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## **Editorial**

### ***One Earth, One Family, One Future***

Hope, Harmony, Peace and Stability – these are defining ideas that will frame India’s presidency of the G20 grouping of the world’s most advanced and emerging economies. G20 provides India, the world’s fifth largest economy, a great opportunity to shape the global agenda at a time of increasing polarisation and escalation of geopolitical tensions, to advance peace, stability and shared prosperity in a fragmented world. Inclusive & Action-oriented the gavel of G20 presidency was passed on symbolically by Indonesian President Mr. Joko Widodo to Indian Mr. Prime Minister Narendra Modi at the closing session of the G20 summit in the Indonesian island resort of Bali on 16 November 2022. India took over the year-long G20 presidency officially on 1 December 2022 which will continue till 30 November 2023.

In Bali, PM Modi set the tone by assuring the world that India’s G20 presidency will be “inclusive, ambitious, decisive, and action-oriented.” Outlining key themes and priorities of India’s presidency, PM Modi underlined that the G20 has to convey a strong message in favour of peace and harmony and stressed that without peace and security, “future generations will not be able to take advantage of economic growth or technological innovation.”

India sees its G20 presidency as a catalyst of change and global transformation, in a world stricken by multi-dimensional crises such as food and energy security, which has been accentuated by geopolitical tensions. With the world mired in conflicts, jeopardising lives of ordinary people, India will harness its G20 presidency to forge constructive and consensus-based solutions to a host of challenges such as reviving global growth, stronger climate action and robust global health architecture. Promoting food and nutrition security will be an important priority as the pandemic has pushed millions of people into poverty. Fast-tracking Sustainable Development Goals and leading the world to adopt eco-friendly sustainable lifestyle through LiFE (Life for Environment) will be other major priorities in the next few months. With its core strength in information technology, India focuses on making digital architecture inclusive so that it can become a catalyst of socio-economic transformation. Promoting inclusive growth and financial inclusion will be the key priorities. In a world fragmented by polarising conflicts and decline of global institutions, the G20, which represents 85% of global GDP, 75% of international trade, and 2/3rd of the world’s population, will become more important than ever. Under India’s presidency, India will seek to bolster the G20’s status and authority as the premier global forum for cooperation on global economic and financial issues. The G20, after all, was born at the height of the 2008 financial meltdown, which compelled the world to set up a new representative multilateral grouping comprising developed and emerging economies. In this context, PM Modi has underlined that the world is looking at the “G20 with hope.”

(The Editorial is Sourced in actual form from: <https://www.g20.org/en/>)

Anup Kumar  
Editor-in-Chief

## Linkages of Information and Communication Technology (ICT) and the Indian Diaspora

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### *Abstract*

*Diaspora refers to the movement of individuals from any nation or group outside their home country. Diaspora is a Greek word that means the dispersion of seeds. The diverse and widespread Indian Diaspora exists in numerous nations. According to the Indian government, more than 30 million Indians live abroad. Therefore, it is essential to establish relationships among everyone, and here the role of Information and Communication Technology (ICT) comes. With the services it offers, such as e-mail, audio-video calling, chat rooms, online messaging, and social networking sites, ICT has emerged as a potent tool that not only connects the diverse Indian Diaspora but also serves as a means of preserving the sense of identity strengthen ties to their home nations and participate in globalised economic, social, and political activities. The article, therefore, emphasises the importance of ICT and ways to connect the numerous Indian Diasporas worldwide through virtual relationships based on secondary sources.*

**Keywords:** *Diaspora, Indian Diaspora, Information Communication Technology (ICT), Interlinking, Relationship.*

### **Introduction**

Diaspora comes from the words dia, meaning “away”, and speire in meaning “scatter” or “sow.” hence the context deals with the people's movement from any nation or group away from home. That can also be understood as displacement, which is pre-eminent in history. Safran's (1981) has presented a six-point model explaining the features of diasporaas: 1) Dispersal from the original homeland; 2) Retention of collective memory; 3) Vision or myth of the original homeland; 4) Partial (never complete) assimilation in host society; 5) Idealized wish to return to original homeland; 6) Desirable commitment to restoration of homeland; and 7) continuous renewal of linkages with homeland. (Unit-1 Conceptual Understanding of Indian Diaspora and Transnational Studies, 2017)

Within the diasporic environment, the Indian Diaspora is more geographically diversified and spread in as many as 110 countries. The UN Department of Economic and Social Affairs' UN World Migration Report (2022), which states that India has the most number of international migrants worldwide, supports this. Despite the numerous COVID-related travel limitations, it was discovered that 18 million Indians were residing overseas as of the previous year, 2021. Mexico, at around 11 million, is the second most significant origin country. At third, there is The Russian Federation with 10.8 million, followed by China with 10 million. (Bhusan, 2022)

"There are two types of international migration from India: first, workers who are categorized as 'unskilled' or 'semi-skilled' and who migrate mostly to the Gulf countries. Second, the semi-skilled workers, professionals, and students who migrate to the advanced capitalist countries," explains Naresh M. Gehi, Founder & Principal Attorney, Gehi Immigration & International Legal Services. (Bhusan, 2022)

As stated, the Indian diaspora is geographically diversified, and each of the Indians has homeland connections and feelings. Moreover, to have those connections and feeling the ICT plays a significant role as this brings valuable changes and acts as an intermediate to spread the motherland's economic, social, cultural, political, environmental and educational issues.

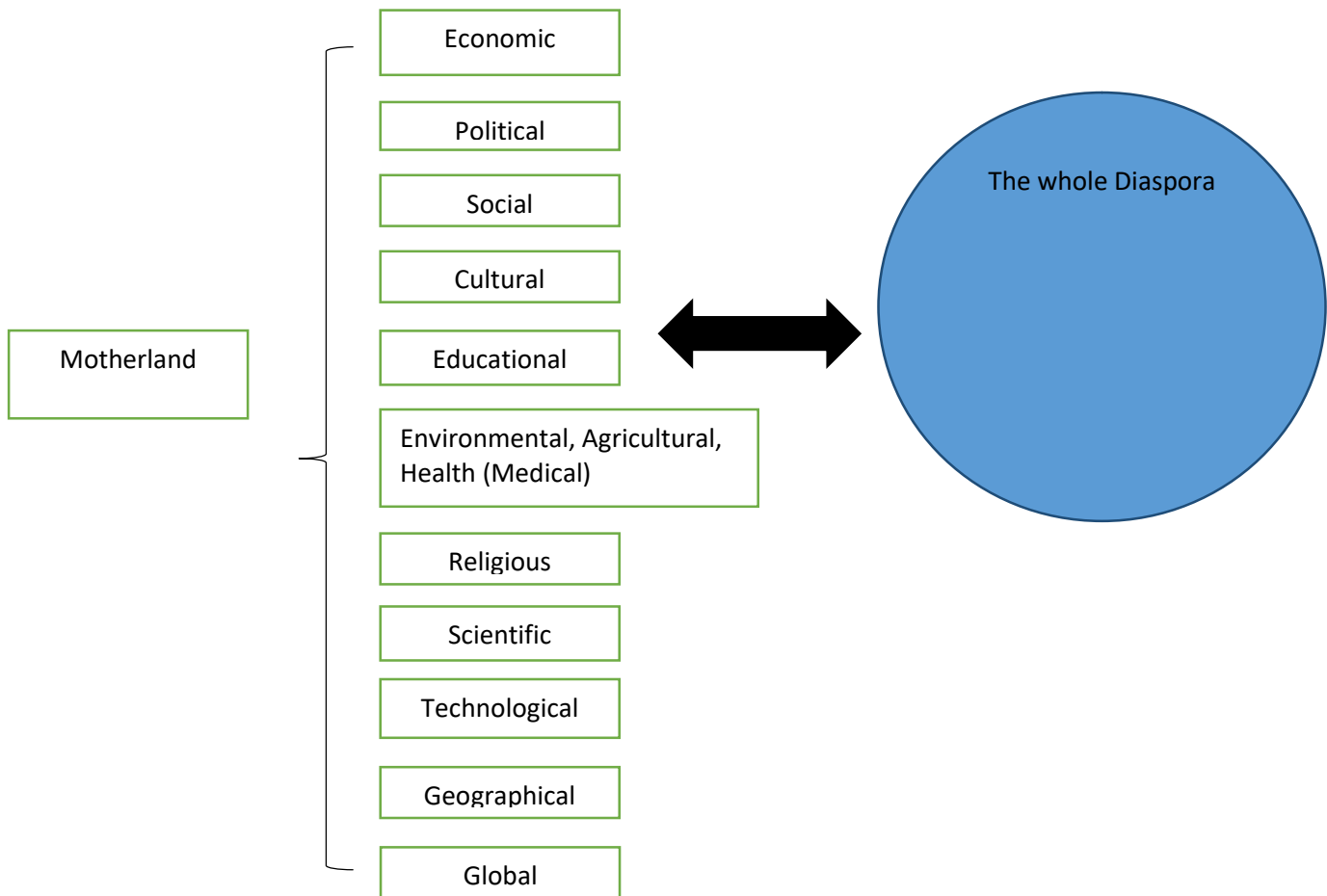
The paper is divided into various segments as Section 1 starts with the introduction, then section 2 focuses on the interconnections between ICT and Diaspora. Section 3 talks about ICT and Indian Diasporic Environment Linkages. Furthermore, lastly concluded in section 4.

## **ICT and Diaspora**

In the current scenario, the nation's wealth is predominantly determined by innovation capacity, as this is the era of the knowledge-based economy in globalization. The process of globalization involves three significant constraints: market, technology and transnational networks- that are themselves interconnected. As Clifford (1997), technology as both real (locomotionary) and virtual (telecommunication) senses diaspora is about travel. But this also creates networking as a transnational network among diasporas. Tambiah (2000) states there are two broad sets first is 'Vertical' (within 'host' societies when 'communities' come together), and the second is 'Lateral' (between (a) host society and society of origin/homeland and (b) where diasporas communicate and maintain their links through media and travel) (Unit-1 Conceptual Understanding of Indian Diaspora and Transnational Studies, 2017).

As a result, in that context, the diasporic environment influences the nation's social, political, environmental, and educational challenges either directly or indirectly. However, they are also exchanging moral principles, dissemination of scientific information, and a sense of belonging to their motherland. That, in turn, is subsequently creating multi-dimensional, multi-structured relationships. (refer to figure 1) (Kennedy, 2022; Sahoo & Purkayastha, 2020, Gowricharn, 2021; Unit-1 Conceptual Understanding of Indian Diaspora and Transnational Studies, 2017).

These connections take time to develop; they are not created overnight. They assist in establishing a connection to the homeland and historical memory that preserves a sense of connectedness to it. Overseas Indians are increasingly being seen as transnational agents with linkages to social, cultural, familial, cultural, community, environment, political, educational, and other forms because of the revolution in technology and communication features. Additionally, these connections include value exchanges in relationships with family, participation in the village or community welfare organisations, and many forms of political, social, economic, religious, agricultural, and cultural interactions.



**Figure 1. Interlinking form as Multi-layered Structure in Diaspora**  
(Source: Author Compilation based on Literature)

For example, a broadcast model developed for Diaspora-Homeland Connections is The 5 T's Model by Orozco, emphasizes on the Five Ts as Transportation, Tourism, Telecommunications, Transmission of Monetary Remittances, and Trade. Each one of Ts has its unique role and impacts the whole diasporic environment since they are not only linked but are interlinked with each other. (Unit-1 Conceptual Understanding of Indian Diaspora and Transnational Studies, 2017)

So for networking, ICT becomes crucial and acts as a catalyst. However, ICT is much diversified and hence has no universal definition. However, in general, this can be seen as "all devices, networking components, applications and systems that combined allow people and organizations (i.e., businesses, non-profit agencies, governments and criminal enterprises) to interact in the digital world" ("What is ICT (information and communications technology, or technologies)? - Definition from WhatIs.com", 2017).

As defined by UNESCO, ICT refers to technological systems that electronically transmit, process, store, produce, share, display, or exchange information. It encompasses conventional technologies like television, radio and contemporary ones like mobile phones, computers and



networks, software and hardware, satellite systems, and so forth, together with the different applications and services connected with them. ICT comprises both the internet and related technologies (that includes mobiles, landline telephones, radio, television broadcasts, and cutting-edge ICT pieces such as artificial intelligence (AI), robotics), Internet of things. ICT comprises a number of different parts, each of which is used to make various tools, such as cloud computing, software, hardware transactions, internet access, data and communication technology (refer to table 1). These are used in enabling the ICT environment, i.e. the virtual world. ("What is ICT (information and communications technology, or technologies)? - Definition from WhatIs.com", 2017; Pandey, 2015)

**Table1: Technologies Range that falls under the ICT category**

Information	Technologies
Creation	Personal Computers, Digital Cameras, Scanner, Smart Phones
Processing	Calculator, PC, Smart Phone
Storage	CD, DVD, Pen drive, Microchip, Cloud
Display	PC, TV, Projector, Smart Phones
Transmission	Internet, Teleconference, Video Conferencing, Mobile Technology, Radio
Exchange	e-mail, Cell phone

**Source: Kumar & Kumari, (2020)**

There are various scholars and others (as study material, government reports etc.) who, in their work, have tried to study the role of ICT in the diaspora, but in this study, these scholar's study has been used (refer to table 2).

**Table 2: Literature focused in the Research Article**

Author (year)	Area of focus
Leclerc (2012)	e-atlas diaspora, presence of the Indian diaspora in the cyberspace
Challagalla (2018)	Diaspora, Indian Growth Story
Bailey and Ngwenyama (2012)	Integration, Community Facilitation, ICT, Communication, Intersectionality,
Greenidge (2005)	Regional Assessment, Caribbean Diaspora, ICT
Andersson & The Swedish Council of Higher Education (2019)	Digital Diaspora, Research area overview, Migration and New Media, Narrative literature review
Parija (2021)	India's Diaspora engagement policy, Great Indian Diaspora
IGNOU (2017)	Diaspora, Transnational Communities (MSOE-002)
Ghani, Kett& Stanton (2013)	Diaspora, outsourcing, oDesk, India
Raveesh (2013)	Internet, Interlink, Indian Diaspora
Kozachenko (2013)	Horizon Scanning Report, ICT, Migration
Pandey et. al. (2022)	Emerging Technologies, Diaspora, STI, Science Diplomacy
Horst etal. (2019)	ICTS, Educational Migrants, Socio-Spatial Relationship
Achtenhagen et al. (2015)	ICT, Transnational Diaspora, Entrepreneurship
Haile (2021)	Liberties, tyrannies, ICT, Gaps, Direction
Hamel (2009)	ICT, Migration
Turner et al. (2003)	ICTS, Diaspora, Development

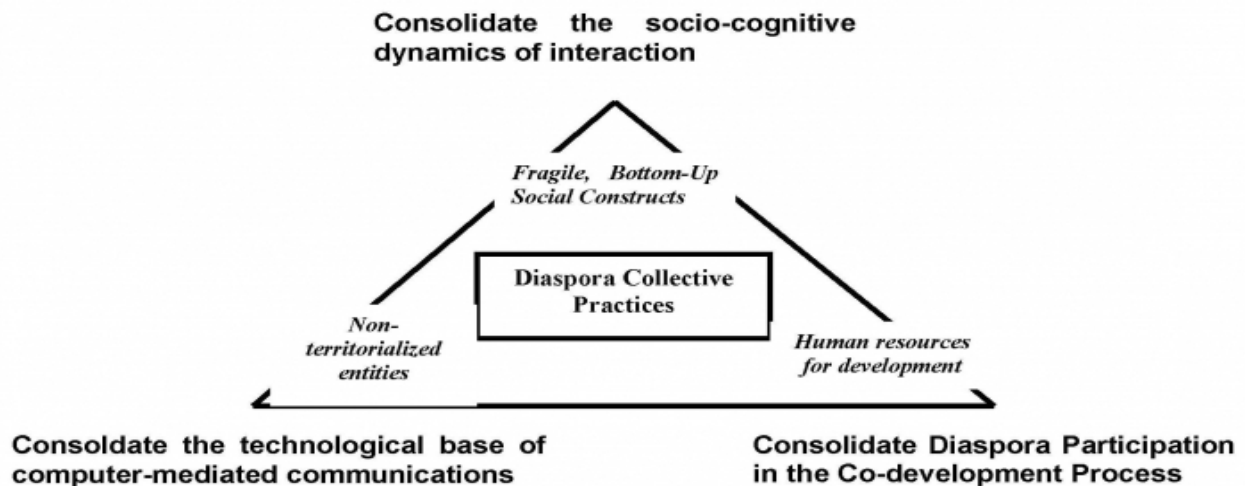
**Source: Authors (2022)**

The India Diaspora, as previously stated, is diverse and made up of numerous people (as a highly-skilled force) who can create an environment that can foster innovation and also unite everyone in their origin countries, despite being displaced and without permanently returning there. The paper, therefore, focuses on the connections between ICT tools and the Indian Diaspora that serve as catalysts in enabling or building such virtual podiums that connect nearly every diaspora to their homeland.

### ICT and Indian Diasporic Environment Linkages

The Indian Diaspora is the highest compared to countries all over the world. One of the best features of diaspora is that they retain evocative link with their homeland. This must not be denied on the potential facts of diaspora as they are having their influence on its homeland based on characteristics and also of those of the country or region of origin liable on many aspects as proportions, education, skills, etc. henceforth, the ICT as a tool and its current developments tools and techniques which are creating a such virtual environment and maintain the identity sense among the Indian Diasporic communities. It would not be wrong to say that the linkages formed in diaspora-homeland are both multi-layered and transnational and have become more robust as time progresses than the tools used for communication.

In his work, Turner et al. (2003) describe a model (refer to figure 2) having three pillars with multidimensional characteristics as it connects the socio-cognitive dynamics, diaspora participation and the technological base. Each of these characters focused on the collective practices, a solid technological base (most essential computer-machine communication) and its usefulness in creating a new platform for participation for diasporas in co-development.



**Figure 2: Diaspora, Development and ICT relationships Model (Source: Turner et al. (2003))**

Each aspect stated in figure 2 has a solid base of technology: the tool or technique, which is communication and virtual platform creation. Furthermore, each of the tools has some specific fields (seen as data fields) such as Email; Goals and objectives; site address; agendas of activities; link to institutional sources; history; news and events; membership qualifications; resources; action underway or realized; diaspora document archives; partners; institutions status; on-line inscription; publication; forums; internet search engines; information bulletin; site

updates; diffusion list; access to external search engines; on-line assistance; site map; frequently asked questions; publication of research result; multilingual interface; textual chat; a skills database; on-line courses and so (Turner et al., 2003).

In most of the literature, as Leclerc (2012), Challagalla (2018), Bailey and Ngwenyama (2012), Greenidge (2005), Andersson & The Swedish Council of Higher Education (2019), Parija (2021), IGNOU (2017), Ghani, Kett& Stanton (2013), Raveesh (2013), Kozachenko (2013), Pandey et al. (2022), Horst et al. (2019), Achtenhagen et al. (2015), Haile (2021), Hamel (2009), Turner et al. (2003), Policy Group of the Global Diaspora Summit (GDS) (2022), viewed ICTs as liberating for migrants with little or no consideration to their negative aspects. In early 1980s, migration and ICT as main branches of studies. Most of them were not initially focused on migrations and ICT but created empirical and theoretical foundations for later research on the theories of globalization, diaspora and transnationalism, and social networks.

Within the Indian diasporic context, the linkages can be seen in to various themes as *Family connections* (focusing on the transnational family, gender, feminized migration); *Diasporic and Transnational Connection* (Connection between migrants, their network and environment); *Planning and execution of migrations* (keeping track on aspirations, decisions, and journeys of the people who are moving from India to other places and then connecting them with their native land); *Identity Construction and Cultural Reproduction* (cosmopolitanism, ethnic identity, social media, notion of home, homeland and place that is integration of all on a single platform); *Diasporic –related livelihoods and risk* (that is the way of living, their digital identity, surveillance, human trafficking etc. which in turn says on the access to information); *Political Arena, Social Networks, Organization* (opportunities to participate actively in domestic politics, partake in cross-border and cross-cultural political action, and engage in social and political activism; creation of new venues and ways for people to express themselves, themselves, and their sense of belonging; influence on work conditions and social support structures; and the creation of online networks, forums, computer-mediated social, capital and professional support); *Skills and Resources* (focusing on the educational migrants as students, scientist communities, the political peoples and so, their lifestyles, working environment and after that long-distance social relationships maintained across the national border).

The critical aspect that is built through ICT in the Indian diaspora is related to the network as a ‘network society’, and this networking or the formation of the network is dynamic and with different names such as Scientific network, Political Network, Educational network, Community Network, Financial Network, Religious Network, Global Network, Geographical Network, Social and Cultural Network and many more. In each aspect of the network, there is the involvement of social process and uses some theoretical understanding in order to build confidence in working on computer-mediated environments with an emphasis on self-organization (pointing the network presentation and the consciousness building), knowledge collectivization and sharing (emphasizing on Knowledge collectivization; Knowledge Sharing; and Navigation); awareness building and mobilization (pointing and emphasizing communication between members via the site or any other medium; and also between diaspora and environment) (Turner et al., 2003; Bailey and Ngwenyama, 2012; Kozachenko, 2013; Hamel, 2009; Haile, 2021) since the future cannot depend on information systems building but also interaction spaces for collective action with scattered nature.

## Conclusion

The role of the virtual environment becomes a crucial element in the diasporic environment in the setting of knowledge-based economies, where everyone is connected to one another. As previously stated, there are many different types of diaspora, and the Indian diaspora is one of them. It exists throughout the world. Therefore, creating a network between them is crucial because it incorporates social, cultural, familial, cultural, communal, environmental, political, educational, and other links. This is where ICT enters the picture, which builds these platforms and connects them, helps the diasporas mobilize, and helps them launch initiatives. As a result, ICTs and their tools and techniques play an essential role in international cooperation and development, depending on their roles in the design, implementation, and setting out of the global information infrastructure (as markets, policies, and others).

The use of ICT by the diaspora, which is integrated into a broader global aspect in this era of globalization, is also highlighted in this paper. This includes networking as a "network society," where people communicate with one another on a variety of issues through email, websites, social media, and other channels; the creation of a common platform by ICT (which is, of course, virtual); and the exchange of socio-cultural aspects. Importantly, ICT is crucial to social inclusion. There are drawbacks, but it all depends on how you use it. Communication technologies are dynamic and constantly changing due to new discoveries and redefinitions, making it extremely difficult for scholars to comprehend networking.

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## **Rural Tourism for the Development of Rural Communities**

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### ***Abstract***

*Now-a-days Rural Tourism has been popularizing under one of the segments of Tourism. The Rural Tourism consists of Agri. Tourism, Artisans Tourism, the Handicrafts being made by local artists, Ethnicity Tourism, Village Fairs & Festivals Tourism etc. The Paper highlights the Rural Tourism and its rampant revelation across the regions and importance. And also its contribution to the local community in terms of employment and income generation. A.P Govt's role in promoting Rural Tourism especially under Tourism Mission 2015 document as per the C.M's Vision. Some proposals are also placed for the proper development of infrastructure for the Rural Tourism promotion. The paper simply speaks in brief some of the key issues about the Rural Tourism in Navya Andhra Pradesh.*

***Keywords:*** Rural community, Handicrafts, Ethnicity, Tourism Contribution.

### **Introduction**

Tourism has acquired wide social, Cultural and economic dimensions. Now days it has emerged as an important multi-sectoral economic activity in the national and international arena. It is one of the largest and fastest growing industries across the world. Tourism also brings a major contribution to foreign exchange earning of several developing and developed countries. In India, Tourism has been gaining popularity with the active involvement of central and state governments. Tourism is also an instrument for development. It contributes to sustainable human development in poverty alleviation, employment generation and environmental ' regeneration in remote and backward areas.

Indian tourism is poised for a major breakthrough in the new millennium. Whether it is infrastructural development or spread of telecommunications network the time is ripe for giving a powerful thrust to tourism. Concerted efforts at creating and improving facilities and connectivity in all sectors of the economy that have a bearing on tourism can yield rich fruits in the years ahead.

Especially India has very well known tourist places with beautiful tourist locations for Scenic beauty , Waterfalls, Lakes, Desert, Forts, Hill stations, Rural and urban culture and etc. More than world's best various tourism places all are located in India had 189 best tourist places. For example Historical and heritage sites and forts in Rajasthan, Backwaters houseboats in Kerala and Jammu and Kashmir that is equitant to Venice in Italy, The state of Himachal Pradesh is likely to be equal to Switzerland country.

India has rich heritage and cultural sites as the world organizations such UNESCO, WNT, WCH, have recognized some of the monuments heritage sites as world tourist sites. “India is equitant to Europe content”.

### **Types of Rural Tourism**

Tourism is synthesized from mass and alternative tourism. Mass tourism is characterized by large numbers of people seeking culture holidays in popular resort destinations. Alternative tourism is sometimes referred to as special interest tourism or responsible tourism and it's usually taken to mean alternative forms of tourism which give emphasis on the contact and understanding of inhabitants 'way of living and the local natural environment.

The diversity of attractions included within rural tourism includes heritage tourism (sometimes referred to as cultural heritage tourism), nature-based tourism/ecotourism, agri-tourism, as well as partnership-based approaches, such as scenic byways and heritage areas. Heritage tourism refers to leisure travel that has as its primary purpose the experiencing of places and activities that represent the past.

1. A second major type of rural tourism activity is nature-based tourism/eco tourism (Sometimes called recreation-based tourism), which refers to the process of visiting natural areas for the purpose of enjoying the scenery, including plant and animal wildlife. Nature-based tourism may be either passive, in which observers tend to be strictly observers of nature, or active (increasingly popular in recent years), where participants take part in outdoor recreation or adventure travel activities.
2. A third major form of tourism is agri-tourism, which refers to, the act of visiting a working farm or any agricultural, horticultural or agribusiness operation for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation. It includes taking part in a broad range of farm-based activities, including farmers 'markets, petting farms, roadside stands, and pick-your-own operations; engaging in overnight farm or ranch stays and other farm visits; and visiting agriculture-related festivals, museums, and other such attractions.

### **Tourism Investment Policy Approach of Andhra Pradesh - 2015**

Andhra Pradesh is on the threshold of evolving as the most preferred tourist destination in the country. The State offers myriad experiences to tourists, and multifarious opportunities to investors. The proactive Tourism Policy, coupled with abundant and world-class tourism opportunities available in the State, shall place the State on the tourism map of the world. The intrinsic potential of developing Tourism Infrastructure Projects and Services in Andhra Pradesh, when leveraged effectively and creatively, would make the State highly competitive and possibly, unmatched across other domestic and international destinations.

GOAP aims to create an enabling environment to encourage private investments. The State will provide potential private investors with excellent support infrastructure and access to a



host of scenic locations, virgin beaches, backwaters, pristine forest areas and divine destinations for developing world-class Tourism Infrastructure Projects and Services.

**Policy Vision:** To develop Andhra Pradesh as one of the most preferred tourist destinations through sustained investments, robust Tourism Infrastructure Projects & Services, and provide world-class diverse tourist experience.

**Policy Objectives:** Tourism shall be a major engine of economic growth in Andhra Pradesh, enabling socioeconomic development of the state through enhanced revenues, employment generation and significantly contributing to the GDP of the state.

**The objectives of this Policy are:**

- To position Andhra Pradesh as a globally recognized tourism destination
- To become the most preferred choice for tourism investments in the country
- To enable tourism sector to become a significant employment generator
- To deliver world-class experiences by offering unique and diverse Tourism Infrastructure Projects and Services
- To nurture and sustain the rich culture, heritage and environment of the State

## **VIJAYAWADA**

Identifying the tourism sector as an engine of development and a catalyst to economic prosperity, the Andhra Pradesh government is doing all it can to attract investors, both native and overseas. The government's efforts seem to be yielding the desired result with investors pouring money into the State tourism projects."Investments to the tune of Rs.12,000 crore have been committed and projects worth more than Rs.1,000 crore have already been grounded at various places," Andhra Pradesh Tourism and Culture Principal Secretary Neerabh Kumar Prasad told The Hindu. Going by Mr. Prasad's claims, the government has already exceeded the target to attract investments of about Rs.10,000 crore by 2020.

"There are a lot of gaps in the current services, which we'll have to fill," admits Mr. Prasad. The tour and travel industry, he says, is being engaged in a big way.

## **VISAKHAPATNAM**

The State Government, which views tourism as a major source of revenue and has drawn up a new tourism policy, has been recognized for its effort even as the ground reality shows there is a lot to be done. The State was awarded for its 'Policy Leadership' at the Fourth Edition of the World Travel and Tourism Council-India Initiative HVS 'State Ranking Survey-2015.

The survey, which was released in New Delhi on Monday, shows that the State survey, which was re-leased in New Delhi on Mon-day, shows that the State Government, along with Telangana, has not fared well when compared to the rest of the States.

"AP has spelt out a Tourism Policy articulating the way ahead, acknowledging the lacuna and is willing to work on them. It is this policy direction that puts it way ahead of other governments." Executive Director of WTTC-II Sumitro Kar told The Hindu.

In effective marketing, it is Bihar that stands tall followed by Kerala, Maharashtra, Delhi and Goa. The State is ranked 10th and Telangana 8<sup>th</sup>. The State Ranking Survey assesses the competitiveness of various States within India from the tourism industry's viewpoint.

It employs 11 parameters like Taxation, State Expenditure on Tourism, Tourist Arrivals, Infrastructure, Effectiveness of Marketing Campaigns, and GSDP Per Capita, among others, to evaluate the different States, Mr. Kar said.

### **Rural Tourism Opportunities**

In the economic social and personal development of rural areas and to improve their living standards. It also has a role as an active agent in the development of agricultural and regional policies and the promotion of development of local communities. Besides the benefits of rural tourism as additional income to farming, income is also due to the sale of agricultural products to tourists and creating local markets that serve to achieve additional income to farmers in areas rural. Moreover the buildings, equipment and infrastructure and thus increases generally improve living standards of people in rural areas.

The main benefits of rural tourism in rural areas are, among others, that tourism prevents or decreases the rural exodus, creating jobs, diversifying the local economy, power consumption of local products, leverages existing facilities, not required the abandonment of traditional activities, improving the quality of life, preserves and maintains intone cultural traditions.

### **Challenges in Rural Tourism**

The major challenges are need to preserve the environment and natural resources, the need for education, proper understanding for both tourists and local people, and the need to generate a democratic movement which helps people at all levels to participate in tourism development. These are some major challenges are as follows

- **Lack of basic education:** Lack of literacy is a major problem in rural tourism.
- **Language problems:** Language can be one of the hindrances in rural tourism.
- **legislation problems :** Lack of awareness upon laws relations to the tourism its sub Sectors
- **Insufficient financial support**
- **lack of trained manpower**
- **Underdeveloped people**
- **Lack of proper physical communications**
- **Business planning skills**

The rural people generally lack in the business acumen. To do any business, they require technical knowledge and skill to organize and maintain it.

**Trained Tourism Guide:** Availability of trained guide will be a problem. The guide plays a very important role in attracting tourists.

**Communication Skills:** The communication will be a major problem. Language and education is the basic hindrance in communication. The ability to communicate effectively is essential.

### **Rural Tourism in Srikakulam District**

History is the convergence of divergent influences that shape the past, but it is almost impossible to confirm the origin of a culture or its genesis. Civilizations rise and decline, tribes divide and merge. Different classes and societies gradually combine over a period of time and transformed society is formed.

### **Rural Tourism Sports in Srikulam**

#### **Baruva**

Baruva in Sompeta Mandal is situated at a distance of 109 Kms from Srikakulam town. The famous Sri Kotilingeswara Swamy and Janardhana Swamy temple are located at this place. Further, there is a coconut nursery and a Coir Industry located here. The river MahendraTanaya merges into sea at this place. Thousands of people take sea bath during festivals. Baruva was once an important seaport. Two obelisks, one of black and the other of white, of fifty feet height above the sea level, mark the seaport. Large grown up Coconut Trees and the green paddy fields make the place picturesque.

#### **Srimukhalingam**

Housing 3 Ancient Temples at one Location, is popularly known as Dakshina Kaasi (Vaaranaasi of South India). The Trinity of Madhukeswara, Someswara and Bheemeswara Temples are a testimony to the Magnificent Architectural skills of Kalinga Kings. Constructed between 9th and 11th Centuries, these Temples have Eye catching Ornamental Gates at their Entrance. These Sculptural masterpieces are about 50 Kms from Srikakulam Town and are dedicated to Lord Shiva, known as Sri MukhaLingeswara. Sri Mukhalingam, which is on the banks of River Vamsadhara, was the capital of Kalinga Ganga Kings for over 600 years. It takes about 1.5 hours by road as the approach roads passthrough the interiors.

Sri Mukha Lingam, as the very name suggests, is famous for the Temple of Lord Shiva with the Shiva Lingam having the face (Sri Mukham) of the Lord. Generally Shiva Lingams do not have the Facial carving and hence the Temple at Sri Mukhalingam is different from the other Shiva Temples. It is also known as DakshinaKaasi. Sri Mukha Lingam, built on the banks of River Vamsadhara was a Glorious place during the Eastern Ganga Chola era and served as their Capital City for over Six centuries. It is under the protection of Central Archeological Survey of india (ASI).

## **Kaviti**

Kaviti village is located at a distance of 130 Kms. from District head quarters in between two towns Viz Sompeta and Ichapuram, towards East. The area constituting Kaviti Mandal is popularly known as Uddanam (Udyanavanam). The coastal belt at this place presents a pleasant appearance, covered with large extents of Coconut, Cashewnut, Jack and other fruit trees. The Uddanam area is scenic spot for the visitors. Two famous temples Chintamani Ammavaruand Sri Sitharamaswamy temple are situated in this Village.

## **Mandasa**

This place is situated at the foot Mahendragiri which is at a distance of 26 km from Sompeta town. There is fort which is considered to be the highest in south India and it is place of tourist interest. In the village the temple of Varahaswamy attracts the attention of tourist. In the village famous food for “COVA” sweet item.

## **Ponduru**

Ponduru is situated at a distance of 21 kms from Srikakulam. The village is famous for the production of fine quality of “Sanna Khadi” which is popular throughout India.

## **Sangam**

Sanghamis in Vangara Mandal, it is 56 Kms. from Srikakulam. Here three rivers viz. Nagavali, Suvarnamukhiand Vegavathi merge together. The Sangameswara temple located here is one of the five lingakshetras, thousands of people congregate here on Mahasivaratri.

## **Governments Should Focus In The Following Things**

- Create healthy competitive business environment.
- Generate data for decision-making bodies investing for developing the skilled human resources.
- Create adequate facilities and suitable infrastructure like accommodation, roads, airport, and railway facilities
- provide local transport, communication links and other essential amenities become essential for
- Build confidence in safety and security.
- Plan for sustainable growth of rural tourism
- Invest in new technology
- Develop rural tourism protecting natural resources, local heritage and lifestyles.

## **Conclusion**

Rural tourism will emerged as an important instrument for sustainable human development including poverty alleviation, employment generation, environmental regeneration and development of remote areas and advancement of women and other disadvantaged groups in the country apart from promoting social integration and international understanding. It can help

inflow to resources from urban to the rural economy. It can prevent migration of rural people to urban. Both short-term and long-term planning, implementing and monitoring are vital in avoiding damage to rural areas. Environmental management, local involvement, sound legislation, sustainable marketing, and realistic planning are crucial for development of rural tourism. The government should promote rural tourism to ensure sustainable economic development and positive social change.

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## The International Economic Structure seen by an Internationalist

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### *Abstract*

*The structure of the international economy is the way in which the solution to the economic and development problems of society in the world is conceptualized; two main conceptions can be distinguished: liberal capitalism and Marxism (socialism and its evolution, communism). The liberals assumed since the eighteenth century that, through the development of free enterprise, civil society would find progress and consolidation, so that the role of the State would be relegated to that of a simple and small supervisor of the flourishing and transformation of the world. The Marxists thought that under the idea (too optimistic) that the proletarian civil society would find progress and organization would lead to a fair (and happier) society, the State (a structure that they initially considered as an active agent of injustice and perpetuator of poverty) would disappear to give step to a proletarian government of majorities that imposed social justice above the interests of a business minority.*

**Keywords:** *Liberal Capitalism, Marxism, Mercantilist School etc.*

### **Introduction**

After the Second World War, the world was transformed into two well-identified groups, on one hand, the industrialized countries of the West led by the United States promoting liberal democracy, base on political and economic freedom, that is economic liberalism (sometimes called, neo-liberalism) aimed at freeing markets and the mobility of factors, which under a criterion of allocation of economic resources, we commonly call market economies that privilege private property. On the other hand, a group of countries of a socialist (and communist) ideological nature led by the Soviet Union, without democratic practices (many of these countries had totalitarian political regimes) and with strong economic restrictions on trade and the mobility of factors of production, which from a resource allocation perspective we call centrally planned economies. Totalitarianism is a system of government in which an individual or a political party holds absolute political power, suppresses competition for political power, controls the public life of citizens, nullifies freedom of the press, harshly represses the political dissent and controls the ownership of the means of production (in fact in countries like Cuba or North Korea, private ownership of production assets does not exist).

There was also another group of countries called Non-Aligned that opted for a states development model, where there are conditions of market economy and private property, but where the State intervenes strongly in the economic system and even constitutes itself as a producer and distributor State of goods and services, defines the Price system of the economy, the allocation of resources, deciding what the country should produce in many industrial sectors, restricts, imports under the concept of substituting them for national production (whether from private or public companies) and dictates which goods must be exported. Another group of

countries, such as the Asia ones, focused on liberalizing their economies to boost their exports, betting on a transformation of their manufactures, previously simple and basic, to reach complex manufactures with high technology.

Having said this, it is easy to see that from an intellectual perspective there are several schools of thought in political economy that have divergent positions on the way in which the challenges of development and economic growth should be solved.

### **Mercantilist School**

The mercantilists postulated that national wealth and power are the only goals of a nation's foreign policy and are independent, the greater the wealth, the greater the power, and the greater the power, the greater the wealth, so that, in accordance with this precept, the State must restrict strictly imports, foreign investment and certain economic activities that are frequently called strategic (such as energy), and also promote exports. Mercantilism does not suppose that States have similar but rather divergent objectives, therefore, policies are set unilaterally without taking into account what concerns another neighboring state. The basic idea of mercantilism pointed out that gold and silver are (or were) the supports of a nation's wealth and that they are essential for carrying out trade, since these metals were the currency of exchange for trade. In this way, for example, when selling tea to another country, it was charged in cash (gold and silver), and obviously when importing goods, it was paid in cash as well. When a country had a negative difference between its exports and imports, that deficit was considered a loss of wealth measured in gold and silver. For this reason, the mercantilists' encouraged exports, but discouraged imports, since it was about accumulating wealth (gold and silver) by obtaining positive balances in their foreign trade (surpluses). The error of mercantilism is to assume that in international trade there are winners on one side and losers on the other, as if it were a sports joust (a zero-sum game) where there is a winner and someone necessarily loses. International trade is more of a positive-sum game in which all participants win something.

### **School of International Liberalism (or International Capitalism).**

The international liberalism of the nineteenth century is opposed to the mercantilist thinking of the previous two centuries. In the first place, they postulated that cooperation with other States brings important benefits by formulating cooperative economic policies with other nations, without undermining their national interests. It recognizes that countries have different advantages in international trade, so the wealth distribution process must establish mutual interests by opening trade. Some countries have higher technology and other lower labor costs, or abundant raw materials. In this sense, it recognizes that a single country is not capable of producing all the necessary goods on its own or cannot do so at the minimum possible cost, Milton Friedman explains it perfectly with the example of the pencil; the wood comes from Canada or the United States. , the graphite (chalk) comes from a mine in Brazil, the rubber (rubber) from Malaysia or Mexico, the aluminum from some country in Eastern Europe or the United States. Each country has obvious advantages in some products and others in factors of production. Perhaps the United States could produce pencils for domestic consumption, but surely not at the lowest possible cost because it does not have an abundance of graphite mines and its climate is not suitable for producing rubber, so collaboration by freeing markets fosters an increase in the value and diversification of exportable goods throughout the world, and also

encourages capital investments to be located in countries that maximize economic value, managing to maximize economic advantages for each country.

International liberalism also emphasizes that people around the world benefit from being able to consume diverse products from all over the world, from Chinese silk scarves to New Zealand kiwis, cars assembled in Japan, Brazil, Mexico or Germany, wines produced in Australia, the United States, Spain, Argentina or Mexico. It is that the distribution of these goods is possible thanks to the more efficient use of resources by taking advantage of the advantages of each country. Clearly, if this is so, governments should seek to reduce and eventually eliminate trade tariffs and technical barriers in order to promote such efficient use of resources and benefit consumers around the world. It is this school of thought that promotes an open global market economy throughout the world.

In the capitalist vision, there is also the Theory of Modernization that proposes that development is linear and irreversible, so that the changes from a traditional to a modern society are feasible under the Western industrial model, where the less advanced countries imitate the models productive systems, technologies, values and institutions of developed countries. According to this theory, underdevelopment is explained by the failure to assimilate these models due to their political, social, cultural or economic characteristics. In this sense, the lack of resources or capital formation are obstacles to development, therefore, international trade and foreign investment should be encouraged to help generate a critical mass of capital in the economy that is reflected in interest rates sustained economic growth. For this aspect, economic development is a consequence of economic growth accompanied by increased levels of savings and investment.

### **School of Marxism (Socialism)**

Within the Marxist School there is a range of views. The main ones are the Dependency Theory and the World System Theory, in addition, in these two currents of thought, there are nuances that combinations of formulations of political economy, one of them was the state structuralism (or state developmentalism) emerged in Latin America. Other countries such as Cuba, Vietnam and the nations of Eastern Europe, followed totalitarian models where private property was practically canceled and the State took charge of the entire economy, and not only of legal supervision and taxation, but also appropriated of the means of production and established price mechanisms with "developmentalist criteria" outside the concepts of supply and demand.

The Dependency Theory (originally formulated for the analysis of the economic relations of the United States with Latin America) assumes that, at the international level, there are two sets of identifiable countries, those of an exploiting North, made up of a group of developed countries (that are the center of the world economy) and the South, another group of countries that are far from the center, on the periphery. The international division of labor, according to this theory, states that the North focuses on lucrative value-added export production, manufactures, and technology, while the South exports low-value goods, raw materials, and unfinished goods. They emphasize that the result of this unequal exchange is the poverty of the South, although they do not explain or do they characterize poverty before the industrial or



colonial era except for the mention of colonialism extracting wealth from resources, but neither do they explain why those countries of the North do have capital and technology and those of the South do not. They attribute exogenous historical reasons to the countries of the periphery (such as previous colonialism) and directly blame the North for their underdevelopment.

The World System also proposes that the global economy is made up of a group of countries at the center and others at the periphery. Unlike the theory of dependency, defenders of the world system point out that the confrontation between rich and poor is not at the level of States, but that international economic relations are governed by a confrontation between non-state actors, that is, between the rich elites and a poor majority. The elites reside in the cities that are international financial centers such as New York, London, Toronto, Paris, Tokyo, Zurich or Singapore, while the poor majority resides in much smaller cities and in rural areas of the countryside. They argue that the really important economic decisions are made in a dozen cities globally, so multinational companies and international organizations such as the International Monetary Fund, the World Bank, the World Trade Organization and the UN, are simply extensions of the arms of the global elites that earlier developed the nation-state. For the Marxists, international organizations should not have a promoting role in economic relations, but their role should focus on modifying these relations towards the equitable distribution of wealth between the elites (the center) and the periphery.

It should be noted something very important, the Marxism-socialism of the 20th century clearly moved away from the optimism of the proletariat that was betting on the disappearance of the State and sought "a proletarian self-government", on the contrary, socialism and communism were the ideologies that consolidated the State -nation as the strongest, most complex and fearsome political entity known to mankind. For an excellent historical analysis of this issue, see Paz, Octavio, "El Ogro Filantrópico", in *Vuelta*, 1976.

The totalizing sense of communism, that is, its lack of plurality, made the State govern with totalizing and not general norms, as occurs in the political pluralism of liberal regimes. The power exercised by the nation-state of the 20th century is unparalleled in the history of humanity, not even the most notable tyrants in history, such as Genghis Khan, for example, were able to exercise control over their population as regimes such as that of the Union Soviet with its fearsome gulags and the KGB, or East Germany with its tragically famous secret police, the Stasi.

### **Realistic School (Neomercantilism)**

For the neo-mercantilists, liberals and Marxists they are wrong because they omit that the real power that drives the global economy lies in the achievement of national interests, including political and military power. That is, although international economic relations have an influence, it is really the power of the State that determines the dynamism of said relations. Citizen demands generally translate into government policy actions to coordinate with international organizations, to seek forms of cooperation such as free trade, but this is limited to the point where cooperation is seen as a loss of sovereignty, which is unacceptable for the interests of the state. Economic cooperation that causes deficits in their economies is seen as unacceptable, which is why Donald Trump during his term as president intended to "disappear the deficit." A good example of this was the vision of the Republican party and at that time the

president of the United States, Donald Trump, who proposed a renegotiation of NAFTA now the TMEC with a vision of protecting its sovereignty. It is also interesting to constantly hear analysts in Mexico invoke national interests and emphasize how unacceptable the loss of sovereignty is. With this, we can see that Robert Gilpin (1987) pointed out that "... nations continually try to modify the rules or regimes that govern international economic relations to benefit more than other economic powers. Therefore, a liberal-type international economy cannot develop unless it is supported by economically dominant states whose interests are consistent with its preservation (as happened in the United States after World War II). While the liberals emphasize the mutual benefits of international trade, the nationalists (mercantilists or neo-mercantilists) consider these relations basically conflictive".

Regardless of which school of economic thought is supported or identified as most accurate, the international economy is made up of various sectors defined by international trade, money markets, financial markets, and multinational corporations.

There are many and varied reasons for countries, and indeed more precisely companies and individuals, to engage in international trade. Perhaps the most important is that certain goods are not available in a country due to climatic conditions, that is, it is not possible to produce mangoes in Finland, and it is not possible to fish for salmon in Mexico. The abundance of certain goods or factors of production (for example, quality engineers in Japan, or entrepreneurs in the United States) makes countries specialize in producing certain products in which they have some advantage (known in international trade theory). as absolute advantages, comparative advantages or competitive advantages). The fact that Mexico imports wines from Europe and exports televisions or cars to the United States benefits everyone involved, the wine producers and the companies that import them win by selling to customers who like them, and these customers win by having variety and better price to buy, the producers of televisions and cars win, and the consumers in the United States win. Because the production capacity of certain goods is not infinite, countries often import consumer products to meet their needs.

For example, Mexico imports yellow corn and other grains from the United States simply because the soil for cultivation is not humid enough to produce high volumes at reasonable prices for the 100 million inhabitants. Similarly, other less advanced countries could be technologically incapable of being able to produce airplanes that are necessary for their communications and transportation, but they could produce and export products such as highly valued minerals such as gold or diamonds. As is evident, the school of international liberalism promotes the elimination of artificial barriers to international trade that governments hesitate to establish under the argument of national interest. The neo-mercantilists and structuralists argue that the government must impose restrictions on imports in order to achieve a positive balance in the trade balance, that is, in the arithmetic difference between exports and imports. One reason given by structuralists for limiting international trade is that free trade does not allow infant industries to develop and be competitive with those already participating in international markets.

In this sense, the biggest opponents of free trade are usually the workers of companies that sell their jobs at reduced prices. In many countries, labor unions often exert great pressure on their governments to introduce protective measures such as tariffs or quotas on imports. One problem with the introduction of protectionist measures is the fact that a reward is given to the inefficiency of domestic industrialists (for example, Minera Autlán enjoyed 60% returns on two

of its most important products for many years). Another issue to consider is that by introducing restrictive measures, there is a danger that foreign governments will impose restrictions on other export products and even claim through retaliation, that is, take commercial retaliation in amounts equivalent to the estimated damages for the adoption of restrictive measures.

The consensus among economic specialists and great writers such as Alfred Marshall is that the high level of protectionism after the First World War had strong repercussions on the fall in international trade, which also depressed industrial production and seriously affected employment, which ended sinking the international economy with the severe depression of the 1930s. This phase of economic crisis in the thirties allowed leaders as perverse as Adolf Hitler and regimes as nefarious as National Socialism to lead the world to the worst of wars. It was precisely Marshall who presented a plan for the reconstruction of the European economies after the Second World War and from which the most important international institutions were born, with two main ideas: to promote free trade in the world and for national governments to follow fiscal policies and responsible monetary policies by limiting inflation and encouraging infrastructure spending.

Even though not all the countries in the world embraced free trade and many of them did so, international trade grew more than twenty times from 1945 to 1995. The countries of the communist bloc participated very little in international trade, promoting a developmentalism of been in practically all aspects, from the cultural and sports, to the economic and practicing almost autarchy within the communist bloc. Although Latin America was not closed as much as the communist bloc, it did deploy a policy of state developmentalism (structuralism) intervening a lot in the economy and establishing a policy of import substitution known as MISI.

The end of the Cold War brought about a series of events. The dismemberment of the Soviet Union, the redefinition of Russia's economic policy (glasnost, to the market economy) and its political system (perestroika, with a new party system), the abandonment of central planning by the countries of Eastern Europe for an adoption of the market economy. In Latin America, state developmentalism reached its limit that became evident after the debt crisis, which forced them to look at free trade as a way to find development. Since the 1980s, the Asian economies have increased their presence in international trade in an extremely relevant way. China went from representing 2% of world GDP in the 1980s to 15% in 2017. Since the early 1990s, international trade experienced its greatest expansion both in absolute terms and as a proportion of world GDP. The most developed economies of the West continue to trade with each other since the 1950s, and in recent decades it has become evident that these economies and those we now call emerging have generated an integration of their trade and are codependent, the most notable case being Mexico and the United States. From a Geopolitical perspective, the influence of the economy and international trade has increased enormously. Diplomacy and international economic relations, mainly in relation to trade and investment, from a few years to date have begun to influence the environmental agenda, wages and social justice, for example.

Another relevant aspect is the growth of the service economy in the world. The relative weight of services in the trade balance of practically all the world's economies is more than remarkable. Likewise, in the most advanced countries, the services sector represents a large

proportion of their economies. The export of services, especially in the Internet era, is evident and after the pandemic this event skyrocketed even more.

Since the establishment of the WTO (once the Uruguay Round of Negotiations concluded) and the adoption of the GATT 1994, with its three essential principles, when a country needs to protect an industry, it should prefer to set tariffs and not quotas or other restrictions; work must be done to reduce tariff rates under the principle of the most favored nation (MFN); and, trade disputes must be settled under the procedures set forth in the Agreements relating to GATT and WTO membership.

Although since the end of the Second World War international trade has grown enormously, it must be said that the protectionism of the promoting economies is also evident, especially in the agricultural sector. The United States is a country whose ruling class is not comfortable with the trade deficits that have recurred since the early 1970s. The European Union has also behaved in a protectionist manner in certain sectors of technology and agriculture.

The trend throughout the world in recent decades is for countries to sign trade agreements in order to ensure access to markets for their export products and stimulate economic activity. It exists since the EFTA (European Free Trade Agreement), the AFTA (Asian Free Trade Agreement), the NAFTA (North American Free Trade Agreement), the common market within the European Union, and other trade agreements such as the Mexico-Chile FTA, Mexico-Israel, United States-Central America, among hundreds around the world. In addition, there are thousands of Investment Protection Agreements between dozens of countries, and Partial Scope Trade Agreements where only some sectors of the economy of the countries that sign them.

Finally, it must be said that the conservative sectors of the countries around the world are forced to mistrust the role of the WTO, because it is alleged that the interference of this organization in economic affairs threatens sovereignty (or decisions that are considered sovereign at each nation) to introduce protectionist practices, and other policies such as agricultural subsidies that generate artificial advantages for North American producers to export, which are clearly in violation of the obligations contracted in the GATT and its Related Agreements. The truth is that, to date, the WTO's action has not been to interfere in "sovereign decisions", but rather has turned to an economic diplomacy that does not generate friction with any Member. It is very important to say that at least since the Cancun Meeting (within the Doha Round of Negotiations) the most critical issue is that of agricultural subsidies in the most advanced countries. The United States maintains subsidies (Farm Bill) for more than 500 billion dollars and the European Union also has subsidy programs for its agriculture for some 600 million dollars.

### **Monetary Markets**

Because the countries that trade in the world have their own currencies, for example, Mexico has the peso; Brazil has the real, the United States the dollar, the European Union the euro, Japan the yen, etc., international trade requires that governments or the State have a basket of hard currencies to have liquidity so that commercial transactions can take place. Also, these markets are essential in the matter since the decisions on this subject mark the role of the countries themselves in international relations.

## **Panorama of economic power in the 21st century**

The decades that followed World War II were of sustained economic growth in the world, accompanied by abundant employment and rising standards of living for large segments of the population. In part this is explained by the Marshall Plan for postwar European reconstruction, the reindustrialization of Japan that transformed its military industry into manufacturing, and the reorientation of US industrial capacity to export manufacturing. More than 50 million people died in the war, which meant that the labor force in the European industrialized economies was scarce, presenting situations of full employment in the largest economies and having to incorporate women into the labor force. In the United States, where the war was not staged, it so happened that the transfer of troops to Europe forced women into the workforce during the war as well. In the mid-1970s, this trend in the world began to have a stage, although not in decline, if from less dynamic economic growth, especially in the United States and Western industrialized countries.

When observed jointly, the GDP of the global economy in the decades of the 50s and 60s grew at a rate greater than 5% per year on average, that is, a very important expansion, while in the decade of the 80s the growth rate fell to 2.3% on average, and to 1% in the early 1990s. It is noteworthy that, as a whole, the most important Asian economies such as China, India, Japan, Malaysia, Singapore, Bahrain, Myanmar, Indonesia, among others, grew almost 7% annually on average since the 1980s and 1990s, but in the first two decades of the 21st century the average expansion was 3.8% and 3.5%, decades in which the world faced two economic crises that they stemmed from financial bubbles, the first from the dot-com companies and the second from the subprime real estate market in the United States.

There is no doubt that, since the postwar period, the United States has been the dominant nation wielding enormous economic power globally. Europe, for its part, continues to be the example of integration and economic stability. Undoubtedly, it can be concluded that one of the central issues of geopolitics will continue to be the economy and trade, since this raises the position of the countries and their power, either as hegemony or seeking the balance of power. Therefore, it can be seen how the world economy has been shaped and how it has changed depending on the interests of the countries themselves and their economic structure, as well as the appearance of blocks that have begun to have a significant impact on geopolitics and the behavior of the great powers. So it is concluded that the international economic structure can have an impact on geopolitics and it can no longer be understood without the analysis of the economy and trade.

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## **The Technological Revolution of Blockchain and International Trade**

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### ***Abstract***

*Today, international trade has managed to transform the lives of millions of people with the emergence of technology in the last 15 years, a process that arose and became more democratic in the 1990's and due to globalization. This caused substantial changes in consumption and life habits. And in turn the reduction of costs of communication services, education, and training. Companies had to become more productive and efficient in order to stay in the global market. Some examples of this were smart phones and smart devices, social networks like Twitter, Face book, Instagram, Snap chat, Whatsapp, Uber, YouTube, as well as streaming companies (Netflix, HBO Go, Claro Video, Amazon Prime). These are some examples of this evolution.*

*In addition to what has already been pointed out, technology has brought about changes in the models of industrial and agricultural production. The adoption of new methods and cheap technologies allowed these big companies and small start-ups to make their way in new production models. One of the clear benefits is the reduction in transportation costs for both people and goods.*

***Keywords:*** *Communication Services, Transportation Cost, Social Networks etc.*

### **Introduction**

The economists argued that technological changes modified production functions, pushing them to the right of the Cartesian plane. It is valid to express this idea to describe changes in the trade volumes of an economy and international trade when technological changes arise in the markets, in communications, in transport, logistics, in the means of payment or the legal system.

For this reason, the technological changes that are taking place have had more than relevant impacts in the economy, the society and the sustainability of our civilization.

This can be seen in the reduction of poverty in emerging countries, as well as the increase in life expectancy in advanced and emerging economies. Almost inexplicably, one of the facets that is least often addressed in depth when ancient civilizations are studied is the one referring to the substantive changes that trade that translated into technological changes. It is known that in Mesoamerica cocoa was used as currency. Also, that the Phoenicians invented what is now known as money. Economists often rightly argue that technological changes modify production functions, but it is equally valid to express this idea to describe changes in the volumes of trade in an economy, and even in international trade, when changes in markets occur technological, in communications, in transport, logistics, in the means of payment or the legal system. Is it possible to doubt the impact on the volumes of international trade flows generated by the adoption of better merchant ships in the Mediterranean, the opening of

shipping routes between Europe and New Spain, or the impact of the Manila Galleon and other merchant ships on shipping routes? And what about the impact of Singapore Island for the British Crown East India Company? All these meant substantive changes in international trade, in the global economy and in its patterns. Likewise, the adoption of the Napoleonic code had considerable effects on the trade of Europe in the 19th century and definitely on the legal systems of several emerging nations.

## Study

Industry in the Mediterranean kingdoms and trade between them prospered largely due to the existence of these merchant-bankers, and in fact, also to the appearance of double entry records, an invention attributed to Luca Paccioli. The fact that the counterparty existed for every operation and that it was recorded in an accounting balance, constituted a substantial advance for the prosperity and expansion of industries and businesses – and continues to be a pillar of business and the business system–, since these merchant bankers (lenders) could count on documented collateral.

The appearance and expansion of international banking in the 18th century in Europe, where the Rothschild family appears as the most visible player, had a decisive impact on international trade and its strong global expansion, as well as something original at the time, the foreign direct investment. The appearance and consolidation of Nation States with fiscal and trade regulation powers made their expansion less dynamic in the first decades of the 20<sup>th</sup> century, until the outbreak of the crisis of 1929. In the first years of the century, the position of restricting imports – and also exports – had devastating economic effects that led to the crisis of 1929, and well into the 1930s and 1940s. After World War II, the plan to rebuild Europe involved the establishment of international institutions to ensure that countries followed reasonable fiscal and trade policies that did not endanger international economic stability.

The signing of the GATT (General Agreement on Tariffs and Trade) in 1948 through the Havana Charter, introduced new rules for international trade that constituted a boost to free trade in the most advanced countries, while Latin America embraced the policy of import substitution (MISI) of Raul Prebisch and the Asian countries, closed their economies in line with the Warsaw Pact. The impressive advance of communications and technology in the 20<sup>th</sup> century favourably impacted the expansion of trade and business. International banks have increasingly adopted advanced technologies in order to streamline banking operations, improve their profit margins, and at the same time reduce the cost of money for their customers.

For example, in the fifties, international banking adopted better payment systems, which in fact has not stopped improving at least every 5 years with technological innovations. The appearance, in 1973, of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) is very relevant, which is an international network of financial communications between thousands of banks and other financial entities, which makes financial correspondence and money transfer possible by electronic means. Likewise, the appearance of the Clearing House Interbank Payments System (CHIPS), which is an international financial clearinghouse in the United States, the CHAPS in the United Kingdom, and the Trans-European Automate Real-Time Gross settlement Express Transfer (TARGET) with hundreds of affiliated banks, in

order to achieve a robust payment system that responds to the needs of global financial markets and the demand for financial services that the growth of global trade implies. In addition to these, there are others in smaller markets, such as Hong Kong, Singapore, Tokyo and Shanghai, but which are equally important in their function of serving global trade. In addition, the appearance of the internet made bank transactions charge at an unusual speed, which is why both trade and investment grew around the world.

The international expansion of the banking industry and the growth of trade cannot be explained without each other, since in fact, there is an evident symbiosis between both. Perhaps one of the last relevant changes is the appearance of the internet, with which operating costs have been reduced since market information is increasingly symmetrical. The fall of the Berlin Wall, the debacle of socialist political systems and the free-market capitalism triumph, led to a wave of trade agreements around the world reducing customs tariffs that encouraged exports and imports around the world. Since 1973, when the system of the Bretton Woods Agreements fell, the international currency market multiplied exponentially in size and penetration in the so-called emerging economies, but also in developed countries, in line with the growth of international trade.

All the changes described have been important in the history of international trade, taking it to a degree of sophistication that is truly surprising both because of the speed at which more and more transactions occur, and because of the increasing complexity of goods and services exchanged. In addition, the facilities for entrepreneurs with small operations to evolve to more relevant volumes of trade, doing business from continent to continent, made international trade the most dynamic sector of the economy in the world. Obviously, this could not happen without a financial industry for means of payment that responds to the needs of such dynamism, as well as, related industries that serve international trade and, of course, a sufficiently large and liquid foreign exchange market.

This article will analyze an issue that will have a major impact on international trade and the way it operates in the world; this is block chain technology and its applications. The eruption of a computer technology based on complex mathematics, together with the extreme libertarianism attitude of a counterculture movement known as cyberpunk, is about to generate radical changes in the way in which companies and for-profit organizations operate. We refer to the block chains from which new concepts and structures are derived, such as digital currencies (crypto currencies).

The term punk comes from the countercultural movement in music of the seventies in England. It refers to the attitude of independence before other musical currents that expressed as a rebellion against the musical status quo. The term extreme libertarianism (non-liberalism which is more moderate) has empathy with the punk movement in art (and cyberpunk in computer science), because they proclaim an anarchism to the state of things. Libertarianism defends absolute freedom by seeking the elimination of the government intervention in public life, and even the law. The cyberpunk movement and its libertarian attitude seek the elimination of government and trusted third parties such as established banks.



In a strict sense, the block chain is the technology that supports crypto currencies. By crypto currencies we mean virtual assets that have been designed with complex programming of algorithms within the internet. There are professional search engines in the world that do “mining” by decoding the algorithms to obtain crypto currencies as if they were gold nuggets.

For several decades there has been a debate that the interests of companies are at odds with those of consumer customers, a situation that is normally resolved through the price system (supply, demand and balance). Managers of companies seek to maximize the value of shareholders investment by extracting the greatest amount of monetary value from their consumers while consumers want more value in products for their money.

Shareholders, in turn, face an old problem: managers have strong incentives to extract as much profit as possible from the companies they work for and then distribute the residual return to their shareholders -the so-called problem of agency. Organizations have created compensation programs directly related to the value that their employees extract from consumers. Greater incentives for managers lower value for shareholders. It is well known that in the United States shareholder meetings have launched authentic revolts against executive directors, for what are considered disproportionate salary packages. If it were possible for the relations of the capitalist system to avoid the conflict of interest between participants (shareholders, clients and executive staff), then it would be possible to open up great opportunities for new ventures and also for consumers to optimize their income. Block chain technology could begin to eradicate the agency problem and change essential notions of corporate governance as well as bring about a change in the amounts of capital needed to develop businesses. Some traditional companies could experience obsolescence in a few years, setting up new paths unimaginable just a few years ago for entrepreneurs in emerging countries that, until now, are nowhere near the line of business innovation.

A block chain is nothing more than a database that is distributed among different participants, cryptographically protected and organized in blocks of transactions that are mathematically related to each other. The essential purpose of a block chain is to collect record and store information that cannot be altered, because the complexity of the cryptographic algorithms and the collective capacity of the network to ensure the irreversibility of the information that reside in the network. Nobody exercises a central power over it, unlike the databases built by governments, companies or organizations in society, and that they manage for various purposes.

A block chain is decentralized and is not managed by a central decision maker, but is built by a community that does not have the same goals as companies or governments. The block chain, with which crypto currencies such as the bit coin works, is actually an electronic ledger (a decentralized ledger DTL). This characteristic of perfect traceability means that block chain technology is about to become an essential part of commerce, since it can reduce transaction costs and increase their reliability. Could a person who invested money legal tender in bit coin, or a fraction of it, uses it as currency to make purchases? It could be, if the business

accepts bit coin as a means of payment.

Currently, when a person decides to acquire a good or service, they essentially have these three options to pay for their purchase:

- 1) Pay in cash of legal tender accepted under the provisions of the law. That cash had to be withdrawn from a bank account of its own or by cashing a check at the bank teller.
- 2) Use bank cards issued by banks and payment method operators that act as a back office (Prosa, Visa or Master Card).
- 3) Pay the merchant by check with the promise that the document will have sufficient funds. Obviously, the business runs the risk that the money never reaches their box.

In all three options, the established financial system intervenes, by supporting the payment. This process is onerous because banks charge commissions for the use of cards. When a business accepts the bank card, in order to convert the promissory note signed by the customer, they must pay (in Mexico) a rate of 4% plus taxes of the amount of the operation and wait 2 or 3 days for the bank to transfer that money to the checking account (which is kept in a bank). On the other hand, carrying cash to make payments is cumbersome and risky. That is, transaction costs are high. If the business accepts bit coins (or fractions thereof), for example, the client can use an electronic wallet linked to the block chain (the ledger of that bit coin). This wallet could reside in a Smartphone for example. The difference is that no bank intervened in the transaction and the merchant is fully certain that the payment was made. That is, the intermediaries that are costly for the trade and customers were eliminated in a transparent environment because both parts can see the electronic ledger of bit coin.

The crypto currencies are a specific application of block chain technology. They are arguably the proof of concept in the same way that email was the proof of concept for the internet. And just as the technology of the internet has proven to serve infinity of uses, different uses for the block chain are already in sight. One of these is smart contracts, which are intelligent and self-executing digital contracts. Smart contracts live in a system supported by a block chain. They contain data that is supplemented by other external block data. They are not controlled by any third party agent but by the technology itself. The objective is to grant a security of transaction that surpasses what the common laws give to the contracting parties.

The use of block chains will change many sectors, especially the banking, insurance and financial services industries, and this will have a huge impact on international trade, which will experience one of the greatest expansions in its history with great benefits, especially for the poorest population in the world. Even though it is not yet possible to carry out quantitative measurements on the impact that block chain may have, one can affirm that there is no doubt that it will have it and that it will not be modest. In fact, the greatest impact will lie in new ways of organizing businesses and undertakings that even today we cannot even imagine.

The impact will be huge. As the use of block chains spreads, businesses will become eminently international. Translating into Business B2B, B2C, and C2C will be a common thing without trusted third parties. Transaction costs around the world will be reduced. Subjects will

go from being passive to active subjects in international trade thanks to the use of the block chain and smart contracts.

## Conclusions

Although the obstacles that could arise are great, it can be concluded that international trade is one of the economic activities that will continue to have the most dynamism in the global economy, and despite its significant expansion it will grow even more as blockchains are incorporated into the economy. The foreseeable reduction in transaction costs, the gradual elimination of trusted third parties and the facilitation of complexities in international trade operations, will make it something common both for business between companies and between people, people and companies and vice versa. It is also feasible that things as complex as incoterms (International Commercial Terms) begin to change to simpler forms for smart contracts with which millions of international trade transactions will operate.

The analysis of the historical perspective of international trade with its disruptive factors, the examination of the complexity that international trade operations normally entail, banks, trusted third parties, risks, high costs, among others, and the evident simplicity with which they can be solving these aspects for almost anyone with a computer or a Smartphone, by joining the use of block chains, will mean a substantial change in commerce, switching from national to international almost indistinctly. Just as happened with the use of credit cards introduced by American Express several decades ago, the use of block chain could become a permanent source of new forms of business and innovative forms of international commercial transactions. In fact, the greatest impact will lie in new ways of organizing businesses and undertakings unthinkable today.

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