

# Assessing the Impacts of Globalization on Local Governance: A Systematic Review

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## Abstract:

Globalization has immensely influenced local governance worldwide. It has had a significant impact on rural communities, particularly on the socio-economic life of vulnerable sections. Globalization has adversely affected the capacity of local institutions and the resilience of rural vulnerable communities. Besides, its benefits are more accessible to the urban population in India than the rural population. The review aims to meticulously assess how globalization impacts local governance, particularly in rural areas, by synthesizing existing literature. The study mainly tries to identify a gap in the research concerning the impacts of globalization on the rural local bodies through systematic review methods, including bibliometric analysis and Prisma flow chart.

**Keywords:** Globalization, Local governance, Rural Local governance, Local self-government, Decentralization

## Introduction:

In the last three decades, dramatic changes have occurred worldwide, leading to profound transformations in government, governance systems, processes, and public administration. These high-mark changes have been brought about by Globalization, which has evoked various concepts of intellectual, political, and economic reaction worldwide. The consequences of Globalization are currently the subject of a lively public debate (Bhagwati, 2004; Stiglitz, 2002). There is significant interest in this issue due to the growing importance of the ongoing process of Globalization (Ezcurra, 2012). The world has become increasingly interconnected due to various factors such as market dynamics, technological advancements, the information revolution, heightened travel, and cultural exchanges. These developments have significantly altered the landscape of modern governance, leading to the transformation of traditional societal structures (Ibrahim & Kato, 1998, p. 8). As a result, the governance of modern states is facing new requirements and challenges (Jreisat, 2004). One of the many outcomes of Globalization is the increasing interconnectedness of local and global affairs (Taipale, 2005). Globalization has promoted the idea of decentralization (Garrets & Rodden, 2000), resulting in more power being given to local bodies. Many countries have embraced decentralization as part of their reform policies during this era (Brixiova, 2008). These local governance reforms have become global strategies affecting developed and developing countries.

An unresolved issue regarding Globalization is its influence on governance and the effectiveness of domestic institutions (Nadeem, 2014). Restructuring of local governance become more prominent in the era of Globalization (Palanithurai, 2008). Local governance

implies a process in which decisions are made and executed within a locality (Mooney, 2022). This governance is created to address specific community issues (Silva P et al., 2023). It aims to enhance public participation in decision-making for effective problem-solving (Khan, 2022). However, Globalization has brought about opportunities and challenges for local self-governance on a global scale. It has driven economic growth by attracting multinational corporations into local markets and creating job opportunities within communities. Local governments now have access to best practices and innovations from across the globe, leading to potential improvements in administrative efficiency and public service delivery (Fukuyama, 2013). The collaboration and partnerships between local governments and international organizations play a pivotal role in enhancing governance practices, ensuring more effective policy implementation, and facilitating access to international funding (Keohane & Nye, 2000). The best global practices have encouraged local governments to implement new governance models, such as e-governance, and to prioritize transparency and efficiency in local administration. As a result, local governments in, both industrialized and developing countries have adapted to meet new requirements. Multinational corporations and international institutions can weaken local governance autonomy. Local governments may be pressured to comply with global standards that may not fit local priorities (Sassen, 1998). Balancing economic development with environmental sustainability poses long-term governance challenges for local governments (Shiva, 2005). Domestic governance structures in new developing countries encounter resistance pressures. Even with extensive economic reforms, the introduction of political changes, and the active involvement of NGOs, numerous post-colonial countries continue to face challenges in governance (Hussain, 2022).

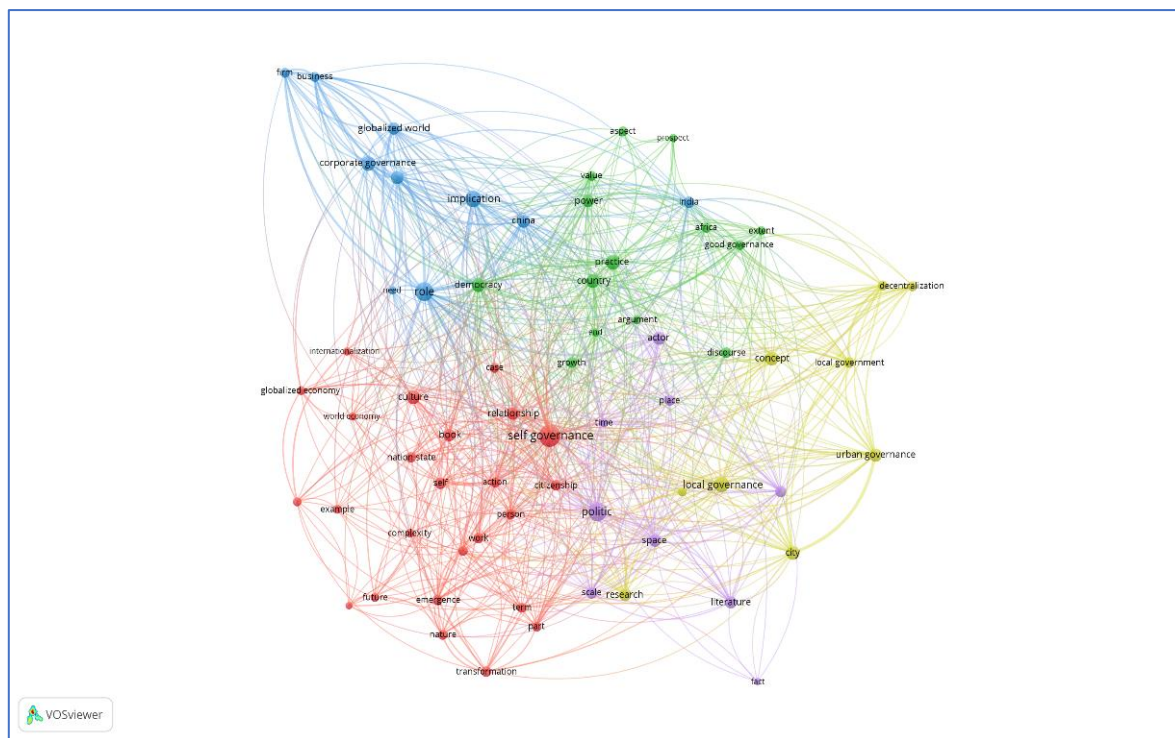
Globalization has had a significant impact on rural communities, particularly on the socio-economic life of vulnerable sections (Meril, 2006). Its benefits are more accessible to the urban population in India than the rural population (Kumar, 2013). The COVID-19 pandemic has profoundly affected societies worldwide, compelling governments to swiftly and efficiently implement measures to mitigate its consequences. The pandemic has revealed the inadequacy of local bodies in meeting the growing needs of vulnerable sections during emergencies in India, especially in Odisha. As a result, there is an increasing demand to build a more resilient and prepared society for a post-COVID world. Furthermore, there is a lack of availability and accessibility of public information by the local people, which is a significant issue for effective and efficient government (Armstrong, 2011). In developing countries such as India, local authorities are not fully prepared to better leverage the opportunities and address the challenges presented by globalization (Wilson, 2008) to ensure the locality's development. Therefore, it is imperative to address the shortcomings in local governance to effectively deal with globalization challenges and utilize it for local development. The main aim of this paper is to conduct a systematic review of existing literature in order to identify any gaps in understanding the effects of globalization on rural local self-governance.

**Method:**

For this systematic research, I developed a search strategy to identify relevant literature on Globalization, local governance, and local government. A bibliometric survey was conducted to highlight the impacts of Globalization on local self-governance. Figure 1 represents

bibliometric analysis. This survey utilized the VOS Viewer application software to collect data from various reputable sources such as Science Direct, Scopus, and Google Scholar. The data was collected between 1989 and 2023.

**Figure-1 (Content Analysis by using bibliometric Analysis)**



Sources -EBSCO, Google Scholar, Science Direct & Scopus

**Inclusion and Exclusion Criteria:**

The keywords relevant to the topic were meticulously searched across Science Direct, Scopus, and the EBSCO database. Keywords such as "globalization," "local governance," and "local self-government" were employed. A comprehensive total of 1472 articles in English, spanning from 1989 to 2023, were identified. After careful examination, materials categorized as "Electronic Resources" (03), "News" (32), "Magazines" (13), "Researcher Starters" (14), "Reports" (61), "e-books" (03), "Conference Materials" (26), and "Reviews" (3) were excluded, leaving only "Academic Journals" (1341) for consideration. Following this, articles that did not align with the objectives were further excluded, resulting in 69 deemed suitable for study. Of these, 8 articles were excluded due to inaccessible full texts, resulting in 61 articles. From these, 32 were further excluded due to irrelevance, leaving 29 articles for qualitative analysis. Ultimately, 12 of these were selected for meta-analysis.

The inclusion and exclusion process is depicted in Figure 2, following the PRISMA model."

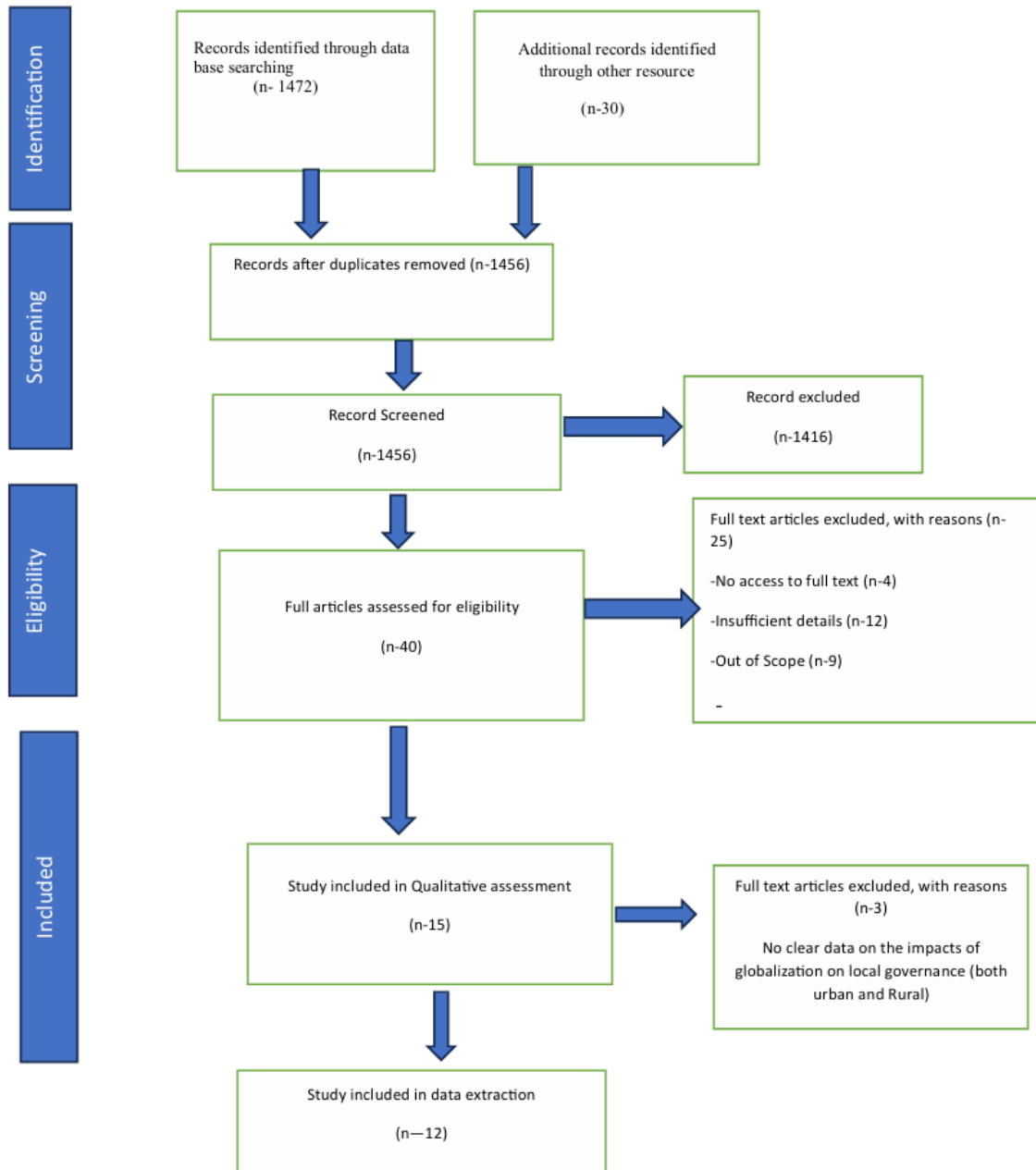


Figure-2 (The process of Review Literature)

**Table 1 Identification of method, impact, Type of local governance, country and conclusion and suggestion**

| SL.NO | Author                | Title  | Method                                | Impact              | Type of Local governance | Country      | Conclusion and Suggestion  |
|-------|-----------------------|--|---------------------------------------|---------------------|--------------------------|--------------|--|
| 01    | Ramlachan et al.,2021 | The impact of globalization on the governance of local authorities. A 10-year comparative analysis of eThekweni Municipality | Qualitative Case study                | Positive & Negative | Urban (Municipality)     | South Africa | The author has concluded that globalization has generated opportunities and challenges for the local authority at e-Thekwini municipality. He suggested the best policy framework to improve local governance's capacity to avail the benefits of globalization. |
| 02    | Granberg, M. 2008     | Local Governance in 'Swedish': Globalisation, Local Welfare Government and Beyond  | Historical and qualitative case study | Negative            | Urban                    | Sweden       | Swedish municipal leaders must navigate the need for efficiency while upholding democratic legitimacy and being  |

|    |                     |  |             |  |               |       |   |
|----|---------------------|--|-------------|--|---------------|-------|---|
|    |                     |  |             |  |               |       | responsive to the diverse needs and demands of all citizens.  |
| 03 | K. Manjunatha, 2014 | Impact of Globalization on Indian Rural and Urban life         | Qualitative | Positive & Negative. (more focused on positive impacts of globalization) | Urban & Rural | India | India has experienced significant changes due to globalization, urbanization, and rural development, impacting both rural and urban life.   |
| 04 | Joshi, S.2016       | Understanding Local Governance in the context of Globalization | Qualitative | Positive & Negative  | Rural         | India | Local governments have started to take on a leadership role in addressing the broader challenges of community governance, particularly in the current era of globalization. In this century, it is essential to confront global challenges with local |

|    |                            |  |  |                       |       |            |   |
|----|----------------------------|--|--|-----------------------|-------|------------|---|
|    |                            |  |  |                       |       |            | initiatives and efforts.  |
| 05 | Cheshmedzhieva et al ,2021 | Impact of globalization on the direct participation of citizens in local self-government in the Republic of Bulgaria | the comparative analysis and the comparative-legal method. | Not clearly mentioned | Urban | Bulgaria   | The forces of globalization do not reduce the ability of local institutions to provide services and make decisions according to local interests.                                  |
| 06 | Rahman, S ,2018            | Impact of globalization on good governance : An analysis on Local government in Bangladesh                           | Qualitative  | Opportunities         | Rural | Bangladesh | A well-established local government structure can enable local authorities to capitalize on globalization opportunities, thereby facilitating good governance at the local level. |
| 07 | Uzun, C.L. ,2007           | Globalization and Governance in Istanbul   | Qualitative Case study                                     | Positive              | Urban | Turkey     | Urban management systems in Istanbul are increasingly influenced by global forces, with a rising participation of the private sector in urban development.                        |

|    |                     |  |   |                       |       |            |  |
|----|---------------------|--|---|-----------------------|-------|------------|--|
|    |                     |  |   |                       |       |            | However, local political cultures continue to have a more significant impact on Urban governance.  |
| 08 | Roldan, D.G.Z ,2010 | Globalization and Glocalization: Experiences in the Local Philippine Context | Case study (Quantitative & Qualitative) | Positive and Negative | Urban | Philippine | Globalization offers a range of challenges and opportunities, but local communities can strengthen themselves by combining global opportunities with local interests. Glocalization involves local stakeholders actively engaging in global issues, resulting in more effective and sustainable solutions. |
| 09 | Gupta, N. (2018)    | Globalization and challenges to Panchayati raj institutions                  | Qualitative                             | positive              | Rural | India      | Globalization has brought about substantial changes to the rural development conversation, introducing a complex and diverse range of issues. The existing PRI has some  |



|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  | limitations that need to be addressed in order to enhance its effectiveness. |
|--|--|--|--|--|--|--|--|

Classification by the Author

**Result:**

Local governance has emerged as a vital force for community development and the well-being of local residents in recent times. The influence of globalization on all aspects of governance, including local governance, has been widely acknowledged by researchers and theorists over the past two decades. The impact of globalization on local governance varies across countries and regions, with numerous studies exploring its effects on both urban and rural areas. While some studies emphasize the opportunities presented by globalization, others shed light on the challenges it poses. There is a healthy debate among scholars regarding the implications of globalization for different societies. It is evident that globalization aims to stimulate development through decentralization, presenting both benefits and drawbacks for different communities. Scholars have identified the need for institutional capacity and policy frameworks to harness the opportunities arising from global interconnectedness. However, there is also a recognized lack of focus on the awareness and active participation of local, especially rural populations in the governance processes influence by globalization. Additionally, there is a need for innovative approaches to address glocalization issues at the rural level. Notably, the impact of globalization on vulnerable rural communities in emerging states such as Odisha, India, has been profound. Existing literature has primarily focused on urban governance at both a global and Indian level, with limited attention given to the impacts of globalization on the delivery of services by rural local institutions and the resilience of rural vulnerable populations.

**Conclusion:**

Based on an extensive analysis of existing literature, this study highlights a research vacuum on the influence of globalization on the capacity of rural local authorities to deliver services and assist disadvantaged communities in India, namely in Odisha. Numerous nations have implemented measures to modernize their local governance in order to tackle the difficulties and advantages of globalization. Nevertheless, emerging nations such as India, namely in Odisha state, where 83.31 percent of the population resides in rural regions, are encountering

difficulties in grappling with these issues and harnessing the advantages of globalization. The local government entities in Odisha play a vital role in fulfilling the needs of the local community and promoting sustainable development. Despite concerted attempts, these organizations have failed to effectively provide sufficient assistance to marginalized individuals at the local level. Thus, it is necessary to investigate methods to enhance the abilities of rural organizations in safeguarding the interests of marginalized groups amongst the intricacies resulting from globalization.

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