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Globalisation in the Multipolar world

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It refers to the assimilation of the economy and societies on a global scale with the movement of information, ideas, technology, products, services, money, finance, and most importantly people.¹ The true definition of globalisation, taken in its broadest sense, is the interconnectedness of all areas of human existence.² Businesses or other organisations who want to increase their worldwide jurisdiction or begin functioning on a global basis go through this procedure. However, in recent years, globalization's route has grown more littered with obstacles and less obvious. The global financial crisis has delayed economic development, strewn massive quantities of debt in its wake, and stifled the financial services industry's progress. Many people believe that the Eurozone is in a constant state of crisis and that the structural development of China's economy has prompted some people to be concerned about its geopolitical position. Its cyclical deceleration is causing anxiety as well. Globalization's negative consequences, such as inequality and climate change, are increasingly actively disputed elsewhere. In this research paper, the author has provided a brief analysis of the topic of globalization in a multipolar world and how it shifted toward multipolarity with the case of the Asian and European continents.

Keywords: *globalization, economy, society.*

¹ 'Globalization: A Brief Overview' (International Monetary Fund, May 2008)
<<https://www.imf.org/external/np/exr/ib/2008/053008.htm>> accessed 19 November 2021
² 'Contemporary World Politics: Chapter 9 Globalisation' (NCERT, 2021)
<<https://ncert.nic.in/textbook/pdf/leps109.pdf>> accessed 19 November 2021

INTRODUCTION

Globalisation began a long time ago when people, as well as businesses, began to trade over vast distances and across areas that were not connected. During the Middle Ages, Central Asia was linked to China and Europe via the well-known Silk Road trade route.³ Following World War II and throughout the twenty previous years, the governments of many nations have embraced free-market economic systems as the norm. They significantly boosted the productive capacity themselves and opened up a plethora of new options for foreign commerce and investment in the process. The governments have taken steps to lower all obstacles to trade and to develop new international accords to stimulate the flow of products, services, and investments across borders. These advantageous policies paved the way for new prospects in international commerce. As a result of the increased demand for goods and services in overseas markets, firms built additional facilities and entered into production and marketing partnerships with foreign partners.⁴ So globalisation is described as a corporate structure that is based on a worldwide industrial and financial network.

“With increased confidence in the market economy and renewed policies in the private capital and resources, the frontiers of the state have been pushed back in many developing countries, and a process of structural adjustment, spurred by studies and with the support of the World Bank and other international organisations, has begun in many of these countries as well.”⁵ Additionally, globalisation has provided new chances for underdeveloped nations. Increased access to developed-country markets, as well as technology transfer, have the potential to increase their production and raise their living standards.⁶ At the same time, globalisation has brought about several issues, including increasing inequality between and within countries, financial market volatility, and environmental damage. An interesting display, globalisation

³ ‘Silk Road Program: About The Silk Roads’ (UNESCO, 2021) <<https://en.unesco.org/silkroad/about-silk-roads>> accessed 19 November 2021

⁴ Tarun Khanna, Krishna G. Palepu & Jayant Sinha, ‘Strategies That Fit Emerging Markets’ (*Harvard Business Review*, June 2005) <<https://hbr.org/2005/06/strategies-that-fit-emerging-markets>> accessed 19 November 2021

⁵ Claudia Buch & B Gerard Dages, ‘Structural Changes In Banking After The Crisis’ (*Bank for International Settlement*, January 2021) <<https://www.bis.org/publ/cgfs60.pdf>> accessed 19 November 2021

⁶ ‘Innovation For Development: A Discussion of The Issues and An Overview of Work of the OECD Directorate for Science, Technology and Industry’ (*Oecd.org*, May 2012)

<<https://www.oecd.org/innovation/inno/50586251.pdf>> accessed 19 November 2021

may be seen as a global system of competition and connection that can be observed and studied.⁷ It has heightened the level of competitiveness between nations and multinational enterprises. Globalization has both beneficial and detrimental implications for Asia and the rest of the globe. Even though it has hastened development in certain nations, it has also increased the gap between the affluent and the rest of the world.

INTO THE MULTIPOLAR WORLD: THE RISE OF THE REST

*“A multipolar world is one in which power is shared by multiple nations rather than dominated by one or two. The globe was split into two main power blocs during the Cold War, prompting commentators to label it a ‘bipolar world’. With the dissolution of the Soviet Union and the end of the Cold War, the globe experienced a short unipolar Pax-Americana period, in which commentators felt the United States of America (USA) had emerged as the single global force.”*⁸ However, when China, Japan, Germany, India, Russia, Brazil, South Africa, and other countries emerged as rival power centres on other continents,¹ multipolarity¹ as a concept drew more academic attention. As a result, today's globe is envisioned as multipolar, multi-civilizational, and multiplex, with no one nation having the resources to dominate global politics to the detriment of others.

As power is diffused globally rather than concentrated in a single state, the multipolar world gives all nations more options in terms of foreign policy and security. “The move from a bipolar (through a brief unipolar period) to a multipolar world theoretically creates opportunities for weaker nations to exercise strategic autonomy and multi-align with numerous strong powers in pursuit of their developmental and security goals.”⁹ It also broadens their options in the face of future rivalry for influence expansion among strong powers. It expands the space for bargaining in the global discourse/effort to re-configure international institutions and reset international norms. In reality, if the transition is long and hazy, powerful states may be able to manipulate global norms and institutions to their advantage while also flouting them at will, to the detriment of weaker states, who may be

⁷ Michael O'Sullivan, *Ireland and the Global Question* (Cork University Press 2006)

⁸ Kenneth N. Waltz, 'The Emerging Structure Of International Politics'(JSTOR, 1993)

<<https://doi.org/10.2307/2539097>> accessed 19 November 2021

⁹ Christopher Layne, 'The Unipolar Illusion: Why New Great Powers Will Rise'(JSTOR, 1993)

<<https://www.jstor.org/stable/2539020>> accessed 19 November 2021

forced to make decisions that limit their sovereign authority to make independent decisions.¹⁰ In the end, whether states can effectively use multipolarity will be determined by their relative power potential, geostrategic location, demography and people power, resource base, and, most importantly, the quality of leadership available to incorporate these elements into their foreign policy to maintain their relative autonomy. Multipolarity is defined by the states.¹¹

THE REASONS BEHIND THE SHIFT TOWARD MULTIPOLARITY

It is possible to have groupings of countries with sufficient influence and motive to pursue economic policies that, if successful, do not largely follow the same route as the other global power centres. At the moment, this is best shown by the divergent paths taken by the United States, China, and Europe in terms of their planned policy orientation about global economic interconnection. In the background of all of this is the idea of “slowbalisation”, which refers to the natural slowing of globalisation that occurs when countries thrive, the economic advantages of near-shoring become more obvious, and certain countries gain in importance, resulting in geopolitical tension. According to AdjiedjBakas, a Dutch professor, the concept of “slowbalisation” was initially proposed in the 1980s, saying that the tendency of globalisation will inevitably slow as a result of its success in enriching developing nations.

There are five main causes for the shift toward multipolarity.¹² Morgan Stanley argues that during the last year, geopolitical tensions have arisen as a consequence of and contributed to the process of “slowbalisation”, resulting in a trend toward multipolarity. Five problems will almost certainly have an impact on the landscape:

- **Europe, Japan, and the rest of the globe must find a way to maintain a delicate balance:** “When it comes to dealing with the challenges posed by its interconnected

¹⁰ 'World Economic Situation Prospects'(Un.org, 2021) <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2020_FullReport.pdf> accessed 19 November 2021

¹¹ Rachel Kleinfeld, Thomas Carothers, Steven Feldstien, & Richard Youngs, 'How Middle-Power Democracies Can Help Renovate Global Democracy Support' (*Carnegie Endowment for International Peace*, 4 February 2021) <<https://carnegieendowment.org/2021/02/04/how-middle-power-democracies-can-help-renovate-global-democracy-support-pub-83809>> accessed 19 November 2021

¹² Andrea Edoardo Varisco, 'Towards A Multi-Polar International System: Which Prospects For Global Peace?' (*E-International Relations*, 3 June 2021) <<https://www.e-ir.info/2013/06/03/towards-a-multi-polar-international-system-which-prospects-for-global-peace/>> accessed 19 November 2021

nature to both the United States and China, Europe lacks a clear mechanism or incentive, and negotiations are frequently complicated by the fact that it has a two-track relationship with both markets as both key customers and competitors.”¹³ Meanwhile, despite their rivalry with China, Japanese firms have customer bases and supply networks that are becoming more skewed towards the rest of Asia.

- **Multilateralism is on its way out of the door:** In the context of talks between an increasingly broad and varied membership, consensus-based processes have shown to be inadequate. “For example, the United States' decision to prevent the nomination of new members to the World Trade Organization's Appellate Body has jeopardised the organization's capacity to resolve disputes, which is one of its most important duties. A multipolar world indicates that the move from formal institutions to unilateral action and informal multilateralism is taking place.”
- **Alternative development methods are being proposed, including:** “Improved Sino-Russian relations, the emergence of China's Belt and Road Initiative (BRI), the Asia Infrastructure Investment Bank, and the New Development Bank (previously known as the BRICS Bank) are all clear indicators of a shift to a multipolar world, providing alternatives to the Bretton Woods institutions and setting up a competition for influence between the United States and China, among other things.”¹⁴
- **Health security worries may worsen the globalisation process:** The Covid-19 epidemic seems to have sparked new concerns in the United States about the preparation of the country's industry for a pandemic reaction. “Specific policy efforts to address these problems are still in the early stages of development in the United States and throughout the world. In any case, it implies that firms may consider geographically diversifying their international supply chains and that governments would be ready to enact laws to make this shift easier.”¹⁵

¹³Amit Gupta, ‘US-India-China: Assessing Tripolarity’ (*SAGE Journal*, 1 February 2006)

<<https://journals.sagepub.com/doi/abs/10.1177/0009445504200105>> accessed 19 November 2021

¹⁴Bas Hooijmaaijers, 'The BRICS Countries' Bilateral Economic Relations, 2009 To 2019: Between Rhetoric And Reality - Bas Hooijmaaijers, 2021' (*SAGE Journals*, 21 October 2021)

<<https://journals.sagepub.com/doi/full/10.1177/21582440211054128>> accessed 19 November 2021

¹⁵ *Ibid*

The change to a multipolar world has ramifications for a broader range of investing themes. It is important to note that the probable development of a multipolar world is characterised by the fact that economic cycles and financial market trends are becoming less focused on the United States and more multipolar. *“An increasingly multipolar world is already altering the relationships between industrial production cycles, global commodity prices, and bond and equities market returns, among other things.”*¹⁶ The disparity in the value of stocks is increasing. The rest of the globe (particularly significant developing economies such as Brazil and India) will strive to strike a balance in the meanwhile, competing for political power and economic opportunity.¹⁷

THE TREND OF GLOBALIZATION IN THE ASIAN CONTINENT

Since the fall of the Soviet Union, the world's political and economic infrastructure has been primarily shaped by a single superpower, paving the way for an unparalleled period of globalisation governed by international institutions and players. Now, that unipolar period is making way to a dispersed power era, with nations like the United States, China, and Russia all possessing significant disruptive capabilities and attempting to piece together new norms and laws for these fast-changing times. A vacuum has emerged throughout this era, which began with the Global Financial Crisis of 2008 and was highlighted by America's two grueling wars in Iraq and Afghanistan.¹⁸ Many are attempting to fill it, most notably China, while others such as Japan and India are resisting. The absence of a unified political and security infrastructure for the Asian area is the most evident manifestation of the current “multi-power” reality. So the issue is whether the Asian century will be marked by competition or collaboration.

¹⁶ David Lodge & Javier J. Perez, 'ECB Occasional Paper Series No. 263' (*European Central Bank*, September 2021) <<https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op263~9b56a71297.en.pdf>> accessed 19 November 2021

¹⁷ 'One world?' (*The Economist*, 16 October 1997) <<https://www.economist.com/unknown/1997/10/16/one-world>> accessed 19 November 2021

¹⁸ Henry Farrel, 'Here's Why The Iraq War May Have Helped Trigger The Financial Crisis' (*The Washington Post*, 15 October 2015) <<https://www.washingtonpost.com/news/monkey-cage/wp/2015/10/15/heres-why-the-iraq-war-may-have-helped-trigger-the-financial-crisis/>> accessed 19 November 2021

“As the impacts of an extraordinary economic crisis continue to reverberate across Asia, a fundamental topic has risen to the front of policy debates that the long-term impact of globalisation on Asian communities. Even during Asia's economic boom, researchers and government officials from all around the region participated in a heated debate on the area's impact from global influences.”¹⁹ The early 1990s argument about perceived distinctions in Asian and Western values was, at least in part, a manifestation of Asian anxieties about globalising forces. This argument has been re-ignited by the Asian financial crisis. From India to Malaysia to Japan, prominent mainstream Asian intellectuals are increasingly pointing to globalisation as a potential danger to national cohesiveness and economic health. Commentators in the West have anticipated that the crisis would lead to a loss of faith in so-called Asian ways to government and economic management, resulting in more "convergence" with Western practices. While data suggests that certain Asian nations are moving in this direction, others are coming to different conclusions. “Adherence to Western ways, in particular, makes Asian nations more susceptible to the ravages of global capitalism, as well as to influences that erode long-standing cultural and social norms. The result of this discussion will have far-reaching consequences for the region's security environment, as well as for the United States, which is seen as the ultimate driving force behind globalisation throughout most of Asia.”²⁰

Globalization has had a multifaceted influence on Asia's security situation. Globalization may be changing connections between nations in addition to impacting political and economic situations inside them. This effect is not always unfavourable. Globalization has helped to bring better stability to the area in several respects. Deeper economic integration and the formation of regional “growth triangles”; globalization's unparalleled interconnectedness encourages governments to work together. Globalization's influence on the regional security situation, however, is not wholly good. While globalisation may reduce the risk of violence in certain sections of the region, it seems to have little influence on other conventional security

¹⁹ *Ibid*

²⁰ David Lodge & Javier J. Perez (n 16)

issues; in fact, globalisation may exacerbate long-standing conflicts. Globalization is also bringing new problems that will put regional governments' capacity to cooperate to the test.²¹

Globalization's ability to drive fast economic development – as well as devastate countries practically instantly – means regional and global power balances may shift more swiftly than in the past. For example, the combination of strong Chinese economic development and prolonged stagnation in Japan might drastically change Asia's political, economic, and military power balance in a very short period. The combination of persisting old threats, growing internal conflicts in Asian nations, and the advent of new security concerns will put unprecedented demands on regional forces. The belief that economics and politics could be separated was at the heart of Asia's acceptance of globalisation. To put it another way, Asian governments strove to liberalise their economies while preserving existing political structures, institutions and practises – an endeavour that was astonishingly effective during the boom years. Globalization aided in the legitimacy of Asian governing regimes. Rising living standards, in particular, led to people being ready to endure authoritarian administrations – a phenomenon known as "performance-based" legitimacy.²²

THE EUROPEAN CONTINENT IN THE MULTIPOLAR WORLD

Individual EU nations cannot accomplish much in a world where heavyweights like China and the United States compete for global influence. The EU is fixated on the distinction between large and small members. As a result, if Europe wants to be a global actor, it must act as a unit. The EU began with the goal to make conflict in Europe unthinkable by economically and politically uniting European nations. A united European foreign policy is a relatively modern concept. Even America, Europe's most steadfast partner, is abandoning the EU. The US may be losing faith in the EU's capacity to shape the global order, contribute to the resolution of the world's most critical security issues, such as Pakistan, or even ensure peace in its backyard. Because the world is changing in ways that may not suit Europeans, the EU

²¹ Tikki Pang & G Emmanuel Guindon, 'Globalization And Risks To Health' (*NCBI: EMBO Reports*, October 2004) <<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1299207/>> accessed 19 November 2021

²² M. Shamsul Haque, 'Impacts Of Globalization On The Role Of The State And Bureaucracy In Asia' (*JSTOR*, 1998) <<https://www.jstor.org/stable/25611308>> accessed 19 November 2021

needs a more unified foreign strategy, and it needs it now. The globe is certainly becoming more multipolar, but it is unclear whether this multipolarity will be multilateral or based on power. All nations recognise international laws and cooperate via international organisations in a multilateral society. A world built on power is one in which large and strong nations pursue their goals by demonstrating their military and economic strength.²³

The EU is a multilateral institution by its very essence, and it has a multilateralist worldview. As a result, the EU places a high weight on norms and values in its foreign policy, as seen by the texts produced by the Common Foreign and Security Policy (CFSP).²⁴ The EU wishes to promote and assist its partners in being more democratic and open on the inside for them to become more responsible and law-abiding on the outside. In reality, the EU is getting more cohesive. It was true that making choices among 27 nations, particularly on some foreign policy concerns, became more difficult in the first few years following eastward expansion. Some of the new member nations had issues and were unable to reach agreements consistently. These nations have lately improved their ability to inject their opinions into the policy-making machinery, while the major countries have realised the value of listening to them. The fact that the US is focusing more on the Asia Pacific and less on Europe today may be a positive thing because it compels the EU to step up. And, as the current euro crisis demonstrates, the EU develops via crises and need.

CONCLUSION

As a result of the new geopolitics of globalisation, both countries and corporations will have to take responsibility for their destinies. To go forward, it will be necessary to revisit the traditional patterns of trade-led economic growth, which have served as the historical model for emerging nations. Digital technologies are altering the economics and business strategies of multinational corporations, and Asian nations will need to capitalise on this transformation to

²³ Christopher Layne (n 9)

²⁴ David O’Sullivan, ‘The European Union and the Multilateral System: Lesson from Past Experience and Future Challenges’ (*European Parliament*, March 2021)

<[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689365/EPRS_BRI\(2021\)689365_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689365/EPRS_BRI(2021)689365_EN.pdf)> accessed 19 November 2021

their advantage. Among other things, digital services trade is the fastest expanding part of global commerce, even though goods trade is stagnant.²⁵ Can Asian nations, with their strengths in services and their significant investments in digital transformation, emerge as digital services leaders in the twenty-first century, as China did as a manufacturing leader in the twentieth? Companies in other nations will have to re-align their worldwide strategy as a result of this. As businesses continue to globalise, they will be required to localise their activities and contribute to the development of the nations into which they expand.²⁶ The approach of leveraging low-cost enterprises outside of the nation will come under more scrutiny and scrutiny. Moreover, they must recognise and deal with the unpredictability and instability that come with this geopolitical transformation, and they must develop more robust business models in the process.

²⁵Digital Trade: The Impact of Digitalisation on Trade'(Oecd.org) <<https://www.oecd.org/trade/topics/digital-trade/>> accessed 19 November 2021

²⁶Theodore Levitt, 'The Globalization Of Markets'(Harvard Business Review, May 1983) <<https://hbr.org/1983/05/the-globalization-of-markets>> accessed 19 November 2021