

A comprehensive overview of the international economy and its positive effects on the global economy.

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Keywords	Abstract
World economy international economy global capital global value chain global financial system.	<p>This article will attempt to examine the formation of a new and distinct field for economic action. This new field is called the global economy, which is a phenomenon beyond the international economy, and its nature and the fundamental phenomena influencing it are different from the international economy.</p> <p>In this new space, phenomena such as global capital and global value chains have taken shape, without which a proper analysis of the economic structure, both within countries and in the global environment, cannot be achieved. The style of policy-making will also be different in this new environment.</p> <p>In this article, we will try to show that the formation of new global phenomena has led to the formation of the global economic space, and this new space has changed the position of different countries according to their behavior and position in the new global structure. In the first part of the article, we will try to show that despite the numerous differences in the field of theories, these theories agree on the formation of the global economy and the world's entry into this new stage.</p> <p>Then, using sources such as the annual reports of the World Trade Organization, the International Monetary Fund, and the International Monetary Fund, we present information that shows that this transformation has indeed occurred in the space of real action and beyond theories, and that the world has entered a new space from this perspective.</p>

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1. Introduction

Not so long ago, the economy was understood only as a national phenomenon, the nature and consequences of which could be measured, measured, and policy-making only within national borders.

National borders determined the boundaries of the economy, and economic phenomena, from capital and money to industry and the market, were determined only within national borders. Accordingly, political economy and the relationship between the market and the power structure also had meaning only within national borders.

Accordingly, when national economies acted and reacted beyond their borders, providing goods and services from within their borders to other national economies and receiving goods and services from other economies in return, the international economy took shape and nation-states organized their mutual action in the economic sphere, whose behavioral patterns formed the rules of the international economy.

Since the first decades of the twenty-first century, talk has gradually emerged about a different phenomenon called the world economy; an economy that is formed not only by the interaction of national economies, but also by economic phenomena that have a global nature and identity. The world economy is a world-wide economic environment.

Although national economies have remained intact and continue to play a fundamental role in the global economy, the global economy has become a new arena for economic activity. It is an arena in which the basic economic factors, from capital and industry to markets and trade, have emerged on the global stage, freed from geographical boundaries and have found a different basis from the international economy.

Therefore, not only for economists and political economists, but also for international relations scholars, this fundamental question has arisen: Has the world passed from the international economy to the era of the global economy? If so, what factors have led to this fateful transformation?

What our preliminary studies show is the preliminary hypothesis of this article, that the international economy has become impossible in the world economy and the formation of the transnational structure of economic phenomena has been the main factor in this transformation. In other words, the formation of the transnational identity of capital, production, and the market has brought various societies into the era of the global economy.

To demonstrate the validity of this hypothesis, we will use a combination of qualitative and theoretical analysis of theorists and an examination of available quantitative data to explain the relationship between key variables in the field of the global economy. With the help of this method, we will show that the formation of the transnational identity of capital, production, and the market has led to the emergence of the era of the global economy, which can also lead to the emergence of a different political economy on the world stage.



2. Research Background and Literature

2.1 Economic Globalization from the Perspective of Contrasting Approaches

Different and contrasting approaches to economic globalization have been proposed and are being discussed in fields such as economics, sociology, and international relations. The classification of these approaches and theories is based on the paradigm adopted, and the analytical perspective of the authors has a different theoretical and interpretative form.

From classical to radical approaches, from functionalist, structuralist, humanist and global governance approaches to philosophical and empirical theories in the field of economics and international politics. Here, according to the nature and purpose of the article, we will adopt that group of divisions that are based on the ultimate and historical analysis of the globalization of the economy as the criteria for the design of the contrast of approaches. This division includes three groups of ultra-globalists or super-globalists, skeptics, and other-worldly believers.

These three groups can be divided into different theoretical spectrums based on their intellectual and philosophical background, from classical realism to liberal world nationalism. Ultra-globalists believe that we are experiencing an era of unprecedented global tension.

The positive spectrum of this trend sees economic globalization as a manifestation of the promotion of the core beliefs and narratives of neoliberal economics and supports “development through market forces.” The negative spectrum of this trend does not see economic contraction as a virtue and believes in the downward trend of values in this area.

Skeptics prioritize the power of the state and the demands of market forces over other outcomes and consequences of economic globalization. Dissidents, who are not interested in the direction of the dynamics resulting from economic globalization (for some teleological theoretical currents, whose thinking is based on Kantian idealistic liberalism, it is important which direction the economy ultimately goes in), believe that new relations and divisions in economic relations are emerging both within and between states, but they do not have a clear and specific opinion about whether they are negative or positive (Smith, et al. 2011)

As mentioned, these three approaches have analyzed and examined the direction of economic globalization in different ways, relying on their own main assumptions and different evaluation criteria.

2.2 Effects of globalization on economic indicators

Many studies have been conducted on the impact of globalization on national and regional economies, many of which indicate a direct and significant relationship with economic indicators. Dubant and colleagues (2021) study the macroeconomic environment from spring 1990 to spring 2020 and find that globalized economies are more vulnerable to various types of economic shocks and their recovery rate after a shock is slower than other economies.



According to the results of this study, intense globalization due to economic adjustments caused by external shocks leads to increased economic uncertainty, which in turn affects the real sector of the economy.

International shocks (even moderate shocks) can lead to a sharp decline in output and price levels. It can also reduce short-term interest rates to compensate for the economic effects created. (De Bandt, et al., 2021) Theory Robati et al. (2021) have concluded that the economic dimensions of globalization, due to the positive impact it has had on increasing the country's exports and, as a result, reducing unemployment, have led to poverty reduction. (Nazari Robati, et al. 2021)

Atinasi and Balati (2021) have concluded that the anti-inflationary role of globalization has been The economic perspective is insignificant. They are optimistic about the deepening of regional trade and economic integration, citing the spread of the COVID-19 virus and its possible impact on the decline in the growth trend of global integration, and of course they consider it too early to draw definitive conclusions about the consequences of globalization and inflation. (Attinasi, M.G. and Balatti, M. 2021)

In this connection, Mahmoudi (2020) in his study on globalization The economy and its impact on inflation in 22 developing Asian countries for the period 1994-2014 has concluded that each unit increase in the globalization index reduces inflation by 0.39 percent (Mahmoudi, 1997). In a different study, Farzangan and colleagues (2020) 2, by examining ata from 149 different countries in the world and using regression techniques and examining different models, have shown that globalization has a positive and significant relationship with the mortality rate due to COVID-19 is.(Farzanegan, al. 2020)

Continuing by emphasizing the parallel narratives of theoretical approaches to international relations regarding the global economy, the explanation of the claim put forward in the article; namely, the transition from an international economy to a global economy will be pursued.

2.3 The World Economy; A Consensus of Conflicting Theories

Despite the fact that there is extensive debate and controversy in the field of theorizing about the world economy, it can be said that gradually one point has become a consensus among theorists of opposing theoretical schools and approaches, and that is the very existence of the world economy and the world's transition from an international economy to a global economy.

In the continuation of this section, if we can show that this consensus has been formed among theorists of different schools, it means that the field of reality has indeed changed in such a way that different minds and ideas, despite their fundamental differences and contradictions, have reached a single conclusion about it. The main schools of economics, or those of interest to international relations scholars, can be divided into three main groups: realism, liberalism, and neo-Marxism, of which critical theory is also a part.

Undoubtedly, an important part of the literature on international economics or the world economy has been produced by them. There is one point of agreement among these schools, and that is the



existence of a global economy and the acceptance of the transition from an international economy to a global economy. In this section, we will show how this implicit agreement has been formed by reviewing the views of some of the most prominent theorists of each school. Even those groups of theorists who criticize the process of economic globalization, considering it to be a cause of widespread injustice and to the benefit of developed countries, do not doubt the existence of the global economy.

For example, Joseph Stiglitz defines globalization as “the process of convergence of countries through increased flows of exchange of goods, services, capital, and labor” (Stiglitz, J., 2005), whose existence is widely agreed upon, but different countries and regions of the world may derive different benefits from it. From his perspective, the state of globalization in the early 2000s has led to a widening gap between the rich and the poor and the emergence of Various economic crises have occurred in developing countries.

The policies of the International Monetary Fund and the World Bank have been criticized for their insistence that in order to overcome these crises, it is necessary to rely on domestic production to enter the world market.. This requires a rethinking of the global economic landscape. For this reason, he developed his famous theory entitled “World Governance Without World Government”. (Stiglitz, J. 2003) suggests that global economic institutions such as the International Monetary Fund and the World Bank, as well as the World Trade Organization, should be fundamentally restructured.

Theorists such as Denis Rodrick (2013), in his book *The Contradictions of Globalization*, while examining the different stages of globalization since the nineteenth century, try to show that different global processes have had ups and downs and the conditions The globalization of the economy in the twenty-first century is very fragile, and the only way to escape the crises caused by it is to return to national economies. He, like many critics of globalization, has accepted the existence of this situation and, of course, is looking for a way out of it. (Rodrik, D. 2013)

2.4. Liberalism and the World Economy

Dr. Paul (2010) in his introduction to *Liberal Economics* in the Oxford Encyclopedia of International Relations argues that the science of economics, and indeed international economics, was founded by liberals, and that a rift between its calculations and its academic literature has emerged from this.

Paul believes that the Physiocrats, Adam Smith and David Ricardo, were largely the founders of the science of economics and the founders of liberal economic theory, and for this reason the structure of economics has been shaped by liberalism. In addition, many consider them to be the founders of political economy. (Paul, D. 2010)

Even Marx, who brought political economy to the world stage more than anyone else, began his work by criticizing the ideas of Smith and Ricardo. Furthermore, Paul Kuhn⁵ cites that liberal international political economy emerged from the convergence between the mainstream of



international economic theory, which focuses on the free market, and the mainstream of international relations theory, which emphasizes the centrality of the state.

Of course, two general currents can be identified among liberal thinkers; Those who consider the free market principle to be the basis of economic reality and its essence, and the group that has a normative view and considers the free market principle to be the savior of economic problems, both domestically and internationally. Although both have common conceptual foundations, their role and direction in the analysis of political economy are different. (Paul, D. 2010)

However, in this direction, liberal international economists initially based their approach on the existence and originality of national economies and considered their competition in the international arena, which was mixed with the political competition of states, as international political economy. However, in the modern era, this same theoretical trend has tended towards the end of the international age and the beginning of the global age.

Robert Keohane (2012) is one of the most important theorists of international political economy who, based on his theory, has come to the end of hegemonic periods in various areas of international relations and cannot be separated from the literature of hegemonic periods to explain global developments.

In his view, the world has entered a new era of globalization in which various global networks, including economic networks, shape various phenomena. The capital network, the banking network, the capital market network, in addition to the network-like chain of production and distribution of goods, are networks that shape the economic identity and economic action of global players, from states to companies, banks, and capital owners.

In his view, especially in his joint work with Joseph Nye, states are no longer the only actors in the international environment, and institutions have emerged on the world stage that can be considered independent players with a distinct identity.

Of course, the view of Keohane and his associates is not fatalistic or repressive. Although he sees institutional liberalism as a kind of intellectual commitment to the spread of liberal values such as cooperation and the avoidance of violent conflicts in the global environment, he nevertheless sees his theory as a kind of “antidote to the fatalism and repressiveness that come from realism” (Keohane, R. 2012).

In fact, he believes that a kind of legalism, morality, and coherence is the basis for the formation of institutions whose purpose is to create and stabilize. It is a form of action based on interdependence in the global arena.

International regimes are also a clear manifestation of these institutions in the global arena. Keohane, along with theorists such as Joseph Nye, believes that the point of evolution of interdependence and institutionalism is the formation of a form of globalization. Globalization has created a different formal environment for human social life. In a joint article at the beginning of the twenty-first century, these two put forward the concept of globalization. In fact, globalization,



from their point of view, implies a kind of fluidity, but globalization is a kind of special condition that, of course, has the ability to be captured and expanded.

Globalization has two specific characteristics; First, the existence of networks of multi-faceted relationships that lead to the cohesion of activists, and second, that these networks are global in nature and scope and are not limited to the social and geographical environment of specific countries. These networks may be related to religious ideas and beliefs; such as the spread of Islam to the far corners of the world, and they may have economic, military, or environmental aspects.

Economic globalization, they say, is the flow of goods, services, and capital across geographical distances on a global scale. It occurs in networks of information and economic activity in a global environment and involves institutions that link markets, production systems, and capital across continents (Keohane, R. and Nye, J. 2000).

In joint articles with Deborah and Sybel, Keohane proposes a new approach to solving global problems, which he calls GXG (Global Experimental Governance), in which international institutions, international organizations, multinational corporations, civil society, and private non-state actors come together by consensus and create processes for solving global problems (Keohane, et al. 2014). Therefore, in his view, not only the nature of global relations, especially in the economic sphere has changed, but the solution to global problems also lies in a new kind of global governance and new ways of global action.

The evolved view of the neoliberals on the global economy and the nature of international relations is evident in the writings of Richard Rosecrans. The concept of the merchant state and the virtual state is another way of expressing the liberal view of global phenomena, especially the global economy. In his view, we have passed through the era of international economy and national economies, and in this direction the concept and function of the state have also changed in the new era.

According to his view, the adversarial security state has gradually ceased to exist and has been replaced by the commercial state in a virtual environment. This new type of state, which is compatible with the new global environment, is the basis for more trade and economic benefits beyond borders. According to Rosecrans, Britain was a model for the transformation of the concept and phenomenon of the state in the nineteenth century, but the model for the transformation of the state in the twenty-first century is Hong Kong. Britain has launched a global struggle for more territory, more raw resources and more markets, but Hong Kong's merchant state has gained more by being present in the world's financial and commercial markets without engaging in military and security conflicts.

The key point from his perspective is that the fundamental values and the main source of power will no longer be rooted in the land, and this will fundamentally change the world's relations and economy. In the past, control of geographical area, agricultural resources, and industrial raw materials were important, whereas in the twenty-first century these factors have become less important in the economic and political spheres, and specialization in technology and services,



research, product design, marketing, and financing have replaced them and are the main sources of power and influence. The result is the prioritization of economics over politics, the reduction of the importance of wars, and their replacement with digital competition over markets.

According to Rosecrance, we are entering an age of virtual statehood in which land and the products it produces are no longer the primary source of power, and service and financial industries and the creativity generated by research and technology have emerged as new bases of influence and dynamic life in the world economy and politics. (Rosecrance, R., 1999)

2.5 Realism and the World Economy

In the realist school of international political economy, Robert Gilpin can perhaps be called the most important theorist. He established a different kind of analysis and analysis in the field of world economics with the publication of the book *World Political Economy*. Although he still believes in nation-states and their primacy and determination on the world stage, he also considers the existence of a global economy and the rules of the global economy to be inevitable.

Although Gilpin is a consummate realist and would be expected to deny the process of globalization, he writes in the introduction to *World Political Economy*: “Since the end of the Cold War, globalization has been the most important and prominent feature of international economic affairs and has had a significant impact on political affairs as well.”

Economic globalization has been achieved in several key areas such as trade, finance and foreign investment through multinational corporations. (Gilpin, R. 2001)

This statement was made in the first year of the twenty-first century, while in the second decade of the twenty-first century this expansion has increased, and economic globalization has acquired much broader dimensions. Of course, Gilpin intends to make the point in the remaining chapters of his book that nation-states are still alive and well and are the most influential players in the global arena, especially in the economic sphere.

He does not see the nature of global developments as contradictory to the determination of nation-states and even believes that political factors in territorial states have a more important impact than economic factors in shaping globalization. Therefore, the world economy, in his view, is built by powerful states and shaped by their political motives and desires. So the world economy has emerged and continues to exist because powerful states want it and the elites of influential states have concluded that the situation is beneficial.

Among the realists, there are also important theorists such as Kenneth Waltz who fundamentally oppose the concept and generalization of globalization and deny globalization in the realm of reality. Even he believes that in some economic fields such as finance and capital, we are indeed faced with the phenomenon of globalization, and we cannot deny that capital and financial markets have become global.



In the last year of the twentieth century, in articles after he had severely criticized the foundations of globalization, he stated that in the sphere of capital and finance it was impossible to deny that globalization had taken shape. According to Waltz, “The financial markets are the only part of the economy that can truly be said to be globalized. The free flow of capital between OECD countries is well established and free capital crosses the borders of this country and other parts of the world. (Waltz, K. 1999)

He denies the principle of globalization of the economy and trade and even considers the level of international exchanges and the percentage of trade to the gross domestic product of countries to be lower than at the beginning of the twentieth century and, like Friedman, believes that the hidden hand of the market will never work without a hidden fist. (Waltz, K. 1999) But at least the money market, which is the most important foundation of the world economy, at the end of the twentieth century, accepts the formation of a global process.

Therefore, it can be said that even the most ardent opponents of the theory of economic globalization, even neorealists, more or less accept the formation of a world economy or at least a world capital market.

2.6. World System Theory, Critical Theory, and World Economy

Among the new ideas influenced by Marxism, two trends, world system theory and critical theory, have been more influential than others in theorizing international relations. Both trends believe in the formation of a world economy and the transition from international economics in its classical sense.

Immanuel Wallerstein, one of the most original theorists of the world system, or in his own words, world systems, believes that not only economic phenomena, but all social phenomena, from culture to politics, have a global dimension and nature. In fact, the world system is an interconnected system that encompasses the entire world as a single entity.

According to Wallerstein, “it should not be said that this world is a system, but rather that it is a system that is itself a world and can be a world.” World-systems analysis suggests that the units of social reality within which we operate and whose rules limit and shape us are parts of world-systems. World-systems analysis argues that there have been two types of world-systems: world-economies and world-empires.

In world-empires there is a large bureaucratic structure with a political center that divides labor among the diverse and multiple cultural centers within it. In the world-economy, however, a large main axis operates to divide labor among the multiple political centers and diverse cultures.

In English, this line of demarcation is important, because a world-system without a line of demarcation is like a world-system throughout history. (Wallerstein, E., 2004) Among the world-systems that have emerged throughout history, the capitalist world-system is the first system that is economically based and that encompasses the entire world.



This system has in fact been shaped by the flow of capital from the periphery to the center, and its foundation is based on a kind of contradiction. There are classes in which the central capitalists engage in hidden exploitation for the permanent accumulation of capital, and all political and cultural structures in a single global economy are at their service.

The political system of states and the science and culture that have spread throughout the world have been institutionalized in the service of this accumulation and exploitation. In critical theory, such a view is also present, of course, with different theoretical bases. has taken shape. Of course, critical theory is not as revolutionary and radical as world system theory.

In critical theory, according to the modern view of thinkers such as Jürgen Habermas, a kind of evolution based on transformation has taken place in the modern capitalist system, in which classically constructed institutions such as nation states and also the international economy and the main institutions of the international system are undergoing transformation. Habermas views globalization, especially in the field of command economy, as it is a fact and an inevitability that it will change the basis of communicative action at the global level.

According to Habermas, “The globalization of the economy is the most important dimension of globalization.” The new quality of this aspect of globalization is less in doubt: global economic interactions, compared with limited national activities, have reached a level that has never been seen before. The quantitative and qualitative development of trade in industrial goods between countries is very striking. In terms of the increase The rapid growth and proliferation of multinational corporations worldwide and their increasing influence, and the corresponding growth of foreign direct investment, need no elaboration.

Similarly, there is less doubt about the unprecedented acceleration of capital flows, facilitated by the electronic network of global financial markets and the increasing independence of financial circuits. Twenty years ago, economists foresaw the emergence of a world economy that would break away from the familiar form of the international economy. The world economy as a form of “globalization” is a phenomenon related to the end of the twentieth century. (Habermas, 2001).

Similarly, Robert Cox, who is considered one of the main theorists of critical theory in international political economy, refers to the gradual formation of the world economy. Cox is considered one of the thinkers who tries to combine an understanding of Antonio Gramsci’s thought with Habermas’ interpretations of the theory. A critical synthesis and application of global political economy and international relations theory. (Schechter, R., 2002)

From his perspective, the global political economy is a field that has created a specific kind of international perspective that has emerged from international institutions and global civil society and has led to the consolidation of capitalist relations and the mode of production of capital. These relations have truly become global; because they have been formed in a process that has emerged from global civil society. It has influenced both states and other economic actors. Of course, this global process, just as it governs the process of capitalist exploitation, can also lead to escapes from it. (Schechter, R., 2002)



This brief review has shown that despite completely different normative judgments and conflicting theoretical foundations, a kind of consensus has emerged about the formation of the world economy, and among some realists at least It can be said that such a situation exists in the capital market.

<i>A look at the formation of the global economy</i>	<i>A look at the priority of politics or economics</i>	<i>The status of states in the global economy</i>	
Realism	Agree	The priority of politics	The survival of states and unity in the global arena
Liberalism	Favors	Priority of the economy	Fundamental transformation of states and the rise of new actors
Marxism and Critical Theory	Agree	Priority of Economics	Reduced Role of Governments in the World System

Table 1. Commonalities and differences of the main trends in the global economy

The global financial crisis of 2008-2009, the election of Donald Trump as the leader of the world's largest economy in 2016 and his unilateral and protectionist approach to the economy, the Brexit issue and the prevailing narrative of a retreat from economic integration by the world's most prominent economic union; That is, the European Union, the increase in national and protectionist economic approaches in some parts of the world, including Eastern Europe and South America, and finally the spread of the coronavirus, have given rise to all kinds of doubts and hesitations regarding the evolution of the global economy. In these circumstances, various commentators have spoken of a return to introversion in the global economy.

Some, like Stephen Walt, have even spoken of the end of globalization and the re-emergence of the era of self-centered, inward-looking states. However, as Joseph Nye stated and Walt himself corrected, this inevitable inwardness is a temporary situation that, once it passes, will inevitably lead to a renewed presence in the global economic market for the purpose of securing capital, financial transactions, and creating added value.

3. Method

In this article, in order to demonstrate the validity of the combined hypothesis, we have used qualitative and theoretical analysis of theorists and examined the available quantitative data to explain the relationship between the main variables in the field of the world economy. The qualitative and theoretical analysis was discussed in the previous section.

After a theoretical review, we now turn to the statistical and empirical facts of the world economy to find out to what extent the world economy has actually acquired a global dimension and nature and is moving beyond the boundaries of national and even international transactions. For this purpose, the main indicator has been examined with the help of official world statistics: global value chains, global financial markets and global economic institutions.



Other indicators can also be examined in this context, but in this article, the topic of economic globalization has been examined only based on these three indicators, and we will refer to some other indicators, such as world trade, in the form of these three indicators, such as global economic institutions. In this way, we will show that the consensus that has emerged in the theoretical field is rooted in reality and is not the product of abstract theorists' perceptions.

4. Findings

4.1 Global Value Chains

If in classical international economics there was talk of national production and the impact of a country's institutions and products in the arena of competition with other countries, in the twentieth century it has been replaced by a discussion of the position of an economic institution or a country in the global value chain.

To better understand this topic, we must first know what a global value chain is. It has come to the OECD system: International production, trade and investment are increasingly organized within global value chains. This chain is actually the process of producing goods in different countries and creating a different structure of production and economic operations across borders and on the global stage. (OECD, 2020)

In other words, other economic institutions do not carry out the entire process of investment, production and distribution within a country, but rather, like global chains, they have expanded it and given it a global dimension. Of course, there is still competition between countries and economic institutions registered in different countries, but their advantage lies not in doing everything within their own territory, but in the extent to which they can benefit from the advantages available in other territories and in the global chain of production and distribution.

Underpinning this change is the development of new technologies that enable the expansion of cross-border production and reduce the cost of production and distribution across supply chains. Various studies show that future advanced technologies will transform the value chain and expand it globally. Some of these studies are summarized in the 2020 UNCTAD report, which is presented in Table (2).

In fact, it is because of the spread of such technologies that it is possible to create global chains of production and distribution, and what are called global value chains are taking shape.

This global chain is not only very important in improving the technology and quality of goods produced, but it has also significantly reduced the cost of production, and industries and services that do not benefit from them lose the opportunity to compete with the goods and markets produced and supplied in these chains. A clear example of a global production and value chain can be seen in the well-known automobile and automotive industries. According to the UNCTAD report, the most important products, best-selling and most valuable automotive brands do not operate in a specific country and have formed global chains. Table (3) deals with the global supply chains of automotive original equipment manufacturers.



Table 2. Classification of high-level technologies of the new industrial revolution

<i>High-end technologies in the global economy</i>	<i>Application type</i>	<i>Outlook</i>
Digitalization: <ul style="list-style-type: none"> • Internet of Things • Cloud technology in data storage • Augmented reality and virtual reality • Platforms (blockchain, e-commerce, fintech) • Big data analytics 	<ul style="list-style-type: none"> o Application across industries o Focus on data services and Intangible services and servitization of the industry 	The combined IoT market (Internet of Things and analytics revenues) will double in 5 years, from \$240 billion in 2017 to \$520 billion in 2021.
Automate to Automation <ul style="list-style-type: none"> • Advanced Industrial Robotization • Robotics with Artificial Intelligence Capability 	<ul style="list-style-type: none"> *. Mostly in manufacturing industries and low-value services *. Early-stage application in high-value services with potential for rapid growth in the future 	The share of robot-based industries will increase from 1.3 million in 2013 to 3 million in 2022. The share of specialized services robots (mainly in logistics and medicine) will triple in four years, from 270,000 units in 2018 to 1 million units in 2022.
3D printing	<ul style="list-style-type: none"> * In rubber and plastic products and special parts * Application in mainstream manufacturing industry (food, pharmaceutical, textile, electronics industries) although limited and with potential for future growth 	Its market size will increase 10-fold in 10 years, from \$5 billion in 2015 to more than \$50 billion in 2025 and more than \$350 billion in 2035.

Source: UNCTAD 2020

Table 3. Global supply chains of automotive original equipment manufacturers

<i>Car companies</i>	<i>Tesla</i>	<i>BMW</i>	<i>Toyota</i>	<i>Nissan</i>	<i>Audi</i>
Number of sellers	300	4500	6000	5000	1000
Countries participating in production	3 countries USA, Germany and China	50 countries	65 countries	22 countries	13 countries
Value Added Share of Global Suppliers	A small number of major battery and key system manufacturers	70% value added	65% value added		

Source: UNCTAD 2020

The same chain exists in a similar way in other widely used global products such as home appliances, mobile phones, and various software. Accordingly, the national economy and the power of the national economy do not disappear, but they acquire a different meaning. The basis of this power and potential of the national economy is the extent to which it can be integrated into global value chains and benefit from the abundant added value that is a major part of the production of the global economy; especially since most global trade and global markets are located within this production and distribution chain.



According to the World Trade Organization, most countries that have been present and have grown in the global value chain are developing countries, which, by the way, are not dependent on their political background. Countries such as Vietnam, the Philippines, China and Turkey are among the countries that have been able to achieve significant growth in this chain and benefit from it for the prosperity of production and trade and their economic growth.

a sample of developing countries that have experienced significant economic growth and have been able to contribute significant economic growth rates to their countries by being involved in the production and distribution chain.

shows the export value of the world's top 10 exporters of office and communications equipment in 2018 and their percentage changes compared to 2017, indicating that some of them are countries that are located in the global value chain.

An examination of the volume of fuel and mineral exports by the top 10 exporters of these materials in 2018 and the percentage change compared to the previous year also shows that the European Union, Russia, and the United States have become the largest exporters of fuel and mineral products .

Therefore, traditional critical analyses that inclusion in the global value chain leads to reduced economic growth, backwardness, and the orientation of developing countries towards the production of raw materials and minerals, and their distance from new technology and the export of high-value goods, do not seem correct. These statistics show that this chain has somehow changed the direction of the global economy and changed the position of countries in production and distribution on the global stage.

Therefore, countries that are in the process of changing the position of their national economy in the new global space must find a position in this chain that is commensurate with their society and value structure.

This has caused even advanced countries that were said to have withdrawn from the industrial goods production market and only produce high-level technologies to be present in the global production chain and be among the main exporters of industrial goods.

illustrates this situation. As shown, in 2018, the European Union, China, the United States, and Japan were the largest exporters of manufactured goods in the world, and China, the European Union, Mexico, and Singapore had the highest annual growth of 9 percent.

4.2. Global Financial Markets

According to the International Monetary Fund report, 1 there are 16 stock markets in the world today, most capital market transactions take place in them, and between 2015 and 2018, about 87 percent of global capital formation took place in them. This means that the capital market, which is the most important engine of the global economy, is in the market worldwide.



In fact, the 14 main stock exchanges in the world collect and trade \$1 trillion in capital from all over the world and in virtual space and the Internet every day, and a significant portion of the capital is made available to the world's ghouls and economic actors in this way.

Of the 60 major stock exchanges in the world, 16 are located in major developed countries in America, Europe, and East and South Asia, where about 85 percent of global capital market transactions take place. The location of the main global stock exchange bases and the distribution of these bases vary across countries.

The size of the global capital market has grown significantly over the past decades. The value of global stock market transactions has grown from \$2.5 trillion in 1980 to about \$71 trillion in 2019. This means that the rate of global capital formation has increased by about 33 times in this way. (WB, 2020)

In other words, a major part of the liquidity required for capital is generated in global markets, and even small amounts of money from people are collected in these cross-border markets and placed in the hands of large companies in the form of very large capital.

As a result, the world stock market can be considered one of the most important indicators of the globalization of the phenomenon of capital and the movement of this most important factor of production and economic prosperity beyond national borders. The fact that in cases of global economic crisis, the creation of a problem in one of the world stock markets quickly spreads to the entire world economy is also an indicator of the globalization of this phenomenon.

Apart from the stock market, the second place for the accumulation and formation of capital in the world is the "global banking system." What came into being about two centuries ago and was also established in the twentieth century, and was accepted by all countries of the world, was the international monetary and financial system.

The international monetary and financial system is defined in economic literature as: a set of rules, agreements, and monetary support institutions that are accepted internationally to facilitate international trade, cross-border investment, and the general distribution of capital among countries. This system should provide acceptable payment instruments for buyers and sellers of different nationalities and create trust and the possibility of economic transactions between different countries (Ravenhill, J. 2005).

Apart from the price and its exchange rate in the process of trade and investment, it can be said that banks and banking are the most important manifestations of the monetary system on the world stage. In the second decade of the twenty-first century, it can be said that banks have also contributed to the global phenomenon of exchange. Part of the world's capital is located within this system, and its exchanges are carried out across borders and cannot be limited only to the internal rules of the national economy.

The globalization of money laundering rules and electronic financial exchange systems have brought banking laws in different countries so close that it can be said that today's banks have



become an interconnected network that, without being connected to them, a major part of Monetary activities will be impossible and access to global capital will be difficult.

Phenomena such as global electronic banking systems and cash and credit cards with purchasing power in the far corners of the world are symbols of the formation of a global banking system. A system that is gradually becoming, like the global aviation and shipping system, with universal standards that create some fierce competition in attracting and expanding capital among the banks of this system, and this competition within A global network is formed.

In fact, some believe that the most important element of power in the global system is how the capital market is present and used, or controlled, on the one hand, and the banking system on the other.

The Financial Action Task Force, which was formed in 1989 to combat money laundering and is known as the FATF, is one of the systems that has gradually been created by most of the world's leading governments and banks, and the rules that have emerged in it have transformed the global banking system; It has made it impossible to move and transfer money whose origin is not clear in the global banking system.

This group, which was first announced at the G7 summit in Paris, began with the participation of 16 countries, and today more than 190 countries regulate their banking systems within it. This union has a 40-article code of conduct that must be followed to combat money laundering.(Chohan, O. 2019)

Failure to comply with this code of conduct It does not create any formal sanctions or penalties because it is not a binding global convention, but because global banking is regulated based on it, banks that do not comply with its rules will practically lose the possibility of interacting with the global banking system. Osman Chohan calls it a new architecture in the global banking structure, the entry or non-entry into which can affect the position of countries in the global financial system. (Chohan, O. 2019)

SWIFT is another symbol of global banking, SWIFT, or the Society for Worldwide Interbank Financial Telecommunication, is actually a non-profit organization that was founded in 1973 by a number of European and American banks to facilitate remote transactions without the need for physical paper procedures. It gradually expanded in the age of communications and covered a major part of financial transactions and transfers.

So much so that about 10,000 banks in 208 The world's countries conduct their transactions within this global cooperative company, and it is estimated that about 30 million messages are exchanged between different banks within this network every day, and a significant part of global financial transactions occur within it. Although this forum cannot be considered an intergovernmental institution, it plays an important role in standardizing and shaping the global financial and banking system. (Timmer, J. 2014)



The way in which states connect to this monetary system is usually through the use of financial resources or the implementation of “BOT” projects by states, which is one of the most important factors influencing the dependence of states on the global financial system.

In other words, states are forced to use the capital available in the global financial system due to their constant need for financial resources. This is reflected not only in the amount of foreign debt, but also in the way we maintain and use our capital in the global arena.

While in the first three decades after World War II, the debts of states were considered a symbol of their dependence on other states, in the twentieth century, one of these debts, although a sign of the weakness and responsibility of states, can also be an indicator of their benefit from the financial credits available in the world arena. Of course, external debt is never considered a positive indicator in the assessment of the economic performance of states and its weak point is in its connection to the world financial market, but in any case, it shows that states have been able to use the resources available in the world arena to meet their financial needs at some point.

is the financial balance of states and their external debts, which has been calculated and published by the International Monetary Fund.

The rapid growth of the ratio of governments’ gross debt to gross domestic product and the increase in their negative public finance balance between 2018 and 2021.

It is true that if countries are unable to meet their financial obligations, they will face economic crises and sometimes collapse, but these debts, just like economic institutions that finance production and wealth creation by borrowing, are also a means of driving the economic movement of states and their use of global resources.

4.3 Global Institutions and Processes

A variety of terms are used to describe the processes and rules that have developed in the world system, from global regimes to international organizations or institutions. But aside from the theoreticians' terminology, it seems that by the end of the second decade of the twenty-first century, organizations had taken shape that not only shaped the rules of conduct and practices of international players and placed countries and other actors in the global economy within their own framework, but also gave rise to the thought and discourse that dominated the planning and practices in the economic sphere.

In fact, the institutions and organizations discussed in this section are not just an organization with limited formal powers, but they are creators of norms, rules, and ways of acting that create a specific behavioral pattern for global actors. By joining these institutions, states and other non-state actors actually accept the ideology, values, and rules of those institutions and enter a different environment of action in the global economic space.

This new environment regulates all the behavior of states and companies and, as it influences the way actors understand, creates a different world for them. The main economic institutions and



organizations emerged after World War II and during the negotiations that the victorious countries carried out to build a new economic order in the world.

Organizations such as the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade, and UNCTAD emerged largely during these negotiations and based on a different understanding of the international economy, transforming and diversifying the flow of the international economy.

In the field of trade, the most important organization, which some consider to be the symbol of the world economy, is the World Trade Organization. The World Trade Organization grew out of a post-World War II vision that if countries were allowed to trade more freely and interact economically in a common environment, not only would their wealth and prosperity increase, but the possibility of war and destructive conflicts between them would also decrease.

According to this view, global trade barriers should be removed as much as possible and the role of governments in controlling the economy and trade should be reduced so that we can witness a boom in production, increase wealth, and avoid war and conflict.

Based on this view, a kind of international institution was initially formed in the form of an agreement called the General Agreement on Tariffs and Trade (GATT), and then in the famous negotiations during the Uruguay Round from 1986 to 1994, the planning framework and then the establishment of the World Trade Organization were established.

Since 1994, when the World Trade Organization was established with the signature of 123 world countries and replaced the Agreement on Tariffs and Trade, it has emerged as the most important global economic organization, and its membership has gradually increased to 164 countries in the world, covering a major part of the world's economic space. As a result, about 90 percent of world trade is now conducted within the framework of this organization and within the framework of the WTO agreement. (WTO, 2019)

The WTO agreement has become not only an international legal basis, but also the principles of economic policy-making and economic planning of countries and the framework for the actions of large international companies. The WTO has since evolved into a global organization that, after negotiations with each member, signs agreements with them to design and gradually implement free trade rules and join the global trading environment, and monitors their implementation. The principles of this organization are derived precisely from the liberalist view of the world economy, which includes the gradual minimization of the role of states in the economy and the elimination of state support, state subsidies, and preferential tariffs. The gradual elimination of tariffs and the introduction of economic institutions into a competitive environment on the world stage are other principles of the WTO.

From their point of view, these policies are for the benefit of the people of the world; Because it has led to a significant reduction in the price of goods after the removal of tariffs and the competition of companies to provide better and cheaper goods to consumers.



These principles have been accepted by the majority of governments and large companies, from the United States and England to the European Union to Russia, China and Japan, and have become part of its framework. In practice, a major part of global production and trade is taking place within the rules of this organization and the environment and dialogue created by this organization.

Its impact is such that it makes production more difficult and costly to locate outside this organization, reducing the ability to offer goods to the public space of global trade and dramatically increasing its costs.

5. A multi-level theoretical and practical assessment of the conditions for the transition from the international economy to the world economy

Based on the above findings, it can be assessed that the international economy focuses on the form and fate of the state as an intermediary in domestic and international economic relations. In other words, in the international economy we have witnessed and are witnessing the increasing integration of countries and economic players in the global market, but the main units are still the national economy, and in it trade and investment lead to increasing interconnectedness between national economies.

In this area, the international and domestic levels remain relatively separate spheres of governance, but in a global economy in which national economies have become part of this process through international processes and transactions, we are witnessing new policymaking by non-state economic actors to regulate the rules and regulations of a large-scale game that has an impact on the distribution of power and global trends. A great game that will shape not only the style of international governance, but also the world order.

In a global economy, the smallest economic sectors in the countries of the world will be under the influence of the autonomous forces of the world market. Multinational corporations have been and will be transformed into transnational corporations, and will be uncontrollable by purely state policies. Another meaning of the change in the form of supervision is that a more complex system of supervision over the financial transactions of these companies will prevail.

In the world economy, with the intensification of the processes of internationalization and regionalization of relations, international trade and finance have also become different from the international economy. In the world economy, we are witnessing the breakdown of official (state) controls over the movement of goods, people and services. This form of economy provides the space for “international” trade, finance, and production to give way to “global” trade and production. We also see in the world economy the real participation of all states in some form of trade with others.

The emergence of trade as a daily interaction between markets and people, regardless of whether they are economically advanced or not, is a phenomenon specific to the world economy. In the global economy, complex markets are regulated by a governance system in which no single institution has ultimate control. This governance system necessarily involves intervening players. In this economic sphere, international financial regulation is more complex than in the



international economy, because the players effective in regulating and setting financial rules will be more numerous than before.

In addition to governments, international institutions such as the International Monetary Fund, the World Bank, the standards institutions, as well as financial institutions affiliated with multinational corporations, will be influential actors in this field (Jones, 2010, Smith, El-Anis, Farrands, 2011, Held, 2007). In these conditions, even the shape and nature of labor and economic movements will change according to these changes.

6. Summary and Conclusion

Studies have shown that, both in the realm of discourse and thought and in the realm of actions in the economic sphere, we have witnessed a transition from an international economy to a global economy.

Of course, this does not mean the dissolution of national economies and their dissolution within the global economy. National economies still exist and are determinant, and it is the degree of their power and the manner of their presence in the world market that determines their position and the degree of their influence on the world economy.

The greater the capacity of the national economy, the greater its possibility of influencing the world economy. Countries that have stronger national economies and stronger structures for investment and production can best participate in global value chains and benefit from global financial markets.

In other words, the global economy is a new field of action for economic institutions and states, which, if they enter it powerfully, can achieve extraordinary breakthroughs, and if they enter it passively, it will lead to the collapse of the national economy and the fragmentation of all sectors of the domestic economy.

The main finding of this article shows that another type of economic relations has been formed at the global level. In this new type of economy, national economies, devoid of global relations and phenomena, cannot interact with each other and instead encounter or interact with each other in a new field of action.

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