

Globalization and its influence on different fields

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



Globalization refers to the process in which the political, economic, cultural and social relations across the international borders are intensified. Every aspect of life has been affected by globalization. Its effects on the politics, culture and various business fields all over the world are profound thus affected the life choices of the people everywhere around the globe. Additionally, it has been involved in the transformation of the social relations, communication, production, practices and ideas. The forces driving globalization appear to be irresistible. Globalization has led to the exchange of various ideas and forms of technology thus disrupting the market for various items.

Major Drivers of Globalization

Globalization has been known to be subject to some drivers such as technological innovation. Technology helps in the process of standardization of products across the world as well as sourcing of the resources that is coordinated by the use of technology, for example, the use of emails and teleconferencing with the suppliers (Bang &Markeset, P233). Transport is also another driver of globalization (Bang &Markeset, P233). It allows easy distribution of products all over the, for example, the use of planes and freight ships. Social and political reforms is also another factor that tends to affect globalization. The population has in the recent years risen to high levels which increase the rate of consumption of goods and services for various companies. This has created some opportunities since an increase in population leads to more customers. Communication has also not been left out as a driver of globalization since it enables to link the customers and their suppliers across the globe. This affects the market for various products

since customers, and product owners can communicate from different parts of the globe which is good for business (Bang &Markeset, P233).

Features and Results of Globalization

Globalization has brought about increased trade all over the globe (Cornia, P834). This is because people from different parts of the world can easily link, share ideas, buy and sell different products and services. These links help in the creation of more markets and new customers since different products can be advertised and easily transported all over the globe (Cornia, P834). The clients can then be able to access the products they are in need of which in return improves the market for almost all the products. From globalization, global markets have risen. The owners of different products can be able to sell them on a global scale; in different parts of the world. This has brought about the global market where people can sell their products to clients from all over the world and clients are also able to purchase products and services from suppliers in different parts of the world.

Competition for labour, raw materials and products has risen in the recent years due to globalization (Cornia, P834). Business owners from different parts of the world are eyeing resources regardless of where they exist. With the ease in which the commodities can be acquired, these clients are willing to offer a lot to acquire certain products and services which in return increases the competition from the other interested parties. Change in employment patterns has also been experienced due to globalization. People can now be employed in their areas of expertise in different parts of the world. Employers can now easily acquire employees from different parts of

the globe as long as they have the experience that they need which has disrupted the employment pattern (Cornia, P834).

Critical changes have in the recent years been made on the sector of finance. Banks and other money lending institutions have been able to link and serve clients all over the globe. Different companies and countries are also able to finance each other which has boosted various states at the same time stagnating the others (Obadan, P316). This is because some states have been able to acquire a large number of finances at the expense of the others. With globalization, the new digital technologies that have emerged might be able to change the dynamics of cross-border finance. The monopoly of traditional bankers has begun to be changed by the digital players through the use of applications as well as online services that can meet the demand for customers at any time, in any place and through the use of any device (Crosby, et al., p6).

These technologies are fast and their cost compared to the traditional banking system is lower. They have resulted in efficiency in cross-border transactions thus they have been anticipated to be potential accelerators of growth in global capital flows (Crosby et al., p6). Such technologies include the platforms that create marketplaces for financial dealings and the lending platforms that are known to deal with individuals and companies. The rate at which these digital platforms are being used to carry out transactions and access loans is alarming making them look more superior than the traditional banking systems (Crosby, et al., p6).

Other technologies such as the Blockchain technology has the potential to make the cross-border transactions secure, quicker and cheaper (Crosby, et al., p6). This form of technology makes use of digital logs of ledgers containing digital transactions that have taken place across a public or private network. It works well with applications that require a permanent and rapid date and time stamp which may include payments and financial assets transfer. For example, it was estimated that 50 to 60 billion dollars involving the cost of cross-border business could be saved via achievement of settlement and clearing through Blockchain (Crosby, et al., p6). The Bitcoin cryptocurrency has been the Blockchain's most prominent application (Ølnes, p253). Blockchain can also be used in P2P loaning and transmittal movements on a nationwide and global scale among other uses.

Additionally, artificial intelligence, cognitive agents and smart machines are also associated with efficiency in the global financial sector. The impacts of such technologies will be on the operations of domestic banks. They will also improve the cross-border transactions and foreign operations. Their value, however, is already being noticed. For example, digitization of valuation processes has been able to occupy over 90% of the manual tasks thus cutting the valuation cycle by over four and a half days (Crosby, et al., p6)

The use of such technologies has been associated with intermediation where the intermediaries that could be involved in cross-border financial operations have been eliminated (Crosby, et al., p6). This has resulted in enormous competition with the local banks which are then forced to change their modes of operations to match the technology.

Globalization is not on halt. It has been taking place every second that passes since different sectors and operations are being taken to a global scale. Linking of countries around the globe has been seen as a noble move since supporting each other has been viewed as possible. For example, people have been able to acquire finances from different countries such as loans and asset thus improving the economic status of different individuals and states. Individuals can also not imagine losing the already created markets in the international scale which means that globalization is not about to stop.