

Internationale Wirtschafts- und Unternehmensstrukturen und –philosophien im Vergleich

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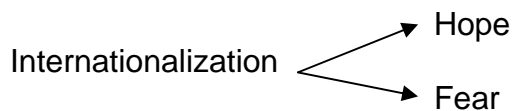
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1 Basics

Discussion points:

- unemployment
- tax policy
- developing countries
- protection of climate
- research policy



1.1 Historical background

- "initiated" by European sea travellers 13?? - ...
- discovery trade (goods, slaves) 17th
 - colonization
- manufacturing/industrialization 19th
 - work sharing, specialization, production efficiency

19th century

- world trade
 - export goods from Europe to USA
 - import raw materials
 - asymmetrical international trade

1914 – 1945

- international crisis (economical, political)
 - national crisis
- inflation, soft currencies

after 1944/45 (1944 Conference of Bretton → result IMF International Money Found)

internationalization philosophy was founded here by trying to avoid war by trade (binding countries together)

→ proceeding economical integration

Trade as political goal (not as egoistic financial goal as before)

institutional basics:

1946 Havanna → ITO (International Trade Organization)
Charta Havanna
trade development as Motor of:
➤ wealth
➤ freedom
➤ employment

but US-Congress said “NO”

→ GATT provisional for ITO
(General Agreement for Tariffs and Trade)

[GATT still exists, ITO did never come]

8 Roundings of GATT

- reduce customs (1950: 40%; 1984: 6%)
- quit restrictions
- technical development
- Communication
- Transportation

90th

Decade of Globalization
(Export index: 1950: 100; 2000: 1800)

1.2 causes of the phenomena of industrialization/globalization (in general)

1. reduction of restrictions/customs (Uruguay-Agreement 1986-1994)
2. increase of direct investment (most in 80th)
3. USA & EU powered liberalization
4. formation of regional economic communities
(EWG → EG → EU)
5. reduction of transport costs
6. breakdown of SU/Comecon 89/90
7. development of IT, commercialization of the internet

1.3 Internationalization/Globalization

- whole world in action (economically)
- separation of national economics and politics
- commerce without borders
- reduction of distances (technically)

- increasing differences
- structural changes

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2 Global finance market

- 70th Liberalization
deregulation
- 80th developing countries (started to get private investments)
→ debts
- 1973 oil crisis
→ higher interests (*in economic development?*)
- 1982 Mexico, the 1st country that couldn't pay
- 1989 fall of iron curtain

problems:

1. debts
2. low return of investment
3. capital invested in consumptions
4. capital flight (*Kapitalflucht/-abwanderung*)

→ agreement: "The consensus of Washington"

2.1 positive view to globalization of financial market

- important for economic and social development
- support in the long term wealth of individuals/households/companies

2.2 Determinants/Conditions for globalization

- restrictions of law
- base of the currency
- import/export balance
- living standards/properity/buying power/ability of consumption
- global policy
- quality of human resources (education!)
- administrative competence
- transparency of national finance system
 - supervision/control of banks/stock market
 - compliance international standards
- IT-Infrastructure

2.3 Risk minimization (by government)

risks:

- economical crises

- tax policy
- wait until own reforms (wait with own reforms/ social changes)
- acceleration and growth of financial market
- liquid resources
- finance market is dominated by privat capital
- organized crime/terrorism
→ FATF (Financial Action Task Force)

2.4 figures

- 73% of finance market invested in 12 countries
- 140 Countries → 5%
- South of Sahara → 1%

UNDP(1999): (*UN Development Program*)

- richest 20% of people have 90% of GDP
- poorest 20% of people have 1% of GDP

Dynamic of world finance market

criteria	period	increasing factor
GDP	1990-2000	1,5
Investment	1990-2000	1,4
Export	1990-2000	1,6
Merger & Acquisition (<i>Fusion & Aufkauf</i>)	1990-2000	7,6
share turnover	1990-2000	10
bonds (<i>Anleihen</i>)	1990-2000	7,1

Growing rate of GDP (OECD)
1993-2000

Country	factor
USA	3,8
Japan	1,1
Germany	1,5
France	2
UK	2,9
G7	2,7
Euro-Zone	2

2.5 Consensus of Washington (1999)

Codex/Rules

- public household discipline
- priorities of public household should be:
 - Education
 - Healthcare

- Infrastructure
- avoid subsidies (*Hilfs-/Fördergelder*)
- tax reform
- avoid capital flight (and capital investment) by stimulating interest
- exchange rates
- trade liberalization
- good conditions for direct investments
- public companies should be private
- low bureaucracy
- strengthen property laws/rights

2.6 indicators of welfare

- illiteracy
- life experience
- mortality of under 5
- GNI/GDP

2.7 Problems of comparison and measurements

- Availability
- Comparability
- Interpretation

3 Goods and services market

3.1 figures

WTO: 1948 – 2000

6,1% p.a. world trade growth

3,9% p.a. production

(service exchange became relevant ca. 20years ago)

statistic:

export over all	
1. West-Europe	1948 31%
	2000 40%
2. North-America	1948 28%
	2000 17%
3. Asia (especial Jap)	1948 14%
	2000 27%
4. Latin America	1948 12%
	2000 6%
5. Africa	1948 7%
	2000 2%

UNCTAD:

- trade between industrialized countries
 - 1980 45%
 - 1999 49%
- trade south to south (southern countries except OPEC)
 - 1980 3%
 - 1999 9%
- trade of developing countries
 - 1980 24%
 - 1999 35%

3.2 Regionalization

1. Europe → Eastern European C., North Africa
2. North America → Latin America
3. Japan → East-, Southeast-Asia

WTO:

interregional trade:

- 1950 30%
- 1980 40%
- 2000 49%

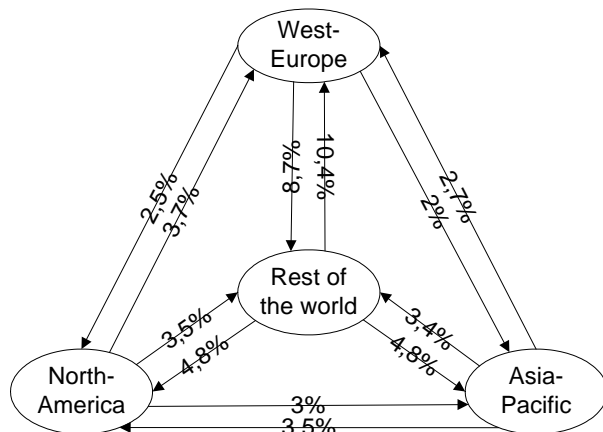
in Region Europe (incl. Eastern Europe, North Africa)

→ West-Europe 66% of export (WTO 2001)

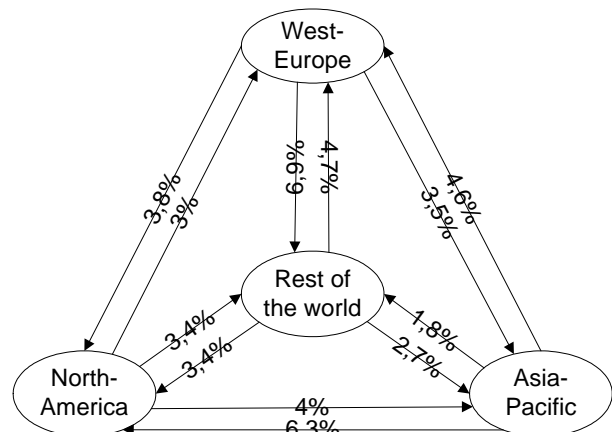
trade between West Europe ↔ North America: 7 % of world trade (WTO 2001)

trade (all products)
 in % of world export
 (UNCTAD 2002)

1980



1998



3.2.1 Integrating Communities

Industrialized Countries	Borderline Countries	Developing Countries
EU(15%) NAFTA(3%)	ASEAN(10%) OPEC	MERCOSUR(south American countries)(4%) (%of world trade)

→ "Deep Integration"

3.3 Structural Change

→ Hierarchy of market + industries

products:

- Agracultural products -
1950 47%
2000 9%
- industrial goods +
- technological intensive goods +
- electronics +
- automotive +

Services:

- transport -
- travelling +
- I&C, licensing +
- finances +
- insurances +

Developing Countries:

- labour intensive goods and services

- clothing/shoes
- woods
- oil products
- electro (manufacturing)

→ estimation by WTO: until 2005 this will be 700billion\$

would be: 35% of annual revenue

or: 65% of total goods export

4 Trade and competition

4.1 theories of trade

Ricardo → theory of comparative cost advantages

1. specialization in each country (to some products/goods)
2. other goods will be acquired by trade
3. Result:

- increasing productivity
 - work sharing among nations
- advantage for all

A) British (European) Hegemony (*Vorherrschaft*)

Colonies Export: raw materials, food → England
Englands Export: industry goods → e.g. India

but unequal relationship (method: war)

→ market protection started (taxes, tolls, customs)
→ 1st world war

B) American hegemony

opening up new markets (open-door-strategy)

- Japan (by military force)
- China
- Latin-America (together with Spain)
 - dollar diplomacy
 - Organization of American States (OAS)

C) Big Depression 1929

decrease of 70%

→ organization of economic blocks (free trade inside; Jap-Ger)

→ 2nd world war

results (A-C):

- without regulation there will be no world trade
(the theory of self-regulation of Ricardo was questioned)
- Importance of the US as leading (trade) nation

D) Free trade

GATT 1948 (also start of cold war at this time)
WTO 1995

4.2 Companies going global?

- 1) Transaction cost – theory
international activities
→ direct investments (to compete in the global market)
- 2) location theory

location factors

for company activities	for production and production factors	for market success
predictable legal system	climate	Customer market demand
political stability	regulation for production	competitive companies
governmental influence	(land) property + costs	market situation potential
employee rights	service costs	
tax policy	raw materials, energy	
governmental programs	financial capital	
competition laws		
market demand		

4.3 Options of internationalization for companies

4.3.1 vertical integration

Acquisition of other companies to complete your own activities.

4.3.2 horizontal integration

- Megafusion
1900 → 9000 fusions (290 Bill \$value)
1999 → 25000 fusions (2380 Bill \$ value)

1997 → 8%
1998 → 23%

→ Monopolism, Oligarchy or Competition ???

fusion	
+	-
loyalty	inflexibility
motivation	less innovation
R&D (use advantages of both old R&D's)	customer service
	dependency of small and middle sized comp.

4.4 Regulation of Competition and misuse of market power

1. multinational way
WTO
rules for cartels
2. pluralateral way (Club way)
International Competition Network (founded 2001 in N.Y.)
→ global control of fusing companies
→ misuse
3. bilateral way

German – American way

5

International economic structure: the labour market

5.1 International competitiveness

5.1.1 foreign trade view

→ indicator: export surplus
 percentage to world export

	USA	GER	Jap	F	UK
1982	11,3	10,2	7,9	5,5	5,4
1999	11,9	9,8	7,8	5,5	4,8

5.1.2 cost view

development of labour costs:

	UK	F	USA	D	Jap
1990 (defined index)	100	100	100	100	100
2000 (local currency)	240	182	177	139	111
2000 (in ECU)	237	161	262	180	358

5.1.3 capital view

%-foreign investment of investment in total

	USA	GER	Jap	F	UK
1991	13	23	31	21	17
1999	19	23	27	21	19

location quality → direct investment

5.1.4 resource input view

Indicators:

GNP/Cap

Employmentrate/Cap

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6 International economic structure

6.1 Knowledge society

Daniel Bell: Structural Change from

industrial society (mass production, exploitation of nature)	→	knowledge society (knowledge industry → services, regulation of natural resources)
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knowledge society ↔ information society

- different theories
-

6.1.1 Role for economy & economic development

- 1) Increase in services
2/3 of employees in service sector
- 2) increase of knowledge based production processes
- 3) Digitalization & global networking
 - efficiency
 - decrease of transaction cost

→ Influence of labour
new structures for employees
more qualification
I&C based workplaces 1,5%-2%

→ traditional working relationships

- long life learning
- rationalization
- Globalization of work
- flexibility

digital divide: (by Negroponte)

- Information Haves
- Information Have Nots

6 Types (???Classification of Information-Haves???)

1. e-leaders
2. e-Hares
3. e-capables
4. e-Tigers

5. e-maybes
6. e-losers

figures to Internet access:

1999

EU	24%
USA/Canada	64%
Australia/Jap/NZ	6,3%
Latin America	1,6%
Africa	0,4%
Asia(developing C.)	3,4%

media access:

per 1000 persons:

	Telefon	PC	Internet(2001)
Worldpopulation:	139	58	15,1
Arabic States	55	10	0,4
Latin America	107	31	5,6
China	57	6	
India	18	2	
Northamerica	433	388	179
OECD	521	204	
South-Asia			0
East-Asia-Pacific			0,16

developing countries:

- gap is growing
 - difficulty to catch on
 - governmental support needed
 - infrastructure is costly
 - fear of losing power
-
- ➔ growing employment
 - ➔ data acquisition
call centre
programming

6.1.2 The role of human capital

- comparative cost advantage
- qualification demand
- Isolation

- 1) Migrants:
3% 2000 150Mio 50%woman
 1990 120Mio
- 2) brain drain ↔ brain gain

6.1.3 electronic Commerce

Typology:

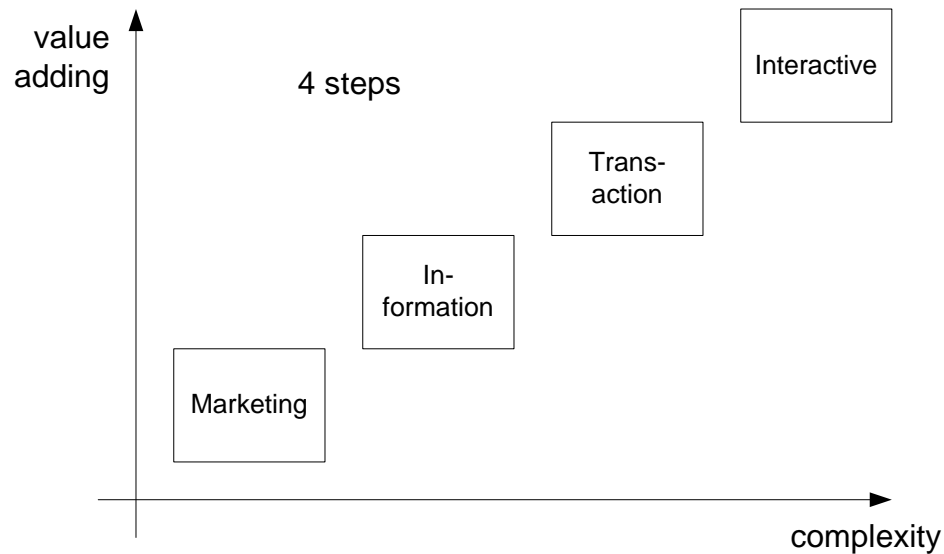
- 1) Transactions between Companies (B2B)
- 2) Transactions between Company and Customers: B2C/C2B

3 kinds of e-Commerce

1. commercial inter-presentation
2. e-procurement
3. integrated value adding chain

→ Marketing

→ Company organization



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7 Company structure

7.1 Organizational structure

- 1) division of labour
- 2) specification of state performance tasks
- 3) internal & external information flow

7.2 Basics: Organizational forms

- A) Individuals, Teams & Hierarchies

B) Complex Organization

7.2.1 Individuals, Teams & Hierarchies

something missing!!!

7.2.2 Complex Organization

- 1) Departmentalization
= division of organization into formal groups

Dimensions for groups:

- tasks & functions (production, marketing, human resources, purchase)
- input/output
-

- 2) Coordination of activities

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8 Basic Conditions & Determinants

8.1

8.1.1 Natural Conditions

- Climate
- Topography
- Resources

8.1.2 Cultural Determinants

Culture?

- beliefs, attitudes, values, religion
- social relationship
 - status, roles
 - rules, norms
 - symbols (christ cross, Turkish half moon)

values, belief-system

- Religion
- Ideals, Idols → individual success
- future orientation
- pragmatics
- incentives
- time attitudes
- work attitudes
- nationalism

social relations

- demography
- population density
- urbanisation
- mobility
- Authoritasm (authorization?)
- masculinism
- conflict handling

reality cognition (*Erkenntnis, Wahrnehmung*)

- thinking style
- risk perception
- picture of the world
- technology
- education
- amount of academics
- language

8.1.3 cultural dimensions of a country (GEERT HOFSTEDE)

→ <http://www.cyborlink.com/besite/hofstede.htm>

1. power distribution

2. individualism/collectivism
3. Masculinism/Feminism
conflicts/social harmony
4. avoidance of insecurity
control ⇔ liberal
5. time attitudes
past, present, future
6. feeling for distances and dimensions
7. thinking style
deductive(Europe) ⇔ inductive (anglo-saxon)
8. problem solving styles
9. religious beliefs

results:

- very individual countries
 - Japan
 - India
 - Israel
- 1) anglo section
Canada, Australia, New Zealand, GB, USA
- 2) Germanic section
Germany, Austria, Switzerland
- 3) romanic Europe
Spain, France, Italy, Portugal
- 4) Nordic section
Denmark, Norway, Sweden, Finland
- 5) latin America
Mexico, Chile, Argentina
- 6) near east
Turkey, Greece, Iran
- 7) Far East
Hongkong, China, Malaysia, Singapore, ...
- 8) Arabian
Barain, Saud Arabia, United Arabian Emirates

8.2 Competitive Environment

8.3 Market & Location opportunities

8.4 Political Determinants

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9 Basics of going global

9.1 Why internationalization?

→ changes in business environment

- position on home market/ in region/ globally
- global competitors/strategies/resources
- where to produce
- strategic alliances

9.2 Global industry

- international
- multinational
- transnational
- global

9.3 global firm

- financial advantages
- production
- market
- R&D

9.4 philosophy of global companies

→ the whole world is a market

- national boundaries minimized
- raise of capital
- obtainment materials and components (global sourcing)
- obtainment of manufactures
- markets

Σ

9.5 Major decisions for marketing environment

9.5.1 Loading on the global marketing environment

- political legal system
- culture
- economical environment
- international trade system

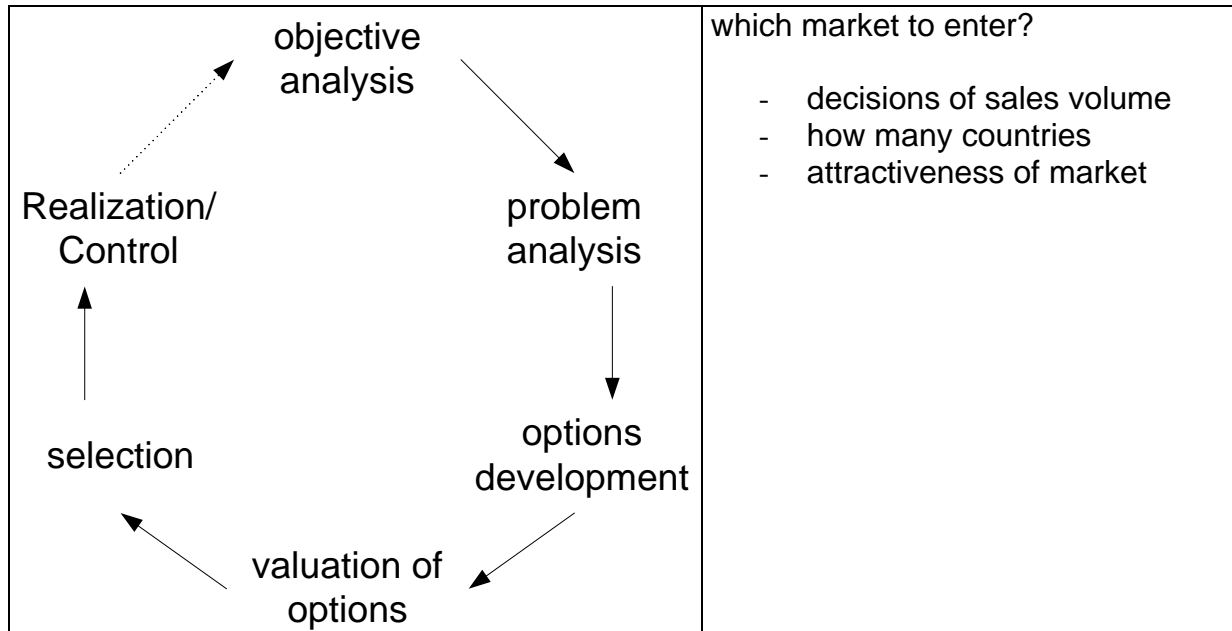
9.5.2 Decisions to go international

influencing factors

- competitors attack domestic market
- higher market volume, enlarged customers
→ economy of scale
- higher opportunities of profit
- domestic market is shrinking, stagnating

- reduce the dependency of one market

9.5.3 Decision which market to enter



9.5.3.1 main indicators of market potentials

1. demographic characteristics
2. geographic characteristics
3. economic factors
4. technological factors
5. socio-culture factors
6. national goals

9.5.4 Decision how to enter a market

- A) Export
- indirect export
 - direct export
- B) Joint venturing
- licensing (loss of control)
 - contract manufacturing (start fast)
 - joint ownership
- C) Direct investment
- Advantages:
- keeping the control over investments
 - lower cost, cheaper labour/raw materials
 - image
 - deeper relationship to government

9.5.5 Decision of global marketing program

standardization or adaption?

- product
- price
- promotion
- distribution channels

9.5.6 marketing organization

- export departments
- international decision
- global organization