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INTRODUCTION

As a central concept in the present day international scenario, globalization is hard to define. Still, scholars have made attempts to provide a basic understanding of the concept. The concept has got inextricably linked with the process of transformation touching upon every aspect of social, political and economic development around the globe. It can be seen as a process by which the population of the world is increasingly bonded into a single society. In the social front, globalization signifies closer interaction of people and homogenization of culture and values and the world being transformed into a 'global village'. Politically, it refers to the complex networks of global governance and shared political values resulting in the development of a tendency towards homogenization of global political culture. Economically, it is manifested in the form of liberalization tendencies, privatization, deregulation leading to a free market regime. On a greater plane, globalization has posed challenges to the *raison d'être* of the states—the dominant actors in international relations.

of capital, information and technology, increased activities of economic and political organizations, and rapid growth in globalized social movements. Most importantly, globalization has come to signify 'deterritorialization', and geography is becoming less relevant to how people live and interact. Globalization is characterized by increasing in flow of trade, capital and information, as well as mobility of individuals across borders.

Therefore, globalization signifies:

1. Opening up of national economies to foreign capital, foreign direct investment and foreign technologies.
2. Efforts of integrating national economies with the global economy.
3. Free trade, meaning free flow of trade and removal of tariff and trade barriers, protective regimes including granting of Most Favoured Nation (MFN) status.
4. Privatization is the key to liberalization which means less and less control of state over ownership of means of production and distribution.
5. Increased proliferation of agents of globalization in the form of multinational corporations and international institutions such as the World Trade Organization (WTO), International Monetary Fund (IMF), the World Bank and others.
6. Information and technological revolution, bringing about a sea-change in modes of communication, has resulted in fast movement of capital, goods, information and people around the globe.
7. Deterritorialization is making geography irrelevant. Global stock and bond trading and fixation of international financial and exchange rate transactions have really made geography a thing of the past.
8. Globalized social movements have resulted in global civic activism and range from movements for human rights, women's issues, greenpeace and other environment movements to HIV/AIDS.
9. Global governance is through supranational agencies such as international and regional organizations, the United Nations, the IMF, the World Bank, WTO, and a host of regional arrangements like the ASEAN, European Union and others.

EFFECTS OF GLOBALIZATION

The effects of globalization are difficult to discuss as some view globalization as the fruition of liberal economic principles, while some others are sceptical about it. The former perspective regards that a global marketplace has brought prosperity and growth, not to all, but positively to those integrated with the global market. They talk about dilution of state authority and highlight the importance of supranational institutions like the IMF, the World Bank and EU,

and also the pre-eminence of transnational actors like the MNCs. The sceptics, on the other hand, regard the deepening of gap between the rich and the poor countries and their contention that the geographical distinction such as the North-South divide is disappearing in favour of a single global market is hardly tenable.^[4] The world has witnessed series of protests and movements against globalization with its apparatus, especially those like the IMF and the World Bank, and the mantra of liberalization and privatization. The movement against globalization took a concrete expression in Seattle where thousands of people gathered to show their discontent against globalization during the annual WTO meeting in 1999. That was a significant beginning as, after Seattle meeting, there were series of movements across the globe at different times. Another significant protest was held in a big way in Genoa in 2001. From Seattle to Genoa is a long history of struggle against globalization, which has not yet died down and is still continuing. The world once again witnessed violent anti-G 20 protest in Toronto in Canada during the G-20 summit in June 2010. Police vehicles were set ablaze and windows of stores and banks were thrashed with stones and damaged by protestors.

Professor Bhagwati^[5], in his *In Defense of Globalization*, points out that there are two groups of critics of globalization. He identifies as one of these two groups as hard-core protestors who have deep-seated antipathy towards globalization. Though they come from different intellectual and ideological backgrounds and do not share the same kind of sentiments, yet they have some commonness in their discontent, towards globalization. This discontent according to Prof. Jagdish Bhagwati, is a trilogy. The trilogy of discontents against globalization is:

- Anti-capitalism
- Anti-globalization
- Anti-corporation mindset

The second group of critics, whose discontents are within the parameters of mainstream dissent and discourse, engage in translating their discontents into arguments that economic globalization is the cause of several social evils today, such as poverty in developing countries and deterioration of the environment worldwide. He refuted the claim that globalization is the root cause of many of the social evils and in several chapters in his book he demonstrates that, in fact, the various social causes that we all espouse, such as advancement of gender equality and reduction of poverty, are advanced and not set back by globalization.^[6] Therefore, he rejected the arguments put forward by a prominent women's group who expressed their fears concerning the impact of globalization on their agendas and interests involving global care chains, unpaid housework, intra-family decision-making, and WTO rulings without analyzing the gender effects of such rulings, the IMF and World Bank conditionalities which are part of structural adjustment programmes and their impact upon women, tourism induced prostitution and trafficking of women. Professor

CONCEPT OF GLOBALIZATION

Scholars like Anthony Giddens (1990) a British sociologist conceive globalization as "the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa". Robert Cox an American political Scientist (1994) visualizes globalization from a different perspective. For him, "The characteristics of globalization trend include the internationalizing of production, the new international division of labor, new migratory movements from South to North, the new competitive environment that accelerates these processes, and the internationalizing of state...making states into agencies of the globalizing world". For some others, "The world is becoming a global shopping mall in which ideas and products are available at the same time". According to Scholte, globalization refers to processes by which social relations acquire relatively distanceless and borderless qualities so that human lives increasingly play out in the world as a single place.^[1]

According to Deepak Nayyar*, eminent academic and administrator, globalization can be more precisely defined as "a process associated with increasing economic openness, growing economic independence and deepening economic integration between countries of the world economy".

According to David Held a British political scientist and a notable figure in the field of international relations and others, the understanding of the world as reflected in the idea of globalization is one that is "rapidly being moulded into a shared social space by economic and technological forces and that developments in one region of the world can have profound consequences for the life chances of individuals and communities on the other side of the globe". Held and his fellow scholars look at globalization as "widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life...".^[2]

The central point is that under the forces of globalization, the greater part of social life is determined by global processes in which it seems as if national cultures, national economies and national borders are fast integrating under one universal umbrella. The term 'globalization' encompasses various aspects including expanded international trade, telecommunications, monetary coordination, multinational corporations, cultural exchanges of new types and scales, migration and refugee flows, and relations between the world's rich and poor countries.^[3]

FEATURES OF GLOBALIZATION

Globalization is marked by liberalization, privatization, free trade, deregulation of tariff barriers, internationalization of national economies, global movement

*Deepak Nayyar (ed.), *Governing Globalization: Issues and Institutions*, Oxford University Press, Oxford, 2002.

of capital, information, political organizations. Importantly, global geography is becoming a global information, as well as a global market. Therefore, globalization is becoming a global market.

1. Opening up of investment
2. Efforts to reduce trade barriers
3. Free trade zones, Nation (1)
4. Privatization, control distribution
5. Increased multinational World Trade Organization (WTO) the World
6. Information technology in modes of production, goods, in
7. Deterritorialization, bond trade transaction
8. Globalization range from local and other
9. Globalization and regional Bank, World European

EFFECTS OF GLOBALIZATION
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Bhagwati concluded that the broader criticisms that many women's groups have voiced about the negative effects of globalization on women are not convincing.^[7] He even rejects the claims that globalization and democracy are at odds. For him, "It is precisely the growing awareness that globalization creates a web of relationships that introduce such complexity, and hence prudence and pause in the policy choices of nation-states, has led to the charges that globalization and democracy are at odds. But the question whether democracy is enhanced or diminished by globalization is not so easily answered".^[8] For him, it should be the endeavour of the world community to consider the ways in which they can reinforce the social effects of globalization.

Stiglitz,^[9] in his *Globalization And Its Discontent*, however, is of the opinion that opening up to international trade has helped many countries to develop at a rapid pace though it may have hit the local enterprises hard. Similarly, foreign aid, despite its pitfalls, has succeeded to bring benefits to many. Globalization has also opened up to millions in developing countries access to knowledge well beyond their reach. Therefore, globalization is not all that bad. However, Stiglitz opines that the proponents of globalization have forwarded an unbalanced form of it. To them globalization, typically associated with the American style, is progress, and developing countries must accept it if they want to grow and fight poverty effectively. But the fact remains that, despite embracing the forces of globalization, the conditions of the poor and developing countries of the world have not developed much and the world remains divided between the haves and the have nots.

Stiglitz while analyzing annual publications of *World Development Report*, *World Economic Indicators* and *Global Economic Prospects and the Developing Countries 2000* is quite critical and shows that the Developed West has succeeded in forcing the poor countries to remove trade barriers while retaining their own restrictive regimes and deprived the poor countries from export income. Even the developed countries retained their quotas on a multitude of goods from textiles to sugar and continued subsidizing agriculture while pressurizing the poor countries to eliminate their subsidies. Western banks benefited from the loosening of capital market controls in Asia and Africa, whereas these regions suffered when inflows of speculative hot money got reversed.^[10] Undoubtedly, these economies suffered as can be seen during the Global Economic Crisis of 2008. Therefore, globalization has neither succeeded in reducing poverty nor has it brought in stability in the financial market. The economic crises in Asia and Latin America in 1997 and 1998 and the current global crisis of 2008 have proved that collapse of one emerging market currency will pull the others down. The benefits of globalization appear to be too meagre compared to the price paid in terms of the social, political, economic, cultural and environmental problems it has created.

Economic globalization results in integration of national economies into global economy such that the global forces that act upon the domestic economies are out of control of national governments. Nevertheless,

globalization has been able to bring in certain positive benefits too. A World Bank Report: *Globalization, Growth and Poverty: Building an Inclusive World Economy* states that 24 developing countries of the world have managed to integrate their economy into the world economy over two decades by the end of 1990s and have now achieved higher growth in incomes, longer life expectancy, and better schooling as in the case of China, India, Hungary and Mexico. Globalization has also enabled easy flow of capital into domestic economy, commercial borrowings, collaborations, transfer of technology, service-based knowledge, and so on. But the global movement of capital and services, the MNCs and global stock and bonding have given rise to such a system where the sovereignty of the state becomes limited. Besides, world organizations controlled by the developed countries of the West, such as the WTO or the World Bank and their programme of *structural adjustments* in the domestic economies of languishing economies seeking aid clearly reduces the sovereignty of the state.^[11]

"Globalization often has been a very powerful force for poverty reduction, but too many countries and people have been left out. Important reasons for this exclusion are weak governance and policies in the non-integrating countries, tariffs and other barriers that poor countries and poor people face in accessing rich country markets, and declining development assistance.

Some anxieties about globalization are well-founded, but reversing globalization would come at an intolerably high price, destroying the prospects of prosperity for many millions of poor people. We do not agree with those who would retreat into a world of nationalism and protectionism. That way leads to deeper poverty and it is fundamentally hostile to the well-being of people in the developing countries. Instead, we must make globalization work for the poor people of the world."

—Nicholas Stern, Former Senior Vice President and Chief Economist, The World Bank^[12]

Cultural dimension of globalization has entailed a grave problem of what is sometimes identified as *cultural imperialism*. The predominant culture of globalization is the American culture, which now seems to proliferate deep into indigenous societies and threaten the very existence of such local indigenous cultures. McDonald's, Microsoft and Madonna (to name a few) or Michael Jackson seem to be reaching the remotest corner of the globe. Hollywood seems to have its sway all around the globe. It is true when cultures come into contact there is going to be some mixing, but the fact is that American culture is the dominant culture that prevails. So it is not the folk songs which attract the youth now but it is the American pop and Indi-pop, and the Indian version of American pop that seem to be popular in a country like India. Therefore, it is actually global culture in the form of 'Americanization' that underlies fear and apprehensions about vanishing indigenous culture.

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The political dimension of globalization has resulted in the formation of a universal political culture. This culture advocates the cause of democracy and democratic institutions. The enthusiasts of globalization with great vigour had championed the cause of democracy and viewed globalization and democratization to be the two sides of the same coin. With the collapse of communism and the conceived victory of capitalism, the liberalists thought that this wind of change would help in ushering democracy throughout the world and in some instances also suggested exporting democracies to countries which are under authoritarian rule. But in reality it has been seen that in most cases even democratic states are unable to control the global flows. They, in most cases, cannot secure public opinion in matters related to global capital, information flow or environment related issues. Actually, the whole idea of democratization is related to market democracy. The market provides larger scope for the popular participation. Money and materialism are the most sought after. Traditional democratic concerns for human dignity and equal opportunity have been replaced by obsessions for managerial efficiency and product quality.

Globalization has also resulted in increased activities of transnational agents such as the terrorists, transborder criminals, drug-traffickers, and even arms transfer across the border. The pathbreaking advancements in technology and information revolution have made their work easier. The Mumbai terrorist attack of 26/11 revealed the use of hi-tech equipment, including satellite phones by the terrorists. Globalization, therefore, has brought human insecurity into the forefront. It has gone into the psyche, specially of the city dwellers and is keeping the security agencies on their toes all the time.

Professor Bhagwati recommends that globalization must be wisely regulated to ensure its benign effects. Stiglitz^[13] insists that globalization must have a human face. He, while outlining certain reforms, like the need for reforms in international public institutions, system of governance of international monetary institutions like the WTO, the IMF, and the World Bank, and development assistance and other reforms, opines that these would make globalization fairer and more effective in raising living standards, especially of the poor. The need of the hour is not just institutional changes but changing the mindset about globalization. He concludes by saying: "If we are to address the legitimate concerns of those who have expressed a discontent with globalization, if we are to make globalization work for billions of people for whom it has not, if we are to make globalization with a human face succeed, then our voices must be raised. We cannot, we should not, stand idly by".

GLOBALIZATION AND THE SOVEREIGNTY OF THE STATE

The Westphalian model of state system has come under the threats of globalization. Though the states, still surviving, exercise their power and authority in certain respects, but the core of the Westphalian model, that is, the concept of sovereignty, has been deeply undermined in a fast globalizing world.

The concept of sovereignty pertains to a specific reference, to a specific territory where governments exercise absolute authority. But the forces of globalization have rendered the territorial limits useless. In other words, there has been a deterritorialization of the world.

The state in a globalizing world has to work along with the forces which are not under its control even such as surveillance by global governance agencies, nationalism, global ecological problems, satellite communications, electronic money transfers, multinational companies, migration, information flows, technology transfers and, most importantly, nuclear weapons and weapons of mass destruction. Scholars point out that the concept of absolute sovereignty was developed under conditions of relatively low level of interdependence among the states. However, the complex level of interdependence with large flow of capital, labour, technology and information across border has now emerged within the changing patterns of sovereignty and its meaning and conditionality are continuously changing in a fast globalizing world.

The supranational global governance system has also limited the state sovereignty. In several fields, ranging from macroeconomic policy, conflict management, to human rights and environmental movements more than the state it is now the supranational agencies such as the United Nations, the IMF, the WTO, the World Bank, and various regional arrangements have significant roles to play.

Global social movements have also now come to undermine the sovereignty of states. These movements on various social, political, economic issues or even ecological issues exploit the benefits of globalization, that is, fast travel and communication, the Internet, developments in telecommunication, awareness about global laws help to conduct transborder social movements which pervade the sovereign authority of the states. These social movements to some extent succeed in bringing about changes in the policies of the states.

The operation of MNCs and their interference with the domestic policies of their host countries have really undermined the sovereignty of the states. Some of the industrial MNCs have annual sales of tens of billions of dollars each. No wonder, MNCs like IBM, GE, Microsoft, Wall-Mart, and others have become more powerful than many sovereign states.

Nuclear weapons have changed the whole perception of security of the state. The states are no longer invincible. They have become vulnerable preys to the latest technological discoveries of long-range cruise missiles, intercontinental ballistic missiles (ICBMs), short-range ballistic missiles (SRBMs), multiple independently targetable reentry vehicles (MIRVs), and a host of other improved newer weapons of mass destruction, which have completely made the concept of territoriality passé.

It might seem that under such circumstances, globalization has really brought an end to state sovereignty. But this argument is hardly tenable. Experiences show that states do continue to be the most powerful actors and, in times of turbulence, such as the present global economic crisis states have again

reaffirmed their
bailout package
becomes clear
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less significant.

1. Discuss the features and
2. Critically evaluate the roles of globalization

[1] Scholte, J. and Steve University

[2] Lawson, Cambridge

[3] Goldstein New Del

[4] *ibid.*, p. 3

[5] Bhagwati Oxford I

[6] *ibid.*

[7] *ibid.*, p. 9

[8] *ibid.*, p. 9

[9] Stiglitz, J. New Del

[10] *ibid.*

[11] World B Inclusive

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[12] *ibid.*

[13] Stiglitz, J.

reaffirmed their authority as ultimately it is the governments who are providing bailout packages for the financial institutions in their respective countries. It becomes clear that under the pressures of globalization today states have to perform roles different from the earlier times, but in no way have states become less significant.

EXERCISES

1. Discuss the concept of globalization with special mention about its features and effects on world politics.
2. Critically analyze the effects of globalization on state sovereignty. Has globalization meant an end of state territoriality?

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- [13] Stiglitz, Joseph, *op. cit.* n. 9, pp. 215-252.