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Implications of ever-increasing globalization through technology to the global economy

Globalization refers to the increased movement of people, capital, goods, and ideas due to economic integration. The Organization for Economic Cooperation and Development (OECD) defines globalization as the process leading to increasing internationalization of markets, financial systems and means of production, corporation, competition, technology and industries (Spence and Danny 2). It is without doubt that technological advancements are at the center of the ever-increasing globalization. Communication, transfer of information, ideas and knowledge, movement of people and goods have been the primary facilitators of globalization. The efficiency of these facilitators of globalization are possible because of technological advancements. The ever-increasing globalization through technology has had various implications on the global economy.

One of the implications of the ever-increasing globalization through technology is the fast growth and expansion of the global economy. Technological innovations have made it possible to develop modern and efficient transport systems that ease movement of people, goods, services and capital. Technological developments have led to the manufacture of planes, high-speed trains and modernization as well as the expansion of road networks. As a result of these developments, there have been initiations of direct flights across nations, lowering of transport costs and general efficiency in transportation systems (Minkova 28). The development of the international and

local transport systems have worked to increase the value of products by enabling market expansion through opening of previously inaccessible markets.

The improvement of communication and information technology has worked to restructure the global economy. The internet has increased interaction among business people considering the possibility of online negotiations and processing of deals. Additionally, computer and internet technologies have made it possible for multinational companies to enhance management of diverse branches from a centralized control point. Reduction in the number of line managers has eased the process of decision-making (Marković 8). Furthermore, improvement in computer and internet technologies has also led to development and expansion of financial systems. Currently, many banks and financial institutions carry out fund transfers on an online platform. This possibility has eased payment for internationally traded goods and services. These developments have collectively worked to increase the efficiency of the global economy.

Another implication of the ever-increasing globalization through technology is the tendency to level the economies of different countries (Spence and Danny 8). Technological innovations currently spreading originated from the developed economies. The need to increase gains from changes has led to the movement of the respective technical companies to the emerging and developing markets. The emerging and developing markets have relaxed business policies that attract investors who seek to maximize profits. The situation has seen the initially third-class countries start production and exportation of goods to the developed countries. Consequentially, there has been a reversal of roles, as the initial exporters become importers, and initial importers become exporters. The developed countries are increasingly spending on foreign products, which lead to the transfer of funds and development to the growing small economies.

The general implication is a gradual leveling of the global economy such that countries have economic prosperity.

In conclusion, the ever-increasing globalization through technology has led to many implications on the global economy. First, the technology-supported globalization has resulted in rapid expansion of the global economy. Technological innovation has led to the expansion and modernization of transport systems that encourage movements of people, goods, capital, and services. Second, technology-supported globalization increased the efficiency of the global market. The internet has supported online signing of business deals and processing of payments. Lastly, technology-supported globalization is fostering economic equality among world countries.

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