drivers of globalization

2. Technological Change

a- Information and communication technologies (ICT)

Inventions in the area of microprocessors and telecommunication enabled highly effective computing and communication at a low cost level. Finally, the rapid growth of Internet is the latest technological driver that created global business and e-commerce.

Drivers of globalization

2. Technological Change

B. Innovation in transportation sector

In this field, the most important developments regard the commercial jet aircraft and the containerization in the late 1970s and 1980s.

Introduction of containers was in fact a revolutionary change for transport that offered new logistical possibilities, boosted efficiency and greatly reduced the overall cost of international trade (Levinson, 2016).