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RETHINKING GLOBALIZATION:- POLITICAL AND SOCIO-ECONOMIC DYNAMICS

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Abstract: -

Rethinking means coming back. Rethinking globalization does not entail examining various views of the existing process. Instead, we must examine the concept of globalization, which is primarily characterized in terms of internationalization—political, economic, and other. We may look at globalization from three angles: the evolution of physical borders, particularly the redefinition of regions, the evolution of labor division and power distribution, and the changing role of culture.

The global order has changed dramatically as a result of Covid19. It has exacerbated mistrust and hostility between countries, which is organized around the US-China division. Global relations increasingly resemble a divided world molded by country coalitions united by geopolitical and security concerns. All governments are now more or less compelled to pursue measures involving economic liberalization and investment openness. Examining diverse perspectives on the existing process is not required when rethinking globalization. Instead, we should look at the concept of globalization, which is essentially defined by internationalization—political, economic, and other. Globalization can be examined from three perspectives: the evolution of physical borders, notably regional definitions, the evolution of labor division and power distribution, and the changing role of culture and trade in a currency that is stable. Yet, while promises of improved wealth for everybody are not being fulfilled, large nations utilize protectionist measures at the expense of poorer countries.

Managing geopolitics and geo-economics, as well as the pressures of organizing international trade and the flow of capital, technology, and people, will be a struggle for a number of countries. This study examines the characteristics of the current world order, which is based on power struggle between some of the world's main nations. The contemporary world environment will be examined for changes and disruptions encountered by major global institutions such as the WTO and WHO, as well as supply chain rearrangement.

As one of the world's fastest developing economies, India is considered in this regard as it grapples with new reflections and difficulties.

Key Words: World Order, International Political-Economic aspects, Power Play, Security Interests.

Introduction:-

In every historical period, the global economic system has been centred on a single hegemonic "empire." They are supported by their military might and political ambition. Empire-centered globalization, on the other hand, is usually weak and fragile.
When an empire fell apart, the regional economic ties it had established disintegrated as well. The current global economy, typified by capitalism, arose as a result of the industrial revolution, establishing a new economic order and effectively infiltrating the world's peripheries. Despite capitalism's ostensibly magical invisible hand, state authority continues to play a major role in the development of globalization, just as it did in the pre-modern era of empire. The COVID-19 pandemic has brought in a new era of uncertainty, fueling protectionism and bolstering nationalist sentiments. Globalization is under threat as nations scramble to curb global trade and people flows in order to lessen their vulnerability to the virus. Globalization was already under pressure from rising nationalism before COVID-19, pushing governments and companies to establish new constructions and goals. Globalization has also the emphasized economic interconnectedness and international standards or laws during the past several decades, resulting in global supply chains that have contributed to the economic progress that many low- and middle-income nations have seen since the 1990s.
However, we can see how far we are from reaching this potential. Globalization is currently producing unequal effects, both across and within countries. Wealth is being created, but far too many countries and individuals are not benefiting from it. They also have little or no say in how the process is to run. Globalization has failed to meet the simple and legitimate desires of the great majority of women and men for decent work and a better future. Many of them live in the shadows of the informal sector, with no formal rights, and in a swath of poor countries that exist dangerously on the global economy's periphery. Even in prosperous countries, some employees and entrepreneurs are exploited. Meanwhile, the global communications revolution has raised awareness of these discrepancies.

Pros and Cons of Globalization

Globalization has been a major driver of global progress and affluence. It has enabled industrialized countries to increase their growth potential by relying on exports. It's also aided developing countries in diversifying their economies and combating poverty. Since the 1980s, almost 800 million people in China have been brought out of abject poverty. Globalization, on the other hand, has produced both winners and losers, and their unequal distribution has raised concerns. One of the most common criticisms of globalization is that, despite its general welfare-generating character, it has exacerbated inequality within and between countries in its current form. Educated and highly skilled employees around the world have had outsized increases in income and wealth, both of which are increasingly concentrated in the top 1% of earnings. Because of skill-biased technological advancement, outsourcing of labor-intensive jobs, and the substitution of local manufacturing with cheaper imports from emerging markets, demand for unskilled workers in industrialized economies has steadily fallen in recent years. Since the global financial crisis of 2008, this trend has lowered wages for low- and middle-income earners in advanced economies.

As a result, while the benefits of globalization have been vast, far-flung, and diffused, the costs of globalization have been concentrated in certain communities, industries, or geographies that have been affected by dislocations.
Simultaneously, the commercialization of labor in the race for capital has exacerbated inequality, particularly in developing nations. Globalization has shifted income away from labor and toward capital, fueled by the expanding impact of technology and trade agreements that favor capital and the wider financial community. As a result, capital's share of total income and profits has continuously increased, while labor's situation has become increasingly precarious, owing to its relative immobility in comparison to capital or goods. This has enormous ramifications in terms of widespread political distrust and, as a result, a reduced perception of democratic institutions' performance. t both the national and global levels, the distribution of benefits from free trade has been skewed. Wealthier countries that specialize in high-value-added trade capture a bigger proportion of global economic growth. With the support of global laws and trade treaties devised in their advantage, established economies' sectors have successfully exploited the removal of trade barriers to lower costs and reach new markets. The majority of the world's greatest corporations and intellectual property owners are based in industrialized countries, and the accumulation of

their profits—protected by globally enforced intellectual property rights regimes—has kept income and wealth disparities in place.
This is why a considerable number of international governments are calling for a reinterpretation or rethinking of globalization.

Political and Socio-Economic Aspects

To match today's reality, the international rules-based trade regime needs to be revised in order to prevent grievances with globalization from boosting protectionist forces and to build an equitable and sustainable model that aids poor nations' growth. The World Trade Organization has encountered challenges in recent years in providing a platform for multilateral negotiations on new and improved regulations, monitoring trade policy, and settling disputes among its members. The global economic slump and collapse in world commerce, combined with ongoing geo-economics tensions among the world's top economies, have increased the urgency of a comprehensive trade reform agenda. With globalization and the digital revolution, the financial sector's influence in the global economy has expanded significantly in recent decades. Millions of people have been involved in the financial system as a result of cutting-edge financial technologies. This has not, however, resulted in the establishment of procedures to reduce systemic risks that threaten to spill over into unconventional financial institutions or to protect vulnerable groups with limited ability to protect them. Against the backdrop of the globe's ongoing recovery from the global financial crisis of 2008, the world now faces the difficulties of the coronavirus pandemic. In the greatest and fastest case of capital flight in history, more than $100 billion had already departed emerging countries by May 2020. 52 In light of this, it is critical to improve the functioning of a more fragmented global financial system and to address sources of systemic risk in an increasingly linked world.

The unbalanced dominance of developing nations in the key councils of global financial governance, which undermines the credibility of the system and jeopardizes more effective global coordination, is a major gripe of developing countries.
Developing countries do not feel fairly represented in international financial organizations and standard-setting bodies' decision-making processes. Failure to adopt governance reforms, they argue, will erode trust and the implicit social contract that G20 members agreed to when the forum rose to prominence during the global financial crisis. Such failure could encourage regionalism and fragmentation, not in the name of efficacy, but as a reaction to multilateral organizations' refusal to implement essential and long-overdue changes. Despite the fact that the World Bank and the International Monetary Fund (IMF) represent 190 countries, a small number of economically dominant countries wield disproportionate authority over decision-making. This is owing to the continuous usage of weighted voting systems that are based on an out-of-date voting rights distribution. The Bretton Woods institutions are still stuck in a framework that gives the US veto power over critical decisions while giving European countries disproportionate power.
For example, voting rights at the IMF are distributed based on a quota system, which is computed using a formula that takes into account a country's GDP, openness, reserves, variability, and financial contributions to the fund. This system now allocates 16.5 percent of the quotas to the United States and 21.8 percent to the twenty-seven EU member states. Because discrepancies in voting weight create conflict when more and less developed nations disagree on important policy issues including the quantity of IMF resources, the purpose and content of IMF conditionality, and the deployment of special drawing rights, a realignment of quota shares is critical. The demand of developing countries has spurred several standard-setting groups to take steps to identify the unforeseen negative impacts of financial regulation reform, but this is still an afterthought. Following the global financial crisis, the membership of numerous key committees was expanded to include all G20 countries, giving developing countries their first place at the table. Nonetheless, there is a lack of deliberative parity.
The lack of an insolvency regime equivalent to the procedures for corporations on the verge of default is a key reason why debt crises repeat, have such devastating consequences, and take such a long time to resolve. The IMF has warned that the coronavirus epidemic poses a severe threat to global financial system stability because debt levels are fast rising over the world. By 2020, worldwide government debt will have climbed by 13 percentage points to a new high of 97 percent of GDP. It increased by 16 percentage points to 120 percent of GDP in advanced economies and by 9 percentage points to 63 percent of GDP in emerging markets. Emerging markets have reached the limits of sustainable debt, and low-income countries are

particularly vulnerable, with their total debt burdens rising by 12% to $860 billion in 2020, a new high. Even sophisticated economies may be vulnerable, as many of them started the coronavirus crisis with more debt than they did at the onset of the global financial crisis in 2008. In light of this, there are growing calls for a multilateral framework to ensure that future debt crises are settled properly, rather than through negotiation between unequal parties.

Fair and Inclusive Globalization

According to a new, breakthrough report presented today to the International Labor Organization (ILO), globalization can and must change, and that developing a fair and inclusive globalization should become a global priority. The World Commission on the Social Dimension of Globalization published this report. The consequences of Russia's invasion of Ukraine have reminded us of the global economy's and politics' unpredictability.

The pandemic brought our attention to our economy' apparent lack of resilience. Similarly, Russian President Vladimir Putin's conflict in Ukraine is exacerbating an already-dangerous rise in food and energy costs, with potentially dire consequences for many poor countries and emerging markets, particularly those whose debts have risen dramatically as a result of the pandemic. These are the dangers that nearly all countries face in order to achieve a more efficient global economy.

India's Stance

In the 1990s, changes in the national and international environment forced India to reconsider its policies. To face the challenges posed by Globalization, it became clear that a policy adjustment was required immediately. India not only implemented a number of economic reforms, such as liberalization, trade barrier removal, deregulation, and privatization, but also made several changes to its political and administrative systems. The challenge for policymakers is to craft policies that benefit India not only in terms of high economic growth, but also in terms of providing a good and decent life for its teeming millions.

S Jaishankar, India's external affairs minister (2020), said that the notion of globalization needs to be reconsidered and that it cannot be defined by the "interests of a few, who see the process primarily in financial, commerce, and travel terms."

Improvements in governance, both within countries and at the international level, are required for a fair globalization. At all levels of development, public and private actors must be democratically accountable for the policies they pursue and the actions they do. If the core values of democracy, social equity, human rights, and the rule of law are followed, the benefits of globalization may be widely shared and the negative impacts can be controlled. In a well-functioning market economy, sound institutions are also essential to encourage opportunity and enterprise.

The problem now is to construct systemic domestic policies that separate rank protectionism from justifiable reactions to dependency and security concerns, as well as to establish suitable global norms. To avoid bad faith measures like Trump's manipulation of "national security" concerns to justify tariffs on Canadian autos and steel, multilateral consultation and rigorous policy design will be required.

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