

ARTICLE 6

Buckley, P. and Ghauri, P. (2004)
Globalisation, economic geography and the strategy of multinational enterprises

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<http://www.palgrave-journals.com/jibs/journal/v35/n2/abs/8400076a.html>

Explanatory note

The two authors aim to explore possible areas of research for IB scholars, arising from globalization and changes highlighted by changing economic geography. They examine ownership and location strategies of MNEs in light of the forces of globalization. In particular, they look at differences in the impacts of globalization in differing locations, in both production and consumption. Changes taking place globally are challenging international managers and also governments. They take a critical look at global capitalism, pointing out the undoubted benefits in terms of prosperity, but also highlighting negative aspects, which are increasingly coming to the fore in today's world. Although published in 2004, this article raises issues which have become highly relevant in today's world.

Chapter link

This article is of relevance to chapters 2, 3, 5, 7, 11, 14 and 15.

Questions**Part A: Grasping key points**

1. In what ways are there clashes between globalizing markets and national policies?
2. What are the main points the authors make about the impact of globalization on MNE strategies?
3. What has been the contribution of economic geography to the analysis of globalization?

Part B: Building skills in critical thinking

1. To what extent are flexibility and volatility important considerations in market entry strategies?
2. What developments are leading to the global division of labour?
3. What are the challenges to market capitalism highlighted by the authors? Are they being addressed in today's global economy?