



Is 21st Century Technology Changing the Nature of Globalization?

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August 18, 2014

eBay Inc. Public Policy Lab

The Public Policy Lab explores issues that sit at the **nexus of technology and commerce**. We seek to understand the challenges on the road to an open, global, transparent technology-enabled economy.

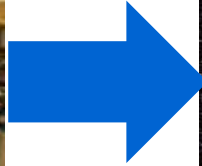
Globalization is an Enduring and Expanding Trend

- The value of trade (goods and services) as a percentage of world GDP increased from 42.1 percent in 1980 to 62.1 percent in 2007.
- Foreign direct investment increased from 6.5 percent of world GDP in 1980 to 31.8 percent in 2006.
- The number of minutes spent on cross-border telephone calls, on a per-capita basis, increased from 7.3 in 1991 to 28.8 in 2006.
- The number of foreign workers has increased from 78 million people (2.4 percent of the world population) in 1965 to 191 million people (3.0 percent of the world population) in 2005.

The Problem with Traditional Globalization



Globalization via the “Global Value Chain”



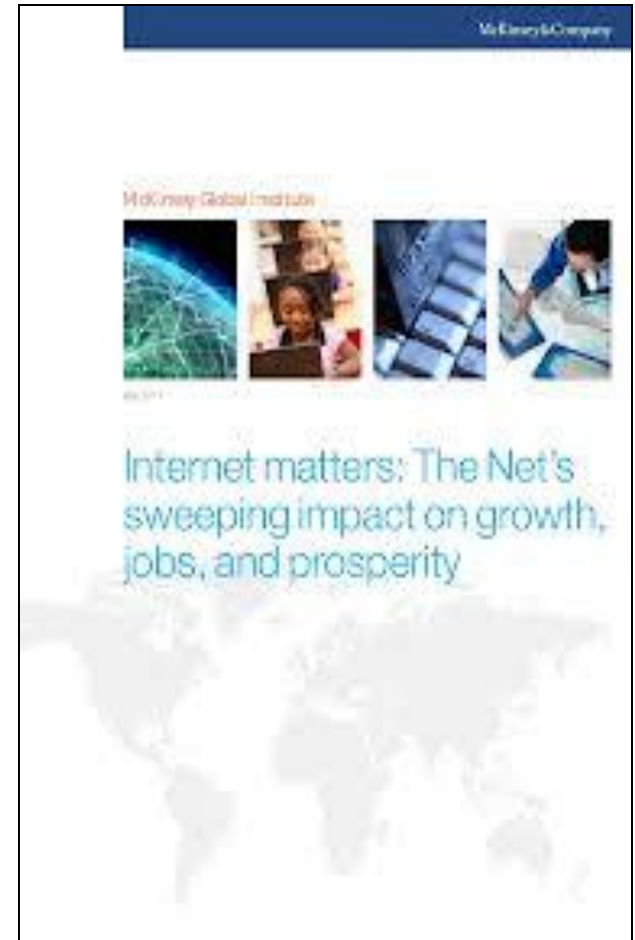
Plug into a
Multi-National
Corporations'
supply chain



PHOTO: JUSTIN SULLIVAN/GETTY IMAGES

Digital Technology is an Enduring and Expanding Trend

- 21% of GDP growth in the last 5 years in mature countries; 11% in all 13
- 10% increase in productivity for SMEs from Internet usage
- SMEs heavily using Web technologies grow and export 2 times as much as others
- 75% of Internet impact arises from traditional industries that don't define themselves as pure Internet players



The Scaling Effect



The Intersection of Globalization and Technology is Creating a New Vision



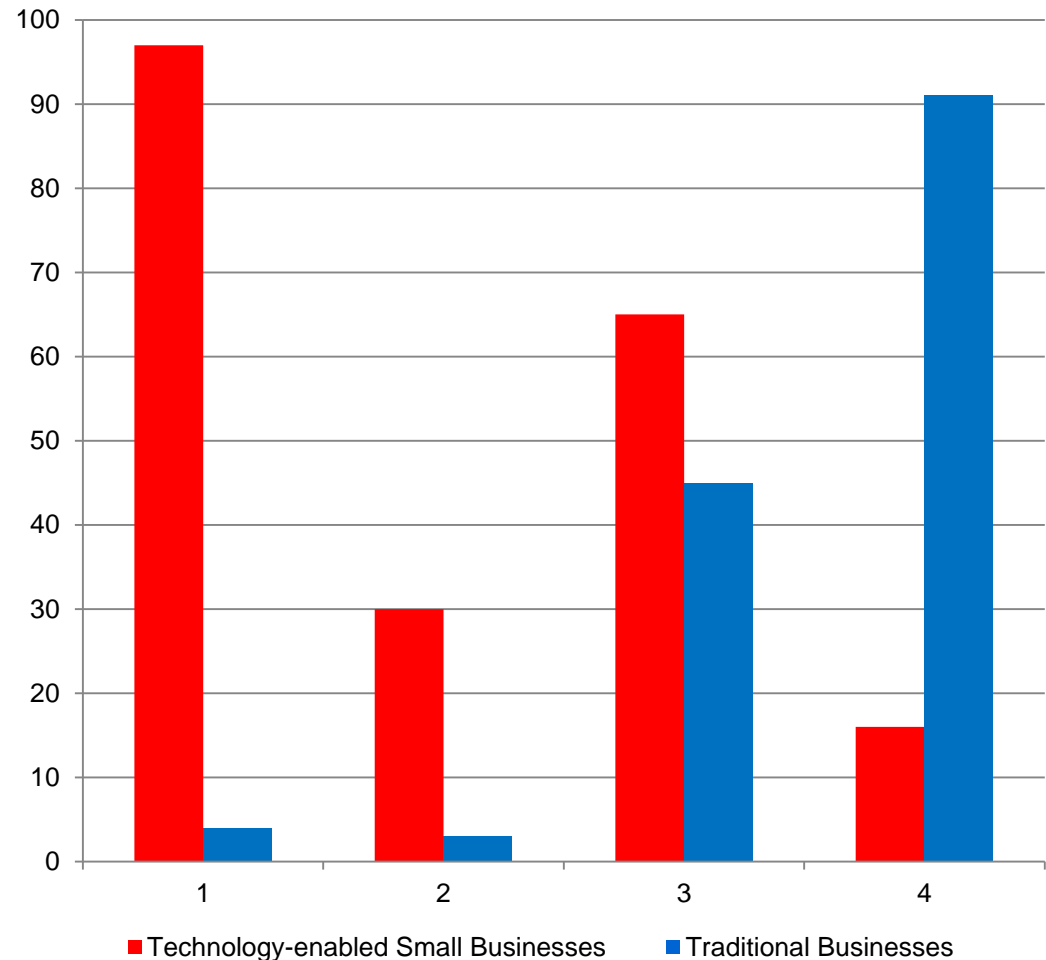
Inclusive Globalization

Inclusive Globalization Exists Today

1. **Share Exporting** - What percentage of businesses engage in exporting?
2. **Export Markets** - Of the businesses that do export, how many countries do these exporters reach?
3. **Survival Rate** - What is the percentage of businesses that continue to survive four years after opening up their businesses?
4. **Concentration of Sales** – What percentage of total exports are made up by the largest 5% of businesses?

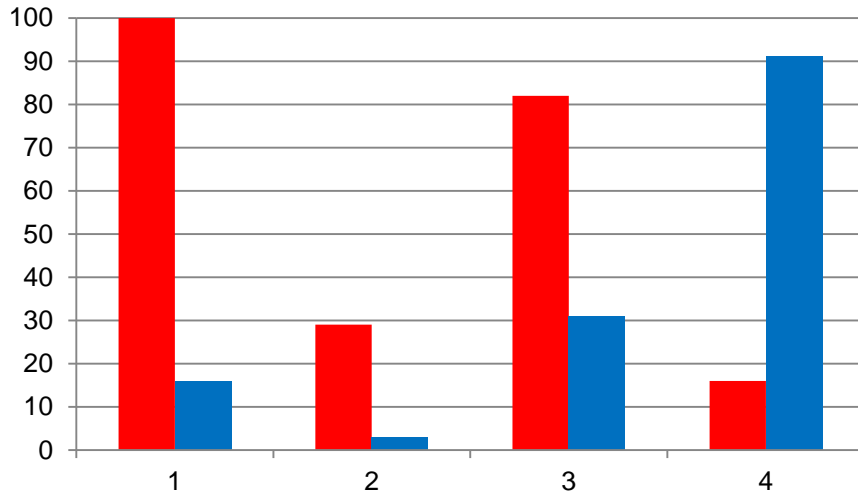
• All data calculated using eBay Inc., US Commerce data, and World Bank data

UNITED STATES

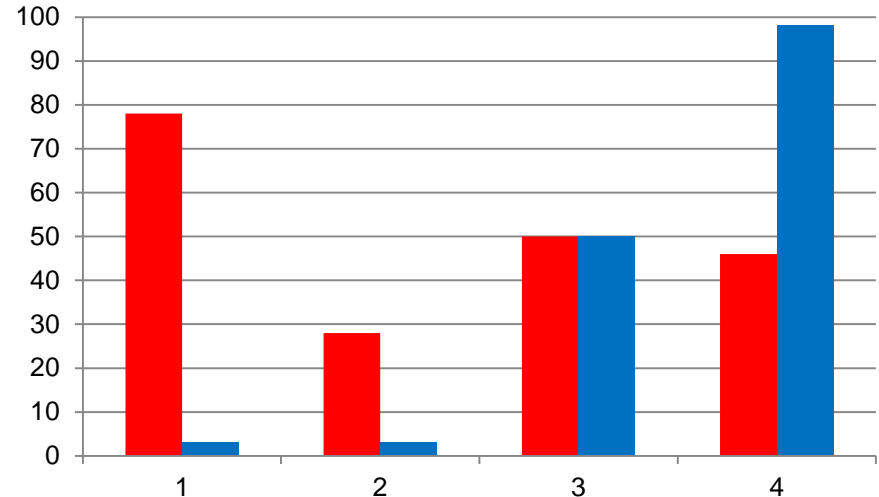


SMEs are Trading Around the World

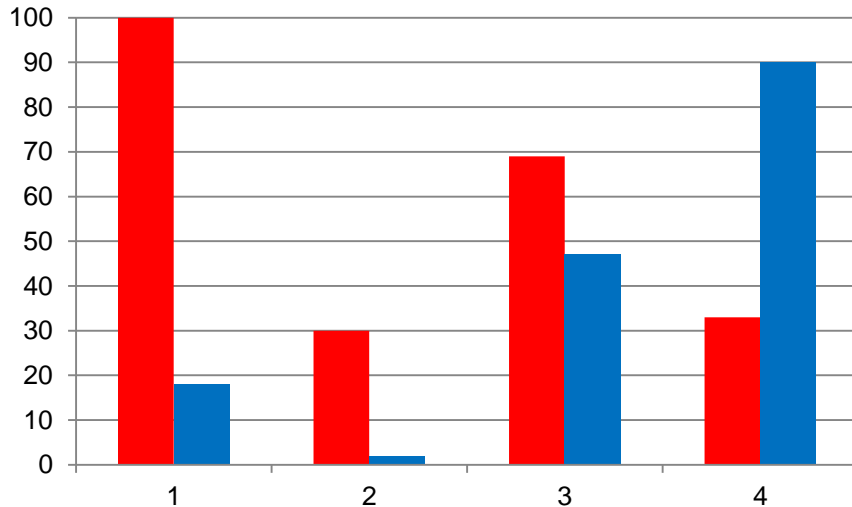
CHILE



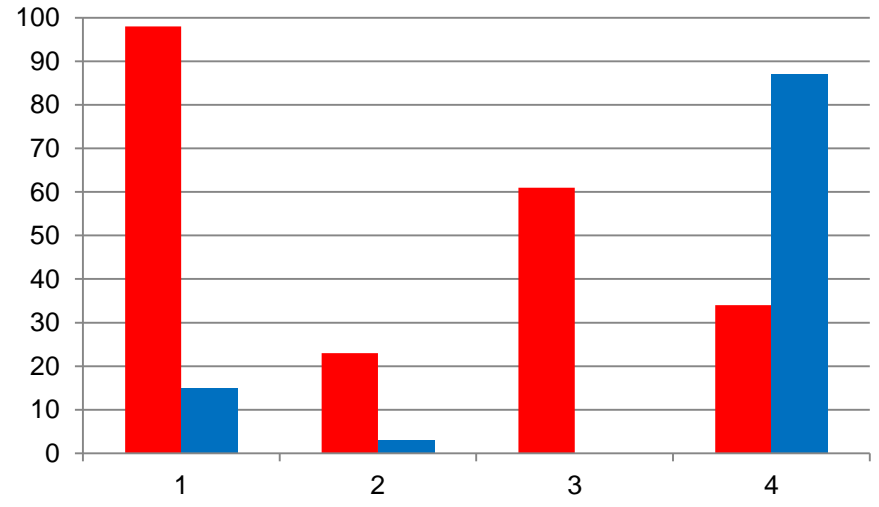
AUSTRALIA



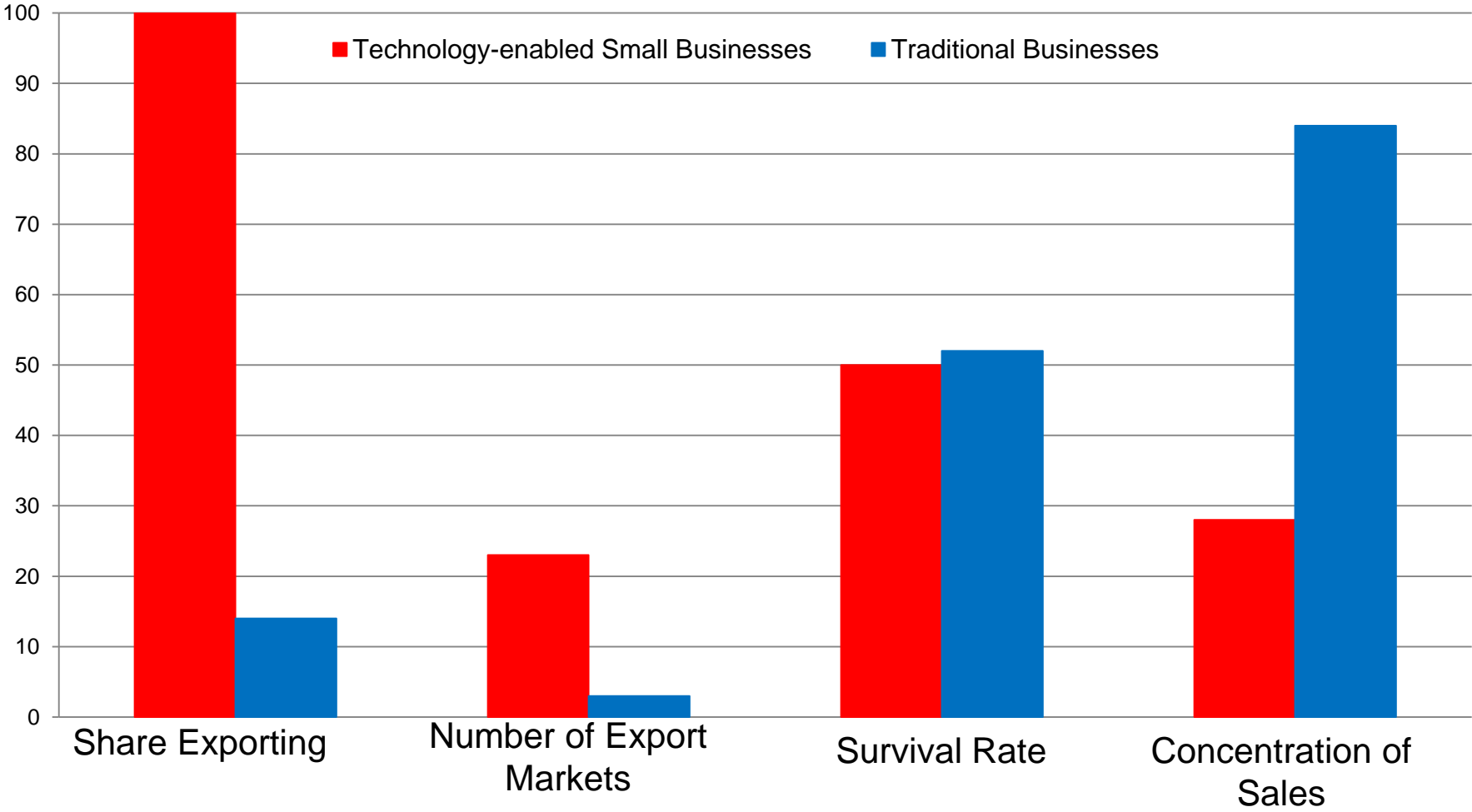
SOUTH AFRICA



FRANCE



Preliminary Data from Brazil



Inclusive Economic Growth - India

50% of business coming from tier II & III cities: eBay India

Press Trust of India | New Delhi March 26, 2014 Last Updated at 17:06 IST

UPSCALE | RURAL ■ 98% of sellers based in India from small towns: ebay

Small towns match metros in eShopping

50% of business coming from small cities: eBay

PRESS TRUST OF INDIA

New Delhi

GROWING



Anti-FDI traders to sell on eBay, to start with

Anusha Soni | New Delhi March 27, 2014 Last Updated at 00:48 IST

Small Businesses Are Now Global Businesses

Oliver Margaron
Grimsby, United Kingdom
Electrolve LTD



Farishta Zarify
London, Canada
OFF Runway Gown



Parul Aurora
New Delhi, India
India Trend



Roxanne Baker
Canberra, Australia
Nunie|Yu



Raed Shakhshir
Amman, Jordan
Timepieces-Jordan

William Chong
Selangor, Malaysia
Robotica Toys



Jean-Louis Beek
Claremont, South Africa
Cameratique



Eduardo Becerra
Cusco, Peru
Cultural Immersion



Steve Douge
Washington, USA
Hardware Sales Inc.

The Benefits of Inclusive Globalization

- Economic
- Social
- Political

Public Policy Issues Impacting Inclusive Globalization

- Geographical Mandates on Internet Operations and Services
- Interconnection and Non-discrimination
- Internet Services Liability
- Consumer Rights in the Digital Age
- 21st Century Customs/Shipping/Postal
- Intellectual Property for Modern Consumption
- Taxation and Regulation: Sovereignty over the Internet

Thank you!

Questions and Answers