

Globalization

[Business](#), [Marketing](#)



Globalization has significantly redefined world economy and brought emerging economies in the core periphery of global economies. The inter-dependency of resources in the global market and the fast development of technology hubs and creation of business clusters based on entrepreneurial innovations in the emerging markets have increasingly developed as major threat to the developed economies. The governments and private companies are promoting entrepreneurial ventures. It has not only bridged the distances but the technology-based communication and enterprises have transformed the dynamics of global market and reorganized the political blueprint to promote shared knowledge and collective goals. The entrepreneurial leadership of emerging markets like China and India have greatly contributed to the changing equations. Indeed, the developing clusters of high technology business are comparable to Silicon Valley. So I believe that in the next ten years, one of these clusters in China and India could seriously jeopardize the status of Silicon Valley.

Technology hubs in Bangalore in India and around Tsinghua University in China are fast acquiring credibility in the global market. HSBC claims that ‘growth among emerging markets will mean that by 2030, half of the world’s main trading nations will change what they export’ (2013). 20% of global R&D spending is made by China and India (Berger, 2012). Both the countries have significantly increased their R&D capabilities to deliver highly innovative products across different segment to compete in global market. These are hugely critical statistics that indicate the changing dynamics of the economic power wielded through technology and expanding knowledge base. The technology hubs in these countries are responsible for their

countries' growing economic power in the global market. They are rapidly increasing their database of skilled workers and professionals by developing world-class educational institutions and opening new opportunities for them to experiment with new ideas. Infosys in India and Lenovo in China are important entrepreneurial ventures that have made considerable impact on the changing map of political economy.

Another very important fact is that both the countries have introduced reforms in their economies to allow foreign investment. This is big step because it helps to transfer and share knowledge which further boosts their performance and gives them distinct leverage in the new scenario of shifting powers. Elliot (2006) says that America is looking forward to India as its strategic partner because Indians are changing the world. It is interesting analogy as it shows that the country's capabilities are being recognized. Though the country lacks infrastructure like good roads, power supply and housing, but it is making fast progress to address these issue and compete globally in competitive terms. Most importantly, the democratic framework of India is vital ingredient that helps to introduce radical reforms in their economy to liberalize their market. This helps to widen their areas of expertise and learning.

The non democratic process and conservative approach is the major obstacle to China's role as market leaders. Indians are increasingly making global presence through their acquisitions of International business and overseas firms. Tata's acquisition of Jaguar and expanding influence of Indian business in global market are key indicators of the nation's growing powers. Thus, it can be safely assumed that the clusters of innovation driven technology

have greatly increased their chances of overtaking Silicon Valley in near future.

(words: 541)

Reference

Berger, Roland. Think: Act study, in-depth knowledge for decision makers. 2012. http://www.rolandberger.com/media/pdf/Roland_Berger_8_Billion_Emerging_markets_are_driving_the_global_innovation_agenda_20121109.pdf. 8 Apr. 2013.

Elliott, Michael. India Awakens. 18 June 2006. <http://www.time.com/time/magazine/article/0,9171,1205374,00.html>. 8 Apr. 2013.

HSBC. Emerging markets move up the value chain. 27 Feb. 2013. <https://globalconnections.hsbc.com/global/en/articles/trade-forecast-february-2013>. 8 Apr. 2013.

HSBC. Emerging markets move up the value chain. 27 Feb. 2013.

<https://globalconnections.hsbc.com/global/en/articles/trade-forecast-february-2013>. 8 Apr. 2013.