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## **At the crossroads of globalization: Critical analysis of the tensions between digital economic technologies and political dimensions**

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Article Record: Received Oct 2 2021, Revised Paper Received Dec 20 2021, Final Acceptance Jan 3 2022  
Available Online Jan 5 2022

### **Abstract**

This paper analyzes the tensions between digital economic technologies and political dimensions of the economic globalization processes under the assumption that it is currently at the crossroads. The recent economic, financial and sanitary crises have led international trade to undergo at the brink to world economy collapse. This situation is leaving the economic globalization processes on serious consequences on the economic growth, social justice, political democracy and environmental sustainability, due to the slowdown experienced not only by developed economies but also by developing economies, and because their reintegration processes have been stagnating. This paper argues that there are opportunities for the used and development of technological advances to provide new avenues for the digital economy as an alternative to provide support to a more digital economic globalization processes. However, the strengthening alternative requires a profound revision of the political dimension of the current globalization processes.

**Key words:** *Economic globalization, digital economy, political dimension.*

### **1. Introduction**

The concept of globalization that has been in use in all areas with multiple applications in relation to the incidence in international economic, social, political, environmental, cultural, technological and digital movements, etc., and now in the global transmission of pandemics and that underpin globalization as a phenomenon (Hinojosa, 2005: 2). Globalization as a process is "a set of transformations that affect society, the economy, politics, urban centers, the company, the office, the home and the use of free time" (Tomassini 1996: 318).

In fact, the processes of globalization constitute a phenomenon of economic, social, political, cultural and technological and digital integration that interconnects all the territorial and geographical spaces of the world to facilitate commercial, financial, investment, people, ideas, etc. flows. The processes of economic globalization are closely linked to international trade that are accompanied by elements of internationalization of world economic relations, such as monetary,

financial, productive, ideological, political, cultural, religious, ethical, environmental, etc. (De Paz, 1998: 47).

It is clear that globalization involves transformational changes in all dimensions. The interest of this paper is to analyze the tensions between the digital technologies and political dimensions. The digital technologies dimension is the pushing factor moving towards a continuing economic globalization processes, while the political dimension is the pulling force that restrains the development of globalization leading towards slowdown the processes to the international and local levels.

Globalization theorists argue that a single system of world governance structured on the basis of national states giving up powers is sufficient to address all the problems that result from economic globalization. But now it turns out that there are the national states themselves that assume their leadership, responding to their populations with more efficient solutions to address the seriousness of the problems. The incapacity of globalization to solve problems of unemployment, poverty, economic decline and de-structuring of some economic sectors has led to serious concerns in economic, social, political and environmental issues.

Global society tends to become more fragmented and divided between the beneficiaries and the losers of the globalization processes, while the national state is prepared to regain its political functions to restore the balance. This political dimension of the economic globalization processes is reshaped by the impact that digital economic technologies have to further the continuation. Digital economics should be understood here as a new form of production and consumption that emerges with the introduction of internet technologies and that affects not only the economy but also society.

This paper analyzes in first instance the digital globalization, also known as the globalization 4.0 to continue with the political dimension, and finally there is a discussion.

## **2. Digital Globalization or Globalization 4.0**

The second wave of globalization occurs after the Second World War and up to the present time, associated with the ICT revolutions and the beginnings of a digital revolution. There is currently a decline in this second wave. Friedman (2005) argues that the first wave of globalization processes was driven by national state governments while multinational corporations promoted the recent second stage of globalization and the third stage by skilled labor and digital technological convergence of information, communication and transport systems.

Since the end of the cold war, there is a surplus of productivity that has intensified the competition of multinational and transnational enterprises in international markets which in order to maintain their positions and gain more competitiveness, they are resorting to strategic alliances, merger, acquisition, digital advances and industrial restructuring. At the end of the seventies, Brzezinsky proclaimed the global society while Mc Luhan spoke of the global village caused by the development of communication technologies.

The current stage of globalization marked by the second digitization is associated with the exponential growth of global digital platform companies. The globalization phenomenon includes the economy, financial, social, political, cultural, technological, digital, geographic, ecological, etc., variables. The current stage of globalization that spans the last four decades is characterized by the speed, scale and scope of commercial, financial, people and ideas exchanges facilitated by trade agreements and treaties, advances in digital technologies. information and telecommunications, the

end of the cold war, etc. All of these are factors that contributed to creating a system of interdependence.

We are entering a new process of globalization known as the Globalization 4.0 enabled by the 4<sup>th</sup> industrial revolution characterized by the digital-driven economy era and marked by the frontier of the cyber world. The fourth industrial - technological revolution marked by automation, digitization and biotechnology, is a disruption that is accompanied by great opportunities, but also great dangers. The technological development of 5G networks under national security arguments establishes a virtual wall between the two great commercial powers.

The digital economy is becoming the open economic globalization. The global digital economy is becoming a strong force through the enabling of e-commerce, digital services, big data and artificial intelligence, by also threatened by cyber-attacks. The digital technological transformations point to a greater impact in all sectors, but more in manufacturing, the global economy.

The report "Globalization of the World Economy" of the Milken Institute (2003) highlighted the benefits of foreign direct investment, technological and digital innovation economies of scales, interdependence, national sovereignty, equity distribution, etc., although many of these benefits favored some actors while hurt others. The tendencies and possible scenarios in world trade have been assessed by the World Trade Organization (WTO, 2012, 2013) finding notable changes in structure, geographical dispersion and number of agents influenced by demographic new technologies, information, communication and digital technologies, foreign direct investment, sustainability of energy and natural resources, transportation costs, consumption, trade agreements, etc.

The rapid advancements in innovations on information, communication and digital technologies and transportation systems have enable business organizations to identify opportunities for investment and rapid transfer of assets, production, distribution and consumption around the world. Technological change and digital innovation are linked to information and communication technologies and trade openness which is considered at the heart of human progress (Mokyr, 2016). Economic globalization is concerned with changes in world trade and investment policies shaping the economic forces that are connected with digital informational and technological flows and socio cultural changes.

These investment flows are possible due to liberalization of local economies development of digital information and communication technologies (ICTs) and lower transportation, logistics and transaction costs. The economic globalization process provides a competitive advantage for business by sourcing inexpensive raw materials, taking advantage of lower labor costs, leveraging expert digital, technical and scientific knowledge, decreases manufacturing costs. Knowledge and digital technological innovation has increased and is shared between countries in international cooperation. Advances in transportation, digital information and communication technologies accelerated trade and investments around the globe.

In 2018, Alibaba established its regional headquarters in the ancient city of Xi'an which is considered the birthplace of globalization as the starting point of the old silk road more than 2,000 years ago. The Silk Road headquarters in Xi'an of Alibaba is its logistic global center for the e-commerce giant enabling the evolving globalization 4.0. Despite that China has been a beneficiary of the commercial globalization processes, but it avoids falling into the game of the digital global economy by limiting access to US platforms. China's economic development has allowed an increase in the economic perceptions of workers, raising the costs of labor and scientific,

technological and digital advances that favor the development of activities with high added value and that require less geographic dependence.

Geographical globalization is the set of economic, social, cultural, digital, technological and institutional progressive processes which contribute to the development of exchanges, flows and relationships between individuals and societies. The global flows of people and digital information transforms socio cultural relationships and norms in lifestyles, consumption, etc. Economic globalization processes deeply affect and transform all societal aspects. The spread of digital information and communication technologies has enabled the economic forces to operate faster through the expansion of multinationals in media, marketing and communications.

The market frontiers are in continued expansion and integration processes facilitated by the digital information and communication technologies in all productive activities. The process of economic globalization measured in terms of exports and imports over GDP experienced an upward trend from the 60s of 23% to stabilize at 60% until 2018. This scenario is the opposite of globalization as a consequence of economic policies and deep trade, cyber and digital wars which led to a deepening economic crisis in a severely critical economic and health crisis accelerated by the pandemic.

However, the health emergency due to the corona virus pandemic has limited globalization processes with the closing of borders decreed by the governments of the national states, thus paralyzing the controls of commercial exchanges and population movements. The health crisis shows the state of industrial defenselessness in which many countries find themselves, as well as the dependence for the supply of health equipment and medicines, basic and strategic products. Also companies that manufacture high-tech products are dependent on components that come from other countries.

Artificial intelligence, robotics, a more digital economy, etc., are trends that contribute to a reduction in the workforce and avoid face-to-face contacts in times of health crises and possibly reducing formal employment and requiring a compensatory intervention of the State (Schaal and Heidenreich, 2016). Another challenge of economic globalization processes is the inextricable adoption of technological mechanisms of digital change towards trends such as robotization that can reduce dislocations.

Automation systems reduce dependency on labor costs and offer greater flexibility for the geographic location of the production of goods with higher added value and logistics density with low transport costs. Cycles of technological and digital innovation accelerate if the production of value-added goods are integrated into clusters of knowledge generation, innovation and development

Technological advances in robotics and digital automation mean that the location of production plants is no longer dependent on locations where labor costs are the cheapest. Some of the answers to the context of the work location of production systems are in the digitization and automation of processes. Industrial restructuring and readjustment supported by science and digital technology development undergone in most of countries, have contributed to the economic globalization process in an era of knowledge economy. This situation has led to the weakening of international competitiveness and to the cross-country shifting of labor intensive industries to less developed economies.

The growing global integration of commerce, markets, finance, digital technology, communication bypass all the traditional boundaries although the benefits are questionable in terms of efficiency of

labor division, increasing competitiveness and productivity, increasing the wealth and reducing poverty and raising the standards of living.

The globalization processes have represented advantages with the opening of new markets for companies, new sources of financing, access to resources, technology, digital and scientific knowledge, academic and cultural exchanges, homogenization of international regulations, respect for human rights, employment opportunities and professionals, etc. Some of the negative consequences include greater control of migratory movements, reduced exports and imports, decreased investment, stagnation of technological innovation.

On the hidden side of the economic globalization processes, the risks and their spread have increased, which are partly the result of multiple contacts and digital technological advances, such as epidemiological contagion, the vulnerability of the internet and cyberattacks, etc. The dimension in which these risks are presented have pernicious and dysfunctional effects for everyone and in all parts of the world, for individuals, organizations, companies, civil society, government, etc. Technology knowledge transfer around the world has fueled the technological digital advances of developing nations while the technology piracy has become a problem between the competitors. Technological and digital advances are at risk of being copied and stolen when building products offshoring.

The emergence and rise of new digital technologies polarize labor markets and destroy many sources of work. Despite the great challenges posed by the digital age, it is difficult for globalization processes to fully regress, rather the interdependence achieved is being transformed into a transition towards a new world order with new balances in hegemonic power, not exempt from confrontations and trade wars.

The trade war launched by the United States against China slows down trade between these two countries and slows the progress of the project of a globalized economy. The growth rate of world trade in relation to global GDP tripled in the four decades after World War II but began to decline with the dot com crisis and continues with the financial crisis of 2008-2009, with short periods recovery.

In the 1980s, 1990s and early 2000s, the West had the hegemony of an internationally cohesive community. However, since the crisis of 2008-2009, the differences in hegemonic interests between emerging nation states have given rise to contradictions. The global crisis of 2008-2009 had a strong impact on the western economies of States, Europe and Japan, but China always grew at more than 10% of GDP.

The world economic system overcame the crisis of 2008-2009 with the support of credits and subsidies from the nation states to the banks. China contributed 80 percent of world growth during that decade and became the locomotive of the planet. UNWTO announced that since 2012 trade has been growing at a slower rate than global GDP. According to Acemoglu, et al. (2016) the processes of economic globalization destroyed 10% of jobs in the manufacturing sector in the United States. In 2018, trade growth decreased by 3% and in 2019 by 2.6%.

There are several factors that producers and consumers take into account in their decisions to return part of their production to the place of origin in a process known as re-shoring. In addition to other factors, the health crisis caused by the coronavirus epidemic, trade wars, the isolation of the East and the West, etc., have a profound impact on the processes of economic globalization and whose effects are the cause of re-shoring reinforced with activities automated, digitized, and the use of

technological advances such as artificial intelligence, etc. However, changes in national trade policies, diversification of the local supplier base, etc. are required.

The new technological and digital conditions offer those who have been harmed by the impacts of the organization to organize themselves in movements of resistance to hegemonic globalization through counter-hegemonic globalization processes and in situations of a subaltern cosmopolitanism. Hegemonic globalization offers the new instruments of counter-hegemonic globalization of resistance to its own victims organized in social organizations and transnational movements with the development of information, communication and transport technologies.

New digital and technological advances accelerate de-globalization processes. However, it is totally contradictory that to face the crisis of the pandemic, scientific, technological, digital, commercial cooperation relationships are required, etc. among all the peoples of the earth. For example, platforms and information and communication technologies have grown more during this confinement stage, as well as other specialties that help overcome spatial and temporal barriers.

### **3. Political Dimension**

The political ideology based on the globalism is a historical trend that propels the powers to the highest level of political and economic domination through the global market and trade. The globalization processes that began in the middle of the last century, after the Second World War, were the result of a strategic decision by consensus of the most developed nations and for political, economic and social reasons, in order to promote commercial relations, industrialization and the production of goods.

The ideology proposed for the promotion of globalization was the development of liberalism and constitutional democracy, as well as in those national political systems that have an affinity with the United States and the United Kingdom. The authoritarian elites of liberalism attempt to establish alliances with the middle and lower classes by granting paternalistic economic concessions to establish legitimacy, even if they exclude minorities and migrants.

Liberal democracy is considered a global political regime. In sum, the factors that gave rise to globalization processes that began after the Second World War, are reduced to the need to integrate European nations. The regulations of economic globalization are consolidated to create the international monetary system, limit the interventions of national governments, facilitate the liberalization of commercial and financial exchanges and to eliminate or regulate trade barriers and obstacles to investment movements., etc. (Herdegen, 2005: 101).

During the 1980s there was an intense processes of economic globalization and restructuring coinciding with the new urban regime and politics. Later, during the second half of the 20th century, globalization began a deepening phase, overcoming many obstacles, especially after the fall of the Berlin Wall and the Soviet bloc. Globalization was possible due to the collapse of the Soviet system bringing delocalization, deindustrialization, unemployment, precarious and debt leading to a financial crisis. Financial chaos justifies the concentration of power in financial centers. However, there is no chance that the financial and economic elites will be destroyed. Globalism destroys the sovereignty and borders of nation states.

The current crisis collapses the pax Americana that emerges from the post-war world system and with it the world economic system also collapses, according to the results presented so far. The United States were the ones that most promoted the globalization process with the current characteristics, with actions that further strengthened the process that was taking place in Europe

but only involved in a limited way the relations of commercial, financial, industrial exchange, organization of political systems and cultural. The economic, political, social and cultural influence of the great powers on the less developed countries through processes of colonization, internationalization, integration, globalization, etc., establish exchange relations between their markets for raw materials, natural resources, commodities, goods and services.

The incorporation of countries into the world economic system determined more by geopolitical than geo-economics issues, have had stages of expansion and stages of withdrawal of trade relations, always with secondary effects (Findlay and O'Rourke 2007). During the period of intense globalization, some national states have remained outside of specific actions for the development of their strategic industry while others promoted more aggressive competition policies with the intervention of the State to attract activities with high added value, without leave everything in the invisible hand of the market.

In fact, national states can encourage activities for the generation of knowledge, research, development and innovation, etc., which lay the foundations for deploying competitiveness strategies. The intervention of the national states has been opportune to implement competitiveness strategies by offering support programs, incentives and instruments to promote global innovation clusters with the cooperation of public-private partnerships.

The levels of measurement of globalization processes can be made with the KOF index, which measures economic globalization, social globalization and political globalization. The KOF Index (Swiss Economic Institute, 1979) that measures the economic, social and political dimensions of globalization shows an increase in globalization processes since the seventies with a strong boost in 1991 with the dissolution of the USSR and until 2008. The indicators of political globalization analyze the degree of cooperation between countries, participation in international organizations and treaties, democratization and the respect of governments for the dissemination of ideas, etc.

The trend changed in 2009 during the global financial and economic crisis. Europe is stagnating economically and growth is shifting to Southeast Asia, mainly to China. The health crisis has deepened and aggravated the slowdown in economic globalization processes that began since the 2008-2009 crisis and then in 2016 when the United States hampered China's geo-economics and geopolitical advances.

The anti-globalization reaction of segments of the population that feel alienated and marginalized has led to the development of political movements that weaken collaboration towards international cooperation and global collaboration policies, which has deepened in the crisis of the pandemic. Resistance to globalization processes can have similar political behaviors with different expressions and manifestations of discontent. However, this resistance is opposed to oligarchic forces with a neo-conservative tendency that are from corrupt and repressive regimes under the pretexts of fighting international terrorism, weakening the anti-globalization social movements.

In the current economic globalization, geographical and political limitations are overcome, thus accommodating the sovereignty of national states to the dynamics of the international economy (García de la Cruz, 2008: 54). The economic sovereignty of nation states has an industrial base supported by an Antarctic horizon and intense global competition beyond commercial relations. The processes of globalization and international economic relations have managed to position and consolidate a supra-state institution that replaces the figure, functions and space and sovereignty of national states.

Globalization is constituted as a multiplicity of links and interconnections that transcend the nation-states (and consequently the societies) that make up the modern world system. It defines a process by which events, decisions and activities in one part of the world can have a significant consequence for individuals and communities in quite distant parts of the globe. Therefore, the national states are the central actors to create the normativity of international economic relations under the conditions that correspond to them.

The liberalization of markets and financial expansion was generated at the cost of losing a part of the economic political sovereignty of the national states. The Sovereign Wealth Funds (SWF) are investment instruments used by exporting countries to channel foreign exchange reserves under public control (Segrelles, 2008). A world power out of the loss of national sovereignties has been created merging political decisions that are not necessarily beneficial for all the people. A direct effect of globalization processes is the partial transfer of sovereignty to national states with the loss of autonomy and other attributions to international institutions who then instruct them on the obligations to comply with.

Loss of sovereignty and autonomy of the nation states is explained in the model developed by Rodrik (2000) called the Global Economy Trilemma in terms of having each country only two out of three margins of maneuver: international economic integration, democracy, and the nation state. International economic integration is the high level of involvement in globalization processes. International economic integration has become a political decision of nation-states.

The theory of international economic relations has structural differences to separate international trade relations from economic globalization. From Westfalia, international relations in the form of a voluntary international association to establish alliances based on normative agreements of international law that have dealt with political, diplomatic, economic, social, cultural, human development, etc. International economic relations constitute a system of different norms and institutions that make up a coherent set to regulate economic transactions. (Hinojosa, 2005: 43). The globalization of the economy with territorial and geographical elements is derived from international economic relations.

Democracy refers to the political organization system designed with institutions to respond to demands and the vote of citizens. The nation states are the territorial jurisdiction that has independent powers to enforce a legal system. Economic globalization processes contributed to the democratic processes benefiting the national institutions following the implementation of free market oriented policies (Wolf, 2005). However, this result is not definitive and not always validated by the empirical studies.

The Washington Post wrote that “globalization was pitched as a strategy that would raise all boats in poor and rich countries alike. In the U.S. and Europe consumers would have their pick of inexpensive items made by people thousands of miles away whose pay was much lower than theirs. And in time trade barriers would drop to support even more multinationals expansion and economic gains while geo political cooperation would flourish” (Cited by Collins, 2015).

Conceptually, economic globalization has been the motivating principle to promote relations of cooperation and integration through agreements between national states to form an international community. However, not necessarily the humanity has become more open, emphatic and tolerant towards each other with different values, traditions, ethnic backgrounds, political and religious believes, etc.



Transnational companies impose economic policy on the market under the design of a model of society (Hinojosa, 2005: 5) and serves as a reference to plan the world economy incorporating national states and people. Multinational and transnational corporations are gaining political power and influencing national political decisions of host countries beyond their core of their business activities. The largest MNCs are being criticized by having bigger budgets and are more economic and politically powerful than some national governments despite that do not have capacity of coercion, which is the critical role of the nation state (Held, 2010). Grauwe and Camerman (2002) found that added value of MNCs are smaller compared with other nation-states (Grauwe and Camerman, 2002: 15).

The concentration of global GDP and international investment derives from the political power and technological capacity of the most advanced nations, which generates conflicts between the great powers, for which a review of the mechanisms of representation in the institutions is required. The model of economic globalization promoted by an economic system different from the West with a strong preponderance for the management of international economic relations is promoted by the national states of Asia, takes value in geopolitical tensions, crisis and conflict, as the basis of its sovereignty. Asian nation states efficiently manage the health crisis, combine industrial, technological and digital development and have become the global suppliers of medical supplies.

Faced with this position, Western nation states are perceived as dysfunctional structures. Today the most detractors and opponents of globalization have become its most ardent defenders, in part due to the collateral effects of the corrosion of democratic values. In addition, governments that want to establish new national balances by controlling the excesses of globalization, in many cases to legitimize themselves and retain political power in their people. When the global village is proclaimed, some countries withdraw into themselves from the globalizing processes under the slogan of our country first. This represents a change in the model of economic globalization that affects the international economic order and that affects all orders of social and political relations, environmental sustainability, etc.

The globalization process promoted after the Second World War was not fully accepted by Latin American, Asian and African countries, in addition to the opposition of Russia some Eastern European countries, organizations and political groupings of European countries, who criticized the advances globalization and prevented the deepening of economic, commercial, military development, and to a lesser extent in the cultural and social, etc. The initial globalization processes respond to the economic, social, and political interests of the most advanced European nations. Thus, it is explained that the globalization processes of the Latin American peoples did not have the same economic, social and political implications, partly due to the politicization of human rights, among other factors that led to resounding failures.

The impact of the processes of economic globalization on the growth of national economies has been very unequal in its benefits depending on their level of involvement, political stability, levels of corruption, infrastructures (Barberá de la Torre, 2012: 477).

Critics of the current economic globalization processes argue that it has debilitated the national sovereignty, generated economic, social, political, cultural inequalities and erosion of environmental sustainability, being the less developed countries the losers (Amin, 1997, Murshed, 2003; Stiglitz, 2002 and 2006; Bhalla, 1998; Hirst and Thompson, 1996; Dunning and Narula, 1997; Wade, 2002). Less developed countries must identify their strengths in their interdependence between states to better design a policy mix and institutional structure regime to facilitate world economic integration. Global economy is far away from economic integration and convergence

leaving a reduced political space and participatory debate of organizations responsible of designing and implementing the economic policies.

National states pursuing international economic integration and globalization processes, may have as some consequences that their sovereignty and democratic form are limited and even, dismantled by the actions of international organizations, multinational and transnational enterprises' and other nation states. Multinational enterprises and corporations establish in spatial locations under a jurisdictional competent national and local laws, making the nation states more important agents than the MNEs.

The progressive integrated global markets are being possible by the underpinning foreign trade and investment policies and agreements. Nation states intervene in the control of strategic sectors and regulations on the participation of foreign investment in the control of companies, incentives for SMEs and large national companies to restructure their liabilities as a claim of the companies themselves. However, the trade and investment agreements are not perfect because they frequently reflect the power asymmetries and imbalances between the different nation states and the heavy influence of multinational business interests in local policy development. Multinational corporations can sue nation states under inclusion mechanisms and reduce their capacity to implement labor, environmental and health regulations.

These actors are participating more actively and influencing at international level. MNEs have been criticized on becoming more powerful than some national countries with effects on harming national sovereignty and impoverishment of domestic and local host economies and exploiting the local workers (Anderson and Cavanagh, 2000).

The national economic development objectives are replaced for the market dictatorship (Rodrik 2000: 183) in trade and financial liberalization replacing the wellbeing state. The world order is redefined with transcendental transformations for the economy and politics. The interference tendency of globalization processes in the world order are rather processes of the evolution of the traditions and customs of the peoples that displace principles such as non-intervention to support new principles such as the primacy of individuals, democracy and the rule of law. In this way, nation states are integrated into new forms of global political organization.

The crisis of globalization is revealed in political phenomena that reveal the inefficiency of international institutions, the abuses of the bureaucratic administrative structures of international organizations and policies imposed in an authoritarian way, the rejection of the universality of the liberal conception of human rights proclaimed by globalization theorists, etc.

International and national institutions and organizations supporting the economic globalization governance have been under criticisms. The international governance is not providing the required confidence on policy advice, as a manager of openness processes, coordination the availability of big data and as the public voice of debates. National states retreat in the face of globalizing processes, putting the concept of the world as a global village in check. This change in trend is a disruptive change that affects the entire international economic system, the world order, modifies social relations, etc. There are the nation states that are more involved in the management and action of the health crisis at the local level, more than the institutions of global governance, to control the spread of the virus and reduce its effects on health and economic repercussions on their populations.

#### **4. Discussion**

The processes of economic globalization have increased economic, social, political and cultural interrelationships among all countries, imposing standards of compliance with human rights, control of climate change, etc. To get all these achievements, scientific, information and communications technologies and economic digitalization have played a relevant role. However, this role has been not exempt of tensions with the political dimension.

However, the current economic globalization benefits and challenges the nation-state with a loss of national sovereignty (Bhagwati 2004 and Ritzer 2011), with new forms of government and glocal (global and local) policies supported by international institutions to reduce the uncertainty. In this way, economic globalization may not be capable to sustain long-term growth for countries due to emerging problems such as the mentioned by Ruggie, (1982) the loss of economic and social cohesion embedded in the liberalism model. Global society is fractured between who are the winners and who are the losers while the state weakens and becomes incapable of balancing.

The opening of globalized markets has exacerbated the inequality in the distribution of income between those who receive the maximum benefits and the most, who are becoming poorer. Although the existing inequality between nation states is questionable, identifying the factual differences for differential deals and concessions, globalization processes have advanced with egalitarian openings in international economic interactions, although it has not been able to generate an adequate regulatory and institutional framework.

The nature of globalization processes represents a set of changes that directly affect active subjects, positively or negatively, but also require more actors in addition to States, international organizations, NGOs and multinational companies, etc. (Allard 2010: 77).

The economic dimension estimates the consequences of global market, social dimension is based on the dissemination of information and ideas and the political dimension refers more to political cooperation (Kocourek, Bednářová, Laboutková, 2013). Economic globalization is oriented towards the export of goods and services, taking advantage of digital economic technologies, that has benefited some of the advanced and emerging economies inserted in the geo-economics-political scenario. Economic globalization intensified the transnational commercial and financial economic interactions through the use of information, communication and digital technologies, promoted by multilateral economic institutions and agents beyond the economic interrelationships between national states.

The exchange of goods and services has increase with the interrelated economic social and political components through the use of digital technologies and the trade policies of the globalization processes which have transformed societies, shaped political institutions, modified modes of production, distribution and consumption and changed lifestyle patterns. However, at the current stage of globalization, the political will is retracting to the power base of the nation states.

The economic, political, social and cultural influence of the great powers on the less developed countries through processes of colonization, internationalization, integration, and globalization, facilitated by the digital information and communication technologies, establish exchange relations between their markets for raw materials, natural resources, commodities, goods and services. The international and global community is in the process of integration and formation under a mistaken dominant individualistic idea rather than a social one based more on relationships of cooperation and collaboration.

The politicization of human rights based on an individualistic relativism precipitates the intolerance that interferes with the acceptance of globalization processes by some peoples. However, globalization has also created and increased negative situations for development and freedom and human dignity with measures that have been restrictive for human rights that are intended to guarantee the security of people and the state. Many of these restrictive measures have been imposed after the terrorist attacks that have revitalized the functions of the State.

Reversing the processes of globalization through the political dimension of the nation states, put pressure on the levels of prices, interest and inflation that contribute to stabilizing the economy, society and politics. The nation states aimed to the achievement of economic growth and stability and social development for their people, they have entered into trade and digital wars. The cyber-attacks are substituting to the traditional wars. Nevertheless, the processes of economic globalization are entering a period of reversal of transnational interactions after a period of intensification of more than 40 years promoted by multinational companies, international organizations and other economic and social agents, but not necessarily by national states.

One response to counteract the negative effects of the recurring economic, political and social crisis is the coordination of international cooperation efforts among nations to promote integration processes. The international institutions that have the functions of governance of the globalization processes are not susceptible to accepting reforms, so the need for a new institutional framework necessitates the emergence of new alternative international mechanisms to expand the political democracy of global society.

Advocates of economic globalization consider it has positive effects on the growth of countries because reduces poverty and promotes political democratic principles (Eichengreen, 1996; De la Dehesa, 2004; Bhagwati, 2004; Wolf, 2005, Sala-i-Martin, 2006). However, economic globalization and democracy have not gone always together, and in fact the opposite has been the reality under a colonialist design of pure business. The national state imposed nationality on entocultural and linguistic plurinationality in an internal colonialist structure that is not exempt from institutional and structural violence to mitigate the different forms of resistance. In doing so, the digital information and communication technologies play a relevant role.

On the political dimension of globalization, the increasing international interconnectedness in financial services and globalization of economies are relevant for the corporate governance structure (Sassen 1991: 65 ff.). However, it is required to reform the international economic governance institutions and agencies to redefine its functions in economic integration and globalization processes. One of the challenges is the strengthening of the global institutions created at Bretton Woods that have given structure and support to globalization processes by modernizing their corporate governance mechanisms to promote a more harmonious integration of nations in world trade. An international trade and financial governance system should be aimed to regulate the flows and avoid the financial crises. Other relevant measure is to improve the governance and transparency of the international financial system.

On the digital technologies, international governance needs the potential transformation of information and communication technologies for the research and analysis of big data. The integration of the process of economic globalization requires the use of digital technologies for the world government function through the institutionalization, market and global redistribution functions (Fontela 1998: 31). The design and implementation of economic policies to promote the positive effects of the digital and political dimensions, and eliminate the negative ones of economic globalization processes, enhance the global governance and economic integration.

International economic and financial institutions and organizations must develop more democratic governance and practices systems to facilitate and regulate the use of digital technologies to achieve more economic interdependence in the international integration and globalization developments. The global self-regulation of international financial movements in combination with the dominant sovereignty has resulted in priorities that limit the financing of public education and health systems, crises and natural disasters due to the neglect of a global policy to control global warming, low wage levels that result in an increase in economic inequalities, etc. Economic globalization cannot support full sovereignty and democracy for national states as international institutions and organizations may mandate some limitations.

Globalization requires the solution of eventual conflicts between national states in such a way that with greater legal strength it also allows coexistence with supranational institutions. The trade wars and the COVID19 health crisis highlight the relevance that the State acquires in designing and implementing policies and strategies to correct the dynamics of globalization processes, considering the economic functions of markets. In doing so, economic globalization requires of the cooperation of both, the digital and the political dimensions.

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## Key Terms and Definitions

**Digital economy:** It is a new form of production and consumption that emerges with the introduction of internet technologies and that affects not only the economy but also society.

**Digital technologies:** It is the application of methods to develop systems that are expressed in numbers or data and that allow automating certain processes.

**Economic globalization:** Economic globalization consists of the integration of the different countries of the world from the greater commercial exchange and investments.

**Governance:** Art or way of governing that aims to achieve lasting economic, social and institutional development, promoting a healthy balance between the State, civil society and the economic market.

**Information:** The set of data, already processed and ordered for understanding, which provide new knowledge.

**Liberalismo:** Political, economic and social doctrine, born at the end of the 18th century, which defends the freedom of the individual and a minimal intervention of the state in social and economic life.

**Political dimension:** It includes the forms of political organization, the institutions that constitute them, and the norms that order politics, a dimension supported in the State

**Sovereignty:** Self-government of a people or nation in opposition to the government imposed by another people or nation.