

# [Swot or fdi analysis on human development indext in international busines](https://assignbuster.com/swot-or-fdi-analysis-on-human-development-indext-in-international-busines/)

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SWOT or FDI analysis on the Human Development Index in dealing with international business College: Key term ad why interested Apart from economic growth, the development of a country can as well be measured using Human Development Index. The measures surround health as measured by life expectancy, level of literacy through Education by years of schooling and the general living standards by the gross national income per capita (Ravallion, 2012).
Explanation of key term
Human development Index and its aspects can be referred to as the geometric mean of all the normalized indices for Health, Education and living standards. The basics for international trade are based on free trade, liberalization of the financial sector, increased FDI, deregulation, privatization and flexibility of the Labour force among many others. To support international business the government has had to create a number of policies that are in line with the HDI measures. Human development is supported by the ability of the population to access a variety of products and services affordably. Infrastructure is therefore key to human development (Ranis, Stewart, & Samman, 2006).
Major article summary
Since the inception of international business by the Economic committee, international business has been designated as the lifeblood for economic growth of Singapore and the impact the same has on both the finance and the logistics sectors of this economy. The SWOT based on HDI in relation to international business include: Strength- Existence of attractive trade infrastructure hence a huge trader in world oil. There is wide connectivity in terms of business and physical location (Chowdhury, & Squire, 2006). Political stability is a key requirement for international business to thrive. Weaknesses are much unwelcome as they discourage FDI and global business in the long run: these include; less pool of local professionals in trade with costs such as rent and wages rocketing high.
In addition there is limited access to capital and export credit insurance. The opportunities on the other hand are vast including the international access of markets and the increased liberalization of Asia as well as demand for risk management. We experience a few threats including other locations offering better incentives and an increase in direct trade. The increased access to international business has an impact on overall Human Development Index (HDI) as the population will be able to improve in terms of living standards given the trade in variety (Chowdhury, & Squire, 2006).
Discussion
Human development index is directly related to the strengths and opportunities presented by the access to international business. This is due to the fact that the country’s population would realize and improvement in their welfare as they will be able to access a variety of quality goods and services. Competition that is created by engagement in international business has the impact of making the local firms produce on a competitive scale (Pineda, 2012). This would push the prices of goods and services to an affordable level for the majority middle and low income earners. Affordability and access to the three broad measures is the key to an increase in HDI measures and general economic prosperity. Fundamental threats such as the often changes that are realized on the international business arena must always be forecast and curbed in time. A player in the field has to though set their preconditions towards the same and pump in more ideas towards the same (Radovanovic, 2011).
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