

## **International Organizations in the Context of Global Financial Developments and New State Understanding**

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### **Abstract**

*Globalization concept defines a structure process which is behind the sciences of financial, political, social and cultural. This structure process leads to the changes of institutions, concepts and structures. Changes and transformations in global scale leads to rooted changes in actors of global structures. These developments exceeded the limits of country borders and gained international dimension. International institutions began to increase their fields. In this study, the relationship between international institutions and jurisdiction of states. A descriptive path is followed to define and analyse the current state..*

**Keywords:** International Institutions, Globalization Concept, State, Global Financial-Political Developments.

### **1. Introduction**

The concept of globalization shows its effects in financial, social and political fields. Globalization effects all aspects of life such as economics, politics, art, law and environment. A lot of concept, structure, institute, system changes its structure. Globalization in politics states structural change in political power, authority and management style. The main characteristics of global development is the change in the politic activity across the World. Some kinds of non-state units become a power and effect centers with the help of global developments (Karaosmanoğlu, 2014:10).

In this study state and international organizations are inspected. The actual place of globalization is determined as World economy, and the actual actor is international organizations. International organizations prepared the infrastructure and development of politics within time and become the source of steps of state. This situation redefined the characteristic and function of state and reduced the jurisdiction of governments. Governments can not prevent the loss of power and they change (Şener, 2014:52). Governments tries to ensure political stability by using their authority. Understanding and analyzing international institutions are important to assess the changes in international fields. The main goal of this study is to research the international organizations and jurisdiction of states. This study tries to gain a development to determine the current state. The list of international institutions are presented as a table. The established year, structure of capital and fields of operations are assessed differently of these institutions.

The concept of globalization with global financial and politic developments are investigated in a conceptual level. Also, international institutions and their sturcural properties are presented. The subject is enligned by new state understanding, the global actors as a result of this understanding, the size of the change and transformation of government. In the conclusion part the new structure of state as a result of global developments are presented in the financial-politic aspects.

## **2. The Concept Of Globalization**

The concept of globalization has multi-aspect property and includes many changes in contextual level within itself. Therefore it is rational to discuss the effects of globalization in a contextual level. Because globalization is a dynamic concept and circle is vast. This study includes the multi-dimensional aspect of globalization, analytic validity and vastness of its circle. In this context many studies first attempt to gain a depth to the concept of globalization in a contextual level. Therefore it will be helpful to define the globalization with different aspects. Globalization is a process where all World people transforming to a global community (Albrow and King, 1990:9). Globalization has a geographic aspect and has effect on politic, financial and technologic aspects (Yeung, 2002:286). Globalization forms our lives by the decisions which are decided by far away from us (Heywood, 2013:28). The concept of globalization leads to compression of World as well as a whole World consciousness (Robertson, 1992:8). Globalization is entegration of World economies by eliminating the national borders (Das, 2010:66). As a result globalization is a system where the borders are eliminated, production and consumption is made across World state, market is defined by international institutions (Kürkçü, 2013:2). The definitions presented above means that globalization concept is a multi-dimensional concept. Each conceptual definition extracts a different field of globalization concept. That is because globalization has a dynamic structure. It is possible to say that globalization has financial, politic, cultural, technologic and demographic aspects.

## **3. Global Economic and Politic Developments**

Globalization is a complex process due to its effects on the fields of politics, economics, culture, security. This complex process creates rooted changes in the states, communities, economics and politic institutions. Globalization process as a result of developments in the financial, politic and technical fields, diminishes the importance of national borders. Concentration of international competition brings using the resources and this leads to the emerge of new opportunities (Doğan ve Tunalı, 2011:53). This is because globalization process is associated with financial field. According to the lots of researchers, globalization takes its pwer form the efficiency of economics. It is possible to say that first aspect of globalization is economics. Then, challenges to power and politic relations across World (Kıvılcım, 2013:224).

Global developments in the financial field, can lead to use the scarce resources in an efficient and rational way and that can accelerate the World trade and can benefit everyone (çeken, Ökten ve Ateşoğlu, 2008:82). So economy can be regarded as one of the most important aspects of globalization. In the development process of globalization the financial aspect become dominant. Especially developing countries used this property of process. This presents the dominant side of financial aspect. Global financial developments is increasing international trade and investments (Aktel, 2001:196-197). Today the global financial developments are systems that is managed by non-state organization across the World. Global financial development lead to increase more than three fold in Word trade in last twenty years. This increase helped to improve the trade relations (Karabıçak, 2002:122). As a result it is possible to state that global financial developments lead to increase the fields of international institutions, increase in the volume of World trade and increased the speed of capital movements.

In the political aspects of globalization the role of the state in new World layout is discussed. Global political developments means structural transformation in political power, authority and management style (Bayar, 2008:28). Globalization in political aspects, helps to development of international management and regulatory instutitons (Manning, 1999:138). With the global political developments, the functionality field of non-state institutions is inceased and national state model reduced its efficiency. In the context of political aspects of globalization, the inefficiency of the national-state model is critised (Şener, 2015:55).

In this framework the public interest is only ensured with global needs. This situation started to change the traditional political understanding. Multi-actor model is emerged with the help of multi-aspect dimensions of globalization. Global political developments are formed with the help of four main actors that are national state, non-state institutions (international organizations), municipalities and non-profit organizations (Bayar, 2008:28). Traditional state model is shocked by new international global institutions which are equipped with authority also national state concept gives its place to subpopulations (Köse, 2003:10). The developments of financial and political as a result of globalization pushed to regulate the structure. Nowadays many governments do not have space as they used to and this is especially true for developing countries (Camadan, 2010:30).

With the help of political developments of globalization, the concepts such as democracy, human rights, freedom, shelter and protection of environment gained international aspect. These subjects became the subject of international politics rather than national politics. It became impossible to distinguish between national and international politics (Kıvılcım, 2013:226), (Bayar, 2008:28). As a result with the developments of financial and politics in global arena, the national state model still continues however restricted and different actors are started to play in international arena. In other words, actors are varied who try to effect the politics. The power and effect circle of state is diminished while new international institutions are became new centers. As a result rooted changes and transformations are took place in economics, politics and community.

#### 4. International Institutions And Structural Properties

A new change and transformation process is being lived with the new state understanding by the result of globalization. These changes leads to the emerging of new needs along with global and local changes. Changing environments and new needs effects the structure of states and their relations. New emerging conditions and new needs as a result of these conditions pushes states to cooperation and makes the unseen borders vague. This situation became an important factor in the emerging and developing of international organizations (Özen, 2013:6). It became a reality that no state can be exist without other states and this situation unveils the need for regulations and contracts. This situation unveils the international organizations (Şener, 2014:70). International organizations can define the agenda as well as strategies for small countries (Özen, 2013:7). Global financial developments pushes the integration of countries with World economies (Ener ve Demircan, 2006:204-205). In this context countries must become a member of financial, political and military unions. In the process of globalization, with the increased importance of international organizations, these organizations become to determine the organizational structure. The organizational structures of some important international organizations are presented in table 1.

**Table 1: International Organizations**

International Organizations	Year of Foundation	Number of Current Members	Comment
UN (United Nations)	24 October 1945	193	UN is the only universal organization which includes numerous specialty organizations under its structure.
NATO (North Atlantic Treaty Organization)	4 April 1949	28	NATO, which includes 12 members in its foundation stage, is a security organization of the Western block.
WB (World Bank)	It started its activities in 1945 after the Agreement of Bretton Woods was signed in 22 July 1944.	188	World Bank is a name of a framework. It is a group of five organizations composed of IBRD 1945 (International Bank for Reconstruction and Development), IDA 1960 (International Development Association), IFC 1956 (International Finance Corporation), ICSID 1965 (International Centre for Settlement of Investment Disputes), and MIGA 1985 (Multilateral Investment Guarantee Agency).
IMF (International Monetary Fund)	IMF - International Monetary Fund started its activities in 27 December 1945 after the Agreement of Bretton Woods was signed in 22 July 1944.	188	IMF is one of the specialty organizations of United Nations. On the contrary, it serves as an independent organization in terms of administration and financing. Since IMF is a fund, each member contributes to this fund.
WHO (World Health Organization)	22 July 1946	193	It is one of the important specialty organizations of UN. It serves as the administrator and coordinator in international studies in the field of health.
WTO (World Trade)	1 January 1995	160	It was founded in 1955 as a continuation of GATT agreement. WTO is the legal and institutional organ

Organization)			of multi-sided trade system.
OECD (Organisation for Economic Co-operation and Development)	14 December 1960	34	It is the direct beneficiary of Organisation for European Economic Co-operation (OEEC) which was founded in 1948. There are 34 members of OECD; however, it has relationships with many countries that are not a member of OECD.
OIC (Organisation of Islamic Cooperation)	22–25 September 1969	57	The center of the İİÖ is in Jidda. There are five countries, including TRNC, that holds observer status. All islam countries may be a member of the organization. The purpose of the organization is to enforce the cooperation among the member countries in economic, social, cultural, scientific, and other activity fields as well as providing the interdependence between the international institutions and the member countries.
NAFTA (North American Free Trade Agreement)	1 January 1994	3	The sides of this agreement are USA, Mexico, and Canada. This agreement enables the liberalization of the trade among these three countries.
G-20	25 Eylül 1999	20	Turkey, Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, United Kingdom, USA and EU are the G-20 countries. This platform is the enlarged version of G-8 that is composed of the United states of America, United Kingdom, France, Italy, Germany, Japan, and Russia.
OSCE (Organization for Security and Cooperation in Europe)	1 August 1975	57	It carries the characteristics of the a unique platform composed of the two blocks in cold war period. It became an organization with the Paris condition in 1990.
EU (European Union)	It started its activities as the European Coal and Steel Community in 1951.	28	EU is a political and economic organization composed of 28 countries and most of the land is included in the Europe continent. EU developed a single market which includes human, goods, service, and capital circulation by the standard laws binding all of the member countries.
Arab Union/Arab League	22 March 1945	22	The purpose of the organization is to regulate the economic, cultural, political, and social relationships among Arab countries.
OPEC (Organization of Petroleum Exporting Countries)	14 September 1960	12	OPEC is not a cartel but an institution that aims at developing the cooperation among the countries independently producing petroleum.

**Source: Akgün, B. (2009). "Turkish Foreign Policy and International Organizations"**

Özen, Ç. ve Tonus, Ö. (2013). " International Organizations " 2nd. Edition, Eskişehir: Anadolu University Publicationsı. The other information in the table was compiled based on the web sites of the related organizations. We are able to state that international organizations, which we provided their organizational structures and operational characteristics in Table 1 above, change the positions of the nations in the international system and undertake important tasks. The international actors presented in Table 1 serve as the representatives of a system in which there are no boundaries depending on the global financial, political, social, and security developments. However, international organizations varies based on their organization types, while they interact with each toher and enable the world to be integrated with one another.

As a result, international organizations enable the coordinated functioning in international areas, while they fundamentally impact the principles of the nations' decision making and implementation based on the organizational frameworks created with governments (Özen, 2013:9). It is possible to make different classifications of international organizations.

The most important reason of this is to address different criteria. In this study, we generally address the deterministic and dominant characteristics of the organizations and make a classification based on their geographical dispersion and universal existence (Dedeoğlu, 1998:18). It is difficult for the international system to function at the desired level and efficiency without the international organizations. This is closely related to the functions of international organizations and their efficiency areas (Baharçipek, 2007:238-239). In this context, it is possible to classify international organizations based on their types and examine them in different sections based on their geographical and efficiency areas. According to this, international organizations can be classified based on geographical criteria and whether they are universal and regional. They should be classified as military, political, and financial organizations based on their efficiency areas (Dedeoğlu, 1998:18-21). Table 2 presents the general view of this classification.

**Table 2: Classification of International Organizations**

**Table 2a: Classification of International Organizations Based on the Geographical Criteria**

Universal international organizations	*Membership is open to all nations. *UN (United Nations)
Regional international organizations	*Membership is limited to nations in a specific region of the World. *NAFTA (North American Free Trade Agreement)

**Table 2b: Classification of International Organizations Based on their Objectives (Primary Subject of Their Activities)**

Security Oriented International Organizations (Military Alliance Organizations)	* Organizations founded with the aim of providing security and guarding. * Organizations having military as the priority. *NATO (North Atlantic Treaty Organization) Warsaw Pact
Political International Organizations	* Organizations founded by the nations in order to realize their political objectives in cooperation with other nations. *EU (European Union) *OSCE (Organization for Security and Cooperation in Europe)
Economic International Organizations	* Organizations founded for the economic expansion policies and for enabling financial stability. *IMF (International Monetary Fund) *OECD (Organisation for Economic Co-operation and Development)

**Source:** Dedeoğlu, B., 1998:18-21,

[http://etarih.com/tarih/ekitap/ders\\_kitapları\\_2015/uluslararası/unite\\_5.pdf](http://etarih.com/tarih/ekitap/ders_kitapları_2015/uluslararası/unite_5.pdf), 2015:80-82

### 5. New State Understanding and New Global Actors

One of the characteristics associated with the process of globalization in the world today is the emergence and diversification of new global actors. International organizations, recognized as one of the global players in international system, have been transformed into a center that are power, influence and control oriented. A need to redefine the relationships between the state, individual, and society have been revealed with the effect of globalization. It has also been discussed that the influence of the nation state along with the reduction in its domination led to a limited structure (Aktel, 2001:199).

In fact, the states still today retain its role as a global actor. However, with the impact of globalization process in international system, a new state understanding and consequently the emergence of new global actors enabled the change in the state authorities and change in the nature of the the domination. The transformation of the state as a result of the globalization starting from the early 1980s has been created by replacing the nation-state concept in two dimensions.

The first is increasingly transferring the financial powers of the nation state to the international organizations. Secondly, strengthening the local governments and delegating the means, authorities, and responsibilities of central government to its sub-units. As a result, the autonomy of local governments leads to a reduction in the need for the state and a transformation of the state into a typical intermediate organization (Özaydın, 2008: 168). Based on this, in the new global world order, we are able to say that the management of international system advances by the coordination of international organizations in various fields. International organizations serve as an effective and powerful actors in the new global system.

However, activity areas of international organizations such as the UN, NATO, EU, and IMF are increasingly expanding. At the same time, such global actors gain a distinct identity and continuity that are separate from the states and become an important source for the state policies by preparing multilateral and effective policies (Karaosmanoğlu, 2014: 10-11). Based on all of these, we are able to say that emerging international system defines the new state understanding and identifies the characteristics, effectiveness, and functioning of the state. New global actors emerging in the new world order are defined as the states, international organizations, civil society organizations and multinational corporations. William J. Aceves, who supports this identification, envisages that the new liberal ideology behind the globalization should be established on the principles of the international order. Therefore, the main actors in international politics according to these principles is no longer the nation-state model, but the individuals, communities, companies, and private organizations (Sener, 2014: 70-71).

In this context, of the new global actors, classical state understanding along with the limits and importance of the authorization degrees of international organizations should be attempted to be discussed. Although approaches related to decreasing role of the national states are intensively put forward, nation-state model can not be easily cast aside. Because the boundaries of the relationship between the two main decision unit is not seated a complete ground (Camadan, 2010: 29-30). In this context, we are able to say that states continue to protect their sovereignty and authority at a certain level, when the new state understanding is considered; however, we can also state that there is a reduction in the limits of this sovereignty and authority. The national sovereignty of the state in the international system evolving along with the new understanding of the state is losing its absoluteness, while international organizations are functioning as possessing an important authority and function (Özen, 2013:9). Thanks to this development, international organizations take the sovereignty rights upon themselves with international agreements in the context of the new state understanding. As a result, international organizations are considered as an important new global actor representing the structural changes occurring in the international system. Consequently, many issues under the authority of the state is beginning to gain control of a cross-border dimension. The cross-border authority and control areas gain international political, financial, and military qualities and begin to enter the coordination of international organizations.

## **6. Conclusion**

The globalization is a concept that demonstrates its effect in financial, political and social fields and determines the functioning of the international system in the century we live in. Globalization is a process not only enables the financial integration, but also includes the political, military and cultural developments, holds a place within states' borders, and causes national issues gain an international dimension. In this process, jurisdiction of nation states has been narrowed, and some of these authorities have been delegated to international organizations operating on a global scale. International organizations become global financial, political and military power centers over time, while they have led to the restructuring and design of the international system.

Therefore, the phenomenon of globalization is seen as the most important factor shaping the international system. The state, which interferes every field before the process of globalization, has expanded and arranged its movement field with the arrangements and regulations. With the process of globalization experienced, the state has failed to function as expected with rapid changes in the financial and social structure. In the face of these changes in financial, social, and political areas, the nation state has been transformed into a structure free from the equipments it possesses, and transferred some of its authorities to the new global actors in international organizations. However, many issues such as human rights, democratic development process, environmental issues, housing, trade, and social rights, have become international issues and excluded from the national borders. The new state understanding emerged in the new world order, and as a result, new global actors in the international system varied and their authorities and impact areas expanded.

With the new state understanding, the state possesses an active role in directing the market, rather than having the quality of wasting and disrupting the public expenditures and financial stability. The liberalism approach, that was developed in the international system, has been effective in the emergence of this new state structure. Liberalism approach targets a political order in which the new global actors, except the state, gain power and individual rights and freedoms are based. Therefore, international organizations in the international system, is the most important actors of this new world order. That's why, depending on today's global developments, the old nation state understanding fails to meet the changing conditions and requirements of the new world order.

The states have attempted to cooperate in establishing a new international system of international organizations. The competition of the states in the international system under the equal market conditions have intensified, while international organizations possess an important function as a global actor that enables collaboration in a highly competitive environment. Moreover, we can state that this vital function that international organizations possess has brought them to a supranational state. However, the relations among the states in the context of the new needs arise with global developments have radically changed and the states had to go cooperation. This situation has led to the establishment of the new world order and international organizations play a role as a major global actor. International organizations, that directs the global policy and capital flows, determines the functioning of the international system and policy change in the international system.

However, despite the state being an absolute power in the process of globalization, it continues its presence as a global actor in the world order. Here, the state is no longer possessing an absolute sovereign power and the other non-governmental international organizations have gained great importance in the international system. This situation has limited the powers of government that manages the state mechanism. These powers have been delegated to international organizations. Thus, national and international issues in many different areas, through a coordinated network of relations established between the state governments and international organizations are being attempted for resolution. The state's authority and impact area in this relationship declined much more than before, and these authorities are given to international organizations in the new state understanding. International organizations reached the center of power and influence in the new world order. Under the new state understanding model, there is a mutual dependence between both state and international organization. In conclusion with this study, we are able to say that, in the new world order and in the axis of global developments, the relationship between international organizations and state's jurisdiction is based on a bidirectional causality.

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