

Globalisation Dimensions & Impacts

Global Studies Series Vol.2

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Introduction

Globalization: Dimensions and Impacts

Global Studies

Vol. 2

The concept of globalisation is essentially about the increasing economic, political, cultural and technological intergradation with increasing speed, depth and breadth. Globalisation has become a buzz word in many academic debates, especially, amongst those who use the concept to describe the spread of global capitalism, market, the declining role of the state, and globalisation of civil society. (Harvey, 2005; Harmon, 2009; Chomsky 1999; Saad-Filho and Johnston 2004). In short, Harvey defines neoliberalism as:

... a theory of political, economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up those military, defence, police and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary (Harvey 2005:2).

This has become an all-encompassing term for differing economic and political projects. What essentially new liberalism has in common is that the state should be minimal, as the competition of the market will bring economic efficiency and choice. The crisis of capitalism in the late 1970s and 1980s has opened the gap for neoliberal ideas to have resonance as a solution to global capitalism. Despite their political, historical, geographical and economic differences, nearly every country in the world, especially, in the global south, has implemented neoliberal policies in some form. The policies have become an increasingly real alternative to over-come

the predicament of the world economy.

With the demise of Soviet ideology, the advocates of the free market liberalism in the world, particularly, in the USA, saw this as an opportunity to reassert their power globally. Hence, the globalisation of the world economy is claimed to 'serve the great majority of the world's people', and it will liberate the poor countries because they will have 'free domestic and international trade and more open financial markets' (Wade: 2004:38).

At the core of globalisation lies the belief that a country must promote the private sector as the primary engine of its economic growth by shrinking the size of its state bureaucracy; increasing exports; privatising state-owned industries and utilities and deregulating capital markets (Freidman, 1999). The process that led to claim that the state, 'that artefact of the eighteenth and nineteenth centuries – has begun to crumble' (Ohmea, 1995: 7). With the international system, the borders are no longer necessary, and the international commerce would become free from the cumbersome constraints of state interference. However, the reality after nearly three decades of globalisation have not been drastically different from much of the world, the international system has yet to witness universalization of democracy or wealth. In fact, 'one of the consequences of globalisation appears to have been the poor growth and polarisation of wealth' (Morady & Siriner, 2011).

Whilst 'the free market ideology that has dominated the public discourse as it puts emphasis on the dominant criterion of maximising profit through the private sector', a more fundamental question is, 'whether the market will be able to provide all the social, economic and political needs of the world's people' (Morady & Siriner, 2011), when the "bare logic" of capitalism is pitted against the cultural values of human experience (Castells, 2000). Globalisation, even if it's intended to meet basic economic, political and social needs of ordinary people, it has failed to deliver in much of the world. Indeed, this is noticeable in the area of gender equality. Their opposition to the globalisation has also been considerable with different social movements such as 'anti Capitalism' and 'anti war movement' have challenged the neoliberal agenda around the world. They have demonstrated their resentment in the process of economic, political and social unevenness, inequality between poor and rich, men and women, and the power of international organisations.

The organisation of the current book comprises different articles dealing with various domestic, regional, and global economics, political and social issues. This book is mainly focusing on Turkey, but different authors have used different frameworks with empirical studies. We hope to provide an assessment of globalisation and its impact within the international system.

The first article by Evren Denктаş and Bengü Doğangün Yasa is an attempt to analyse Karl Marx and Max Weber's work of social classes and its role in the economy and society. The article will argue that the middle class continues to play vital economic and political role, even though there has been significant changes since globalization, especially in the developing countries.

The current economic complexity has become centre of attention for economic sociologists. Consequently, Karl Polanyi's concept of "(Dis)embeddedness". Gülten Dursun's paper will argue that the capitalist mode of production and distribution is within the field of economic system. Hence, as Polanyi argues the economy is immersed in social relations, i.e., it is not outside of this or independent.

Sema Yılmaz Genç will investigate Ibnî Khaldun's economic contribution and his relevance in the contemporary globalized world. It will demonstrate that even though his work was articulated seven centuries ago, it continues to influence the modern academic literatures.

Hilal Yıldız and Keremet Shaiymbetova investigate the relationship between income inequality and economic growth through empirical studies of BRIC (Brazil, Russia, India, China) countries. Employing The Kuznets Curve they show in the latter stages of development, transition from agriculture towards industrialisation will lead to a change in the direction of income – inequality relation. In the first stage, with an increase in income, inequality will increase, but in the latter stages of industrialisation, with increasing income, the inequality level will decrease.

Figen Büyükkakin, focuses on credibility of Central Bank of Republic of Turkey to identify the importance of reliability in the effectiveness of monetary policy. In the event that macroeconomic dynamics are out of balance in an economy, monetary policies cannot provide sufficient confidence or control inflation. Therefore, possessing credibility for policy makers is vital in order to solve problems. She assesses CBRT's credible monetary policy strategy performance in Turkish Economy in the last decade.

Ziřan Kılıçarslan assesses the importance of inflation targeting strategy in the Turkish economy. Using the Chow and Quant-Andrews structural break tests, she determined that the inflation targeting strategy applied in Turkey since 2002 had caused a structural break on the determined basic macroeconomic variables such as the consumer price index, exchange rate basket, budget deficit/GDP ratio, current deficit/GDP ratio and GDP growth ratio. The inflation targeting strategy is used with the aim of creating sustainability and permanence in price stabilization while fighting against inflation in the 1990's.

İsmail Şiriner and Keremet Shaiymbetova demonstrate the impact of globalisation

on the Great Financial Crisis of 2008 and the financial stability. By focusing on CBRT's monetary policy approaches since the 2007 crisis, they argue that the financial stability of the system requires an effective monetary policy for the stability of the economy as a whole.

Murat Aydın, looks at the role of state in local development in the period after globalization in Turkey. With the 2008 economic crises, expansion of service industries, structural unemployment, and decentralization have increased the responsibility of local development agencies. The state has continued to be the major actor, but working alongside of the local agencies; they have been responsible to regulate and implement policies to suit the market.

Mustafa Doğan also looks at the local development issue, yet assessing the role of ecomuseums in Turkey. Whilst the principles of sustainable local development are now widely implemented across the world, at the same time are protecting cultural and natural assets. The article will provide an overview on ecomuseums: that they are focused on a specific place or 'territory', and on the relationship between the population and their environment, culture and local history. He will argue that ecomuseums have been utilized as a major means of promoting sustainable development in many rural areas of the world by conserving natural, historical and sociocultural resources of a locality, whilst recognising a place's potential to provide low-level tourism and economic/social opportunities. The empirical work of the paper is based on ecomuseum and social-economic development in Boğatepe village, in the province of Kars in Turkey.

One of the consequences of globalisation is migration and gender as it is becoming a major socioeconomic study. The feminisation of migration as defining the number of women at international labour migration, has been increasing in recent years. Nilay Etiler and Kuvvet Lordoğlu will assess the health problems of recent female migrants. They will argue that women migrants, are mostly employed in jobs that are appropriate to their gender roles such as housework or childcare. Whilst, the health of migrants as a whole deteriorate because of poor living and working conditions, the female workers suffer more, especially in the area of mental health.

Ayhan Orhan focuses on the property rights of natural Resources in a globalised world. He examines the rapid change of natural resource distribution in since the 1990's, which has added a new dimension to the concept of property rights. Hence, he argues that natural resources and property rights could not be treated independently from Multi National Companies or the states.

As a last contributor of this volume of globalization, Farhang Morady argues that Iran's strategy to balance between the US on the one hand, and China, Russia and

India on the other, was a failure. According to his determinations, the end of the Cold War and the emergence of new independent republics in Central Asia offered Iran the opportunity to become a vital actor in the geopolitics of the region. Iran was seen as a possible corridor between Central Asia, the Persian Gulf, and the Indian Ocean Region (IOR). Struggling against US policy of strategic isolation, Iran made concerted efforts to break out of it by cultivating closer ties with non-Western powers. It used diplomacy, energy, and trade for the purpose of balancing its foreign relations. His paper will assess the strategic ambitions of Iran as a regional power and the degree of its success in combating Western imposed sanctions and the US military threat over the disputed nuclear programme. This 'balancing against the West' was the dominant approach during the Conservative presidency of Mahmoud Ahmadinejad. In the paper he figures out that it reflects a changed approach to serving Iran's interest by working with, and not against, the West. Due to nuclear détente, growing strategic convergence with the US in Iraq and Afghanistan, and the American shift in emphasis to the Pacific, Iran has an invaluable opportunity to re-emerge as a crucial member in the Indian Ocean Region.

We hope this addition of globalisation will provide some ideas to inspire academics and students not only to understand different problems that the world is facing, but some solutions as well.

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