

**CULTURAL DIFFERENCE IN INTERNATIONAL TRADE****Prof. Archana Aher**

Assistant Professor, MIT Arts, Commerce and Science College, Pune.

Contact No.: 8888887519, Email Id: aheras2015@gmail.com

**ABSTRACT**

International trade is the exchange of capital, goods, and services across international borders or territories. In most countries, such trade represents a significant share of gross domestic product (GDP). International trade is not only cross borders, they also cross cultures. A business cannot simply rely on its current method of operation when it decides to take its business at international level. Every country has a set of different variables that can be new for an offshore company e.g. rules and regulations, taxation, different currency, different holidays etc. Most important consideration in this regards is the difference in culture. Culture profoundly influences how people think, communicate, and behave. It also affects the kinds of transactions they make and the way they conduct them. Differences in culture between business executives—for example, between a Chinese public sector manager in Shanghai and a Canadian division head of a family company in Toronto—can create barriers that hinder or completely stymie the negotiating process. This paper focuses Definition of culture in the context of international trade, organisations and organisational behaviour along with components that shape a culture are discussed below and by analysis of impact of culture on international trade.

**Key words:** *International trade, culture, organisational culture etc.*

**INTRODUCTION:**

Readily available information, rapid advancement in technology, labour cost factor, trade liberalization, standardization, sophisticated distribution methods and channels along with other managerial and technological innovations have given way to a wave of globalization in the past decade. Along with its advantages, globalization results in some barriers which need to be addressed in order to perform and meet the targets set. One of the major hurdles is difference of cultures and how to cope with the differences in such a way that there is harm to business units performing internationally. Amongst many others discussed below, the most common barrier is communication. Different languages automatically create challenging situations for international companies. It is the responsibility of management to understand the differences in cultures in order to develop strategies which are acceptable in different cultures.

**OBJECTIVES OF THE STUDY:**

1. To study the meaning of International trade.
2. To understand the concept of Culture.
3. To observe different cultural issues.
4. To examine impact of cultural difference in International trade.

**EXPLANATION:**

International trade is the exchange of capital, goods, and services across international borders or territories. In most countries, such trade represents a significant share of gross domestic product (GDP). Trading gives both producers and consumers and countries the opportunity to be exposed to new markets and products. Almost every kind of product can be found on the international market. A product that is sold to the global market is an export, and a product bought from the global market is an import. Imports and exports are accounted for in a country's current account balance of payments.

Culture is defined as “the way we do things around here” by Deal and Kennedy (1982). Although the definition is self-explanatory, it needs expansion to cover the areas that develop culture. Numerous different definitions of culture have surfaced in the past. Kroeber and Kluckhohn managed to compile a list of more than one hundred and sixty definitions of culture and that too in 1950s (Adler, 1997) great deal of research has gone into this subject then and many experts have researched and written heavily on culture.

An important feature of culture is that it is learnt and not inherited. Culture lies somewhere between individual personality and human nature because these two traits are unique for every individual, the behaviour in-between the two extremes is identical to groups as it is learned and acquired through others. A culture is also “shared” and exists in groups and societies, beliefs of an individual can be classified as “ideas” but do not necessarily form an overall culture. Collection of ideas however, if similar in nature, become constituents of a developing culture.