

Integrated international production systems



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Due to their low developed economic factors, developing countries have highly incorporated the tool of integrated international production system to provide a standard in which the facets of economic objectivity can be formulated. This is provided by the interaction phenomena with which multinational corporations that operate in many countries provide foreign direct investments for the exploitation of the unexploited resources within the developing countries.

Due to other low status of the economic development, developing countries lack the resource capacity for use in the exploiting the resources within their economic framework. Inadequate in resource dispensation comprise both high technology capacity that would provide economies of scale in the production system as well as qualified human capital that would otherwise be used in performing production processes. (Cassen, 1994, p. 75) However, the facets of integrated international production system provide the legitimacy with which the production systems can be imported and exported across the national boundaries of one country to another.

Foreign direct investments that have been facilitated by multinational corporations have been the benchmark in support of foreign direct investment. The nature of such foreign direct investment has been an important implement with which the developing countries have been provided with resource mobilization tools for economic growth and development. Largely, integrated international production systems within the developing countries have acted as a benchmark for support of comparative advantages in the international markets where products and service outputs managed through such production systems have been highly competitive in

the international markets. Since economic development implies the state of equilibrium between the level of exports and imports, the short run implication of many developing countries without such integrated production systems has been unfavorable. This is because of the effect and consequences of high import levels compared to the levels of export. With such a condition, there has been a negative balance of payment, which has led to low levels of economic development.

(Walters, Blake, 1992, pp. 66) The use of foreign direct investment by multination has been a mechanism towards linking both international markets and also production systems between countries. Integrated production systems have come as a refuge to the traditional production system where a country could pursue its own production mobility. However, this has compromised the level of economic development in many developing countries where the production systems cannot provide the most adequate structures for producing internationally competitive products. However, the current global economic autonomy has provided the standards for support of high complex system of integration strategies for their production purposes.

This has been through both horizontal as well as vertical systems of production integration. The end result has been labor division and economics of value chain strategies in support for more competitive production system within the developing nations. International integration production system has been achieved through the use integration strategies of complex corporate capacities, which are used in exploiting both global and regional states of economic specialization. This has led to networks of integrated

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systems of production occurring in the firms within developing countries. The fundamental concept behind integrated production system has been to provide a standard scope with which world economy can be globalize. From this perspective therefore, integrated production system within developing countries has provided a value adding strategy of aligning themselves with the pertinent scope of the global economy.

(Holton, 2005, p. 59) Within the global economy, such countries have been able to exchange various economies of scale within the international economy which has therefore helped to provide a ground work in support of favorable economies of scale. Integrated production system has provided better economic feasibility within the developing countries what would solely be provided for by the impacts of international trade. This has been through the prospective implication of foreign direct investment in which various long lasting relationships have been established between developing countries and the global economy through persuasive exchange in factors of production across the global states. This process has therefore provided a support of global corporate establishments, which provide economically viable relationships between the countries. (Baylis, Smith, 2006, p.

8) With this, there has been capital inflows, technology and human capital skills into the developing countries, which has acted as a tool for stabilizing the relationship between exports and imports in them. Capital inflows to developing countries through integrated production systems have been used as a tool for increasing their participation in the international trade. From the projection of the low standards of both production and economic development, developing countries have lacked the most optimal and

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economically functional production system at their personal capacities to initiate international competitive advantages. However, the tool of international integrated production system has been a refuge to this basic economic development problem through the supply of the factors of production to these countries from the global portfolio.

(Dicken, 1996, pp. 137) Generally therefore, these production systems have been levied as a tool for economic development in developing countries. They can adequate be supplied with the factors for the exploitation of their resources leading to economic development. Foreign direct investment through integrated production systems have therefore providing a consistent framework, which supports the expansion of their opportunities as well as capacities within the international economic outlooks.

They have provided economic linkages between developing countries and the world, which is a tool for great scope of economic development.

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