

- Joint ventures: market growth and entry, technology transfer, access to competencies, synergy and cost reduction, reduced risk, increased control of the supply chain, local branches, BUT capability, compatibility, commitment, control
- **Examine the global market and the place of multinationals**
 - Multinationals: protection against downturn in national economies, access supply of raw materials and new markets, protection against competition, growth by acquisition or joint venture, exploit economies of scale, reduce costs, overcome import controls, assisted by developments in divisional structures and by development in transport and information and communications technology.
 - Example: Wal-Mart, buyer-driven change in the world.
- **Explore the perspectives on Globalization**
 - Globalist: global products and markets, convergence of cultures, efficient production, business needs replace political needs, increased flow of goods, services, money, people, ideas and knowledge explosion, leads to economic growth and prosperity for all, increased security, greater literacy and numeracy – Fukuyama
 - Anti-globalisation: same changes but negative impact – widening gap between rich and poor, exploitation (e.g. Foxconn), economic crashes, local wars still exist, new problems (drug trafficking, money laundering), associated with ecological disasters and health problems, globalisation must be stopped/controlled
 - Sceptical: globalisation a continuing trend in international trade (not new), changes aren't actually global (focused on advanced nations only), no borderless world, jobs move rather than people, firms still identify with their countries of origin, cultural diversity is significant

The Economy and the State

The PEST Framework

- A way of analysing how external environment influences business
- Political: the nature of the political system and how it influences and regulates business
- Economic: the influence of economic structure and prevailing economic conditions
- Socio-cultural: how cultural values of society affect business and how these may change
- Technological: how technology (especially ICT) changes how we may do business

PESTLE

- Legal: restrictions, regulations, taxations
- Ethical: business ethics, human rights, energy use, nature

LoNGPEST

- Local level: local government, labour skills, differences in culture
- National level: national government and economy
- Global level: international influences such as EU and world economy