

# The world has and entirely new definitions

[Economics](#), [Globalization](#)



The world of today is converted into a small sphere where distances have been abridged; connectivity around the globe is possible at the blink of an eye.

The world has and entirely new definitions in respect to interdependence of social, technological, cultural, political and economics. A man of today is equipped with the power of that evolved slowly through the passage of time and eventually termed as " globalization". Before examining its effect and the impacts it has on the world we need to identify what actually is termed as globalization.

The Encyclopedia Britannica says that globalization is the " process by which the experience of everyday life ... is becoming standardized around the world." While some scholars and observers of globalization stress convergence of patterns of production and consumption and a resulting homogenization of culture, others stress that globalization has the potential to take many diverse forms.

In economics, globalization is the convergence of prices, products, wages, rates of interest and profits towards developed country norms. Globalization of the economy depends on the role of human migration, international trade, movement of capital, and integration of financial markets.

The International Monetary Fund notes the growing economic interdependence of countries worldwide through increasing volume and variety of cross-border transactions, free international capital flows, and more rapid and widespread diffusion of technology. Theodore Levitt is usually credited with globalization's first use in an economic context.

In wider aspects the world is now getting closer and closer into a small village, where there is an increased economic independence. Information technology has been the stepping stone for this rapid change, telecommunication has set up unconceivable lines of communication which eventually has set up the fast moving trend of progress.

Factors of globalization that is unrelated or without technological change in general or information technology in particular does not seem to have a progressive trend, that is the major block of upward movement in the world economy is primarily because of the advancement in information technology.

Perhaps the most important of these factors is the more liberal approach to international trade and foreign investment that has been adopted in many countries, developed as well as developing. As noted above from the science and technology point of view policy in developing countries, it is useful to abstract from all these other influences on globalization and focus instead on the respects in which globalization can be described as technological phenomenon.

Until just a few years ago, very few people could have imagined that IT would have such an enormous influence on the societies and economies of countries all over the world. Among other things, IT, and particularly the emergence of the Internet with its openness and global reach, is having a drastic influence on methods of business and communication.

The IT revolution is taking place all over the world and Japan is no exception. According to provisional calculations by the Economic Planning Agency, the advancing IT revolution will boost Japan's real GDP by 6% over the next five

years, an average of more than 1% a year. Although Japan's aging population with lower birthrate is inevitable, IT is expected to offset the negative impact of the expected decrease in population, according to the same provisional calculations.

Globalization has stepped up the economy of the world; developing countries have had a rising uphill trend in its economies.