

# The Effects of Digital Globalization on Economics and Society

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## Abstract

In the minds of some scholars, digital globalization is a new kind of globalization, while others see it as a type of globalization that needs to be steered and managed so that institutions and corporations can work together to tackle the challenges of digitalization. All facets of economic and social life have been digitized. Globalization is being spurred on by technical advancements and scientific problems in an increasingly competitive marketplace. Globalization has been argued to have ceased after the 2008 financial crisis because of a decline in global trade in products and a dramatic decrease in cross-border capital flows. Studies demonstrate that globalization is not slowing down, but rather entering a new phase marked by an increase in the flow of data and information. More than a decade later, the new global crisis produced by the COVID-19 pandemic is strengthening the role of information and communication technologies in both the business and social life of the world.

It is the purpose of this study to emphasize the key characteristics of digital globalization that have a significant impact on the economic and social lives of today and tomorrow.

The primary research approaches are document analysis and literature review. These are multiplied by two if we conduct a literature review on IT tools.

A number of characteristics emerged from the documentary research that allow us to conclude that global digitalization can have a significant impact on the economy and society.

## Keywords

economics, digitalization, globalization, society.

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## Introduction

As more recent studies show, digital globalization represents an entirely different type of globalization, one which will have a significant impact on the way business is done in the near future. Through digital platforms, global economic, financial, and social ties are being strengthened as data and information accumulate. After more than a year since the outbreak of the Covid-19 pandemic, this research suggests that the world economy has been hit by a shock that may have been more severe and swift than the 2008 financial crisis. Even if digital globalization and economy change are being tested by the Covid-19 virus, economists believe the current crisis could lead to a move away from globalization. Globalization and digital economy transformation are under increasing threat from the problem produced by the coronavirus pandemic (Schilir, 2020).

According to current research, the two trends of globalization and digitization are colliding. This is because the massive volumes of data and information that are conveyed every minute, ideas and innovations around the world, can be quantified in large part by trade in products and cross-border financing. Otherwise, businesses should reconsider what it means to be global as these huge digital networks connect everything, anywhere, and at any time. Research like this measures the economic impact of this shift and recommends five key areas, each with their own set of challenges: the new bit trade; open platforms; virtual goods; and "digital packaging" or the foundation of digital dialogue (Bughin, Lund and Manyika, 2016).

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Increasing globalization and increased exports have also been cited as a threat to the economic growth of developed economies that import more than they export, like the United States, according to some studies. Due to shifting objectives in social, political, and economic circumstances, several countries have developed distinct forms of "economic nationalism." Both rich and emerging economies have recently seen a rise in economic nationalism. Globalization and economic nationalism, it is said, have made many Asian firms more globally competitive. Western nations like the United States are now using nationalist economic policies in order to promote their own sectors and make them more competitive globally. In other words, economic nationalism is influenced by a country's openness to foreign investment (Chernyshenko, Vertakova and Mkrttchian, 2020).

Labor and the labor market are significantly affected by globalization and digitalization. According to several studies, globalization is changing the model's difficulties with work safety. This group's research focuses on labor market changes caused by new employment technology, interdependence, and labor utilization, rather than the typical interpretation of globalization's influence. Workplace safety may undergo radical transformation because of globalization; therefore, normative standards for non-standard employment arrangements are being proposed (Mandyach et al., 2018).

It is also in agreement with the studies conducted before to the COVID-19 epidemic, in which education was considered the link between a continually changing technological field and the forces of globalization. This study analyzes how the socio-economic and political-ideological contexts of teaching and learning influence the effects of education on students and teachers alike. As a result, educational goals have undergone a radical transformation, and the ethical-political significance of education has been recognized as something that is being lost in the process of being modernized by corporate agendas. In the words of Trifonas (2017).

## 1. Methodology

The primary research approaches include in-depth examinations of primary sources and literature reviews. These are multiplied by a study of IT tools in the literature. Documentary analysis was the principal mode of investigation. The VOS viewer was chosen for use in visual representation analysis because these databases contain a large number of bibliographic references to emphasize the connections between concepts and ideas.

When it comes to developing and analyzing bibliometric networks, the developers of WOSviewer characterize the program as "a software tool." Individual researchers can also be included in bibliometric networks, which is an important distinction to keep in mind. Co-quotation or author relationships can be used to build networks based on quotations and bibliographic activity. Text mining capabilities were considered while picking a software solution because the program will be used to build and visualize co-emergence networks of significant subjects retrieved from a corpus of scientific literature. Several characteristics emerged from the documentary research that allow us to conclude that global digitalization can have a significant impact on the economy and society.

Figure no. 1 shows us that the relationship between digital globalization and economic and social life has found a distinctive location that requires us to study this connection in greater detail. This gap in the literature provides interesting future research avenues for us to explore.



limited by international economic dynamics, with many countries shifting power down and increasing the fiscal authority of regional governments as a result of this integration. As a result of their research, they believe that globalization and decentralization are more than two concurrent processes taking place at the same era, and that they are two positively connected dynamic processes (Jurado and León, 2021).

#### **4. The worldwide workforce**

Research reveals that nations throughout the world are reconsidering the circumstances of work in the context of globalization. Recent studies. It has long been known that globalization has a negative impact on the livelihoods of millions of people in developed countries. There is evidence to support the idea that new trade policies should take into account that the new type of digital globalization is more knowledge-intensive than capital-intensive or labor intensive. Basically, this necessitates the use of internet connections instead of conveyor belts. In light of the COVID-19 epidemic, lifelong learning has gone from a catchphrase to a reality much quicker. These studies recommend that mid-career retraining be made available not only to those who have lost their jobs due to foreign competition, but also to those who are facing disruptions in the ongoing process of automation and training programs that can transmit new skills in a few months, not years, and can be supplemented by programs that support workers' incomes during retraining and help them move to more productive work. Most industrialized countries, including the US, have not been able to fully react to those left behind by globalization, therefore addressing these needs has now taken on critical importance (Tyson and Lund, 2017).

Because of their ability to normalize artificial and constructed statements about who's work is worth more (or less) and which body types are best suited for specific tasks, Mills (2003) believes that gender ideologies can support flexible ways of controlling and disciplining work in an increasingly diverse global economy. As a result of global revolutions in production, movement and livelihoods that affect the lives of gendered people, there are tensions and conflicts, but also opportunities. Because of these battles involving people of both sexes (including women), men and women (including employees and employers), communities and states, new forms of action and identity may emerge (Mills, 2003)

Three years later, Freeman worries how a doubling of the global workforce would affect employees. In his view, incomes would decline, and unemployment would grow because of a reduction in the minimum wage. Assuming the nation's capital stock increased simultaneously, he proceeded his study on the premise that labor demand would rise proportionally, and workers' economic positions would be preserved. There will be an increased demand for social assistance for employees in the future when the global workforce doubles in size. At the end of 2006, he concluded that we had begun a protracted and historic transition to an unified global labor market. He assumed that there would be a wide range of challenges and opportunities in the new economic world, but also a wide range of threats, and countries must develop new creative economic policies to ensure that workers do well in this transition and that the next few decades do not repeat the experience of the last twenty or thirty years, in which almost all productivity gains have reached the pockets of a small class of people (Freeman, 2007).

#### **5. Globalization in both the economic and social spheres**

According to one recent research, many developing nations have attempted to speed their economic growth by pursuing policies that are outward-looking and geared toward integration into the global economy. If the majority of economic growth studies have tackled the subject from the perspectives of physical capital, human capital, natural resources, and technological knowledge, this is not the case in this study. This research was concerned with globalization and its implications for economic growth. It was the goal of this research to determine if economic, social, and political globalization had an influence on economic growth in the ASEAN (Association of Southeast Asian Nations) region between 1970 and 2008.

According to the findings of the study, economic globalization has a favorable impact on economic growth, however social and political globalization have negative consequences on economic growth. To put it another way, economic globalization is proven to be more effective in stimulating economic growth than political or social globalization in recent years. To promote international commerce and foreign investment, the researchers urge that governments take a more proactive approach. They also recommend that governments pay particular attention to the detrimental impact of political and social globalization on economic progress (Ying, Chang and Lee, 2014).

#### **6. Globalization and the emergence of the COVID-19 pandemic are discussed in detail**

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Farzanegan, Feizi and Gholipour (2021) conducted research during the COVID-19 epidemic and discovered that while globalization has a positive influence on growth and employment, the impact of the health crisis will disclose the negative effects of globalization. In light of the growing trend of globalization of markets and societies, researchers recommend that policymakers take into consideration the health risks associated with the trend of globalization and the opening of trade borders in countries with low-quality formal institutions and monitoring capacity, as well as low transparency of information and government accountability, as these trends can lead to illicit trade and smuggling. It is asserted that there are certain sorts of commerce that are considered to be part of the hidden economy, and that since they are secret, they are much more difficult to govern in terms of disease transmission. A large amount of evidence, according to the researchers, indicates that COVID-19 was first discovered at a seafood market in Wuhan, where wild animals such as marmots, birds (including owls), rabbits (including bats), and snakes (including snakes) were traded illegally, recalling situations that were relatively similar in previous contagions, such as Ebola viruses and SARs. There would have been a perfect environment for illness in each of these cases if there had been big, unhealthy, and poorly controlled illegal marketplaces in place, and globalization combined with a lack of high-quality institutions would have accelerated the pace with which these outbreaks spread (Farzanegan, Feizi and Gholipour, 2021).

### Conclusions

The digitization of globalization is forthcoming (Burlacu et al., 2021), if it has not already occurred as a result of more than a year of worldwide efforts centered mostly on employment and online school to preserve social distance as a fundamental strategy in countering the Covid-19 epidemic (Balu et al., 2021). Amounts in monetary units as well as volumes of commerce or labor might be used to calculate its economic impact (Rădulescu et al., 2021). Also clearly comprehensible is its influence on social or personal life, both in the short and long term (Sarbu et al., 2021). These perspectives may be shaped by variables such as the replacement of direct conversation with distant communication, which severely inhibits emotional transmission. More in-depth study, on the other hand, is required to distinguish between what is regarded useful and what may be harmful, either now or in the future. The expansion of technology was made possible not just by scientific advancement but also, perhaps more importantly, by the excitement with which these advancements were accepted. However, as a result of digitalization, which includes cloud computing, smartphones, enormous data, digital mining, cryptocurrencies, and artificial intelligence, it is now feasible to meet people from all over the world in one location at the same time. Researchers all around the globe are still concerned about the digitization of globalization, which has remained in the forefront of their minds for some time.

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