

Globalization and Nation State

Abstract

The paper examines the transformation of the state under the forces of globalization. In light of prognosis of various social threats regarding the demise of the nation state various issues pertaining to public security, transformed economic landscape, civil society etc. are weighed in the complex set of domestic and international factors impinging upon the nation state. The traditional role of the state vis-à-vis, the transformed scenario in the light of the process of globalization have been explored.

Keywords: Nation-State, Globalization, Trans-National Corporations, Capital Inflows

Introduction

Nation state and globalization as a topic opens up numerous possibilities of exploration and problematic themes. Since the early days of modern social science Nation State as a concept provides opportunities of looking into issues pertaining to state-societal, state-market, inter-state interactions, dynamics and dyadic relationships. We have to accept the ominous fact that since historical times the nation state has always been undergoing constant construction and transformation. However the depth and magnitude of the process of change now underway are such that it is difficult even for social scientists (Presumably, the people best placed to comprehend the significance of the changes in progress.) to make sense of what is occurring.

In all areas conventional patterns of interaction between the state, society and the market have undergone multiple levels of transformation, digression, overlapping and are often seen in constant flux. The proliferation of non-governmental organizations involved with public tasks that were formally the exclusive responsibility of the state is illustrative of new arrangements in the articulation between the society and the state. Analysts now seek new ways to conceptualize solidarity initiatives, because neither market interests nor state authorities seem adequate to deal with certain aspects of social life (Wolfe, 1989). We can see the profundity of the third sector; a new player that has arrived to share the tasks earlier conceived as either market or state based. The magnitude of interaction between market and authority have also witnessed noticeable changes. Technological changes act to intensify networks and flows of information and other resources that ignore country borders making it dramatically evident that capital has indeed no motherland or fatherland. As many have observed, with regards to the market, there seems to be less discontinuity, in as much as capital inflows and transnational cooperations have long crossed national boundaries. In spite of this one can surmise that national authorities has played a key role in entrepreneurial calculations, be it to raise protective barriers, to extract public incentives, or to manipulate currency advantages. Though such incentives are a necessary corollary yet advances in communication technologies have made it far easier for stockholders to move freely around the globe and for providers of certain goods and services, such as telecommunications, to put an end to state monopolies.

Thus evidently the states preponderant use of power to dictate terms to the market has over the years diminished in so much so that state has to respect the minimum rules of the game. Thus for long china was abhorrent to investors because of its closed political system, but with China becoming a member of the international market system, is the single largest recipient of foreign capital in the last twenty years. Every government globally has to find minimum justification that conforms to the global economic rules, even if it changes the rules of the game. state administration all over the world are infused with beliefs and norms about managerial government, and firms are gradually versing around to the idea of social responsibility. Thus state everywhere is trying to roll down the



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public control of economic activities, and striving to achieve the standards of private companies are trying to incorporate the features of social responsibility which earlier remained the professed goal of state. Here in it is suffice to state that globalization has sparked new processes and changes which would usher in far were rapid transformations in the realm of economic space.

Globalization is changing the role and contours of nation states. Social scientists of various stages have declared the demise of the Nation state with their own set of arguments. Thus in the 1960s death of ideologies (Bell, 2000) or of the class struggle (Goldtharpe et al., 1969); in the 70s, with the substitution of the market mechanisms for Politics (Becker 1976); in the 1980s, when the welfare state was declared terminally ill (OECD, 1981) and economic regulation redundant (Ohmae, 1987); and in the 1990s, when history came to an end ((Fukuyama, 1992). All these theories and statements pursuant to theoretical paradigm initiated by the ideologues ultimately proved short-lived. The nation state defined the prognosis and ultimately come back again and again to prove its point though may be in a diluted form, defying the traditional definition. Ultimately it can be stated that Nation state was experiencing unprecedented growth and was firmly establishing its legitimacy vis-à-vis multilateral institutions in the international area.

The transformation in the charter of Nation states can all the same be attributed to the rapid growth, and the complexity of the state apparatus due to differentiation in the service sector, such as banking, insurance, currency (Free Float) and presence of specialized multinational corporations. It would be true to state that globalization has disseminated, accelerated and deepened the changes, more intensive social and cultural contact between societies, fiercer economic competition, new communication media, and social structures that span national borders are all forces that have moved societies and cultures in new directions. As the processes of globalization surge forward, the role of the state structures undergo significant transformation. The role of the webarian bureaucracy is being cost in a new dispensation, and they are being reformulated to appear as managers to smartly address the challenges the new economic model. The bureaucrats very often are being asked to take up new training courses in western countries in several areas so as to prove their utility and acquire skills in the new mode of welfare economics.

Literature on nation states frequently resonates with the claim "that globalization undermines the privileged position of the nation state (Leander, 2002). The argument put forth in this regard entails that the modern economy has ushered in suprastat structures and transnational forces, which are beyond the control of the national governments. The new economic structures have their own legitimate mechanisms for the redressal of economic disputes, and thereby lie outside the role of WTO, G-7, IMF and several regional organizations where the states traditional

nation of west phalion state system is seriously threatened.

West Phalian State and Security

To understand the transforming character of the state one has to understand the structure and nation of the west phalian nation state. The west phalian state in the traditional sense of the term had to ominous responsibility of securing a particular regime, guaranteeing its sovereignty over a particular territory, and establishing unfettered right over the citizens. Sovereignty is defended by the use of security resources— military might and political power. The military might of the state in fact depend upon resources and state social order. The men in the army are recruited from the social order which entails a stable social system. Similarly the resources come from the society and the merchant guilds through a network of revenues and cases. Seen in this way, security involves both a sociocultural and sociopolitical aspect. If one has to live in civilized society, citizens must be provided with security. The state in this sense always identified itself with its community. The community had a core which transformed itself in the form of nationalism. Fuelling the sentiment of the core the state marshaled people and resources, which in turn brazenly led to violence.

In modernity, the state is also a culture creature, through its association with the nation. The contains and protects the nation, a community of culture and identity. This intertwining of state and nation around nations of identity and security has survived a couple of countries of nationalist wars, imperialist ambitions, and international integration projects. Thus in the traditional framework the existence of nation state primarily rests on its world view entailing far its citizens that they have the best deal as being the member of the state far culture, economic and political rejuvenation. The crisis interventions at certain stages of history merely facilitated the test of the nation state. The Versailles treaty in the case of Germany become the rallying point for Germans, which pushed the world towards the second world war. Similarly the territorial division of China into various influences gave stimulus to the Kuomintang Party. Japanese demanded their share of the colonial booty resulting in the chauvinistic nationalism.

Globalization and National Security

The forces of globalization with their attendant agencies such as multinational, sourcing hubs, transnational managerial class, open exchange rates, deregulation, international adjudication, convertible currencies, have opened the country's accounts and public finance. Due to the veritable emphasis on comparative cost advantage, as the fundamental principle national security apparatus are no longer a secret monopoly of the ruling class. The transparency evident due to the technological leakages, state finds itself in a position where they have to answer for every penny that is spend front the national treasure. Wikileaks series of disclosures pertaining to state secrets has put various governments at discomf. Most of the governments are buying for the blood of Wikileaks staff.

Globalization also poses a threat to dictatorial regimes, who have been presiding over the states. North Korea, Iraq, China and Pakistan are notable examples, who have caved due to transparency and openness. The Russian states dismemberment can be attributed to the forces of globalization. The information revolution and cross country exchange of ideas enormously shattered the myth of secrecy. In China Prodemocracy movements and Nepal being ripped of monarchy are instances, where people have questioned the basis of state authority to use preponderant power without accountability.

Today a small trivial issue in social as political realm may lead to change of regime. An unfavourable economic policy to the detriment of a particular class can become an effective guard to topple the government. A series of corruption disclosure in India, and the consequent anti corruption movement started by Anna Hazare brought BJP (Rightist Party) in power. The movement was backed by the middle class and students, and virtually exhumed the Congress Party which was in power.

Security of the state has acquired a new meaning without hampering the traditional nation of state security. From this perspective, society is an association of citizens, and the maintenance of security is a necessary function for that association. Something without which it cannot exist and thrive. Security thereby is not merely the physical protection of a regime and its associated social order, but also a political function benefitting civil society. Without the state to ensure basic security, there would be no civilization, no civil society looking in another way. Security has to be understood in socio-cultural and socio-political context. If citizens have to live in a civilized society they should be afforded with security. The institution forming this sort of rationality is the state, and the decision mechanisms of the state constitute the political system. The nation is a foundational part of modern identity, and potentially a violent nation.

State and Altered Economic Landscape

If economics is the primary mover and determinant of the state character then without doubt the state form and practices have witnessed considerable erosion, and only strategic sectors such as defense, research and development, welfare measures, foreign policy is what remains of the tangible intervention autonomy. State faces the onslaught of the various pressure groups, professional organizations, voluntary organizations and stakeholders to determine the policies purely on the basis of efficiency. In India despite the fact that numerous public sector undertakings defy the efficiency principle the government has not found easy to roll back such organizations due to the stiff opposition from workers and personnel. These people represent various constituencies in the democratic process and proves difficult for government to offload them on the logic of efficiency and cost cutting. The way states have reacted to the altered economic landscape can be categorized into two categories of strong and weak states for our better understanding. Strong states are these which can control to some

extent the nature and speed of their integration into the world economy. Here it is pertinent to point out that some states have managed to slow down or to control the speed and terms on which they have integrated in world capital markets. Often these states are ferocious guardians of their independence in foreign policy, human rights and security issues as well as their own domestic political arrangements. The "Strong States" in this context have a capacity to influence the rules of the international economy and capacity to control their own integration into the world economy. United States role in shaping the world globalization is noticeable, through bodies like G-7, OECD and multilateral institutions like IMF, where decisions are taken on the basis of voting power. At the same time, globalization imposes limits even on strong states. A key example is the way international capital markets can exact a swift and devastating punishment on any government undertaking inappropriate monetary or exchange rate policy.

The weak states, have heckled, while the strong states like USA, China, France have shaped the globalization processes according to their needs. Weak states suffer from a lack of choice in their international economic relations. They have little or no influence in the creation and enforcement of rules in the system and they exercised little control over their own integration into the world economy. Rather, in the aftermath of the debt crisis of the 1980s, many weak states opened up their economies, liberalized and deregulated, more as a result of coercive liberalization than of democratic policy choices. In the 1990s, as Dani Rodrik has described this continues with forced harmonization, whereby for instance, in the case of trade negotiations, on intellectual property, developing countries were coerced into an agreement which transfers "billions of dollars" worth monopoly of profits from poor countries to rich countries, under the guise of protecting the property rights of inventors. Thus neo-liberalization has transformed market freedom to a type of comparative advantage in the drive, towards market liberalization and privatization in the third world. The definition of market freedom in these neo-liberal terms, covers a wide array of issues, including market decentral, labour decontrol and a catch all of imperatives aimed at removing all forms of government limitations on private sector reforms. To put it more vividly but less subtly, market freedom has come to mean that free-wheeling, free dealing and fast moving capital must have the freedom to control state policies. (Bryan and Farrell, 1996; Schmidt, 1995). States that do not conform to this dogma run the risk of being blacklisted as international economic and political pariahs.

State and Civil Society

A common feature of globalization everywhere has been vociferous campaign against its agenda. Groups and movements organizing themselves using new technology and new ways of connecting across the borders— described by some as a new "Global civil Society". More modestly what is new is the extent to which territorial location, territorial distance and territorial borders have lost their determining influence. Modern technology means that people can

connect in a space unbounded by territory. Distance can be conquered and covered in no time. As a result, transnationally organized groups can identify in a new way, forming around a premise of supra-territorial solidarity instead of within national bounds whether it be around class, gender, faith or profession.

In particular neo-liberal states no longer serve the interests of the majority. Thus the popular and marginalized forces have much greater need to mobilize and organize in order to serve their interests. Their faith on state and political parties has eroded. Many of the elites have been coopted into neo-liberal globalization and they no longer put the interests of their own people before the government. They are rather trying to discipline people into accepting Neo-liberalization. Thus situation over a period of time has changed the virtue of national politics, because the traditional focus of the state to provide popular welfare no longer works. So people and movements have created a new space for their struggle for popular rights, social rights and substantive democracy.

Most of the grassroots movements largely originate from the south. This is mainly due to failure of the neo-liberal projects in the south. It is now an established fact that last two decades of globalization have largely benefitted the north and people in the south have largely borne the brunt of negative effects of globalization. The inglorious and infamous effects of globalization have largely impacted the environment, women, labour, farmers, indigenous people, children and immigrants in differing proportions. Networking among these diverse groups has now become one of the distinctive characteristics of the global movements against neo-liberalism. The electronic media and teleconferencing has facilitated new types of transnational organizing. These new transnational movements pursue forms of social action that are becoming participatory as well as direct. Thus world social forum is one body comprising people from diverse background (writers, playwrights, intellectuals, NGOs, leftists, media and cinema) which organizes protest against neo-liberal project.

The recent marches in USA by the people against the ramshackle impact of neo-liberal project by denouncing New York stock exchanges in Feb 2012 also struck the same tone. The recent upsurge in Egypt, Tunisia, Syria by the people is indicative of the peoples power, able to overthrow regime that enjoyed a long duration of power.

Conclusion

Various view points suggested by the social theorists pertaining to demise of the nation state has to be viewed in the complex set of political, social and economic matrix. Today nation state defies the westphalian nation and it is struggling to keep its head high within the contours of new realities. The state is gradually gravitating towards market-state, comprising of multinational companies, non-governmental organizations, governments and adhoc coalitions which will share overlapping authority within a framework of universal commercial law, but regionalized political rule. The transition from one state form to another is technologically determined, although mediated through political leadership or

statecraft. The mode of governance by the ruling elite has become transparent and open due to the erosion of barriers among the nation states. The economic landscape altered by the forces of globalization brings in new contestants, such as civil society groups, pressure groups and international elites, thereby diluting the overarching authority of the sovereign state. Today state is a less special, less elevated institution than in yester years, whether it be in Europe, America or Asia. The role of finance minister, central Bank has acquired new importance than hitherto earlier. GDP growth, economy have acquired new reflect in the lexicon of governance. The scenario pertaining to public security earlier exclusive pressure of the state has also undergone transformation the security of citizen has no longer remained merely physical security, rather the definitive has been widened to incorporate economic security and good governance. Do the new modes of governance fit with inherited nations of democracy? Are managerial techniques adequate to the public sector's task of serving many masters, as well as performing societal functions that serve no political master.

Alternatively there are critiques who discern malafied motives in the entire project of globalization. They view the entire project of globalization as a political project, Sponsored by powerful capitalists to establish neo-liberal project. Their onerous task is to expand the scope of market and facilitate the growth of capital. Such initiatives tend to marginalize weak states and weak people who are at the receiving end of the globalization project. Entire exercise seems to have shaken the traditional edifice of the nation state, and public security and welfare measures which were the case activities of such states has seemingly witnessed bottoming out in new dispensation.

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