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Proposal Master in Business

Globalization; Perceptions on Poverty

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Introduction

Globalization is the noun of the new millennium. The world is fixated on how people, business and culture are becoming rapidly interconnected. The strengths of such a rapid development of so many people so fast is being observed all over the world. " We must ensure that the global market is embedded in broadly shared values and practices that reflect global social needs, and that all the world's people share the benefits of globalization." (Sweeney) Others remark that " In its current form, globalization cannot be sustained. Democratic societies will not support it. Authoritarian leaders will fear to impose it."(Kofi) The answer to the question of globalization will continue to change because the world way of interacting will continue to change. How does a researcher approach such a large multi variable problem that can never be answered?

The problem the research team will be addressing is not whether globalization is good or bad. Instead the researcher will attempt to answer and give solutions to a detailed empirical problem that persist throughout the world. Over 80% of the world population lives on less than $10.00 (USD) a day (World Bank). This issue is key to the success of globalization, and how people all over the world perceive the impacts of globalization. Beyond that, the collective upbringing of all humanity through financial forces is the greatest asset for a sustainable prosperity and peace throughout the globe.

` The function of the observations, in part, is the research and analysis of 80% of the world population living on less than $10.00 a day, this being gather by first hand

observations, coupled with empirical evidence and pertinent research materials. This research will be done in a 105 day period through 11 contries and four continiest. The mode of travel will be by bicycle, which is a slow emersion of observation that will help promote a solid observations. The research can then be molded together to form a viable unique solution to the problem, through the functions of the market system we live in today. This paper is not designed to give a solution to an unsolvable problem, but to be the solution for 5.15 million people in poverty worldwide (World Bank). By increasing their purchasing power through modern economics, which will raise their standard of living to a level where worries such as food, water, shelter, clothes and health care are no longer an issue of everyday. The research team will be partnered with Non-profit organizations, such as Sabu-Help, in order to raise funds to reach the goal that this paper is purposing.

The significance of this study will be felt throughout the world because it will be a primary source observation and a study of a longitude of questions that will be reflected upon by thousands of people. It will encompass the lens of a humble traveler seeking answers, while always monitoring the fact that 80% of the world population lives on less than $10.00. Although the research team will be living off of an estimated $30.00 a day, some of the same struggles of food, water, shelter, clothes, and health care will be on the minds of the researchers daily. This same struggle will add validity to how the triumph or downfall of globalization is perceived all over the world, and how the researches interact with the successes as well as the failures.

The questions the research team will be answering throughout our observation period will be how to bring 5.15 million people out of poverty and into prosperity without crippling the world economically and ecologically? If this can be done, not only would the people rising from the slums of the world benefit, but all of humanity would benefit. By bringing together all the competitive advantages of a global market place, humanity could free the world of the struggles which poverty brings and turn it into prosperity.

Background

What follows is an attempt to define globalization by putting into prospective the scope of the research; therefore creating a definition of globalization based on questions, research, assumptions, and observation. It is important to do this because of the problem, 80% of the world population lives on less than $10 a day. The issue connected to globalization will be the first addressed in the research. Throughout the research all of the ideas defined will be questions observed and synthesized to manifest a new foundation for future research to be conducted.

What will globalization incorporate in the new millennium? Many people have ideas concerning the path globalization will take and the effect it will have on the world. In order for the research team to understand the foundation of research that will be accumulated, the question (what will globalization incorporate in the new millennium?) will have to be answered from many different perspectives. Charles Brady, the chairman of a 241 billion dollar investment firm, believes that the “The biggest development in the capital markets during the first 15 years of the new millennium will be the emergence of global stocks of global companies, without theoretical nationalities, and trading freely on all world exchanges.” This can already be seen by the emergence of firms from multinational companies to global companies that no longer market products to

individual cultures and region, but market products to the world. An example of this would be McDonald's, Ikea, Air Bus and other corporations.

Others believe that globalization has put our economies on tilt, and the new millennium will bring a period of de-globalization or market pluralism. The founder of PIMCO bond and economist Bill Gross wrote, “The future of the global economy will likely be dominated by de-leveraging, de-globalization, and re-regulation.” This can be seen by the tightening of lending, new regulations to enforce a greater good stance on ethics, and protectionism between economic blocks that are persisting. The differences in perspective can be seen across the board. The research team will address globalization versus de-globalization, as a main spotlight throughout the observation period.

One perspective that all humanity can draw on, is our desire to become interconnected, which the invisible hand of the market seems to guide. Humanity during this century is on the verge of extinction due to the non-sustainable course that our civilization is creating. Still, with global determination we may unlock the key to our future, which will open the door to more “exciting lives and glorious civilizations”. James martin in the meaning of civilization writes:

> *This interconnected set of problems has an interconnected set of solutions. If humans implement these solutions, we can gradually achieve a sustainable and highly affluent set of civilizations.*
>
> *Working towards sustainability requires many different types of*

actions in different subject areas. However, sustainability alone is not enough; we need to be concerned with survivability. We need to be able to control the diverse forces of extreme technology that are part of our future."

The choices humanity has to make have clearly become more interconnected. The global markets must bring the competitive advantages of the whole world together, so all of us can innovate and create our way out of the path of destruction we currently are headed. Globalization is also bringing the worse type of problems to the world: fresh water is running out, global warming is creating extremes in weather, religious radicalism is on the rise, coupled with cheap and available weapons. However, the threats to human annihilation go hand in hand with the solutions for a better future. The research team will be emerged in cultural and economic interconnectivity and will be able to observe both destructive and creative extremes.

Globalization has a significant impact on economies in many ways. The changing international environment in finance, human resources, technology, politics, economics, and social conditions has created opportunities for economies to expand their international businesses at a rapid pace. Globalization provides a great opportunity for ventures to expand their business internationally. With the help of local governments, large corporations, and international organizations, enterprises are able to confront the challenges posed by globalization and economic liberalization. In doing so they can look to improve competition in the global market, and to better serve a global consumers. "Many of the worlds population have gained from the globalization of product markets.

At the same time the number living in absolute poverty have remained stubbornly large and inter-and intra-country income distribution has worsened as globalization has preceeded." This statement is key in understanding globalization, and making it succeed for all, not just the wealthy and privilege; therefore making this an important globalization argument. The strengths and weakness of globalization are a key concern in bringing the impoverished into prosperity.

Communication has propelled globalization into a hyper frenzy. Imagine the world without the internet or even the telephone or even international postal service. Progress would slug along as innovation took decades or a millennium to reach markets all around the world. Without communication globalization would not exists in the form it is in today. Communication allows for the fast transaction of information, goods, and service at lightning speed across the world. An example of this would be an outsourced R&D firm in Germany doing development for Proctor & Gamble. When the R&D firm introduce new developments to P&G it is done by email, video conferencing, and other telecommunication. In a world with no channels of fast communication this use of competitive advantage by a global corporation would never occur.

Globalization is also seen as a problem, given the ecological destruction, building of extremism, availability of cheap weapons, widening gaps in the rich and the poor, resource pilferage, and weather change. The occurrences of globalization, however, are not going away. More than 70 years ago French paleontologist and theologian Pierre Teilhard de Chardin wrote "Nothing, absolutely nothing we may as well make up our minds to it can arrest the progress of social man towards ever greater interdependence

and cohesion...It would be easier, at the stage of development that we have reach, to prevent the earth from revolving than to prevent mankind from becoming totalized." (Birkinshaw) Our want to become a global civilization, thus finding the absolute advantage for every region so each individual can prosper through the annihilation of poverty, seems to be an instinct rather than a conscious decision. Mankind will not turn back.

The middle class is the success story of globalization. Why is bringing people into middle class key to the future of globalization? Because it is the measurement in which all people can see the benefit. Globalization changes the standard of living for people across cultures all around the world. While "America's Middle Class Has Become Globalization's Loser" (Steingart) the world has seen a large expansion in its middle class, with millions of people being brought out of poverty because of the positive effects of globalization. That success can be felt by everyone engaged in the middle class economy, which perpetuates itself by allowing other middle class individuals to become dependent economically on each other. Many perceive globalization as a destructor of middle class jobs by creating those jobs elsewhere at a cheaper cost. The global economy and America's "exchange of commodities like no other nation, and the result is that their local industry has begun to be eroded. ... free trade has primarily benefited the very rival states that are now mounting an economic offensive on the United States -- and which have cut off a large slice of America's global market share for themselves". (Steingart) While America seems to be on the decline, the world is on an incline by bringing people into the middle-class. By bringing more of

the world in the middle-class. America being the most interconnected country to the global market, will also begin to prosper as new demands for our competitive advantages generates growth and perpetuates the middle class in America.

The middle class is just the first of a long lineup of positive effects of globalization. The greatest effect is world peace. How does globalization lead to peace and prosperity? First identifying the primary downfalls of the world during the turn of the 20th century. Nationalism coupled with globalization equals world war. Globalization and nationalism do not go hand in hand they lead to resource and production competition, which hold only the people of the nation in mind. After World War II a great peace began “Pax Americana”. This was inspired by the free markets that encourage world prosperity. The peace has brought most nations, post World War II, greater wealth through the use of each other, instead of each country isolating itself, to get the cheapest and most desirable quality of products and services. World organizations, such as the NATO, World Bank, and WTO were established to ensure that this peace would continue and globalization would occur for the benefit of all mankind.

“Globalization is not just good it is also brings the bad. Poverty is a growing concern of the world”. (Wiley) Poverty refers to the condition of not having the means to afford clean water, nutrition, health care, education, clothing and shelter. Poverty also is referred to as absolute poverty or destitution. " Relative poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages” (Wiki). Since the industrial revolution a great percentage of the population has moved out of poverty, this is a triumph for

globalization, but since the industrial revolution four billion more people are in poverty today than pre industrial standards. (World Bank).

How can the success of globalization be brought to that other 80%? Poverty is seen as a huge threat to the progress of globalization because of the instability it brings with it. That is why this question is so important for the continued efforts of this cause, perpetuating the “pax americana” bringing more people into the middle class, while innovating off the current path of destruction.

Methodology

The purpose of this research is to formulate an answer to bringing 5.15 million people out of poverty through the market system the world resides in. The fact that 80% of the world population lives off less than $10 a day is nerving. Anthropologist George Beckford noted “The task of improving the welfare of Third World people is the most important and formidable challenge confronting mankind today” Social scientist Mary Robinson is often asked about poverty, her reply is “it is the most serious human rights violation in the world today”. While a common thought in business is “It is clear that the difference in the degree of openness around the world remains significant and is largely responsible from corresponding gaps in development, individual wealth, and the reduction of poverty."

Those countries with the weakest links to the outside world are the “poorest” and World bank economist Joseph Stiglits makes this observation: “Despite repeated promises of poverty reduction made over the last decade of the twentieth century, the... number of people in poverty has actually increased by an average of 2.5% annually.” The consensus seems to be clear that poverty is a growing reality and that it needs to be addressed and handled appropriately.

The question still remains how to bring 5.15 million people out of poverty and into prosperity without crippling the world economically and ecologically? This will benefit everyone if the right mix of market and regulation brings the impoverished into the middle class and perpetuate peace and prosperity throughout the interconnected world.

The following is a list of continents, countries, states and cities we will be taking observations and research sampling of

North America

United States of America

California

- San Fransico
- Tracy
- Indian Grinding Rock
- Mormon Station

Nevada

- Fallon
- Austin
- Little Antelope Smt.
- Baker

Utah

- Hinkley
- Spanish Fork
- Starvation
- Maser

Colorado

- Craig
- Steam Boat Springs
- Winter Park
- Denver
- Colorado Springs
- Aroya
- Towner

Kansas

- Dighton
- Great Bend
- Chase
- Fall River

Missior

- Joplin
- Cato

Arkansas

- Gilbert
- Rosebud
- Blackton
- Helena

Mississippe

- Sardis
- Okolona

Alabama

- Gordo
- Active
- Troy

- Dothan

Florida

- Tallahasse
- Tennille
- Ocala
- Haines City
- Palmdale
- Weston
- Key largo
- Marathon
- Miami

Europe

Portugal

- Lisbon
- pante de sora

Spain

- Valencia de alcantara
- Plasencia
- Arenas de san pedro
- Brunete
- Tendilla
- Villanueva
- Martin Del Rio
- Gandesa
- El Vendrell
- Barcelona
- Girana

France

- Perpignan
- Pezenas
- Arles
- Marseille
- Frejus
- San Remo

Italy

- Genova
- La Speria
- Cecina
- Grosseto
- Tarquinia
- Rome
- Cassino
- Campobasso
- Foggia
- Bari

Greece

- Patras
- Sikyona
- Athina
- Orchomenos
- Lamia
- Carisa
- Thessaleniki
- Loutra Eleftheron
- Lagos
- Feres

Turkey

- Tekirdag
- Istanbul

Africa

Egypt

- Alexandria
- Damanhur
- Tanta
- Cairo
- Ismailia

Asia

Egypt

Bir el Abd

Rafa

Isreal

Ber Sheva

Kirya Gat

Beit Shemesh

Jerusalem

The instrumentation the research team will be using includes observation, summary of daily event, interaction, people, and culture. Careful analysis will be done daily to begin to draw a conclusion. People will be analyzed through there interaction with the marketplace and their thoughts and feelings about globalization. Some specific examples include jobs, economic classes, and cultural customs. This will be supported by statistical data being recorded through survey, video interviews, and observations. Receipts from the whole trip will be collected and analyzed after the research period. The receipts will include information on lodging, food, water, equipment, and repairs.

Below is a quick survey that will be given out for the collection on data.

Fact: 80% of the world population lives on less than $10 a day.

How much of a need do you think it is to bring these people out of poverty?

1-5 scale

How does globalization positively or negatively affect the poverty rate?

1-5 scale

Who do you think is responsible for bringing people out of poverty?

Open ended

The fact that the research team will be introduced into new research elements will play a large factor in the success of information gathering for this research. The research will be done while riding bicycles 7500 miles through the populations and sampling areas. This lens of slow progress through areas, roughly 80 miles a day, will enable the team to characterize, summarize, and make conclusions based on this progression. By being exposed to all the elements of the physical market place and observing live interactions from a humble point of view, the research will be as thorough as possible. The researches will be carrying no more than 35 pounds of gears, while living off of $30 a day, which will mostly be spent on food. Shelter for the night will be for the most part unknown because the confirmation of the planned sites cannot be confirmed until actual arrival. Water will be a scarce resource that will be a daily struggle and a threat to the researchers and to the success of the whole trip. While on the road health will be a major concern due to environmental differences across the geographical regions. A drop of tainted water or airborne illness could end the trip or led to death. This perspective is important because as researchers we are privileged to have the resources to take on such an expedition, were we will be living as both the researches and impoverished, thus allowing us to better realize the desperation, need, and desire individuals in poverty feel daily.

Validity and reliability of the information gathered will be questionable due to the nature of the study. The research group will not be able to pull large enough samples from target populations that will result in reliable data that can be tested. However, this

research is not about validity or reliability it is about experience, observations, and ideas. The experience of the culmination of economies and culture through the lens of an impoverish biker will reveal a perspective that is unique in nature. Coupled with critical knowledge from past experiences and education the study will result in a unique one time opportunity to record the worlds advantages and disadvantages for a single group traveling through a specific period of time. Even though this data will be not valid and reliable in an academic setting, it is valid and reliable in recording the experience, observations, and ideas of a research group attempting to answer a big question through a unique opportunity.

Many Assumptions will accompany this research. All assumption will not be recorded, but the most important ones that pertain directly to the research will be addressed. First, the definition of poverty is an assumption that will have a critical part in the manipulation of information. The research team is assuming that poverty is viewed as bad and is a state that must be changed. Second, the research done on the positive effects of globalization cannot be bias. Proponents for globalization and the individuals and organizations that benefit the most from globalization introduce society to most of the positive material behind the globalization phenomenon. Many other organizations put out anti-globalization rhetoric. These conflicts put the research team on one side of the argument assuming the information previously is truthful and not bias. Third, people and the world we live in has a insatiable desire to become more interconnected and globalization is a phenomenon by the people for the benefit of all people. This is an assumption that without it the foundation for the question, of how to bring 80% of the

world population out of poverty through the market system we live in today, is eroded due to the impossibility to motivate people into taking action that they do not see as a benefit to themselves.

Credibility of research team is also in question. The team has very little experience or knowledge in primary source data collection. This whole experiment will be a first time test of many skills learned and skills that will have to be learned throughout the process. This proposal is a great example of the inexperience of the research team. It has been a struggle to formulate a vision of what a trip across eleven nations, while studying some effect of globalization would look like. This is the first stepping stone to a list of question, statements, and conclusion. The research teams goals are on the adventure while be productive in finding a solution through a unique opportunity. The best way or smartest way in achieving these goals are unknown to the team, but through further reading, planning, organizing and brain storming a plan for action will continue to be brought together.

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