



**TECHNOLOGICAL REFORMAND ITS IMPLICATIONS FOR INTERNATIONAL  
BUSINESS DEVELOPMENT**

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**Abstract**

The significant use of technology for production is the reality of today's developed world because financial development, trade openness, and technological innovation have a causal relationship that affected trade performance those consequences for the growth and development of countries. Generally, everybody identifies the nature of international business and international trade is the same but international trade may be part of international business. The term international business summation of international trade and a wide variety of other ways in which firms operated globally. It may start with lower trade barriers that possess theoretical and practical possibilities of globalization. Technology is a prosperous tool that makes possible effective global marketing. However without technology, international business would be slow. The author adopts a multidisciplinary approach based on secondary data. The paper makes to attempt the implications of modern technologies for sustainable development and prospects of International Business

**Keywords:** Trade Openness, Growth, and Development, Globalization, International Business

**Introduction**

Deals occurring inside geological limits are alluded to as inward business or home exchange. Manufacturing and trade beyond the boundaries of one own country are known as international business. The basis of international trade theory highlights the importance of technological innovation in explaining a country's international competitiveness except for the classical theory because classical economists believe that labour is the only factor of production and capital is taken as constant during the production process However, trading relationships heavily influence patterns of production and consumption, and the use of technology. The Heckhscher-Ohlin model, enriched to account for endogenous factor accumulation, predicts that trade amplifies initial differences in factor endowments and comparative advantage. In the absence of capital mobility endogenous growth models carry even more discouraging implications for laggard economies. In this case trade between parametrically distinct economies reinforces the position of the technological leader, intensifies the initial pattern of comparative advantage, and increases the disparities in factor endowments to further uneven growth. The significant use of technology for production is the reality of today's developed world because financial development, trade openness, and technological innovation have a causal relationship that affected trade performance that consequences for the growth and development of countries.

**Objective of the Study**

1. To examine the application of modern technologies for the sustainable development of international Business
2. To evaluate the implications of modern technologies for sustainable development and prospects of International Business



## Source of Data and Methodology

The present study is based on the collection of data from secondary sources. However, useful data has been applied to authenticate the study to make it more useful and practicable. Secondary data is obtained from various published and unpublished records, books, magazines, and journals. The paper makes to attempt to investigate the role of technological improvement in the sustainable business environment and also adopts a multidisciplinary approach to examine the implications of technologies for international business.

## The Goal of International Business

The key sense behind the worldwide business is that the nations can't deliver similarly well or economically all that they require. This is a result of the inconsistent conveyance of regular assets among them or contrasts in their efficiency levels. The accessibility of different variables of creation like work, capital, and natural substances that are expected for delivering various labor and products contrasts among countries. Besides, work efficiency and creation costs contrast among countries due to different financial, geological, and political reasons. Because of these distinctions, it is entirely expected to find one specific country in a superior situation to deliver better quality items at lower costs than different countries can.

## Scope of the International Business

Worldwide business is a lot more extensive than global exchange. It incorporates global exchange as well as a wide assortment of alternate manners by which the organizations work universally. Significant structures of business activity in global business are as per the following.

**Merchandise exports and imports:** Merchandise exports and imports, also known as trade in goods, include only tangible goods and exclude trade in services,

**Exports and imports of service:** export and imports of services comprise trade in an invisible item. It is a result of the elusive part of administrations. A wide assortment of administrations are exchanged universally and these include: the travel industry and travel, boarding and housing, diversion and entertainment, transportation, proficient administrations such as training, recruitment, consultancy, and research, and communication like postal, telephone, fax, courier and other audio-visual services, construction and engineering, marketing like wholesaling, retailing, advertising, marketing research, and warehousing, educational and financial services

**Licensing and franchising:** Allowing one more party in a far-off country to deliver and sell products under your brand names, patents, or copyrights instead of some fee is another way of entering into international business. It is under the authorizing framework that Pepsi and Coca-Cola are delivered and sold all around the world by neighborhood bottlers in outside nations. Diversifying is like permitting, yet it is a term utilized regarding the arrangement of administrations. McDonald's, for example, works with drive-through eateries the world over through its diversifying framework.

**Foreign direct and portfolio investment:** Foreign investment is one more significant type of worldwide business. Foreign investments include ventures of assets abroad in exchange for monetary return. Direct investment takes place when a company directly invests in properties such as plants and machinery in foreign countries intending to undertake the production and marketing of goods and services in those countries. Direct investment provides the investor with a controlling interest in a



foreign company, known as Foreign Direct Investment. An organization, if it so wants, can likewise set up an entirely claimed auxiliary abroad by making 100 percent interest for investment in foreign ventures, and thus acquiring full control over the subsidiary's operations in the foreign market. Portfolio investment of foreign institutional investment that acquires shares and provides loans giving credits to the last option, and procures pay via profits or interest on credits. Unlike foreign direct investments, the investor under portfolio investment does not get directly involved in production and marketing operations. It essentially procures pay by putting resources into shares, bonds, bills, or notes in an outside country or giving credits to unfamiliar business firms.

### **Significant Advantages of International Business:**

Despite more noteworthy intricacies and dangers, worldwide business is critical to the two countries and business firms. It offers them several benefits. The growing realization of these benefits over time has been a contributory factor to the expansion of trade and investment amongst nations, resulting in the phenomenon of globalization. Some of the advantages of global business to the countries and business firms are discussed below.

- ) Earning foreign exchange
- ) More efficient use of resources
- ) Improving prospective growth and employment opportunities
- ) Way out to intense competition in the domestic market
- ) Improved business vision

### **Modern Technology and the Evolution of International Business**

The history of international business began with the development of Human Civilization. International trade has a rich history beginning with the deal framework under this the trading of factors of production and goods and services at least two gatherings without the usage of money. It is the principal type of trade. People and organizations bargain goods and services with one another in light of identical appraisals of the price of merchandise goods. The barter system was replaced in the 16th and 17th Centuries by the theory of Mercantilism which was created by some group of mercantilists. The 18th Century saw a shift toward liberalization. It was in this period that Adam Smith and David Ricardo which stands true even today. The liberalized international business was based on free trade. Adam Smith developed the absolute cost advantage principle, under this he directly criticize the theory of Mercantilism that was based on restricted trade. He argued that the growth and development of the nation does not depend upon the accumulation of gold, it also depends upon availability of goods and services for the future generation. The absolute advantage principle gives an idea about bilateral trade. Adam Smith believed trade between two countries will be possible when one country has specialization in the production of one good and other countries have specialization in the production of other goods. Another hand David Ricardo developed the comparative cost advantage principle that was also based on free trade but he argued that trade between two countries does not depend upon absolute advantage because it is possible one country may have absolute specialization in the production of both the goods, in this case trade depends upon comparative cost difference of two countries. The invention of money led to the end of the barter system and international businesses adopted a cash base system but these days business was done without the help of technical support. It was tremendously complex to conduct smooth business as compared technology base system. Today the comprehension of open trade and its factors are vastly improved perceived. The context of global markets has been guided by the understanding and theories developed by economists based on Natural



resources available with different nations which give them the relative benefit, Economies of Size of huge scope creation, innovation regarding web-based business as well as product life cycle changes in tune with the advancement of technology as well as the financial market structures. Nowadays the amount of information that is transferred through smartphones and the Internet is very huge. Latest innovations in innovation have opened doors for global trade for small and medium-sized companies. Communicating through Mobile Phones and Smart Phones is essential for owners of small and medium-sized companies. For keeping the correspondence channel just getting started interchanges and client relations cellphones have turned into a need. Inventions in technology have helped small and medium-sized businesses in marketing through different kinds of media where the restrictions of print ads are minimum. Marketing through the Internet now involves setting up websites and selling products and services online. Promoting through Email has additionally helped in getting more openness to the items and administrations the organization is giving. Versatile showcasing and Application advertising are additionally acquiring notoriety for business-related promoting purposes. Efficiency has likewise expanded with the most recent advancements in innovation. Keeping the employees more focused on work and tracking the manufacturing operations has become easy with various developments in technological inventions. Providing the right amount of tools that are having a technological advantage helps increase productivity factors. The use of technology has made businesses and customers closer in many areas. Email and Social Media are being used for answering queries related to products and services with customers. Giving customers all possible ways to contact the company is easy with the latest technologies and applications over the Internet.

### **Implications of Modern Technology for International Business**

Technology is useful to worldwide business. It may be stated that lowering trade barriers has made globalization of markets and production a theoretical possibility, technology has made it a practical reality. Technology is facilitating international business in at least six ways telecommunications, Transportation, Globalization of Production, Globalization of Markets, E-Commerce, and Technology Transfer. In the past decade, innovation has developed dramatically and has impacted our ordinary lifestyle and influenced pretty much every industry, including worldwide business. Innovation eventually makes flourishing global exchanges and organizations conceivable, and without innovation, worldwide business would be sluggish, drawn out, and time-consuming. Technology is not generally saved for explicit nations or certain gatherings. Nowadays, even the normal individual approaches some type of innovation, which has supported the mechanical and global business revolution. Technology plays had a significant impact on the creative processes we know today and related cycles, for example, creation arranging, monetary preparation, and showcasing. On account of innovation, organizations might have created and assembled plants in a few distinct nations and you can pick where to make your assembling plant in light of where materials are effortlessly obtained and where talented work is reasonable. The globalized market began growing its roots when it became more affordable and workable for the transportation and marketing of goods and services in different countries. The Internet is viewed as a minimal-expense market globalization network in an electronic structure. Due to online entertainment, TV, and the low costs associated with moving items all over globalization, there has become a sort of convergence in consumer preferences and tastes that created a global culture in which different countries begin having similar lists of wants and demands. Technology has also played a significant role in online banking, regardless of where you're situated on the planet has genuinely become more straightforward than at any time in recent memory, and there are countless choices accessible to you! You can utilize your charge card, installment



arrangements, for example, the famous PayPal, as well as computerized monetary standards like Bitcoin in certain cases. Moreover, trade rates and installment expenses have become lower, making shopping globally simple and reasonable.

### **Technological Improvement and Prospects of International Business**

Technology is always developing and things in the worldwide business scene couldn't at any point remain something similar for extremely lengthy. While it is consistently difficult to foresee the future precisely as a business expert. We expect to see trends in international business learning more towards service than products, the inclusion of digital currencies as forms of payments, and as on eco-friendliness and transparency. If you are interested in getting involved in international business, remember that technology is your friend. The more you understand technology; the better can use it to your business advantage.

### **Conclusion**

The significant use of technology for production is the reality of today's developed world because financial development, trade openness, and technological innovation have a causal relationship that affected trade performance those consequences for the growth and development of countries. Technology is useful to worldwide business. It may be stated that lowering trade barriers has made globalization of markets and production a theoretical possibility, technology has made it a practical reality. Technology is facilitating international business in at least six ways telecommunications, Transportation, Globalization of Production, Globalization of Markets, E-Commerce, and Technology Transfer. Worldwide business is a lot more extensive than global exchange. It incorporates global exchange as well as a wide assortment of alternate manners by which the organizations work universally. Technology is always developing and things in the worldwide business scene couldn't at any point remain something similar for extremely lengthy. While it is consistently difficult to foresee the future precisely as a business expert. The trends of international business learning more towards service than products, the inclusion of digital currencies as forms of payments, and as on eco-friendliness and transparency.

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