

## **Crossroads in the World Economy**

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In the 21st century, the world economy is changing dramatically. Although the growth of advanced economies is continuing to slow down, the growth of emerging and transition economies is accelerating. BRICs countries, namely Brazil, Russia, India and China, have experienced significant economic growth since the late 20th century. However, advanced economies such as the United States, Japan, and European Union members have experienced economic slowdown during the same period (IMF, 2017). The huge shift in economic growth has taken place in an increasingly globalized setting and particularly in the areas of finance and technology.

Increased globalization is promoted by world trade and transactions as well as the flow of international finance and foreign direct investment (FDI). The balance of payments of world trade in some emerging economies is increasing enormously, while the huge deficit in the balance of payment in some advanced economies continues to prevail.

In the early 21st century, the flow of outward FDI has not only been from advanced economies to emerging and transition economies, but also among emerging and transition economies. This trend can also be seen in inward FDI for advanced, emerging, and transition economies. We should focus on where and why advanced and emerging multinationals are moving.

The globalization of technology is a result of the economic development of the world economy. The Information and Communication Technology (ICT) revolution in the global digital economy has led to technologies such as cloud computing, big data, Artificial Intelligence (AI) and the Internet of Things (IoT). The ICT revolution has contributed to economic development by organizing the international division of labour between Asia and advanced economies (UNCTAD, 2017).

The income gap between profitable and unprofitable industrial workers is a clear impact of increased globalization. Globalization of industry has led to an increase in pollution in emerging economies. Therefore, we have chosen to focus on the emergence of multinational corporations in Russia, 100 years after Revolution in the international conference.

The Kyoto Institute of Economic Research (KIER) organised an international conference on ‘Emerging Multinationals and the Historical Perspective’, which was held at the Kyoto Institute of Economic Research on December 8-10, 2017. The KIER Youth Seminar on Comparative Economics and a special seminar on emerging multinationals by Dr. Kalman Kalotay (UNCTAD) was organised with extensive support from the Kyoto University Research Coordination Alliance, the European Association of Comparative Economic Studies, Japanese Association for Comparative

Economic Studies, Japan Association for the Comparative Studies of Management, and the KIER Foundation. These were an integral part of the Kyoto international conference. A special session was held: Historical Perspectives and Comparative Economics and Transition Economies.

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