Journal of Critical Reviews

ISSN- 2394-5125 Vol 7, Issue 6, 2020

Review Article

THE RISE OF THE GLOBALIZATION AND ITS EFFECT ON THE AUTONOMY OF STATE AND POLITICAL ECONOMY

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Received: 18.02.2020 *Revised: 16.03.2020* *Accepted: 14.04.2020*

Abstract
The purpose of this study is to analyze the case of globalization and its effect on state sovereignty, analyzing the political economy as a case study. The importance of this study is to explain the origin and the rise of globalization in the world. This study discusses the recent theoretical research on how globalization has affected property sovereignty and the international political economy. The main objective of economic policy is to increase the role of globalization methods such as trade, technology, and overseas networking. Globalization has a dissimilar policy in supporting relations with states and also independence from other states. The mean of economic globalization is the increasing of the global economic freedom. The main issues through which globalization can affect property sovereignty and political economy are examined and explained.

Key Words: Finance; Globalization; International Relations; Political Economy.

DOI: http://dx.doi.org/10.31838/jcr.07.06.171

INTRODUCTION

According to Oji & Ozoiko (2011) nowadays globalization has become a favorite catchphrase of everyone; journalists, economists, politicians, environmentalists, lawyers, and even farmers. Globalization is an unavoidable process that incorporates practically every field in today's life. This process, mainly driven by rapid and largely unrestricted flows of information, goods, ideas, cultural values, capital, services and people shifts to the more than ever integrated world economy. Globalization is recognized as one of the most significant powers that affect the world economy. According to Modelski (2007), "globalization is a process along four dimensions: economic globalization, world opinion formation, democratization, and political globalization". This was rounded off with the assertion that changes one of these dimensions (such as economic globalization) will lead to changes in other dimensions" (Al-Rodhan and Stoudmann cited by Modelski, 2006). Economic globalization has many characteristics and effects on the world, such as business, marketing, and trade. Sovereignty is the character of the state of appearance and form of political organization; additionally, it can be comparative between military and economic power. Globalization has hegemon on states economy, foreign policy and also community. Countries (especially undeveloped countries) cannot resist against Globalization, because all world are dealing with this phenomenon and as a country prevent its entrance it will be out of the modern world community especially in the economic aspect. The term globalization refers to the integration of local and international economies into a globally unified political economic and cultural order, and is not a singular phenomenon, but a term to describe the forces that transform an economy into one characterized by the embracement of the freer movement of trade, investment, labor and capital. The process of globalization spurred greater economic growth globally. This study will cover the following: First, a historical overview of globalization. Second, how did economic globalization develop? Third, what is state sovereignty and when was it recognized? Finally, the effect of globalization in sovereignty will be analyzed by considering two questions: How can globalization reduce the role of a country? How does globalization affect the independence of nations?

Globalization Background

In recent years the term of globalization has been used enormously by media and academics however, it is not a totally new phenomenon. The concept of globalization has many definitions. It can be defined in the political, social and economic terms, and for this study, globalization is defined in terms of economic. It is defined as a power in international economics, growth in global economics, wider intelligence and the increased scale and level of economy with relation to world boundaries (Dao, 2004). According to Eric (2010), globalization reviews and measures the effect of economic globalization and its real impact on sovereignty, international range of wealth and global trade. Also, it can be anarchic national economies; it adjusts the sovereignty and possession of rights in open trade. Finally, it combines economic policy with business relations and political displeasure. Beeson (2003) argues that globalization is an essential element of national rule, defining it as a process that represents a conversion in a high-value group of public relations and international trades (Beeson, 2003). Globalization is trying to wipe the national borders, economies, and societies among countries and territories, and it destroys hampers among markets, linking countries' geographic boundaries, separating national and world trade, and strengthening the integration of markets for properties, wealth and good service (Mostert, 2003). Moreover, another important consequence of globalization is financial liberalization, which declares a financial system for government economic development in the case of improving economic opportunities, reducing capital costs; Governments allow globalization by reducing and liberalizing restrictions on the domestic market and financial (Odel, 2016). Both liberalization and globalization have a financial impact on sovereignty. Internal liberalization limits the national economy and took the event and accountable the market power. External liberalization reduces control over foreign trade and finance used abroad and is a known alternative to globalization policies. The role of the state will be decreased because of the limited power on its economy. The state can have both active and reactive reduced capacity to control society. "Active" is the policy term in the business sector and practices the construction of globalization (Wall, 2012). "Reactive" refers to the state's responsibility during emergencies such as crises and breakdowns in the global economy (Chaturvedi, 2012).

THE RISE AND ORIGIN OF GLOBALIZATION

Globalization is a combination of economic, technological, sociocultural and political forces and it refers in general to the worldwide integration of humanity and the compression of both the temporal and spatial dimensions of planet-wide human interaction. Globalization has a long history; it appeared when the European big economic powers occupied Asia, Africa, and America. Globalization was developed in the twentieth century but it became recognized as a research phenomenon about three decades ago, at the time its political and economic associations began to be studied (Odel, 2016). Globalization accelerated in the nineteenth century during the industrial revolution. As the factories became established, more companies used lands for their production and investment, replacing and selling goods with each other (Kobrin, 2009). When Great Britain colonized India, Great Britain used India for its policy and purpose, for instance, most cotton for British traders was made in the city of Madras, the big and important port in India. In time, the madras cloth was no longer exclusively produced in Madras, instead, all the Indian labor force supplied cotton (national-geographic, 2011).

ECONOMIC GLOBALIZATION

As we know globalization as one of the most important phenomenon within the contemporary business and public environment has resulted in significant changes to individual countries in terms of economic development. Economic globalization means obtaining freedom in markets and wipe restrictions among nations, for example, increasing the production facilities through wealth and technology, mutual marketing expansion, the developed economies of permanent fashion (Shangquan, 2000). The peace of Westphalia in 1648, it was completed the effect of the responsibility of any international authority and recognized link marketing of the new state system (Kobrin, 2009). The new transformation involved the territorialization of politics. Exchanging regularity was related to the value of gold and secured rates, integrated economic by likened to political mixing, so it was a great point of the nations (Quiggin, 2000). In 1994, of the United States, Mexico, and Canada as a three neighbor countries have signed the North American Free Trade Agreement (NAFTA), which finally ended all taxes on trade goods, allowing for the goods and facilities globalization, in addition to people and thoughts, among these three countries (Ku and Yoo, 2013). It was further developed by science and modern knowledge such as market economy system, network marketing, reduced costs of transition, creating economic globalization (Shangquan, 2000). Multinational corporations (MNCs) had a strong influence on world economies between 1960 and 1970. Foreign Direct Investment (FDI) by American, Japanese and Western Europe advanced further, beginning with a new industrial revolution. Exposition corporate alliance with other county companies, rather this corporation gained power on (MNC) and state companies (Kobrin, 2009). The transformation economies developed national capital with international financial capital created for serving alliances. As a result, the relationship and industrialized were dated to state economic globalization due to recognizing countries that wanted global trade to improve their citizens' well-being (Goksel, 2004)

THE REORGANIZATION OF KNOWLEDGE AND POWER

Nowadays in all geographic areas, companies are operating worldwide activities. Especially for Asian countries, the flow of new key technologies and their development is changing their specific differences (Shangquan, 2000). According to Carnoy and Castells (2011), economic globalization may contain careful and unequal mixing of knowledge and technology towards the world labor market. Also, it has a crucial role in the valence of international trade and economic development (Carnoy and Castells, 2001). When businesses transfer abroad, these benefits become the main goals that companies must follow when moving abroad (Mostert, 2003). Driven by developing market potential and growth, companies gain a scale and scope to return to their nation. They learn from a leading market, forcing competitors, growing markets, learning how to do business in foreign countries, adding new skills and new jobs (ibid.). Technological advantages including growing interest in marketing performance, capitalization of labor force skills and costs, the standing of the company through global success (Surugiu and Surugiu, 2015).

STATE SOVEREIGNTY AND GLOBALIZATION SOVEREIGNTY

Sovereignty is therefore often confused with freedom, although the right of sovereignty is based on credit by other sovereigns, and therefore has some kind of relationship with other states (Oji and Ozioko, 2011). They argued that sovereignty means the acquisition of the right and power, which establishes itself in different methods, which mainly accounts for its changing definitions. Sovereignty is a disputed phenomenon, boundaries restrict the zone over which a sovereign has political regulation, which certainly controls the use of power (Ku and Yoo, 2013). A sovereign state should be able to make its political, economic and social life following its values and without external effect or coercion. In exchange, it has a moral obligation to protect and extend its citizens' political, economic and social rights (Wall, 2012). Over the centuries, the social contract took on a more complex meaning, with governments having obligations to their citizens. Sovereignty should be taken as the independence of a territory within the global order (Ku and Yoo, 2013). The domestic economy of states is reduced due to global economic development and the establishment of regional relations (Buchanan, 2012). In the new economic, social and political tasks, when the good services and provision need to increase globalization, it controls the choice of policy options offered, limiting power, involving a decline in wellness in advanced states (Wall, 2012). Much of the state's economy is tied up in intangible possessions or goods, consequently not helping the national economy, as well as online and electronic investments and shared currency between many states (Buchanan, 2012). According to Wall (2012), without an improved economy or the original capital marketplaces, without rivalry for employment and specialties, unfortunately, states would be forced to choose between economic development and social security facility. Globalization can reduce the role and power of the state. First: several thinkers believe global economic marketing will be developed by the state of government (Ku and Yoo, 2013). Second: globalization can raise the efficiency of an international organization to benefit its independence and practicing the power of themselves (Chaturvedi, 2012). Third: because of the modern policy of economics and politics, globalization can change international law and create new laws (Ku and Yoo, 2013). International law is the law of the nations established in the world, which will affect the obligations of each nation's behavior (Kobrin, 2009). Also, the developed instrument of the Nongovernmental Organization (NGO) has the effect of limiting the capacity of sovereignty (Ku and Yoo, 2013). The US is still contracting its role much harder than the rest of the world (Kobrin, 2009). This form of globalization may have a positive and negative effect on international relations, or it may just allow the USA to exercise more economic power over the rest of the world, some academics believe that globalization is serving the interest of the United States and sometimes they call it Americanization instead of globalization (Carnoy and Castells, 2001). The global economy can be viewed positively because it has increased trade among countries, and thus the economy and inter-state relations benefit (Buchanan, 2012). Negatively, America cannot control its own global companies, because they are not in their territories (ibid.). The main goal of the government is to regulate space through border control, essential for sovereignty and international relations (Ku and Yoo, 2013). Authority is the political ideology that each nation uses its power to deal with internal and external conflicts. Each state has the authority and control over the problems covering and linking domination over its legitimate sovereignty (Chaturvedi, 2012).

CONCLUSION

Globalization has made the world as a small village, and it tends to go further, like wiping all borders among countries and also remove all economic restrictions and hampers, this will hurt small countries and will be in the interest of big powers. Globalization affects the sovereignty of states. States have reduced the capacity to control their societies both actively and reactively. Because poor and small countries have nothing to export, they are just importing from developed countries, this will lead to developed countries to be more wealthy and make poor countries poorer, which will create a big gap and problems for the future of our world. The main objective of economic policy is to raise the role of globalization's methods, such as trade, technology and networking abroad. Globalization has a different policy for supporting relations and independence in other states. It was raised when countries' markets changed and developed a more unified and organized economy, dealing with products and services across global borders, leading to economic strength and investments by international companies. Individuals and organizations participate in companies over the world. Also, economic upturns in one country lead to similar occurrences in other countries. Business results are related to many determinants, for example, the world's political reduction process, more independent economies emphasized by the ambition of nations for successful competition in the business world as corporations could pay lower salaries because living costs in less developed countries is much lower. Furthermore, economic globalization is the newest system that has limited the ability of states to determine their policy results in three main ways: trade and economic mixing, financial markets and competition for employees. Due to the increasing pressure of international competition on trade markets as well as the increased capital business mobility, states are encouraged to cut labor costs to reduce the price of goods and services.

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