

## GLOBALIZATION OF THE MARKETING INFRASTRUCTURE

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Definition of globalization: is the process by which businesses or other organizations develop international influence or start operating on an international scale. This unification is driven by the liberalization of trade, investment and capital flow, technological advances, and pressures for assimilation towards international standards. Globalization makes the world more accessible to everyone.

There are about seven major types of globalization:

– financial globalization: Interconnection of the world's financial systems e.g. stock markets more of a connection between large cities than of nations. Example: What happens in Asian markets affects the North American markets;

– economic globalization: a worldwide economic system that permits easy movement of goods, production, capital, and resources (free trade facilitates this). Example: NAFTA, EU, Multinational corporations;

– technological globalization: connection between nations through technology such as television, radio, telephones, internet, etc. Was traditionally available only to the rich but is now far more available to the poor. Much less infrastructure is needed now;

– political globalization: countries are attempting to adopt similar political policies and styles of government in order to facilitate other forms of globalization e.g. move to secular governments, free trade agreements, etc;

– cultural globalization: merging or «watering down» of the world's cultures e.g. food, entertainment, language, etc. Heavily criticized as destructive of local culture e.g. The Simpsons is shown in over 200 countries in the world;

– ecological globalization: seeing the Earth as a single ecosystem rather than a collection of separate ecological systems because so many problems are global in nature e.g. International treaties to deal with environmental issues like biodiversity, climate change or the ozone layer, wildlife reserves that span several countries;

– sociological globalization: a growing belief that we are all global citizens and should all be held to the same standards – and have the same rights e.g. the growing international ideas that capital punishment is immoral and that women should have all the same rights as men.

Advantages of globalization:

– free trade is supposed to reduce barriers such as tariffs, value added taxes, subsidies, and other barriers between nations. This is not true. There are still many barriers to free trade. The Washington Post story says «the problem is that the big G20 countries added more than 1,200 restrictive export and import measures since 2008;

– the proponents say globalization represents free trade which promotes global economic growth; creates jobs, makes companies more competitive, and lowers prices for consumers;

– competition between countries is supposed to drive prices down. In many cases this is not working because countries manipulate their currency to get a price advantage;

– it also provides poor countries, through infusions of foreign capital and technology, with the chance to develop economically and by spreading prosperity, creates the conditions in which democracy and respect for human rights may flourish;

– according to supporters globalization and democracy should go hand in hand. It should be pure business with no colonialist designs;

– there is now a worldwide market for companies and consumers who have access to products of different countries;

– gradually there is a world power that is being created instead of compartmentalized power sectors. Politics is merging and decisions that are being taken are actually beneficial for people all over the world. This is simply a romanticized view of what is actually happening;

– there is more influx of information between two countries, which do not have anything in common between them;

– there is cultural intermingling and each country is learning more about other cultures. True;

– since we share financial interests, corporations and governments are trying to sort out ecological problems for each other;

- socially we have become more open and tolerant towards each other and people who live in the other part of the world are not considered aliens;
- most people see speedy travel, mass communications and quick dissemination of information through the Internet as benefits of globalization;
- labor can move from country to country to market their skills. True, but this can cause problems with the existing labor and downward pressure on wages.

Disadvantages of globalization:

- the general complaint about globalization is that it has made the rich richer while making the non-rich poorer. «It is wonderful for managers, owners and investors, but hell on workers and nature.»;
- globalization is supposed to be about free trade where all barriers are eliminated but there are still many barriers. For instance 161 countries have value added taxes (VATs) on imports which are as high as 21.6% in Europe. The U.S. does not have VAT;
- the biggest problem for developed countries is that jobs are lost and transferred to lower cost countries.» According to conservative estimates by Robert Scott of the Economic Policy Institute, granting China most favored nation status drained away 3.2 million jobs, including 2.4 million manufacturing jobs. He pegs the net losses due to our trade deficit with Japan (\$78.3 billion in 2013) at 896,000 jobs, as well as an additional 682,900 jobs from the Mexico –U.S. trade-deficit run-up from 1994 through 2010.»;
- workers in developed countries like the US face pay-cut demands from employers who threaten to export jobs. This has created a culture of fear for many middle class workers who have little leverage in this global game;
- the anti-globalists also claim that globalization is not working for the majority of the world. «During the most recent period of rapid growth in global trade and investment, 1960 to 1998, inequality worsened both internationally and within countries. The UN Development Program reports that the richest 20 percent of the world's population consume 86 percent of the world's resources while the poorest 80 percent consume just 14 percent.»;
- some experts think that globalization is also leading to the incursion of communicable diseases. Deadly diseases like HIV/AIDS are being spread by travelers to the remotest corners of the globe;
- globalization has led to exploitation of labor. Prisoners and child workers are used to work in inhumane conditions. Safety standards are ignored to produce cheap goods. There is also an increase in human trafficking;
- social welfare schemes or «safety nets» are under great pressure in developed countries because of deficits, job losses, and other economic ramifications of globalization.

Definition of marketing: this is the action or business of promoting and selling products or services, including market research and advertising.

References:

1. *The effects of global connection [Electronic resource]. – Access mode : [https://www.oup.com.au/\\_\\_data/assets/pdf\\_file/0024/58137/Chapter-5-The-effects-of-global-connections.pdf](https://www.oup.com.au/__data/assets/pdf_file/0024/58137/Chapter-5-The-effects-of-global-connections.pdf)*

## МІЖНАРОДНА КОНКУРЕНЦІЯ В УМОВАХ ГЛОБАЛІЗАЦІЇ

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Тенденція розвитку світової економіки початку ХХІ ст. визначається розгортанням процесу глобалізації, яка впливає на економічний розвиток усіх країн світу, в тому числі і України. Наслідками глобалізації є уніфікація закономірностей розвитку, посилення міждержавних взаємозв'язків і взаємодії, що проявляється у активізації процесів переливу ресурсів та капіталу, відповідно до чого відбувається загострення міжнародної конкуренції за можливість їх максимального залучення. Держави, трансформуючись у відкриті системи, активно взаємодіють між собою, виводячи економічні процеси на світовий рівень. У сучасному світі формується єдина світова економічна система, суб'єктами якої виступають транснаціональні корпорації, окремі держави або їх об'єднання. Пов'язані різними видами господарської діяльності вони взаємодіють між собою задля задоволення власних інтересів та досягнення цілей своєї діяльності.

Глобалізацію визначають інтенсивність, обсяг і вартість міжнародних трансакцій у інформаційній, фінансовій, комерційній, торговельній і адміністративній сферах у всесвітньому масштабі [1].