

Globalisation and State

Dr Rana Indrajit Singh

Associate Professor
Government Degree College, Hansaur
Barabanki

The term globalization has been used to describe many worldwide occurrences, sometimes with positive and sometimes with negative connotations. Globalization has been described as "a new, complex, dynamic, multidimensional, and worldwide phenomenon, which means different things to different people and different things to the same people across time and space." The study of globalization requires a holistic approach and since globalization affects all governments, nations, businesses, communities, and individuals it needs to be managed on the basis of ethics, equity, inclusion, human security, sustainability, and development.

Globalization is one of the most debated issues of our time and many scholars have attempted to define the phenomenon. Globalization is also a complex phenomenon involving a variety of global trends and tendencies and as an expression can be used in terms of reference to a historical era, a process, a theory, or a new paradigm. There is also no general agreement on whether it has contributed quantitatively or qualitatively to change in the global economic and political structures. The United Nations Development Programme defines globalization as the growing "interdependence of the world's people...integrating not just the economy but culture, technology and governance.

There are different views on the effect of globalisation; the first view is that of increasing worldwide integration within the global system which will lead to assimilation. The second view is that there will be enough of a change in the global system to merit the term globalisation, while the third position is that changes at the global level have not ushered in a distinctly new era in human affairs. The fourth and 65 last perspective is to reject globalisation, that nothing of any great irreversible significance has taken place. There are many drivers of globalisation and four of the most prominent forces which have interacted in producing greater interdependence and integration are as follows:

1. Liberation of trade and investment
2. Technological innovation and reduction of transport and communication costs
3. Entrepreneurship
4. Global social networks

Economic globalization is mainly represented by the rapid expansion of global trade, foreign direct investment, and capital market flow. This includes flows of labour, goods and capital across borders and the emergence of globally integrated markets for goods, services and capital.

As in the case of social globalisation, the reduction in communication and transport costs contributed to economic globalisation as it is in the case of social globalisation. Cheap, instantaneous communication and dispersion of information on a massive scale have affected politics, culture and social establishment. People have become aware of their rights and formed pressure groups to demand better services and higher standards of behaviour from their governments. Due to cheap and accessible transportation, people have become more aware of international issues and social problems.

EFFECT ON STATE

Globalization has been producing a subtle change in the functions of the State. Its role in the ownership and production of goods has been getting reduced. However, this does not in any way mean a return to the Laissez faire state. In the era of globalization, the functions of the State began undergoing a change. With the increasing disinvestment of the public sector, privatization was encouraged. The public sector was made to compete with the private sector, and as a whole open competition, free trade, market economy, and globalization were practised. State ownership of industries came to be rejected. The role of the state began emerging as that of a facilitator and coordinator. The exercise still continues.

In this era of Globalisation, several changes have been taking place in the functions of the State:

1. **Decreased Economic activities of State:** The process of liberalization- privatization has acted as a source of limitation on the role of the state in the economic sphere. The public sector and enterprises are getting privatized and state presence in the economic domain is shrinking.

2. **Decrease in the role of the State in International Economy:** The emergence of free trade, market competition, multinational corporations, and international economic organizations and trading blocs like the European Union, NAFTA, APEC, ASEAN, and others, have limited the scope of the role of the state in the sphere of the international economy.

3. **Decline of State Sovereignty:** Increasing international inter-dependence has been compelling each state to accept limitations on its external sovereignty. Each state now finds it essential to accept the rules of the international economic system, the WTO, the World Bank, and the IMF. The role of MNC/TNC has also been growing in national and local politics as they play a significant role in shaping state decisions and policies. Their key objective behind influencing the state decision and policy-making is to promote their vested interests.

4. **Growing People's Opposition to their Respective States:** Globalisation has encouraged and expanded people-to-people socio-economic-cultural relations and cooperation in the world. As IT revolution and development of fast means of transport and communication have been together making the world a real Global Community. The people of each state now deal with people of other states as members of the World Community. The loyalty towards their respective states continues, but now the people do not hesitate to oppose those state policies which are held to be not in tune with the demands of globalization.

5. **Reduced Importance of Military Power of the State:** The state continues to maintain its military power as an important dimension of its national power. However, the strength being gained by the movement for international peace and peaceful coexistence as the way of life has tended to reduce the importance of the military power of the state.

6. **Increasing Role of International Conventions and Treaties:** Several international conventions and treaties have placed some limitations upon all the states. All the states are now finding it essential to follow the rules and norms laid down by such conventions. The need to fight the menace of terrorism and rogue nuclear proliferation as well as the shared responsibility for protecting the environment and human rights has compelled all the states to accept such rules and regulations as are considered essential for the securing of these objectives. Thus, Globalisation and several other factors have been together responsible for influencing a change in the role of the State in contemporary times.

7. **Decline in Public Expenditure on Public Welfare Policies** Most advanced western states appear committed to reducing social expenditure on public welfare programs, and to introducing measures such as labour market deregulation and lower tax rates which facilitate greater economic competitiveness, but impact adversely on rates of poverty and inequality. These economic and political initiatives have coincided with a period of intense economic globalization. The growing significance of international trade, investment, production, and financial flows appears to be curtailing the autonomy of individual nation-states. In particular, globalization appears to be encouraging, if not demanding, a decline in social spending on public welfare programs and policies.

CONCLUSION:

Globalisation has opened the boundaries of the state and the causes and consequences of its political, social, health and economic decisions are not contained by its borders. Globalisation affects everyone; individuals, communities, countries, regions and institutions. The impact of HIV/AIDS on countries, their neighbours and indeed, the world is a point in case. Globalisation tends to shape not only the organisational character of the administrative state but also the managerial dimension of public administration. It is increasingly recognised that good governance is significant in a country's developmental processes to ensure that globalisation benefits all. The state, in partnership with business and civil society, has a key role to play in attaining a good life for all its citizens. Globalisation has also promoted universal protection of human rights and a higher quality of life. ⁷⁹ The role of the state has changed with the advance of globalisation and the focus has shifted to the ability of the state to strengthen its capacity to effectively manage in a changing and complex situation. The state's role has changed from hands-on management and direct deliverer of services and goods to a facilitator of an enabling environment and framework for private sector participation. The economic role of the state has shifted to that of regulator of financial institutions to ensure fair competition and maintain the safety and soundness of financial systems. It has been increasingly clear that the success of a country's development programmes hinges on the country's effective economic policies and good governance.

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