

# Digitization, liberalization, consolidation, and globalization



In today's world, a couple of trends appeared in the 1980s and affected the world in different ways. These trends include digitization, liberalization, consolidation, and globalization. These trends became fully fledged in the 1990s, when they affected the global communication and the economies of the world in a unique manner.

### Digitization

The adoption of digitized systems by many nations has been the key to their prosperity. This is mainly, since the economic growth of these nations has become a reality due to the adoption of ICT, which is better known as information and communications technology. The development and the growth of ICT have made interaction between nations easier through technological advancements. One of the greatest developments in this field was the innovative idea that led to the development of the World Wide Web (Hamelink, 1996).

The World Wide Web induced the growth of the internet, which is a favorable media for enhancing communication and connectivity. The internet has no limitation in that all forms of transactions can be conducted over this media remotely. Therefore, the internet, being a product of digitization, has promoted connectivity between nations and their economic growth through the conduction of income generating transactions. This, consequently, generates revenue for any given country (Hamelink, 1996).

Digitization is also used as a gauge of the development of a particular nation. Owing to this fact, nations have implemented policies and strategies which have resulted in the mass adoption of digital technologies. Therefore, <https://assignbuster.com/digitization-liberalization-consolidation-and-globalization/>

these nations realized significant political, social, and economic benefits. Hence, digitization was considered to be the key to a nation's prosperity. In the 1990s, digitization had taken root in the developed nations due to the mere fact that the establishment of the infrastructure was an expensive venture. Hence, the extent of a nation's digitization was gauged in terms of speed, reliability, usability, and the skills of the users.

### Liberalization

Liberalization is a state where the government, in a particular nation, removes the restrictions which it poses in the field of economic and social policy. Liberalization promotes autocratic regimes, which, consequently, assists in the development of democratization. Hence, liberalization in a given nation takes many forms, such as economic liberalization, which promotes the growth of trade, and capital market liberalization. In most cases, economic liberalization is mostly associated with privatization, meaning that the government limits control (Hamelink, 1996).

Therefore, liberalization has promoted interaction between countries thorough trade. This is evident in the formation of business organizations such as the European Union. The European Union promoted the interaction between nations within Europe through trade. Consequently, this boosted the economy of the member countries. Liberalization among individual nations around the globe has also encouraged interaction due to engagement in trading transactions. Owing to liberalization, nations are in a position to access commodities that were not locally available. Nations with

poor economies are also able to gain from the financial assistance which they obtain from liberalization (Hamelink, 1996).

According to the conducted studies, liberalization was considered a promoter of the welfare of nations. This is observed through the improved allocation of resources that are available locally. Liberalization also removes all trade barriers, which are associated within a given nation, through the removal of import restrictions of any form and the creation of an anti-export bias through the liberalization of trade. This encourages the shift of resources from the production of substitutes for the imported goods to the producing of goods that are export-oriented. This, consequently, results in the growth of nations to become economically stable.

### Consolidation

Consolidation promotes the respecting of the normative instruments within an institution. It also promotes attributes such as democracy and transparency within organizations and institutions. The result is the strengthening of the operational capacity within institution and, therefore, strengthening of its infrastructure. From a global perspective, consolidation promotes the associations of various institutions around the world both governmental and nongovernmental. This association is made possible due to the attributes which are associated with consolidation, namely, transparency within organizations and institutions. In effect, this promotes global communication and collaboration among nations and organizations (Hamelink, 1996).

Consolidation is also a promoter of good relations among nations. This is the case, because consolidated nations tend to fulfill their affairs in a synchronized manner. Good relations are promoted merely from the fact that nations come together to participate in those activities that assist in the promotion of economic and social growth. As a consequence, international communication is enhanced. Consolidation is also beneficial owing to the reason that when a particular nation is experiencing hardships, other countries come with aid.

Consolidation is a promoter of global communication. Global communication encourages communication between people from all corners of the world. Due to consolidation, any restrictions that may be preventing the interaction between people from different nationalities and backgrounds are removed. Hence, without consolidation, good relations between nations are not possible. This may result in the hampering of the relations that help the economic growth and stability of nations. The logic behind this is that some nations are purely exporters of commodities, whereas others are importers. Without consolidation, these mutual relations may not work and, therefore, result in their economic decline (McCorriston & Sheldon, 2003).

## Globalization

Just as is the case with the stated above trends, globalization, which started in the 1980s, matured in the 1990s. Globalization promoted the rapid interconnection of the countries of the world, changing the lives of people, as they once knew it. This was mostly due to the life-changing attributes which are associated with globalization, for example, technological advances. New

thoughts and ideas were also developed, which apparently changed the lives and visions of the individuals in both developed and under-developed nations (McCorriston & Sheldon, 2003).

Global trends have also resulted in the cooperation of nations due to the common interests. These common interests have resulted in the promotion and growth of trade all over the globe. Trade has been encouraged by globalization through the development of trade networks in almost all parts of the world. Therefore, this promotes interaction and global communication between people of different ethnicities and nationalities. These global trends also to promote social growth among individuals whereby individuals interact through all forms of media which has developed owing to globalization (Hamelink, 1996).

Globalization has also promoted human communities to share experiences through the global networks that were developed for working and relaying information. In effect, this promotes the creation of a greater understanding from a cultural perspective. The creation of this understanding helps in the improvement of the lives of individuals. This is the case, because globalization developed as a phenomenon that resulted due to human activity. Globalization also promotes the shaping of online communities. Therefore, this has led to the creation of new identities due to the evolution. These transformed individuals have no regard for their nationality; hence, this promotes world communication. Therefore, globalization has been proven effective in the promotion of global communication and world economies.

In conclusion, the four aspects that include digitization, liberalization, consolidation, and globalization have brought positive changes to the world. However, they have also been associated with negative effects such as the loss of state sovereignty, rise of cybercrime, and unfair trade relations. Despite the negative effects, the four aspects have been beneficial, especially to the world economic system.