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How did E-Commerce influence Globalisation and is there any further development via Artificial Intelligence?

To start with the meaning of Globalization it has a lot of different accesses. The most common one and the one that is most used, describes globalization as a new dictum that has appeared to lead the world in the future. On the one side it provides free trade and free flow of goods and services between countries and on the other side it increases the living standard of many individuals. It connects the world to each other and has a great impact on making the economies one big marketplace. Albrow (1990) describes globalization as a process that connect the world society as a single one to a global society. Cox (1994) described the globalization as a trend to internationalize the production, the new division of labour, a new movement of immigration from the South to the North, which is actually a big challenge of the moment. In addition, the new environment and new processes the globalization has created. Lastly, the internalization of the state.

Trade has a long history and began thousands of years ago, when there was no intention or meaning of globalization. According to the business dictionary international trade describes an exchange of goods and services along international borders. The impact of this type of trade is here described as a greater competition in the market and more competitive pricing in the market. Also, the pricing of the goods should change. It is proven, that over trade countries make themselves get better off. Additionally, international trade makes goods available for consumers globally, which some users would not have any use of.

The basis of international trade is taking benefit from the comparative advantage. A state in the world does trade to have a rising economy in his state by putting on the one hand taxes on the imported goods and on the other hand getting restrictions and laws on the quantity of goods. For the economy this is important, because it makes the import goods more expensive and takes a focus on the local products and products produced in the country. At the same time, many countries also export because raw materials are surplus in one country and have helped the country to prosperity. Subsidies are also an important issue, as subsidies on export products can make these products cheaper to trade internationally and benefit the exporting

country positively. The crucial point, however, is the equal distribution of resources. It is also about specializing in the production of goods where the country has comparative advantages. The second point, which is considerable in the distribution of goods, is the pricing policy of the countries, because different goods in different countries can of course be subject to different prices.

A basic principle of international trade has always been that states try to develop their own economies. By imposing taxes on imported goods or limiting the quantity of imported goods. This has two advantages. On the one hand the imported goods become more expensive and on the other hand the local products are promoted and protected. However, there is also the possibility of importing that countries have very high production costs for some goods and therefore import the goods. Another possibility is through subsidies, in which export products are subsidised in order to be able to offer them cheaper on the international market and benefit the exporting country.

Furthermore, international trade offers a greater variety of goods for consumption. It not only brings growth for the country, but also improves the standard of living of the individual. It also allows states to allocate and use goods efficiently.

So much for the theory of international trade and globalization. But how does this behave in the current economy? What role does the WTO play and does globalization have a direct influence on international trade?

The World Trade Organization (WTO) was founded in 1995 and has its headquarters in Geneva, Switzerland. The main task of this organisation is to promote economic development and trade policy throughout the world. The organization currently has 164 members. With the expansion of globalization trade, the role of the WTO is becoming increasingly important. Since the WTO is one of the most important carriers of economic globalization, there are some important international trade rules that focus on liberalization and play an important role in both the promotion and control of the process of economic globalization. In the following, the WTO is explained in more detail on the basis of 2 aspects.

1) WTO basic rules for internationalized action

There is one main objective that the WTO pursues. This is about making reasonable competitive opportunities for trade between WTO members possible. It must be borne in mind that members must comply with certain rules and principles laid down by the WTO. On the one hand there is the MFN principle and on the other there is the principle of national treatment. The MFN principle means that all WTO members have equal opportunities to compete. The principle of national treatment means that the products of exporters and importers have the same competitive chances. WTO rules state that members must open their own market to other members. There should be no unfair competition between members in the development of their foreign trade. Particular attention should be paid to ensuring that dumping or subsidies do not stand in the way of countries offering their domestic products on the international market. The trade policy rules and regulations of the member states must be transparent. With these rules, the WTO has the opportunity to offer a tangible policy that guarantees fair competition and transparency principles. With a view to specific world trade, the WTO has developed rules that deal significantly with tariff and non-tariff measures in order to guarantee the flow of goods within the member states as well. Nevertheless, a member state does not have the possibility to prohibit the movement of goods or to restrict or prohibit certain goods.

The protection must also guarantee the continuity of the competitive opportunities in which the WTO consistently takes action against unfair trade practices. The WTO can take measures to mitigate the effects of such measures and, in the best-case scenario, to offset them.

2) Internet commerce and its impact

In recent years and in the last decade, e-commerce has developed into a strong technical support to drive the expansion of economic globalization and trade. This e-commerce was developed from the information and network technology and thus expands the connotation and thus also the expansion of the world market and changes the classical trade. In this context, continuous trade plays a particularly important role, which at the same time enables the acceleration of information transfers and accelerates the cash flow in international trade. In addition, flexibility in the localization of economic services is also

facilitated. E-commerce benefits from internationalization in two ways: It enables direct substitution of e-business technology and processes for physical locations, manual processes, or other acceleration functions. E-commerce reduces coordination costs, which can also reduce the costs of working with foreign companies and subsidiaries that are still needed due to the nature of the product or service or due to regulatory or cultural issues. Another role is played by the simplification of international trade procedures and their processes, as well as the costs of international trade and its opportunities. It is obvious that strongly internationalized and globally operating companies will use this e-commerce more intensively than less global companies. Companies that are also confronted with competition from other companies abroad are under pressure to adapt technologies more quickly in order to protect, expand and use market shares more efficiently abroad. This approach is a new approach that does not require specific rules and regulations. In particular, the rules of the WTO play an immensely lesser role here than in classical trade. The aim of the WTO was set out in a declaration called the ITA. The aim is to shape the world of electronic commerce and information technology products in such a way as to maximize the freedom of trade. Globalization and technological change, as well as the change in the way we act, has created a new world economy based mainly on technology, fueled by information and driven by knowledge. The use and integration of information and communication technologies is becoming more and more important. This has consequently led to an increase in productivity, greater customer participation and mass adaptation. At the same time, costs have been reduced. Technology is therefore a driver of globalization in which both globalization and technology complement and reinforce each other.

The effects of international trade in e-commerce are also a boost to production efficiency, as countries try to optimize their production methods to adapt to permanently changing and dynamic competition. One possibility is to adapt and reduce costs. It is of course the case that countries that offer goods at a low price also attract a large number of buyers. This also creates a certain motivation to produce goods efficiently. The positive side of this is that the demand for raw materials continues to rise, both through international trade and through the increasing consumption of people. More and more industries and companies are being established, more jobs are being created and the rate of redundancies is falling. In addition, trade liberalization and e-commerce have simplified the import of capital goods. The

industrialisation process is supported and promotes higher growth. In the literature, this economic structure is referred to as the "New Economy".

In summary, the influence of e-commerce as a driver of globalisation can be described as follows:

- Physical locations, manual processes and other expediting functions are substituted by e-businesses
- Coordination costs, which can reduce the costs of working with those foreign subsidiaries still required because of the nature of the product or service or because of regulation or cultural issues are reduced by e-commerce practices.
- Firms facing foreign competition are under greater pressure to adopt technologies such as e-commerce that enable them to protect or expand market share and operate more efficiently.
- Firms doing business outside their own country may be more motivated to lower their transaction costs by using information technology.
- Using the Internet for transactions and coordination can save time and money on delivery of goods by using rich information flows
- Firms that buy and sell in international markets are under pressure from trading partners to adopt e-commerce to improve coordination with other members of the value chain

Discussion and own opinion

As already described in the previous part, Internet trade is seen to have an ever greater potential to influence globalisation as a decisive factor. It must of course be noted that e-

commerce and international trade have existed for several years or decades. Nevertheless, e-commerce in particular has changed trade and at the same time influenced globalisation.

On the one hand, companies are under a certain pressure to process enquiries from abroad and also to adapt their own corporate structure. But countries are also under pressure to re-coordinate their trade in goods.

As an outlook, it can be said that the emergence of robots and artificial intelligence will pose quite different challenges for individuals, companies and countries. There will certainly be another change in the area of international trade and therefore a further acceleration of globalization. Retailers and manufacturers are trying to counter pure online competition from Amazon, Facebook and Google with new business models (click-and-collect; CRM; smart digital stores; dynamic price adjustments). Companies that innovate are not limited to individual projects, but use AI across their entire value chain. This ranges from procurement and marketing to sales service and customer management. However, the added value is often not visible at first glance, but rather developments that happen inconspicuously, but make the work of companies extremely easier.

My own opinion is that this development will have a huge impact on companies as well as individuals. But it's also more and more about becoming transparent. Globalization will therefore be accelerated even further in order to network the world more and more and to make everything tangible from everywhere. For me personally, the emergence and further development of e-commerce is on the one hand a beneficial thing, but the certain loss of privacy is worrying. The continuing globalization also holds some dangers. But this will probably take a few years to judge.

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