CONCEPTUAL ARTICLE

THE WORLD MAY BE FLAT, BUMPY OR OVAL BUT 'BHARAT' AND 'INDIA' HAS TO COME TOGETHER TO BE FULLY INCLUDED IN GLOBALISATION PROCESS
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ABSTRACT: How to deal with Rural and urban world is a big dilemma faced by all countries. Even emerging economies with sizeable rural markets have to deal with this issue. The author feels that each country will have to sort out the treatment it gives to its urban and rural markets first and then combining together, it has to respond to the world wide globalization phenomenon.

KEYWORDS: Flat, Oval, Bumpy world, Bharat and India, Globalization.

INTRODUCTION: Globalization as phenomenon has been written around by many authors and they have given different nomenclatures/sizes of the urban world, to explain their globalization ideas. To name a few, Convergence of Tastes (By Ted Levitt), The End Of History (By Francis Fukuyama) and the Death of Distance (By Frances Cairn cross). Common Factors to these writings include emotional rather than cerebral appeals, a reliance on prophecy, semiotic arousal (That is treating everything as a sign), a focus on technology as the driver of change, an emphasis on education that creates ‘New people’ and an overarching clamor for attention. The most significant of these ideas has been the idea of the 'world being flat'.

Thomas Friedman, The Pulitzer Prize winner author in his book explains that the phase of a flattened world began in 2000, ushering in an era where economic development was built not around countries and companies, but around individuals. Three key technologies led to the genesis of the flat world-The advent of Personal computers, which enabled individuals to author their own digital content; Netscape going public on September 8, 1995, triggering the dotcom boom, which allowed individuals to send their content to others across the world; and the software or workflow revolution, which made every computer and software inter-operable. All this enabled to living through a transformation from vertical value addition to horizontal value addition.

This New Platform has Created New Rules of doing Business:
1. First, the need to understand 'horizontal 'value addition.
2. We must remember that what can be done will be done-either by you or it is done to you.
3. The economic competition today is likely to be not between countries or companies but between an individual and his imagination.

Pankaj Ghemawat, a Harvard Professor, does not agree with the flat world concept. He explains this with the game of football which seemingly has gone global but still stayed very local. According to his research, internationalization of most economic activities still falls closer to 10%. Further, of all the capital being invested around the world, not more than 10% is invested outside home-countries; even pushed by higher merger waves, still it has never reached 20%.
The actual levels of globalization associated with Telephone calls, Long-term Migration, University Enrolment, Stock in Investment, and trade as a fraction of Gross Domestic Product (GDP) fall in the level closer to 10%. Some indicators of globalization are not increasing as many experts have claimed. For example, migration intensity actually peaked before the Great War (The First World War).

According to Prof. Ghemawat, Toyota has got its global strategy right. It has overtaken General Motors to become the largest automaker in the world while making money in the process.

Toyota is distinguished from most of western automakers by the fact, it treats market share as the result of building better cars, Toyota’s starting point was not a grand long-term vision of some distant globality, when autos and auto parts can flow freely through global barriers but rather, the company anticipated expanded free-trade agreements within the Americas, Europe and East-Asia, and not across them. This is a more modest-but also more realistic vision of a semi globalized world in which neither the bridges nor the barriers between countries can be ignored.

Another favorite example of Prof. Ghemawat about why borders matter is that of Wal-Mart. When CEO Lee Scott was asked about Wal-Mart's International prospects several years ago, his response was, 'People expected that, Wal-Mart would struggle when expanding to places like Alabama (600 miles away). To overcome this, they even hired a person to work on the cultural differences between Arkansas and Alabama. In reality, the foreign markets in which Wal-Mart has achieved profitability-Canada, Mexico and the United Kingdom are the ones Culturally, Administratively and geographically closest to the Home Market.

Cyber-space is one place where distance should not matter. Google, the most globalized search engine floundering in Russia (Co-Founder, Sergey Brin’s native country) where it has a market share of only 28% compared to local market leader Yandex’s 64%. The problem is that, Google’s search engine cannot handle the complexities of the Russian language, which is a problem of cultural distance.

McDonald, a company, people think of as offering stereotyped products, actually has varied its product offerings widely from country to country, offering up Spaghetti in the Philippines, Teriyanki McBurger in Japan, Rice burger in Taiwan and a Lamb Burger in India. Many of these adaptations were invented by the company’s franchisees, which are far more locally responsive than the home stores.

From Indian point of view, Star TV drastically changed its global vision. Star's original strategy was to re-cycle American Programming for the English speaking Asian Elite. But it eventually realized that, its target audience preferred local language programming. Its come-back vehicle interestingly was an Indianised re-make of foreign programme – ‘Kaun Banega Crorepati’.

TCS has aggregated its global operations along cultural lines, with regional centers that supplement its global delivery centers in India and China. It has one center in Uruguay and one in Brazil to service Latin America, Spain and Portugal. It recently set up a center in Hungary where German is the second language for the Central European Markets. Now it is planning to set up another center in Morocco, where there are plenty French speakers, to service the francophone countries.

Prof. Ghemawat suggests the CAGE Frame-Work (Cultural distance Language, Religion, Values, Insularity), Administrative distance (Political hostility, Weak institutions, Corruption and lack of colonial ties, Common currency) and economic distance (Quality of infrastructure, Human resources, Financial resources, Knowledge) for easy internationalization.

Besides Friedman’s Flat-world and Prof. Ghemawat’s ‘oval world, there is a third version of the globalization of the world given by Chris Patten.² (Ex-Governor of Hong Kong and European commissioner for Foreign Relations). According to him, the world is Bumpy. In one sense, the globalization that is transforming our world today is, nothing more than the recent movement of
people, ideas and technologies, taking advantage of a new era (politically and economically), of relatively easy travel, easy communication and open opportunities for education, self-betterment and self-aggrandizement.

According to him, there are two ‘isms’ that we need to watch carefully even as we try to mould a better and more inclusive globalization. The first of these is technological determinism.

IT has empowered individuals to compete and to collaborate, especially non-White men and women principally in Asia resulting in growth of BPOs in India, where large number of American's tax return preparations are outsourced to workers in India. Although technology today can liberate and connect individuals to an unparalleled degree, we should not exaggerate the impact of the internet, air travel and container ships with comparison to the technological developments in the last century; nor should we forget that most people don’t live in a cyber-world.

The second ‘ism’ to reject is anti-Americanism. The US has been a powerful enabling factor in globalization, rather than its sole driving forces. Just as the US advocates capitalism and, usually free trade, it also uses its military might to support a system of world security.

The main threat to globalization today comes from the rich and powerful states losing their nerve and, their belief in markets, something which China’s recent example shows, and further failing to make corrections in the system that would benefit all. Modern global governance in economic-and indeed in other affairs, cannot be a project driven by a single state. US has to recognize that major economic or other problems in the world cannot be solved without the cooperation and shared leadership of India and China.

Interdependence does not end the autonomy of states. Self-interest should be the glue that binds globalization in economic and other matters. This constitutes both the greatest strength and the greatest weakness of the global environment, that it is held together by many choices made in beneficial concert.

On the Rural world front, the world's total rural consumers account to @ 3.4 billion. Out of these, Asia and African continent itself have @ 3 billion rural consumers (70%). The 7 Asian countries with maximum rural population are-India, China, Indonesia, Pakistan, Bangladesh, Vietnam and Philippines. The top three populated African continents are-Nigeria, Ethiopia and Egypt.

USA’s urban population size is more than 80% thereby it does not need to bother much about its rural markets and in the years to come, it will be fully urbanized. China has an active agenda to accelerate urbanization (48% still live in Rural China). On the other hand, Brazil and Russia are mostly urbanized with less than 15% and 26% of their population living in rural areas. In fact, Brazil is more urbanized than USA.

India leads the pack with more than 800 million consumers living in rural markets and more than 150 million rural migrants living in urban centers, who maintain a close contact with their rural roots (By visiting them during festivals, harvest times and even supporting them financially through remittances). The Rural India constitutes of 6, 38,000 villages, @5 lakh Co-operative societies (Sugar, Dairy, Cotton etc.) meaning almost 1 co-operative at each village.

The best solution which India is trying to implement is the Financial Inclusion, where schemes are launched at urban centers and they are to be implemented in rural areas. What perhaps needs to be done is, designing financial inclusion schemes separately for Urban and Rural Markets but their cumulative effect is synergistic and would help to develop both markets concurrently; at the same time see that, they become complimentary to each other, and not one against the other, thereby leading to
a seamless fusion. We cannot be sitting in 'India' and thinking of developing 'Bharat' irrespective of the size of the world. To take full advantage of the globalization, Bharat and India has to respond together.

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