

SECTION 5

JUDICIAL ASPECTS AND SOCIAL AND CULTURAL ENVIRONMENT OF INTERNATIONAL BUSINESS

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RELIGION AND ECONOMIC GROWTH

The object of the research is the relationship between religion and economic performance. The objective of the work is to reveal the differences between the economic growths of the countries relying on the religious component of national culture. We based our work on the research from Harvard and Berkley universities and journal articles on economy and sociology.

Our work involves an analysis of a number of sources with the purpose to find out how such an important part of human life and culture as religion influences economic growth of a country. For example, there is a great discrepancy in income between the Muslim world and the Christian world. However, the nature of income generation indicates that cultural factors including religion may provide some explanation. In his work, *The Protestant Ethic and the Spirit of Capitalism*, Weber argues that the lifestyle which arose from Protestantism played a decisive role in the creation of modern prosperity. Thus, religion as a social form is significant in driving national development. However, to measure this influence quantitatively contemporary scientists use such variables as the amount of population attending formal church services at least monthly, belief in heaven and hell, belief in afterlife, self-identification as religious, religious pluralism of a country.

Firstly, some research assumed that behaviour patterns are influenced by their ways of thinking and their beliefs based on religion. Economic-sociologists investigate this relation from the perspective of correlation between the dominant belief in heaven or hell. The findings show that the quantitative effect and statistical significance for belief in heaven are somewhat less than those for belief in hell. The outcome is much weaker if we used as a criterion belief in God.

Secondly, they looked at the rates of monthly church attendance by countries. They found negative correlation which means that the increase in this variable is likely to reduce the economic growth rate. Meanwhile, in developing economies the correlation is the opposite: the economic growth is likely to increase.

Thirdly, many social scientists studied the dependence of the economic growth on the religious diversity and openness of the society, here they turn to standard economic

variables like the level of technology and education. According to them, there is a positive correlation between religious pluralism and overall economic competitiveness, total productivity and national level of urbanization.

Finally, religion impacts economic development through fostering such individual traits as honesty, work ethics, thrift and openness to strangers which, in their turn, could lead to openness to trade and eagerness to migrate. Hence, in such of way the dependence of economic growth in incomes of the counties on religion is proved.

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BREAKFAST AT MCDONALD'S OR HOW TO SURVIVE IN THE GLOBAL MARKETPLACE

Nowadays, in the age of globalization, the number of multinational companies is astonishing and more and more businesses strive to become international. However, operating in a foreign country, firms face challenges from local cultural values. Numerous researches show that cultural distance remains a barrier in overseas operation. It can disrupt collaboration and knowledge learning from international alliances, and result in higher transaction costs, reduced knowledge transfer, and poor operational performance. Consequently, the majority of multinational companies are suffering from performance problems and end in failure overseas because of the poor cultural integration with their international alliances and their host environment.

In our work, we have concentrated on the study of the most successful international fast food company – McDonald's. 60% of all McDonald's restaurants operate outside the US. The purpose of our study is to find out the key steps taken by McDonald's to attract customers in various parts of the world – USA, China, India, and Belarus in particular. Without getting into details of company's management, we have studied the aspects that have direct influence on the customers – menu variations, prices, and advertising in 4 countries – the US, China, India, and Belarus, to see how the company has adapted to the tastes of customers from various cultures. This has been done by analyzing material found on the web, research papers, advertising, and taking in consideration personal experience.