

EQUITY CAPITAL SOVEREIGNTY AND COUNTRY'S ECONOMICAL CHANGE

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ABSTRACT

This study is an attempt of the seriousness to the alert phase, which could affect the sovereignty of nations and what this means from the positive or negative effects on the concept of the state and its different practices. This study relies on the descriptive approach in order to identify the most important characteristics and mechanisms of capital in this stage of the development of the capitalist system stages. The objective of this study is to find out the impact of capital expansion on the sovereignty of States along with the changes experienced by contemporary international economic system of the world to devote to what is known in the market and free movement of capital freely between countries because the rate of movement of capital in international trade has become a thirty percentages exchanges of goods and services.

Keywords: Capitalism, Economic System, Economic Determinism, Global Markets

1. INTRODUCTION

The logic of the endings period that accompanied the final stage of the second millennium AD is exceeded by far the classical term of the state and its role in economy. As power emphasized by Machiavelli, for example, is the decisive factor in the emergence and development of the state along with self-renew. The power in Machiavelli's view is not just a condition for the state existence; it can be said it is installer condition to its existence or necessary for the sustainability and continuity. Therefore, the statesman who neglects the use of force commits errors against the state. As state is considered to be natural occurred phenomenon does not mean anything as a result of setting of coalition forces to achieve political, economic, social, integrated structure, in view of the fact that power without economic basis.

The impact of the current changes in the international system makes questions about the destiny of the state and its sovereignty not only on the geographic region, but also on its economy and resources. This sovereignty is one of the most essential ingredients which build upon the state's theory of political and legal thought. Furthermore, it is one of the most important foundations of the international organization governing relations between states and determines the human rights and responsibilities. As there are people who herald the end of the state sovereignty of the economy, they entire sovereignty rule of the capital. However, some sees curtail role of the state or its change, and some defend the rule of the continuity of the state in the

economic field.

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2. STATE STATUS IN THE ECONOMY "TYRANNY CAPITAL AND THE END OF CLASSICAL IDEAS ABOUT THE STATE"

State is the final and supreme authority in any country in the world, which is not represented by any authority against the authority of the state in forms of its inclusion and containment. Therefore, state is considered according to many of political thinkers "organization organizations" because it carries inside its home country or region the brigade and comprehensiveness of the authorities to its individuals who live within its borders. As well as it is based on the development of foreign relations with the countries of other regions. At this point, the importance of the state emerged in political science for being the mechanism that all its people fall under its banner within its borders for the reason that it is predispose all business inside country and abroad. Besides, state is the largest social organizations which organize all social relations depending on it despite the differentiation in kinds and structures.

As long as the state is the supreme organization "highest authority, or organization organizations" it has enabled it to obtain general laws and regulations required for all classes of people who live in its land. For this State were considered to be the base of the development of all human behavior regulate means within its general structure. There is no doubt that there are a lot of definitions of "State". Herbert Spencer believes that State is a Company that within certain lands makes the protection purposes of reciprocal interests. In other words, state is based on the protection of cooperating with those first for its interest and second for their interests, otherwise it remains rumored to protect itself. While, "Hilimore" points out that state is the people running permanently binds to specific provinces or general laws, customs and traditions. These take the form of unified political body where the exercise of power through its members or through the organizing government controls on its individuals and materials within its borders (Nasr, 1973).

In this sense, it can be stated that there are three concepts of the state, which are: state decision-making, production state, and the intermediate state. Here, this study focuses on the production state, the state in which the output is increased by the economic burdens, which is one of the main themes emerging from the political science and political thought studies in

the seventies and at the beginning of eighties of the twentieth century. After the huge boom in the sixties of the twentieth century in Western Europe along with the expansion of programs and public spending, has led to economic inflation, which has emerged in the seventies of the twentieth century which corresponds with the belief that the wide range of pressures on governments spending can be found by expanding the logic of these links, as well as demographic trends that urges the demand for grant aid and medical care. While the description of the state in the context of production functions helps to focus on the resources and potential liquidity problems. It can lead furthermore to focus on how to organize the means of production consequently it can clearly understanding state as an entity, whether it is decision system or it is intermediate resolutions with the community.

Organizing of these productive jobs is strongly associated with decision construction of the state and organizing community, linked to rational and productive function central control, which represents a vital tool for the construction of state power (Saafan, 1993). The consequences of all these ideas on the burden excess state at the end is the supply top general cargo and logistics least public authority. Which in result the ability of the state lead to the deterioration of living standards and the resulting crisis of legitimacy or erosion of capital crisis

State may be increasingly vulnerable to global capital flows, it means open any gate for multinational companies and foreign investment or impose internal austerity policies, according to the recipes of international organizations (the international Bank and fund). Despite the differences in recognize the concepts of the excess burden state, it is focus slightly on the role of the political leadership and the active role of the government in re-prioritization.

Other concepts of the state production functions, which stresses the role of the government is a state expert. In other word, state guidance on the part of the technocrats elite. Accordingly, it lies in the ability of the management to the expansion policy without interference from elected representatives or groups of interest. For that reason, the State management as an institution "not as effective" is a key to understanding the sovereignty of the state functional.

Other concepts that seem more closely associated with the concept of state production, which is linked to a special logic of technocratic guidance is financial control state, which refers to the current trends among the major businesses in converting financial managers to increasingly senior positions, and economic and administrative control of the mind rather than political mind (Saafan, 1993).

3. CONTRADICTION BETWEEN CAPITALISM AS AN ECONOMIC SYSTEM AND THE NATION STATUS

Capitalism since its inception in the early sixteenth century, has not been in the process of its action with limited movement with geographical deminsion that contain its counytry or reflect a national production good, surplus value, and capital accumulation to the rising bourgeoisie

since the fifteenth century, was able to break the principalities and kingdoms of the old feudal system in Europe along with standardization in a recent national structures.

The modern and contemporary nation-states were not only the concentration of industrial production and capital on competition and free-market base station to launch towards the unlimited global expansion. Nevertheless, the crises suffered by the capitalist economy in the second and third of the twentieth century and the accompanying division of the world obligatory new grounds for conflict that the world has not seen before. The impact of these factors the capitalist system forced to re-examine "in part" the competition, the free market, and the unlimited expansion mechanisms in order to get out of the crisis in 1929 to the necessary to give the state a central role to rearrange capitalist society, which allow participation in the management of the economy, in parallel to the central role of the market, and the free movement of capital.

This trend has led to the establishment of these countries to apply economic foundations laid by economic thinker "John Maynard Keynes" about the role of the state in order to enable the capitalist state to respond to the economic disaster, along with the right of the state to intervene to correct the imbalance in the market or in the movement of money, tackle inflation, debt and high prices, capital shifted from its traditional functions as a store of value and a broker of the exchange, a commodity to be bought and sold in the markets (money trade).

Nowadays in the world markets the deals run for more than \$ 100 trillion dollars comprising the nearly 800 investment fund, and every day treat at nearly 1,500 billion dollars, which led to increase the degree of disorder and confusion in the financial markets, and gave the capital strength to reject conditions on the states to get the most out of his privileges, all this has led to the increase in inflation as a result of an increase of the value of money (Amin, 1995).

Since the beginning of the last decade of the twentieth century, accumulation occurs in the capitalist system "in spite of the inner structure of the crisis", which has achieved a significant move in the evolution of capitalist societies compared to the development of the third world communities. One of the most important results of this massive qualitative development is particularly in terms of technology and communications, rethinking the role of the capitalist state or economic fundamentals. It started in the (1980) with the emergence of economic thoughts "Friedrich von Hayek", and "Milton Friedman" both stressed the importance of a return to the laws of the market and free movement of capital. According to these ideas, liberalization of capital has been occurred, along with the abolition of state control in the economic life, trade liberalization, and encourages the public sector. In brief, it was invitation to stop the direct intervention of the state, and the liberalization of the capital of each entry.

On the other hand, mechanisms of Fund, the World Bank, and the World Trade Organization WTO run enthusiastically to the promotion of the liberal, even in general put pressure on all the countries in the world and in particular the third world countries, to introduction of new conditions under correction logo and adjustment program, which represents the first project of

the national global capitalism in its history to re-integration of the countries of the third world in the capitalist economy from a weak position, to achieve further weakening of the state apparatus and put it in the appropriate place within the economic system and make way for larger capital (Schossudovsky, 1999).

4. MARX NEW REVERBERATION AND STATE ECONOMIC DETERMINISM

State is not imposed power on society from the outside. The state is the result of society at a certain stage of its development. State is the disclosure of the fact that this community has been involved in contradiction with itself and cannot be resolved and it may divide into antonyms is incapable of salvation. However, for not occur antonyms, these disparate economic interests of classes devour each other, as well as communities in sterile struggle. Consequently, it is necessary in the apparent strength stands above society, the power of soothing the collision and keeps it within the limits of system. This forces emanating from the community itself.

In general, most of the political thoughts agree that the state lose its influence in world politics because of global market forces authoritative acts of the capital directly or indirectly, which is a global influence, and cannot be interpreted by traditional social sciences. Even if the description provided accurate, it does not indicate the disintegration of state power, but rather indicates the re-define its role in the international economic system. Political criticism in the face of this situation is that the arguments in favor of economic determinism do not stand up to careful experimental or theoretical examination. As the economic and cultural forces that launched the global, imposes new restrictions on countries and global strategies of new roles for the state.

It must raise economic and political role of the state that does not shrink or destabilizing in theory on the grounds that what seen as the positive effects of restrictions on global finance leads first to give up state ownership of companies. Furthermore handle the relationship between inflation and joblessness lead to increase its authority, and then to focus on its efforts core competencies. Secondly, the capital will be able at this stage to encourage States to adjustment and control policies of coordination rather than the inevitable race to the underneath, it obvious that States retain the option of intervention in some areas of economic life policies. Finally, the increasing mobility of capital leads to compel the state to focus its efforts on innovation assume no production site.

This will guide to benefits of the state and society. In consequence, global markets in economic terms involving, to redirect the role of the nation-state not to be removed. While for the political role of the state, the revival of cultural and ethnic identities may lead to the demise of some countries especially nationalism, it necessarily means the demise of the State in general (Friedman, 1987).

States continue to provide people with the strongest identities. Lots of ethnic conflicts are not about cultural differences, it about who controls the state apparatus. One of the roles of the political state to address these identities is brilliantly, and its orientation towards peaceful purposes in order to reinforce its authority is believe in economic determinism which is above the nationalities, countries, civilizations and individuals. With in agreement that the spread of capitalism and the expansion of capital lead to the disintegration of the state power and independence, either by integration into the homogeneous global civilization and its refusal to either a rejection based violence.

The forces of globalization generate social resistance to free market revolution, and that these reactions create new movements composed of workers who made them feel alienation of the capitalist power. Civilization identity is still stronger than the class identity. Because civilization identity is not consistent with the existing border states. The state may be fall between the conflicting pressures of global trends and the fragmentation generated by a reaction on the part of the state, direct to weakening state authority and its sovereignty.

National economic powers encouraged to replace the national structure and composition of the division, and established in this process a entities central authority and homogeneous linguistically. These economic powers now encourage to the collapse of this structure by creating an integrated one global market. This may not achieve the political nullity of this final structure in the foreseeable future, and it does not affect the likelihood of occurrence once and for all. It could be argued that the impartiality of national composition of any economic or national target loses their relevance to life and accelerate the process of change and cannot resist the blows of capital.

The expand of the market and the rapid rate of technological change, weaken the social contract between individuals and nations. The globalization of capital lead to the homogenization of civilizations, remove the differences between civilizations, individual choices, and different feelings which blurs the differences between the countries, and makes the war between the states less probable. On the other hand, the spread of global capital imposes new economic restrictions on the role of the state in economic affair in other words; change the function of the state. The State should adapting to the new role because the global economy isolate countries that live on past glories and aspirations of nationalism, investment and transfer of information to other countries

The global economy depends on two main powers: the cosmic forces of the market and transnational companies. The global system is governed by the logic of competition in the market but public policy will be slight at best, because the government agencies it cannot match the strength of the global market in terms of its scope. in addition, this view is the national governments is municipalities of the system, and that their economies as governments merely provide local services needed by the global economy (Al-Hamash, 1998).

5. DIALECTICS OF CAPITALISM AND THE STATE

In the context of this massive objects transformation that has spread its influence across the planet after liberated global capitalism of all the unlimited expansion restrictions. It was necessary to develop and even to the production of knowledge systems, political and economic as well as philosophies that justify and reinforce this unilateral world order. In particular, since the general climate of the defeated or broken in the third world countries or parties is ready to receive and comply with the intellectual and material to the new objects, across the troubled systems "conditions in the third world" lost the national consciousness or approximately. In addition, it has paved the country system to the actions that produced the capitalist system. As the growing move of capital leads to compel the state to focus on its innovation efforts assume. Which state and society is getting benefit of it because the biggest source of growth economic is for the reason of technological change. In addition, economists agree that the state can play a significant role in the care of technological innovations. Involving global markets in economics conditions redirecting the role of the state.

This new situation could lead to the demise of some of the nation states, and the conflict between races and civilizations which is the result of old inevitable enmities. The fact that the government is succeeding in dealing quickly with these ethnic identities in order to reinforce its authority. As well as, many of the ethnic conflicts do not revolve around cultural differences, but around who controls the apparatus state. Dissident groups do not want to eliminate the nation-state, however they want to establish their countries. As the economy and politics get separated with the fact that the politics deteriorates to the benefit of the economy which it can be said that this vision are true in one of its aspects (Al- Beblawi, 1998).

It is true that globalization and its effects establish new restrictions on the state, imposed by the capital logic. The ability of national governments to adapt to these new roles is one of the things that illustrate the different destinies of nations in the second decade of the twentieth century.

The traditional Marx analysis of the state was seen in society strata and is represented as dominant stratum. Its sees monopoly in the exercise of repression on behalf of the community, they exercised in fact in favor of the dominant class. Therefore, it was one of the main foundations of Marxism ideas to create a strata less society in which the state dissolve forever. However, Marxism was soon collided with the wall of the huge state with the emergence of the Soviet state after the First World War, and with the emergence of the bilateral system after the Second World War. There is the view of the need to continue the state in order to prevent the emergence of disorder in the world. In other words return to Sects and clans law, and to money law (Kylla, 2011)

Nevertheless, non-Western societies, particularly those that belong to the so-called developing countries, the alleged unification which should be exhausted history of "eternal delay," it seemed as if re-established again. It has have found that communities on third world it takes back into disruption, fragmentation, and local wars.

Then they confused between adaptation approach and innovation approach. Where the first approach considers being a realistic, logical in the short term and the second approach falls mentally within the long-term after careful hopes and thought. However, this combination it fragile risky, in the context of the huge non-taxable for the rationalization of import to some extent become a symbol of renewal for the normal dispute and is used to bring charges against more than used for re-invented.

Therefore, unification or convergence, which spearheaded today by the capitalist system, which in fact represent the interests of capital is not appear only in being a coercive for poor communities and peoples of the overall process, communities and peoples of the third world in particular. They are a negative force majeure and it is moving towards upholding the uniqueness. The uniqueness of any superpower conducts the global situation of masterminding his command in according to their need and relevance according to the requirement Supreme strategies of capital (Lester, 1997).

In the context of the completion of mechanisms accomplishes the containment of poor communities, capital seeking under the mantle of the idea of building packing renewal. It means restructuring of cultures, knowledge systems, and values, in line with speed in the time it hoped to accomplish the containment task. Where that capital imagine internationally a unified system, and feed on the complex process models to flatten it involves first the existence of the structure of international relations activate power. Its feature key is to create system and groups of interests and benefits includes players from around the world have diverse interests and targets.

CONCLUSIONS

1. This stage of the capitalist system stages properties operates for domination and concentration of a certain group of capitalist countries against the poor conditions of handling cross another group of countries.
2. Despite the development of the productive forces and their relationship at this stage, but it is clearly refers to the re-division of labor in order to serve the global capitalist re-composition of the condition of internationalism according to the terms of the capital, and its control of the production capabilities of other world powers.
3. The differentiation in social, economic, and political circumstances between the countries of the world has a need for the search for common criteria and standards represent the intersection points of all people.
4. It is impossible to capital strategy "which naturally it is global strategy" be in agreement with the development strategy in any of the developing countries, through the fact that each of them has their own circumstances quality which radically lead to conflicts of interest between these two sides.
5. The capital means increase in profits by exploiting natural resources and cheap labor. However, it does not mean how important projects of the national economy of the country in which reside these projects.

6. The imbalance in power relations between the head of the capitalists that representative multi-national companies and the state is not only in the field of economic and even technological. As the multinational company's strength in excess of possibilities in terms of financial and technological superiority and information available on the power of the state. This is exacerbated by the imbalance to the detriment of developing countries, because of have a sigh and competition between them to make arrangement with multinational companies. Which that allows companies to hit developing countries with each other and to take the advantage of competition to get the best of all their conditions.

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