Cross Borders Companies and Worldwide Industry Management.

Past, present, and future for businesses at time of slowbalization.

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Abstract

Emerging markets are once again gaining the upper hand. According to the World Bank, current market trends indicate that emerging economies will account for more than 70% of global economic output by 2050. With the economic enigmas and the return of emerging economies, three billion new people have suddenly integrated into the global economy, all at once: one and a half billion Chinese, one billion Indians, and half a billion people from the former Soviet bloc. How then can the strategy that predominates in the internationalization of a company be identified? In this study we will define the necessary internal organization of a company and its activities and establish what changes must be made in the internal structure of employees regarding quantity, qualification, training and facilities for machines, technology, processes, and quality control. Before starting to promote the company internationally, it is advisable to check whether the brand can be used or whether it should be changed. In 2020, the COVID-19 pandemic had profoundly affected international trade, investment and travel. The pandemic has slowed the physical movement of people, goods and services, which is also the slowbalization thesis, and this now deserves careful consideration. The goal of this paper is to examine the objective of internationalization and the international development of companies. In this study are introduced the theoretical basis and a discussion on how exporting companies need nowadays to ask the right questions and how the analysis of the economic management can help internationalize their business. The second part of the study includes the results and conclusions.

Keywords: strategy; production; market; internationalization; global; management; slowdown

Introduction

Globalization and internationalization: decision makers and needs are now global

About 1,000 years ago, emerging economies, especially China and India, accounted for about 80% of global economic output. In the twentieth century, developed economies, such as the United States and France, generated more than half of global economic output. To develop a global mentality in the whole company, there is a need for more self-esteem on the capacity and creativity to understand globalization and to win the international market. At first glance, globalization appears to be a phenomenon of the last two decades of the twentieth century in relation to the economy. Globalization is a process that tends to make the same goods, services and factor services accessible at the same price and quality conditions in all countries at the same time. In the context of globalization, it is now established that internationalization is one of the essential strategic components from the outset. Smaller companies have an advantage due to the flexibility provided by the small size and dimension of a structure such as a representative office abroad. Whatever the scale, internationalization takes place in stages, and the crossing of these different stages can be rapid, depending on the incentives, provisions, means and motivations for export. Before starting to export, it is essential to consider the barriers or difficulties that have to be overcome before finalizing a successful business process. There are forces and limitations but before examining the barriers found in the international market, it is necessary to find out whether there are any obstacles in the domestic market to exporting abroad. Internationalization and more particularly the displacement of work units implies the displacement of human resources, this cultural relocation is followed by a mutation that we will call in chapter two the transformation of intercultural competences. It is important to mention in our research that intercultural problems and conflicts are just as significant in small structures as in global and multinational companies. Considering that the concept of globalization is a key point in the internationalization of companies it is necessary to try and understand how the wheel of trade works. This is an essential element for any company that wants to work internationally. Several studies are based on this approach, for example the analysis of competitive forces within a sector. In the early 1980s, Porter greatly improved the competitive diagnosis by introducing players other than the company's current competitors. Three of the main approaches were: world-systems theory, globalization as an outcome of modernity, and globalization as a dual process which centers on culture. (Andersen 1997: 27) (Malnight 1995: 119) (Mookherjee & Napel 2007: 49)

At this level of development, the Group Management Board must distinguish between all functions concerned by international expansion from local functions. Because of the advance of globalization knowledge of others, interconnectedness and interdependence are fundamental. Understanding the concept of crossing borders, entering other people's way of life, accepting and integrating them is a constant challenge for the good negotiator and cross-cultural executive. In the age of globalization, the issue is how to make the entrepreneur and the sales manager know what he/she is going to face in his/her internationalization process. The objective of this paper is to show, and to understand and assimilate the vision that: an international trade professional manager must have, to know the sources of information on internationalization, valid strategies, examples of wrong strategies, which allow the professional manager not to make the same mistakes. A company must work on how to motivate the professional manager to internationalize products with more added value and think to develop the image of the company, that is to act more with collaborators through approaches to international partners. (Altbach & Knight 2007: 290) Rodtook & Altinay 2013: 92)

Planification: which management model fits best for a global company?

The move straight from our idea to prepare a local business as an international enterprise, decision makers must define the necessary internal organization of a company and its activities and establish what changes must be made in the internal structure of employees regarding quantity, qualification, training and facilities for machines, technology, processes, and quality control. Is it possible to be a local company in a global market? But first exclude in advance markets where there is no possibility of exporting. The management board have to concentrate efforts where competitive advantage is greatest, act with caution, since the market segment may be different from the domestic and local market. The idea to create a business model is to evaluate weakness and strengths, evaluate the convenience of carrying out research, registration, and control of the brand. Before starting to promote the company, it is advisable to check whether the brand can be used or whether it should be changed. There will only be a profit margin if the value that customers receive is higher than the cost price of the product. Distinctive skills, within a business, organization or a company are present when the company can master a technique, a management dimension or know-how better than its competitors. In this case, the company has a distinctive competence. In general, trade requires several distinctive skills. Considering the three previous elements, we will present the following diagram to better understand these three core areas of strategic positioning. (Ariu 2016: 19) (Forsgren 2002: 257)

However, there are other key concepts that we can develop and present in this section. The business is all the know-how and skills that are put into play by a company, and which enable it to offer products that are adapted to demand. Today the term know-how, meaning planification, has been replaced by strategies whereas know-how, meaning how to do something, today the term used is expertise. This profession develops with time, is enriched with time, and is transmitted over time. The company must understand the International, Global, Multidomestic or Transnational. Study the market in which the company intends to transfer its business knowledge. The question is: When to act with intensity for global or local integration? For a Global strategy the strategy is to see the world as a single market. Tight control from headquarters to maintain standardization aspects. With a Transnational strategy there is more Coordination with national operations to benefit from economies of scale but respond locally. An international strategy is when the domestic market remains stronger, but there are opportunities in the rest of the world and the Multidomestic strategy will occur when local subsidiaries are independent in both production and management, allowing local development far away from the parent company. (Doh 2005: 695) (Harvey 2000: 82)

This gives the company specificity and identity that require the strategies to evaluate the interdependent activities of a company along a chain to determine the ability of the organization to create value. These Key Success Factors (KSFs) must be reduced to the sector level, segmentation, and analysis identifying the different strategic segments. A strategic segment is a subset of the market in which the combination of KSF is specific. This analysis can be done from different perspectives: types of customers, technical (know-how perspective), segmentation of the product, and geographical location. This strategic segmentation determines the Strategic Business Areas (SBAs). The SBAs determine whether the company has the right segment and competitive advantages. Once the strategic orientation has been chosen, the manager evaluates each of the components of the strategic alternative among several possibilities. The components of the analysis are compared in a cost-benefit assessment, to decide objectively and comprehensively what to do. However, the selection criteria used to determine the final strategic direction are rational, and contingent. The selection indices can also be the result of compromises, and power games between decision-makers. The company, however, remains in a context of limited rationality. This rationality is limited by the level of information of the decision-maker and the capacity for competence. The manager sets up indicators to monitor actions and measure results. The control system, which will be visualized by a project plan dashboard, will make it possible, if necessary, to refocus the strategic orientations over time. The pressures on a sector tend to integrate markets and accelerate the globalization of activities. However, the dynamics of internationalization are not uniform for all companies. Indeed, at the level of operations there are very many stages of internationalization, ranging from predominantly domestic to predominantly global sectors. The basic unit of political organization, the nation state has been challenged by the growing internationalization of dependencies. (Barber & Ghauri 2012: 4) (Cuervo-Cazurra 2007: 258)

Business managers study economic environments to estimate how risks will affect performance.

To reduce the cost of inexperience, the management has to evaluate the exporting capacity of the company. To know the real preparation for the international market, it is important that this evaluation is carried out by an external professional person from the company. The idea will be to define objectives, define volumes, product range, minimum price level, quality, type of markets. At the same time define financial objectives, know how to draw up a cost and revenue program for a period of 1 to 3 years. The company must then organize a database containing the most reliable sources of information. It is essential to filter the information that makes up an immense universe of data. There are different ways to enter the market, choosing among several options, such as doing it through an agent, a distributor or a branch office. The company must also be able to define a communication plan, to communicate and promote its product or products, prepare catalogs, letters, internet communication, website and international fairs.

To prevent a failure of the project, companies need to use a contingency plan. Basically, an activity or a budget that will have to be activated should a specific situation arise or a risk for which one has an action plan should it occur. The risk management is the art and science of identifying, analyzing, and responding to risk factors throughout the life of a project and in the best interest of its objectives. Risk can be defined as any possible event that can negatively affect the viability of a project. To complete an internationalization project, companies have to work with an external partner, thus relying on a third party outside the direct control of the project to supply components or services necessary to complete the project. The Strategic decision contributing to this pattern is one that is effective over long periods of time. (Baldwin & Freeman 2021) (Bell 1985: 60)

When we talk about business we can define risk as an event or situation for which there is no corrective action that can be taken, and which can endanger part or the whole project. Global risk includes for example political risk. A political risk defines the political climate of another country where the company wishes to work. Political risk has an impact on different areas of a company's international economic activity, as for example reducing the value or availability of expected cash flows. The question is how to classify the impact of political risks and how to stay ahead of them. There are different types of political risks. These rank the impact of risks before making decisions for example, when do political risks affect internationalization. Find out what an insurance cover. Another way to minimize the risk of political events is to minimize or share the asset base located abroad because in some location there are armed conflicts, civil unrest, expropriation, trade sanctions against a country, tax discrimination, environmental measures. (Freund & Weinhold 2002: 236) (Rugman 2010: 1)

Before starting any processes, the company must make sure and be aware of the political situation in a country and the business perspective of the foreign government. The company should target the political issues in a market and work on the possibility of developing an investment inside the country. The statistics based on the FDI (Foreign Direct Investment) which is available from the IMF (International Monetary Fund) or the World Bank can be very useful to determine if one country is likely to receive foreign investments. Some countries involve crime and corruption.

The FDI does not have any significant impact on international transparency despite different estimations and different control variables. (Hunya 2021: 9) (Stroebe & Frey 1982: 121) (Vernon 1966: 190)

Also, it is important for a company to analyze the currency exchange risk. The currency is one of the most important risks within international trade. The volatility of currency must be studied for all countries the company wishes to work in. Stable governments are more likely to have a stable currency while less developed countries can have very volatile and unstable currencies. The changes or any political changes can drastically reduce the profits of a project. Currency rates and trends must be checked every week and the political or economic events must be studied by the executive board. At the same time, this leads these companies to analyze the credit risk. Credit risk is linked to the banking system: how a foreign company can be supported by banks and how the company gets credit lines, mortgages, and other financial products available for international development. Where will the investment come from? The original country or the receiving country? The management of logistic activities must be coordinated with the transport risk. Costs, deadlines, damages, and security are the most important risks in all international transport. The Supply Chain Management (SCM) is an important key for the business and must be structured before international deployment of the company. Depending on the sector some areas are more impacted by the SCM, industrial equipment, metallurgy, and so on. The country risk assessment makes it possible to measure the geographical and geopolitical risk. The condition of confrontation with local competition can be a powerful incentive factor.

When considering the headquarters and management board of a company, there are many variables that explain internationalization: it is related to the industry of the company, the sector of activity, the macro and microenvironment. We can observe typical internationalization path that follow steps corresponding to the different export levels. As a result, the process is unique to each company and involves both external and internal incentives. We would like to stress this, because it is one of the factors behind the failure of the internationalization of companies, too fast external approaches can be a source of fragility for the rest of the work and in remote areas. We can specify here the speed to choose human resources, local partners and the management method of the subsidiary. Finding partners will be easier with Economic Freedom. The Index of Economic Freedom classifies economic freedom into five categories: based on the degree to which governments influence economic decisions. (Belniak 2015: 125)

With a complex process of internationalization, risk-taking is significant and inevitably involves important decisions. The risk can be explained by several reasons such as a lack of financial resources, human resources and readability resources in the medium term, or by the fear of losing their identity in a rapid expansion, or the fear of losing their financial independence. The development of companies highlights, on the one hand, the prudence and then the progressiveness of the approaches that have enabled some companies to acquire stable, solid and defensible positions throughout the world over time. The risks of internationalization can be reduced by good benchmarking, i.e. by a good analysis of the markets and the winning strategies of the main leaders. Another factor of strong and stable internationalization is R&Di investment. One of the factors that has been reduced in recent years is the time to market, as the product life cycle is becoming shorter and shorter, resulting in higher marketing mix costs. In times of economic and financial crisis, we can have a climate conducive to intensifying investments and refocusing a strategic activity, or to diversifying activities. For companies, the speed of internationalization is even more pronounced and impressive. (Ekeledo & Sivakumar 1998: 274)

An international company needs to understand natural risk, barriers that companies face when arriving in a new country, however, they can be managed and overcome. Regarding the economic and social environment, when a company wants to do business in another country, it must analyze the environment with data for example finding data for Health Safety. All countries implement measures to ensure the safety of food products intended for human consumption and to prevent the spread of pests or diseases among people, animals and plants. To obtain better results and opportunities the study labor and cost minimization strategies force companies to establish economies of scale in manufacturing, often producing in areas with cheaper labor. International trade involves greater distance, therefore, more handling of goods, transshipments, various modes of transport and, therefore, more risks of spoilage or delays. Country risk is especially important to control trade risk because it directly affects sales operations and revenue.

Business strategies and the international marketing plan

A company's strategy is determined by the market breakdown, which is achieved by segmentation. Once this market breakdown is done, the strategy is driven by the positioning of product/market pairs. A company looking to focus its activities to develop product/market combinations that will enable it to succeed must determine its Strategic Business Areas. This field of activity can be analyzed either by its nature or by its dimension. Which strategy is better is not a matter of opinion but of necessity. Regarding the niche strategy in this section, we can also present an alternative solution that may be called 'a slot.' This strategy covers three different orientations. In this case, the institution does not necessarily have a competitive advantage, but focuses on the customer segment that is neglected. Specialization is more in line with the approach of a company that wants to remain alone in a segment. It is notable to have a distinctive competitive advantage to drive out potential competitors.

The gap, an interstitial niche strategy, is conducted when a space remains vacant between two larger market segments or a market too small to be of interest for large companies. Overall, a company that chooses to concentrate its efforts in an activity or business line without seeking to expand is more likely to position itself in a strategy described as “local”. The aim is to obtain technological mastery to be able to propose an offer that customers will appreciate and value.

The reasons that lead a company to this choice are multiple: a better control and for a longer time, a technique, a product, and a market. The company may also suffer from a lack of resources to deploy in several directions. It will, therefore, focus its efforts on a specific sector. Niche strategies are not only the responsibility of a small company. A large company can develop this type of strategy in certain segments. There are several forms of specialization, they are generally dependent on the choice of companies, the focus can be geographical, the product range or market specialization. A niche strategy is not without risk; here are the risks faced by a company that wants to work in a local context: risk of market saturation, trade can mature or decline, the high-growth sector could quickly attract other firms, the environment that may evolve unfavorably for this activity.

What are the advantages and disadvantages of diversification? These strategies can take various forms. We will start with horizontal diversification with multiple objectives: to broaden the offer to customers, expand the range of products while keeping the same customers. Also, in the same market for example: Free with the Internet, Peugeot with mopeds, Rossignol with textiles or tennis rackets. Vertical diversification makes it possible to offer the existing offer to other customers and markets. The conduct of firms when doing business internationally provides a useful heuristic approach to examine possible and new internationalization projects. A company might add a new distribution channel to its network. For example, redout which opens shops for those who do not buy by mail order. Conglomerate diversification is a company that has activities in highly dissimilar and unrelated areas, all with a weak relationship between these different activities. This consists in diversifying into increasingly separate businesses. Conglomerates are extremely fluid moving from one sector to another. (Dunning, 1995: 461)

To demonstrate the importance of marketing in the internationalization processes the objective of this paper is to develop recommendations that can guide the practices of other companies. Mainly: to prepare the company’s catalog for the international market, the production line, the quality level of the products and services offered a check list to elaborate and a catalog of products attractive to customers. First the companies have to evaluate which products are being offered on the international market and find out whether the name of the company and the brand name of the products do not have a strange (if not obscene) meaning also in the language of the target markets. Also, enterprises have to involve several sections of the company, technical departments, production, and commercial. The company should have departments contribute to the catalogue, and request the opinion of existing foreign partners, such as an agent or a distributor on the content of the catalog. Sometimes a company has to translate the catalogue into the required languages, with the assistance of professionals in the sector. A company also has to be aware of cultural differences, what is important for us may not be important for others. Research catalogs from competitors on the Internet and take advantage of participation in international trade fairs are also necessary. To prepare a good catalog, it is necessary to identify the technical standards, the appropriate sales arguments and the most suitable technical terms in the country in question. (Zaheer 1995: 341)

Do not attempt at “do it yourself” type advertising if the company is not a communication specialist. Beware of misplaced messages that can be counterproductive and will cost you much more than hiring a professional in the sector. Know that advertising is more than an advertisement in a magazine or on a website. Advertising should consider how to convey the company’s products and services to customers, how to convey the company’s image. Learn about the cultural differences and consumer expectations of the target market. Remember that advertising is the engine for building brand image. The message conveyed must be clear, sincere and immediately understandable. The company should be familiar with the legislation of the country where it will distribute the advertising. It may be very different from the advertising done in home country, due to culture and norms.

World economic growth in danger during time of slowbalization: The snail’s pace

The process of slowbalization, a word coined from the contraction of “slow” and “globalisation”, is said to have just begun. The COVID-19 pandemic has further accentuated this trend by significantly slowing down the international movement of goods, services, capital and people to such an extent that some observers have proclaimed the beginning of deglobalisation. We now address whether the phenomenon described as slowbalization is a myth or a reality by examining five fundamental aspects of globalisation: international trade, financial openness, growing inequality, cross-border movement of people and digital exchange. Economic globalisation has indeed slowed down, the digital divide and the persistence of inequality suggest that globalisation has simply changed form but has not disappeared.

This is not a time for complacency about world development, despite the economic slowdown in China, growth around the world in 2018 was quite decent. Unemployment has tended to fall and profits to rise. But we should not be under any illusions. The golden age of globalization, from 1990 to 2020, was admirable, with increased trade, reduced transport costs, but this is coming to an end. Globalization has abandoned the stage to an era of languor, which is now referred to as slowbalization.

The snail's pace. In other words, what was once globalization is now moving at a snail's pace. Freight rates have stopped falling; multinationals have just discovered that expanding around the world is expensive; and local firms are also making inroads in their market share causing them serious damage. The rules of free trade are being challenged and geopolitical conflicts are holding back high-tech firms. And the list goes on, as do rising tariffs. Almost everyone had benefited from globalization, but they forgot to compensate for the negative effects. The fact remains that slowbalization will be harder and will create more instability. In the end, it will fuel discontent, one wonders whether this has not already started with movements like the Yellow Vests in France. The globalization of trade has led to a more efficient use of labour and resources. However, this development is not linear over time. Indeed, the world has also experienced occasional periods of de-globalization. For example, the inter-war period now in 2022 between Russia and Ukraine is characterized by tariff and trade wars. This has led to financial crises in Latin America and a slowdown in trade. Slowbalization is growing as globalization slows down, slowed down by, among other things, rising customs costs, climate and environmental discussions. Before COVID, the risks to supply chains were already being discussed. The US and China had begun their trade war. In the US, the trade protectionism that the Trump administration was pushing for was not going to go away. During his election campaign, Joe Biden emphasized the slogan "Made in America". There was already strong political pressure to address the trade deficit and the concentration of wealth, both of which were much more apparent in the United States than in other developed countries. In any event, protectionist policies were also in place in many countries for example Brexit in the United Kingdom, state capitalism in China. (Javorcik 2020: 111) (Profita 2019)

The financial crisis has dealt a blow to global financial openness, and cross-border capital flows and bank lending became less frequent thereafter. However, international regulatory cooperation in the area of global finance has been steadily increasing. Only recently have there been signs of a reversal of this trend. The increase in inequality due to hyper-globalization has continued during the slowdown phase of globalization. The causes of this situation should be sought in public policies on income distribution, including tax policies, and the power of multinationals. (Manuelli & Seshadri 2014: 2736)

Analysis and results

Due to the effects of globalization, the gap between productivity and wage growth, has widened. Globalization has had both positive and negative effects in different regions of the world. Many emerging countries have benefited from the trade boom and the relocation of activities from most developed countries. However, productivity and wages have not followed the same trajectory. This dichotomy has consequences for the inflation rate, as the world economy has experienced several cycles of disinflation and even deflation. This period also had an impact on corporate margins and profits as the share of profits accruing to capital rose to historically high levels at the expense of the share accruing to labor. The COVID-19 crisis has further accelerated this trend. With the lockdown in place and the fiscal stimulus measures, Europe and other developed countries experienced an explosive difference between the consumption of goods and services. Consumers stayed at home and therefore reduced their consumption of travel services, restaurants, entertainment while having consumer goods delivered home. The accelerating phase of globalization that began in the 1990s led to de-industrialization and the export of supply chains of physical goods from developed countries to the rest of the world. Perhaps this is a peak because globalization has limits. An interconnected world becomes more efficient and productive but also less resilient. For example, the closure of a major port in China due to the discovery of a positive case of COVID-19 can have an impact on dozens of other countries. The fact that the production of high-tech devices consisting of thousands of parts can be delayed because a few parts are not available from a foreign supplier shows the limits of globalization. (Restuccia & Rogerson 2017: 151) (Sparapani & Callejo 2015: 10)

It seems that we have entered a new long-term trend, that of relocating part of the supply chains. The post-covid developed country governments and in particular the USA administration have become aware of their vulnerability to the risks associated with globalization and the relocation of supply chains. Consequently, the post-pandemic period could be characterized by a period of accelerated 'slowbalization' a slowing down of globalization, or even a real de-globalization. It could first of all lead to stronger integration at the level of world regions (continents or sub-continents). This is suggested by the Regional Comprehensive Economic Partnership (RCEP) trade agreement between China, Japan, Australia, South Korea and other countries in the Asia-Pacific region. In a multipolar world, the various regional powers may be tempted to build a strong primary market at the regional level, which they can rely on even in times of international crisis. These initial markets will also benefit from a certain degree of protection against international competition. At the company level, after several decades of extreme globalization, we seem to have entered a new long-term trend of reshoring part of the supply chains. This trend should improve the resilience of the production process but could also have consequences for inflation. Company results and manufacturing purchasing managers' survey (PMI) publications have already identified some sectors that are benefiting from the trend of relocation of European production lines. One example is products made from metals, such as cans, pipes, fasteners etc. The relocation of these products is a boon for European steel companies. Automation and robotics companies should also benefit. (Manta 2020: 13)

This relocation will also have negative effects on the economy. It is indeed worth remembering that globalization has virtues such as the improvement of living standards in emerging economies, a positive point for world growth, the lowering of prices of manufactured goods favorable to the purchasing power of households in developed countries. But also, the increase in margins and profits of industrial companies possibly because of lower production costs and still selling with high margins. Of course, relocation and de-globalization policies may seem politically attractive in developed countries because they give voters hope that some jobs will be repatriated. But in terms of purchasing power and corporate profitability, slowbalization will have a cost.

Conclusion

Entrepreneurs must have the will to define and develop an excellent international strategy, based on global competitiveness where firms in a competitive, globally integrated environment face the liability of foreignness. Companies need to ask the right questions, how can research and taking measured steps assist the business? Identify tasks, determine proper sequence of tasks, estimate the time required to perform each task, prepare time-scaled chart of tasks and events to determine the critical path to success. There are three factors that explain the dynamism of international trade. First, transport costs have fallen significantly because of a series of innovations and increased efficiency of transport modes and infrastructure. The second decisive criterion is that integration processes such as the emergence of economic blocs and the abolition of tariffs on a global scale have been successful in promoting international trade. Finally, the third factor is that production systems are increasingly flexible and interlinked, stimulating the exchange of goods and services of all kinds. Globalization covers many facets, including tariff liberalization, increased capital movements and international labour mobility are some of these well-known features. We can prepare ourselves with this information. (Stoker 1998: 17)

Companies are also subject to several risks, product inadequacy, organizational complexities due to the increase in the size of the company, currency risk, the competence of local employees, social risks of labour protection, the financial risk of unprofitable investments, difficulties in obtaining credit and, intercultural risk. It is essential to design detailed learning with the support of theoretical models that will help and lead expatriates through practice of effective management of intercultural complexities in the context of internationalization. Intercultural ignorance is a real factor, and many are affected in their daily functions. No expatriate or executive can ignore these barriers, they are real, present, and part of everyday life. Learning, knowledge, and mastery of theoretical elements are an asset to anyone who wants to apply them in their work and this learning has a profound impact on how the firm is seen to approach foreign markets. The objective was to study the phenomena related to culture in the future. With concrete information and specific examples, we will be better able to confirm the very important intercultural management in the administration of companies abroad. (Teece 2021: 31)

Globalization has become increasingly complex and diverse given its history has changed. In this paper, different aspects of globalization were chosen to illustrate these transformations, which can take the form of slowing down, accelerating or standing still of this international business model. Each of these transformations follows its own development curve. Cross-border trade in goods and services has slowed down in volume and rate. This slowdown can be attributed to changes in supply chains, accounting principles, growing protectionism and, more recently, COVID-19. As a result of the COVID-19 crisis, globalization may continue in the future in only some areas, with an increase in the number of areas, with an increase in intangible trade. The main conclusion of this analysis is that the downturn is not general. Although this will present new challenges for global governance and international cooperation. In this context, the European Union could take the lead in proposing a more sustainable and thoughtful form of globalization in each of the areas discussed in this paper.

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