



## Globalisation and its Implications in the Middle East

### KEYWORDS

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**ABSTRACT** This study is an attempt to understand how the emerging process of global globalisation has affected the development of Middle East countries. One of the key reasons for choosing this very topic is on the basis of the fact that very less impact could be seen in the Middle East countries since the dawn of Globalisation. Participation in globalization would greatly contribute to stable security growth among Middle Eastern states. Globalization and its affect on security have profound importance both for the region's stability and the global security. Middle Eastern countries should find a way to use globalization to their benefit. Most countries in the region have accepted the need for adoption of a new security system in globalization era. In spite of this, there is a real fear of globalization because of its negative connotations as a pro-Western phenomenon in Middle East.

### Introduction

The Middle East is a complex and diverse region which is of strategic significance in the international affairs. The Middle East is limited to Iran and Turkey from north, to Lebanon, Jordan, Syria, Iraq, and Palestine from south; its southern border is limited to Saudi Arabia, and small countries of the coast of Persian Gulf, Oman, Yemen, Qatar, United Arab Emirates, Kuwait, Bahrain; and Libya and Egypt from southwest. Other than political borders, this area does not have any specific borders.

In the post Cold War scenario, the world is becoming more global, widely assimilated, and constantly integrated. People from one region are increasingly connected to the other region, thanks to extreme advances in information and communication technologies that are becoming more and more affordable and widely available. Globalization has sought to increased contact among the peoples of the world, a rapid expansion of interdependence among nations; and as witnessed an outburst of new actors in the world affairs. Globalization consists of all politically related developments sweeping the global arena, including global diffusion of military capabilities, the worldwide expansion of telecommunications, and the increasingly unequal distribution of international wealth. The Middle East countries views globalization in terms of what impact it might have on social and cultural values of tradition and identity rather than concerning themselves with questions of commercial, economic, and material culture. Middle East perceptions on globalisation were conditioned by two factors – one is the current pattern of integration with the rest of the world, dominated by oil exports and migration, and second, the fears for the impact of globalization on cultural identity and local traditions. Therefore, one of the key arguments of this study is that the Middle East countries fell behind in such globalization indicators as foreign direct investment, competitiveness, market growth, and integration into international markets, and there are number of factors responsible for the limited nature of economic globalization in the Middle East.

Proponents of globalization argue that it allows poor countries and their citizens to develop economically and raise their standards of living, while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expense of local enterprises, local cultures and common people. The common understanding of globalisation to date has been that of internationalisation, implying the increasing density and interdependence of interaction amongst nation-states and their markets, or, more accurately, given the lack of congruence in many regions between state entities and their nationalist populations, sovereign-states. In turn, these increased flows of capital, personnel and knowledge generally go beyond internationalisation, which

implies the state essentially remaining unchanged in this process, and involves the lowering of state borders, which then equates to the process of liberalisation.

### Objectives of the Study

The main objectives of the study are:

- To study the possible implications of globalization in Middle East countries in the post cold war era.
- To understand the ambiguity of whether globalization is a threat or opportunity to the Middle East.

### Methodology

The present study employs the descriptive analytical method. It is a method in which the researcher has attempted to analyze and interpret the secondary sources. For secondary sources which reveal the globalisation process in the Middle East, the study have investigated the works of leading academic scholars and journalists which scrutinize government policies, and are available in numerous publicly available in the form of books, articles in journals and periodicals, reports, websites, etc. The data for the secondary sources will be collected from the various Universities, Research Centre and Institutes across India such as Jawaharlal Nehru University, Jamia Milia Islamia University, Institute for Defence Studies and Analyses, United Service Institute library, Indian Council of World Affairs, etc.

### Defining the Concept of Globalisation

In Arabic, Globalization has been termed as *awlaama*, a newly coined word. Globalization as a concept refers to the ways in which developments in one region can rapidly come to have significant consequences for the security and well-being of communities in quite distant regions of the globe. According to the *Dictionary of Social Sciences*, globalization is 'a catch-all term for the expansion of diverse forms of economic, political, and cultural activity beyond national borders.'<sup>4</sup> Globalization can be defined as it reflects a more comprehensive level of interaction than has occurred in the past, suggesting something different from the word 'international.' It implies a diminishing importance of national borders and the strengthening of identities that stretch beyond those rooted in a particular region or country.<sup>5</sup> According to Giddens, "Globalization can thus be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa."<sup>6</sup> However, Robertson has defines it as 'the compression of the world and the intensification of consciousness of the world as a whole.'<sup>7</sup>

According to Waters, Globalisation means 'a social process in which the constraints of geography on economic, political, social and cultural arrangements recede, and in which people become increasingly aware that they are receding.' In the words of Connolly's, "The internal complexity of the concept, combined with the relative openness of each of its unit criteria, provides the space within which ... disputes take place, and because of these very features, operational tests and formal modes of analysis do not provide sufficient leverage to settle such disputes." In the words of Al-Rodhan, Globalisation is a process that encompasses the cause, course and consequence of transnational and trans-cultural integration of human and non-human activities.' Broadly, globalization can be defined as the development of global communications, organization of social life in global dimension, and growth of global awareness, and thus, stability of global society. In this regard, Sir Peter Hall points that "every era relies on concepts that attract public attention, and recently, globalization has emerged as one of such concepts in the contemporary era."<sup>10</sup>

Globalization is defined as the intensification of cross-national interactions that promote the establishment of trans-national structures and the global integration of cultural, economic, environmental, political, technological and social processes on global, supranational, national, regional and local levels. It encompasses many aspects such as involves economic integration; the transfer of policies across borders; the transmission of knowledge; cultural stability; the reproduction, relations, and discourses of power; it is a global process, a concept, a revolution, and "an establishment of the global market free from socio-political control." However, according to Thomas Larsson, Globalisation "refers to the process of world shrinkage, of distances getting shorter, things moving closer. It pertains to the increasing ease with which somebody on one side of the world can interact, for mutual benefit, with somebody on the other side of the world." Anthony McGrew's elaborated the concept of globalization in a way that "globalization is a process which generates flows and connections, not simply across nation-states and national territorial boundaries, but between global regions, continents and civilizations. Thus, globalisation can be understood as an historical process which engenders a significant shift in the spatial reach of networks and systems of social relations to transcontinental or inter-regional patterns of human organization, activity and the exercise of power. Globalization has made national borders meaningless for financial markets and trade between nations. Technological and economic aspects of globalization are primary and determinant of the political and the cultural.

### Globalisation and Middle East

Globalization is a complex phenomenon that has had far-reaching effects. Decisions made in one part of the world have greater and greater direct and indirect impact on nation states and local communities in far away parts of the world. Globalization refers to the high degree of interdependence between people and other actors and the homogenization of economic, political, and cultural life across the globe. It implies a change in the scale of politics and economics, transcending national boundaries and thereby constraining states from achieving their objectives independently. As a structural force, globalization compels functional adaptation to a vast array of new interdependencies that touch on all aspects of politics and social life. In so doing, however, it prompts a variety of local adaptive strategies with complexities that have yet to be fully understood. The driving factors behind globalization are technological developments, particularly revolutions in communication such as satellites, computers, and the Internet, because they make it easier for economics, politics, and cultures cross borders. Thus globalization has come to mean both an ongoing process and a contemporary condition, the result of that process. Furthermore, globalization introduces a range of new security concerns, such as transnational terrorism, the spread of global pandemics, and large-scale population movements, that states are ill-equipped to combat on their own.<sup>13</sup>

The Middle East region as a whole did perform better than that of Latin America and Asia in the immediate years after the end of Second World Wars, but has declined steadily for the last thirty years despite the dramatic rise in the price of oil owing to its failure to integrate with the world economy. Over the past 20–25 years, most of the region has essentially 'de-globalized' at a time when its population was doubling. F. Bergsten, a well known scholar in the area of Middle East has underscored a variety of indicators as:

- a. The Middle East share of world trade has dropped by 75% in the last 25 years;
- b. Half of the Arab League's 22 members have not even joined the World Trade Organization (WTO);
- c. The 22 nations of the Arab League, with a population of 260 million, receive half as much FDI as Sweden, with a population of 9 million;
- d. The ratio of FDI to gross domestic product (GDP) in the Middle East countries is at least three to four times lower than found in other developing economies;
- e. Tariff rates in the region remain very high—ranging from more than 40 per cent in Pakistan to 20 per cent or higher in nations such as Egypt, Syria or Saudi Arabia;
- f. While regional economic integration has become a top priority throughout Asia, Latin American and even Africa, conflicts, boycotts and sanctions limit the possibility in the Middle East;

### Conclusion

Globalization would expose Middle East companies to partial international competition in the both private and public sector. They will try their level best to become internationally competitive. Global competitiveness is the sum total of a company's efforts to upgrade, minimize of costs and improve productivity etc. By inviting in foreign direct investment, it increases income and employment in the economic fields of the Middle East countries. By reducing export subsidies on farm products in the developed countries, it makes Middle East agricultural exports more competitive. As a result, agricultural exports will increase sharply. Middle East has significant potential to meet the challenges of globalization in the 21<sup>st</sup> century. It has vast natural resources such as petroleum, natural gas, coal, chromium, copper, iron ore, lead, manganese, zinc, sulphur, etc. Middle East ranks high in terms of the presence of natural resources particularly oil and gas resources. It is perceived to have oil resources for the next 70 years. Middle East countries rank high among the countries in the world in regard to production of pistachios, dates, saffron and cherry.

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