PREVIOUS YEAR QUESTION — UPSC 2016 · 10 marks

Discuss the impact of globalization on the internal functioning of the state.

FLOW SNAPSHOT — how the answer moves

Intro routes

R1 globalisation multidimensional (economic/political/social/cultural) → question is not "does it end the state" but "how far does it loosen the state's grip" → realists: erosion of sovereignty // liberals: capacity-building R2 political globalisation erodes sovereignty despite the Westphalian principle → nation-state's weight falls, other actors rise → domestic control becomes the real pressure point

Body flow

economic pressure first (**Nye** → MNCs press governments, control over currency & foreign trade weakened) → authority sideways to society (**Simmons** → NGOs set agendas, confer legitimacy on policy) → power upward (**Rodrik** → post-sovereign, transnational governance fills regulatory voids)

Counter-view

not pure loss → same openness brings integration, technology transfer, better governance & rule of law → state gains capacity even while ceding autonomy (liberal read against the erosion thesis)

Conclusion routes

R1 transforms, does not abolish → decisions move upward (international bodies) + sideways (markets, civil society) → policy & welfare space shrinks, worst in developing countries R2 double-edged: state neither fully sovereign as before nor obsolete → it survives by adapting → developing states most squeezed

Globalisation i.e. economic, political, social and cultural reshapes how a state governs at home. The issue is not whether it ends the state, but how far it loosens the state's grip on its own affairs.

Realists view this as an erosion of sovereignty; liberals, as a chance to build capacity. Joseph Nye shows that multinational corporations press governments directly & indirectly, weakening control over currency and foreign trade. In P. J. Simmon's account, NGOs shape domestic and foreign policy by setting agendas and conferring legitimacy.

Power also shifts upward, as states enter post-sovereign, transnational arrangements to fill regulatory voids no government can manage alone.

The same openness brings economic integration, technology transfer and pressure to improve governance and the rule of law. The state therefore gains capacity even as it cedes autonomy.

Globalisation does not abolish the state but transforms it. Decisions move upward to international bodies and sideways to markets and civil society, while policy space and welfare choices shrink most of all in developing countries.