

Globalization's Next Chapter

The anti-Globalization protesters in Seattle and Quebec City equated globalization to Americanization – the ‘domination’ of the United States, or the western powers, over the developing nations.

The next chapter in globalization is not about world domination by USA, but about the entry of an increasing number of developing nations into the mainstream global economic activity. Technology has made it possible, and the post-boom ‘measured prudence’ in business has made it necessary, to extract the highest value for the dollar. Wherever it may be found.

“I define globalization as producing where it is most cost-effective, selling where it is most profitable, sourcing capital from where it is without worrying about national boundaries.”

– Narayan Murthy: Pioneer, Visionary, Philanthropist, Chairman and Co-founder of Infosys Technologies (NASDAQ:INFY)¹.



A world without borders – as in the ‘Astronomy Picture of the day’ on November 27, 2000 ²

Local immigrant professionals maintain extensive ties to their homes, bringing business opportunities, technology and networks that link Silicon Valley to urban centers in countries like India, China and Taiwan, according to a study published by the Public Policy Institute of California. Eighty-two percent of those surveyed said they share information about technology with colleagues in their native countries. And 80 percent pass along information about jobs and business opportunities in America. These transnational business networks are set to leverage the free flow of information and people to address the opportunity created by today’s economic climate in the United States. These networks have the capability to

¹ Quoted in The Commanding Heights, The Battle for the World Economy, a three part TV series aired on PBS in April 2002. See <http://www.pbs.org/wgbh/commandingheights/>

² Earth at night – Defense Meteorological Satellite Program (DMSP) of NASA. See <http://antwrp.gsfc.nasa.gov/apod/ap001127.html>

deliver higher throughput – more output per dollar, than businesses that do not extend beyond the national boundaries of the US.

Since Seattle and Quebec, where sophisticated protest organizers used the Internet and other “tools of globalization” as tools of disruption, the terms of the global debate have shifted. The last WTO meeting was held in Doha in November 2001, amidst tight security against the backdrop of the World Trade Center attack – an attack on the American (Global?) economy. Here, leading developing nations India and Brazil – the new “globalizers” – forged a common front to pursue the objectives of the developing world. They sought improved access to the markets of industrial countries for the agricultural and manufacturing exports of developing nations.

The belief that trade increases the odds for peace and also leads to higher standards of living is something that has been part of the American political tradition. This tradition is now being tested in America’s new wars, which have to be fought on the trading floors of the world, as much as on the hills of Tora Bora.

“These changes signify the establishment of the first truly global economy, integrated and interconnected, in which work and production are networked around the world and in which everything from knowledge to commerce is taking electronic form. With all its benefits and all the hopes it sparks, this reassertion of the market will nevertheless encounter a host of new challenges and bracing tests. The opportunities it can create for people are enormous; yet, there is clearly unease with its demands, its impact, and the reordering that it can impose. Risk will be a very evident part of this new world, as it should be. For out of risk emerge the innovation and the incentives - and the imagination - that carry the world forward.” – ‘Commanding Heights: The Battle for the World Economy’, by Daniel Yergin, and Joseph Stanislaw.

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