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THE IMPACT OF MULTIPOLARITY ON ECONOMIC DEVELOPMENT: A CROSS-COUNTRY ANALYSIS

ÇOK KUTUPLULUĞUN EKONOMİK KALKINMA ÜZERİNDEKİ ETKİSİ: ÜLKELERİ KAPSAYAN BİR ANALİZ

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Özet

Önümüzdeki yıllarda, gelişmekte olan ekonomilerin yükselişinin küresel büyüme üzerindeki etkisinin gelişmiş uluslarınkiyle rekabet etmesi beklenmektedir. Bu noktada, çok kutupluluk fikri giderek daha önemli hale gelmektedir. Küresel ekonomi önemli değişimlerle işaretlenen bir dönüşümden geçmektedir. Bu değişim, uzun zamandır tek süper güç olarak görülen Amerika Birleşik Devletleri'nin azalan ekonomik ve finansal hâkimiyetiyle karakterize edilmekte ve bu da çok kutuplu bir dünyaya doğru olası bir geçişi göstermektedir. Çeşitli ulusların bu gelişmeleri farklı derecelerde deneyimleyeceği açıktır. Çok kutuplu bir çerçevede, gelişmekte olan ekonomilerin hem yurt içinde hem de uluslararası alanda büyüme avantajlarını teşvik eden politikalara stratejik olarak odaklanması, küresel ticareti geliştirmek ve sınır ötesi yatırımları kolaylaştırmak için hayati öneme sahiptir. Tersine, birden fazla gücün ortaya çıkması uluslararasındaki rekabeti yoğunlaştıracaktır. Bu nedenle, gelişmiş ve gelişmekte olan ekonomiler arasındaki siyasi ve ekonomik istikrarsızlıkla ilişkili riskleri azaltmak için politika koordinasyonunu geliştirmek elzem hale gelmiştir.

Anahtar Kelimeler: Uluslararası Çok Kutupluluk, Ekonomik Çok Kutupluluk, Ekonomik Büyüme

Abstract

In the coming years, the rise of developing economies is expected to have an impact on global growth rivaling that of developed nations. At this point, the idea of multipolarity becomes increasingly important. The global economy is undergoing a transformation marked by significant changes. This change is characterized by the decreasing economic and financial dominance of the United States, which has long been considered the sole superpower, indicating a possible transition towards a multipolar world. It is clear that different nations will experience these developments to different degrees. In a multipolar framework, a strategic focus on policies that promote growth advantages for emerging economies both domestically and internationally is crucial to enhance global trade and facilitate cross-border investment. Conversely, the emergence of multiple powers will intensify international competition. Therefore, it has become essential to enhance policy coordination to reduce the risks associated with political and economic instability between advanced and emerging economies.

Keywords: International Multipolarity, Economic Multipolarity, Economic Growth

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INTRODUCTION

The changes that have occurred in the world with globalization have had strong effects on national economies. With the positive developments in the fields of communication and transportation, the fact that goods, services, investments, capital and labor, etc. have crossed borders has increased the competition between countries. Therefore, every country has made an effort to improve itself. However, the change in growth balances after the 2008 financial crisis has increased the tendency towards the concept of "multipolarity". The concept of multipolarity has different interpretations in different areas of international relations. In the field of international economics, it is defined as a system in which more than two growth poles are present. Although the relevant concept has been a part of the global system from time to time throughout history; in no period of modern history have developing economies been seen to be so prominent. In the following years, the effect of the rise of developing economies in particular on global growth is likely to be as much as the effect of developed countries on growth. At this point, the concept of multipolarity comes to the fore.

The world economy is progressing in a dimension of change. In this process of change, with the decline in the economic and financial market power of the United States of America (USA), which is attributed as the only great power, the world will likely become multipolar. It is also obvious that countries can be affected at different levels within all these developments. With multipolarity, developing economies' orientation towards a policy goal that will create growth advantages both domestically and abroad plays an important role in global trade and cross-border investments. On the other hand, with the transition to multipolarity, the existence of more than one power will also increase competition between countries. At this point, it becomes important to strengthen policy coordination in reducing the risks related to political and economic instability between developed and developing economies.

It is obvious that multipolarity will affect all areas of the economy in general. One of these important effects will be in the international monetary area. At this point, it is claimed that the most probable scenario will consist of a centralized monetary system around the US dollar, Euro and Renminbi. In addition to all these, it will affect many areas from corporate sectors to the financial system and trade flows.

With the transition to the new world order, the closest rivals of the United States, which represents the only power, may be China and India. Apart from these two countries within the BRICS countries, we can say that Brazil, Russia and South Africa will also be in a strong position. Apart from these, it can be said that the Asian countries called the Asian Tigers and their movements in the Southeast Asian Union (ASEAN) may also make a name for themselves in the multipolarity process. When evaluated in this context, the power of the West will now begin to pass to the East with multipolarity.

The main purpose of this study is to investigate the relationship between economic multipolarity and growth for the countries of the world whose data is available. The relationship between economic growth and many factors has been examined in the literature. However, there is no study investigating the relationship between multipolarity and growth, which has come to the fore with the changing economic order. Therefore, this situation adds originality to the study. An increase in the index value of multipolarity, which is called the dominance of the economy by more than one power rather than a single power, indicates closeness to unipolarity; a decrease indicates closeness to multipolarity. When evaluated from this perspective, a negative relationship is expected between multipolarity and growth, which corresponds to a decrease in the index value.

This study consists of 3 main sections. In the first section, the international system is discussed. After the completion of the relevant subject, general information about systems in international relations is given, and then hierarchical system, balance of power, unipolarity, bipolarity and multipolarity are discussed. In the second section of the study, the concept of multipolarity in the economy and theoretical frameworks regarding economic growth are expressed. In the third section, which is the last section, the relationship between multipolarity in the economy and growth is analyzed and the results obtained are interpreted.

1. Globalization and International Systems

1.1. Systems in International Relations

The term “system” has been applied in two distinct domains within the study of international politics: the international system and the world system. The “international system” pertains to a framework utilized for the examination of international relations or politics, whereas the “world system” serves as a concept primarily aimed at analyzing or depicting global political-economic contexts. The widespread adoption of the “international system” concept commenced in the late 1950s, and by the late 1990s, it had evolved into an academic term that continues to retain its relevance in scholarly literature.

The basic definitions are quite satisfactory, but the fact that military, economic, political or cultural powers are not taken into account in which areas they are connected or disconnected makes these definitions inadequate. While the first definition of the Oxford English Dictionary is quite widely used, the second definition has limited situations in which it can be related to a pre-designed scheme or plan. When this contrast is added to international relations, the argument that Hedley Bull addresses the distinction between the international system and society is reached. Bull sees the international system as a part of a whole in which two or more states interact and influence each other's decisions. According to Bull, the formation of the international society is possible when a group of states consciously and willingly gather around common interests and common values, bind themselves with a series of common rules and show a desire for the operation of common institutions that will ensure the maintenance of this structure. Bull's term "international system" was quite popular among academics during the Cold War. However, as a reflection of changes in international society in the 1990s, the term international system began to lose its popularity as terms such as international regime and global governance began to be used.

According to Bull’s perspectives, it is acknowledged that international relations are swiftly evolving from an international system to an international society. Nevertheless, it is important to recognize that the notion of the “international system” retains its relevance despite shifts in practical politics and academic trends, as inter-state relations remain an integral component of contemporary international relations. Consequently, an analysis or description of these dynamics necessitates the incorporation of both Bull’s concepts of the international system and the international society.

In summary, the international system can be characterized as a framework constituted by states, wherein the primary components are delineated by specific borders and there exist consistent and interdependent relationships among them. Furthermore, scholars who have engaged in system analysis within the realm of international relations have formulated various definitions pertaining to the international system.

Kal J. Holsti assessed the international system as a self-contained entity comprising various political units and conducted a systematic and compartmentalized analysis of historical data through his system approach thesis. He identified tribes, empires, city-states, and nation-state structures as integral components of the international system. Holsti proposed five models of international political systems, which considered the system's boundaries, the relationships among political units, the distribution of power, the fundamental characteristics of these units, and the operational rules governing their primary interactions, alongside historical influences. These models include the hierarchical system, balance of power system, loose bipolar system, tight bipolar system, and multipolar system. Holsti endeavors to demonstrate that nations behave differently across various international systems; specifically, he posits that in a balance of power system, characterized by nearly equal power distribution, the nature of state behavior and interactions diverges from that observed in bipolar and multipolar systems.

The international system is defined by Stanley Hoffman as the interaction among the fundamental units of global politics. He further underscored the necessity of analyzing the actions and policies of states to provide an explanation for the workings of the international system.

Bull and Watson define the international system as "a group of independent political communities… formed on the basis that the behavior of each is an important factor in calculating the behavior of the others."

According to Richard N. Rosecrance, the international system consists of many structures. This structure is formed by distorting inputs, regulatory mechanisms and environmental constraints (Çevik, 2015: 219-239). The increase in international inequalities within the scope of both power and resource inequality constitutes distorting inputs. In cases where the mechanisms that will regulate such inputs do not show sufficient effect, the system will become unstable. This situation can create pressure towards rebalancing depending on the number of actors and environmental constraints and lead to a structural change in the future. Rosecrance models mainly focus on the concept of international balance. Richard Rosecrance divided European history between 1740 and 1960 into nine different periods and addressed these systems as stable/balanced and unstable/unbalanced among themselves. In addition, with the historical approach, he examined the international system in three classes as unipolar, multipolar and bi-multipolar.

Morton Kaplan, the most important name in systems theory in international relations, sees the international system as an analytical entity that explains the behavior of international actors and the regulatory, integrative and distributive consequences of their policies. Kaplan has created six alternative international system models: balance of power, loose bipolar, tight bipolar, unit veto, universal and hierarchical.

1.1.1. Hierarchical System

The international system, characterized by its hierarchical nature, may take on either a democratic or authoritarian form. Should the system develop from a universal framework—seeking to create a more cohesive and supportive international structure—it has the potential to embody democratic principles. Conversely, when a hierarchical system is enforced by a reluctant dominant bloc, it is more likely to manifest as authoritarian. Indeed, the hierarchical structure functions as a political entity, with its organizational dynamics prevailing over geographical boundaries. The profound integration inherent in the hierarchical international system fosters significant stability. This functional cross-section complicates efforts to effectively organize against the international framework or to disengage from it. Even in instances where the system's constitution permits withdrawal, the advantages of remaining within the system typically outweigh the disadvantages associated with departure.

Hobson and Sharman define hierarchy as a system in which one of two or more actors in international politics gives orders and the other party compulsorily complies, and this situation is accepted as right and legitimate by the parties.

1.1.2. Balance of Power

The concept of the balance of power is regarded as one of the most significant ideas within the field of international politics and international relations. Throughout history, diplomats and politicians have applied the notion of balance of power to various situations and objectives; however, it has now become recognized as the prevailing theory in international politics employed by scholars to elucidate phenomena within the global environment. Academics articulate the primary reasoning as follows: when a large and powerful state emerges within the international system, smaller states may perceive this power as a threat. In response, these smaller states may unite to counterbalance the situation, thereby achieving parity in their respective power dynamics. Nevertheless, should one of the initially allied small states experience growth, the other smaller states may seek to form a new alliance—potentially with the original large and powerful state—to address the newly perceived threat. Consequently, the balance of power is subject to change over time, as states are capable of creating new coalitions in response to evolving threats and developments among nations. (Andersen, 2018: 7-9).

The expectations of balance of power theorists regarding international politics stem from the premise that traditional balance of power theory posits states will prioritize their own interests, particularly their survival. Operating within an anarchic environment implies that each state is fundamentally isolated, lacking a global emergency contact for assistance in times of crisis. Consequently, states are compelled to enhance their own power to mitigate both actual and potential threats posed by other states. The term "balance of power" is utilized by international political scientists to describe the phenomenon where states, either deliberately or inadvertently, act against weaker states, thereby equalizing or balancing the distribution of power within the international system. While this definition is widely accepted, the term "balance of power" has been interpreted in various ways. For instance, it may serve as a snapshot of the current state of international politics or function as an ideology akin to any political perspective, or even as propaganda aimed at steering public opinion in a particular direction (Andersen, 2018: 7-9).

The influence of Europe during the 18th and 19th centuries significantly shaped the balance of power system. In articulating the balance of power system, Kaplan also referenced the classical balance of power framework that emerged in the 18th century.

The initial two principles of the balance of power framework underscore the absence of a political subsystem within the international social structure. Consequently, significant national entities must depend on their own capabilities or those of their allies to safeguard their security, as a lack of strength may result in their allies abandoning them. Ultimately, it is imperative for a prominent national actor to possess the means to defend their national values. The third fundamental principle indicates that exceeding specific limits conflicts with national identity. The fourth and fifth principles acknowledge that a prevailing coalition or national actor will inevitably threaten the interests of other national actors.

1.1.3. Unipolarity

The concept of unipolarity means the total dominance of a single power in the international system. In a unipolar order, power can be contested and its aims can be rejected, but it cannot be subject to the power of another state. This is different from bipolarity, where the global system is balanced between two states. Instead, a unipolar power has a single authority in the international system (Nixon, 2017: 8).

American scholars with realist perspectives, including John G. Ikenberry, David Wilkinson, and Christopher Layne, contend that the rise of the United States as a predominant superpower after the Cold War shifted the international system into a unipolar configuration. This notion suggests that no power or coalition of powers could effectively counterbalance the United States, which possessed capabilities that were challenging to offset. These capabilities primarily encompassed military, economic, and political strength. Furthermore, the current adversaries of the United States, grappling with significant internal issues such as unemployment and corruption, were deemed incapable of attaining a level of power sufficient to balance against it. Additionally, John Ikenberry posited that the unipolar international system would be underpinned by principles such as a world economy characterized by free market policies, the governance of a Western-style political and economic order through multilateralism, and the promotion of economic prosperity.

Structuralists contend that the unipolar international system is inherently unstable, a conclusion supported by two primary factors. Firstly, as the influence of other states within the system has grown, the necessity for the United States has diminished. Secondly, the United States exhibits a reluctance to uphold its current standing, often remaining disengaged from global events unless its own interests are at stake. Additionally, the unilateral approach adopted by the United States, coupled with an emphasis on military expenditure following the events of September 11, has diminished its prestige and contributed to economic decline (Aydın and Bakıncak, 2016: 98).

1.1.4. Bipolarity

The bipolar system is the fundamental characteristic of the period that emerged after World War II and continued until the dissolution of the Eastern Bloc in 1990-1991. In other words, it can be expressed as the redistribution of power between the United States and the Soviet Union (USSR). Bipolarity is a systemic structure that represents a significant portion of the military capacities in the systemic structure where there are two actors and their respective alliances in serious conflict with each other.

The concept of bipolarity pertains to a systemic framework characterized by significant conflict between two primary actors and their respective alliances, each wielding a substantial portion of the military capabilities within the system. In this dynamic, the leader of each pole presents a notable threat to the other. Among the three dimensions of bipolarity, both relative balance and bipolarization may vary considerably; however, a specific minimum threshold must be met for a system to be classified as bipolar. Consequently, in a bipolar system, two states are required to possess a combined control of at least 50% of military capabilities, with each state holding a minimum of 25% of this total share, while other states must not exceed a 25% share. In summary, military expenditures serve as a crucial criterion for assessing the degree of bipolarity.

Morton A. Kaplan examines bipolarity in two different categories: loose and tight. The loose bipolar system has been joined by supranational actors such as the North Atlantic

Treaty Organization (NATO) and the UN, and many important international actors have become members of one of the two poles. The reasons why the loose bipolar system is called loose are that some states are excluded from the alliances formed and that almost all national actors belong to one of the universal actor unions. Kaplan's (1957) strict bipolar system is defined as a system in which non-dependent situations will be eliminated and the system will work only around two superpower blocks. The second important element is the absence of non-block and universal actors. In this context, the absence of any order will destabilize the system. The number of actors in a strict bipolar system is small. All actors are members of one of the blocks. There are no non-block actors and universal actors in the system. In addition, the absence of an integrative and conciliatory structure in the system leads to organizational disorder. For this reason, it is necessary not to consider the strict bipolar system as a stable system with a high level of integration.

1.1.5. Multipolarity

The multipolar system, which began in the 1870s, was an international system that was accepted until the end of World War II. When the conditions required for the emergence of the system are examined, it is seen that it is similar to the balance of power system. The relevant international system is formed by at least three major states whose powers are close. However, the fact that each country aims to create a block on its own differentiates the system from the balance of power. The blocks formed also enter into alliance relations among themselves. In the multipolar system, some blocks formed by major countries mostly aim to establish a new balance.

Turkey's recent multipolar and indeed all-encompassing foreign policy initiatives have generated a myriad of speculations and contradictions globally, particularly in the West. This situation is epitomized by the Turkish President's meetings with his counterparts from Russia, Ukraine, and Iran, as well as his engagements with Western leaders, including President Biden. Since the onset of the Russia-Ukraine conflict, Ankara has notably pursued a restrained and balanced equidistant policy towards the involved parties, refraining from participating in Western sanctions while simultaneously maintaining close relations with its Western allies. Having extricated itself from nearly all of its Middle Eastern entanglements, which have cost the nation significantly over the past decade, Turkey is now poised to capitalize on the opportunities arising from a multipolar world order—an undeniable reality, despite the ongoing efforts of the United States and the Collective West to thwart it, all to no avail (Ünal 2022: 138).

It is reasonable to assert that a multipolar world order will characterize the coming decades. Historically, it is also accurate to state that multipolarity was the dominant global structure until the conclusion of the Second World War, when a significant portion of the world coalesced around two rival camps that opposed one another not only in terms of power dynamics and influence but also on ideological grounds. The unipolarity that emerged following the dissolution of the Soviet Union, marking the end of the bipolar world, was indeed an exception to this historical trend, as there has rarely been a unipolar world order in which a single great power dictated its terms to nearly all others globally (Ünal 2022: 139).

The multipolar system resembles the balance of power on one hand and the bipolar system on the other hand in terms of its characteristics. In such systems, there are more than two blocs. The relationship between the block members and leaders is reminiscent of the bipolar system. While the solidarity within the block is weaker, the reflection of the state's decision data and internal structures on foreign policy is greater. In ideological alliances, alliances that change more frequently rather than for long periods are also seen. In this respect, alliance changes are frequently encountered in the multipolar system, which resembles the balance of power system (Çevik, 2015: 219-239).

There are three primary reasons why multipolarity is regarded as an appealing and applicable international system. Firstly, multipolarity provides a greater number of opportunities for interaction. The potential for bilateral relations within a multipolar framework is substantial and increases in relation to the number of poles present. This system circumvents the significant drawbacks associated with a bipolar international order. Given that global politics cannot function as a zero-sum game, a nation's actions do not necessitate a corresponding balancing reaction from another entity. Rather than fostering mutual reinforcement of opposition, characterized as “positive feedback,” opposition can be diffused through “negative feedback.” In this regard, it can be asserted that multipolarity establishes the foundation for a stable social system. The second point in favor of multipolarity is its capacity to diminish the focus directed towards other states. According to Deutsch and Singer in their study titled “Multipolar Power Systems and International Stability,” as the number of independent actors within the system rises, the proportion of attention that any single nation can allocate to other obligations correspondingly decreases. Given that a nation can engage with a limited number of other states, a multipolar system implies that several national actions may not achieve a level of international significance. The third argument posits that, in contrast to bipolarity, a multipolar system would exert a moderating influence on arms races.

Mearsheimer divides multipolarity into two: balanced and unbalanced multipolarity. In an unbalanced multipolar system, three or more major powers dominate, one of which is a potential hegemon. Therefore, no power asymmetry is observed. In balanced multipolar systems, three or more major powers dominate, none of which wants to be hegemon. There is no significant gap in minimum power between the two leading states of the system, but it is possible that there are some power asymmetries between the major powers (Mearsheimer, 2001).

In the multipolar system, changes occur in the positions of the great powers depending on the external and internal dynamics. Today, the multipolar system definition that has been established in economic terms is used to establish trade blocks around the world.

2. Multipolarity and Growth in the Economy

2.1. Multipolarity in the Economy

Throughout world history, the rise and fall cycles of empires, regions, nations and global powers have been witnessed. The only fundamental tool to evaluate these cycles was defense power. Since the end of the Cold War, a unipolar world structure has prevailed. In other words, a “single hegemonic power” was dominant. However, developments within the international system are rapidly changing the direction of the power structure from unipolar to multipolar. This change in the structure of the world is taking place through neo-conservative and imperialist policies that shape the multipolar world order. In this context, it is possible to define the concept of multipolarity as a distribution of power in which not only the military power of countries but also their economic activities are important. The relevant concept is also accepted as “interpolar”, defined as multipolarity in the age of interdependence (Muzaffar et al., 2017: 58).

In the global order, elements such as a wider redistribution of political and economic power elements and deepening of dependency between existing and new actors constitute the basic components of governance issues. In this context, transnational production networks, finance and information services, which are the basic forces of the new order created by the global political economy, have caused the acceleration of global integration. Thus, some perceptual changes have occurred in the main parameters of the unipolar global political economy dominated by the USA. The existing liberal consensus of the post-war period and two generations of neo-liberals since the 1980s (Washington and Post-Washington consensus forms) have given the world a new momentum in the post-2008 period (along with the global economic crisis). In this transformation process, the USA, Western Europe and Japan, called the triple mature industrial economy, have become interdependent with many rising economic power groups led by China, India and Brazil. The relevant countries have occupied important positions in the global supply chain and production networks thanks to their unrivaled production potential and unused labor accumulation. On the other hand, the bold steps taken towards integration with global capitalism have also diversified the effects on the global governance architecture. With these developments, the concept of multipolarity, which was previously used more in a political sense, has also begun to be used in an economic sense.

In the development process, power distribution models have developed in three different ways: unipolarity, bipolarity and multipolarity. According to the unipolar view, especially after the collapse of the USSR, only the "United States" represents the superior political, economic and military power. Krauthammer revealed that the world after the Cold War was not multipolar and that the unipolar vision of the United States was at the center of world power. However, on the other hand, he also suggested that multipolarity would re-emerge on the world stage years later. Indeed, the unipolar world that remained from the 20th century on a global scale has now begun to disappear. States such as China, Russia, the EU and Japan, which represent multipolarity, have begun to weaken the hegemony of the United States and a multipolar path has been entered in both geopolitical and economic terms (Batı, 2018; Çavuş, 2019: 25).

2.2. Economic Growth

2.2.1. Definition and Scope of Economic Growth

Kuznets characterizes a nation's economic growth as the sustained enhancement of its capacity to supply various economic goods. This ongoing expansion in the availability of goods stems from economic growth itself. The augmented capacity referred to in this definition relies on advancements in technology, institutional frameworks, and ideological structures, with each of these three elements being crucial to the overall understanding of economic growth.

Real income per capita figures are taken into consideration more in economic growth assessments because they reflect more realistic results. Therefore, increases in real income per capita are accepted as economic growth.

Economic growth is expressed in economic literature as the annual increase in production, in other words, the rate of increase in national income. Economic development, on the other hand, is a different term from the concept of economic growth. Economic development includes not only the increases in production but also other socio-economic processes, changes that occur under the influence of economic and non-economic factors. Therefore, economic development covers a longer period of time. In order for any country to develop economically, it is very important to ensure the development of new products, techniques, raw materials and energy resources along with the changes in the production structure. When evaluated in this context, the economic development process represents a very complex process and phenomenon (Ivic, 2015: 55).

2.2.2. Development of Economic Growth

Since the inception of economics, research into economic growth has remained a primary focus. In the 18th century, Adam Smith (1976) contended that advancements in the division of labor would lead to increases in returns, externalities, and market size, all of which would foster economic growth. Following Smith's Labor-Value Theory, which posits that the value of a good is determined by the labor invested in its production, studies by Malthus (1798) and David Ricardo (1817) emerged. In the early 19th century, David Ricardo (1951) highlighted mechanization investments as the driving force behind rising per capita income. Karl Marx (1967), building on Ricardo's ideas, identified mechanization and capital accumulation as the principal contributors to growth. John Stuart Mill (1990) placed emphasis on education and science as pivotal engines of growth. The classical economists generally asserted that the economic activities conducted by private agents within the market should be supported by social and institutional infrastructure (Ünsal, 2016: 26; Greiner vd., 2005: 1).

Classical economists acknowledged income disparities among various sectors and groups, framing growth as a process wherein per capita income gradually approaches a stable equilibrium over the long term. In the contemporary era, the Harrod-Domar model, formulated by Roy Harrod (1939, 1948) and Evsey Domar (1946, 1957) following the work of John Maynard Keynes (1936), emerged as the initial wave of modern growth theory. This model, developed by Harrod and Domar, presented a short-term Keynesian perspective, which posited the infeasibility of a capitalist economy. The second wave of modern growth is represented by Robert Solow (1956, 1957) and Trevor Swan, while the third wave encompasses new endogenous growth theories. In contrast to classical economists, Kaldor (1961) was the first to assert that the persistent rise in per capita income is a significant formalized characteristic of developed nations. Additionally, Hirofumi Uzawa (1968), Robert Lucas (1988), Paul Romer (1986, 1990), and Robert Barro (1990), who made notable contributions to fostering economic growth, shared perspectives that closely aligned with those of Kaldor.

The emergence of new growth theories can be traced back to Romer's 1986 article. This model elucidates the concept of sustained economic growth by placing a significant focus on externalities. Arrow (1962) formalized this notion, contending that externalities arising from experiential learning and the dissemination of knowledge have a beneficial impact on labor productivity.

The model developed by Lucas (1988), which draws upon the work of Uzawa (1965), highlights the importance of human capital formation. In contrast, Romer (1990) and Grossmann and Helpman (1991) concentrate on the generation of new knowledge as the fundamental drivers of economic growth. Within Romer's framework, "knowledge capital" is identified as the primary engine of economic expansion. Meanwhile, the Grossmann and Helpman model incorporates various consumer goods into the utility function of households, facilitating sustainable per capita growth through spillover effects in the research sector. A comparable framework, referred to as the Schumpeterian approach, has been proposed by Aghion and Howitt (1992, 1998), which recognizes "vertical technological innovations" as the key source of growth. Conversely, Arrow and Kurz (1970) argued that investment in public infrastructure, combined with effective public finance, can stimulate economic growth. Additionally, Barro (1990) demonstrated that this methodology can support sustainable long-term per capita growth.

3. Multipolarity-Growth Relationship and Theory

The increasing role of the developing world in driving global economic growth is leading to a transformation in economic power. This situation brings to the fore the concept of multipolarity, which refers to the new global order. Throughout modern economic history, each stage of global growth has been driven by a series of small countries called global growth poles. After World War II, global growth was led not only by the United States but also by Germany, Japan and the former Soviet Union. Looking at today, although developed economies dominated global economic production, consumption, transactions and institutions for most of the 20th century, the rise of developing countries, whose economic importance continues to increase, is changing the balance of power in the world. When evaluated in this context, it is expected that the new balance of economic power that is occurring around the world will have a two-way effect on growth; and the growth of countries will have a two-way effect on economic multipolarity.

The relationship between multipolarity and economic growth can be likened to the relationship between globalization and economic growth. Because multipolarity and globalization constitute two phenomena that feed each other. In this context, the relationship between globalization and growth can be used as a starting point to explain the relationship between multipolarity and growth.

Increases in international trade, improvements resulting from the spread of knowledge and new technologies, increases in the economy due to increases in foreign capital investments, increases in export revenues due to increases in exports, increases in the number of international organizations and improvements in employment opportunities and membership opportunities in these organizations will positively affect economic growth in this context (Ünkaracalar, 2022: 763).

When a general assessment is made based on the relationship between globalization and economic growth, it is possible to say that the relationship between multipolarity and economic growth can be established through different channels. Some institutional transfers can be captured with data on the economy of a potential pole. The faster and larger these transfers are; other countries will be able to benefit from this situation. Therefore, the balance of power in the world will begin to change. These changes that occur in the economic context today are leading to a multipolar process in the new global order.

It is possible to establish the relationship between multipolarity and growth through the technology channel. Especially the development of new technologies or the transfer of existing technologies between countries can significantly affect the growth performance of countries. The fact that this cycle leads to multipolarity will again be reflected in the growth performance of countries. In this context, especially trade can spread growth from the poles to the peripheral economies as a technology diffusion channel.

On the other hand, it is also possible to say that increasing trade between countries with multipolarity will affect economic growth. Because, a pole can only provide growth in the surrounding economy by absorbing its exports and ensuring the expansion of exporting industries. It is possible to say that capital flows, especially foreign direct investments, are another important channel. This diffusion can be provided especially by the transfer of technological knowledge of multinational parent companies to subsidiaries. This situation also shows that increasing foreign direct investments with multipolarity will positively affect growth. In addition to all these, the intensification of labor mobility between countries due to increasing polarization will affect the growth performance of countries through the diffusion of knowledge.

Another important effect of a multipolar world will be related to the field of "foreign trade". With multipolarity, increasing trade relations between countries can positively affect the growth performance of countries. Endogenous growth theories suggest that foreign trade affects economic growth permanently in the long term. New endogenous growth theories also reveal that openness to the outside world increases the flow of goods and investments between countries, which in turn affects economic growth performance through the spread of information. In addition, economies of scale created by international trade will also significantly affect economic growth.

CONCLUSION

In order to be able to predict what the world economy has experienced from the past to the present and the possible scenarios it will experience in the future, it is necessary to understand the phenomenon of globalization. With globalization, there has been an increase in communication and transportation resources in particular. This has led to an easier movement of goods, services, capital, etc. between countries. Therefore, in the post-globalization period, connections between countries have increased and all countries have almost become competitors. The competitive environment has helped countries develop. This situation has brought new pole candidates to the agenda that can shake the economic power of the USA.

The 21st-century economy is progressively shifting away from a unipolar framework. A primary factor contributing to this transition has been identified as the swift expansion of developing nations following the global financial crisis of 2008. Consequently, the 2008 crisis is widely regarded as the onset of the decline of the United States, the epitome of unipolarity. Current assessments indicate that emerging global powers have begun to eclipse the United States. Should one or more of these rising economies succeed in dismantling U.S. hegemony, which embodies unipolarity, they may establish themselves as a new global power, leading the 21st century toward a multipolar system. A defining characteristic of this multipolar world is the diminishing centrality of the United States in economic cycles and financial market trends, which will increasingly reflect a multipolar nature. In this context, business practices will also transform within a more multipolar global economy. Companies in various markets are expected to gain influence over industrial sectors in developing nations, mirroring trends seen in developed countries. A more multipolar global economy will hold significant implications for all developing nations, even if not for each one individually. Conversely, the widespread distribution of global growth is set to generate new external drivers for expansion. Consequently, the shocks experienced within a multipolar system will exert lesser effects on nations compared to those arising in a unipolar system.

In terms of international finance, the most probable scenario within the international monetary system is likely to be around the US dollar, the Euro and the Renminbi. Diversification of foreign exchange reserve sources will help developing countries more easily achieve their reserve accumulation goals. While the existence of more than one reserve increases the supply of safe assets, the increase in different reserve substitutes will also limit fluctuations in exchange rates and reserve asset prices. On the other hand, the emergence of new competitors to the dollar will expand the range of market actors. This will make it difficult for the reserve issuer to act arbitrarily. The monopoly status of the dollar in the market allows the US to act without worry. However, reversal of this situation by multipolarity will cause the US to be more cautious.

When examining the transition process to multipolarity, it is necessary to start with the US, the sole hegemonic power. The power of the US, which represents unipolarity, will not continue into the infinite future and will prepare the ground for the transition to multipolarity with the emergence of new centers of power.

When the global economy is evaluated as a whole, it is likely that power is shifting from the West to the East. It is possible to say that Asia's dynamic economy and young population have left most of the world behind as a leader. Especially after 2008, approximately 50% of the world economy has shifted to Asia and the Eastern Regions. This rise of Asia has revealed that the idea of the superiority of the West is changing.

When the study results are evaluated as a whole, they include evidence that economic multipolarity has a positive effect on growth. At this point, the spread of multipolarity in the economy will positively affect growth rates in the world. In order to increase the degree of multipolarity and to make it widespread, the following situations should be taken into consideration.

When evaluated in general, taking steps on issues such as giving importance to trade, increasing direct foreign investment flows and intra-industry trade, spreading and developing information and communication technologies, increasing sustainable investments, especially in human capital, and continuing governance reforms together with institutional reforms will help countries to create economic poles. In this context, the increase in the power of countries that can create multiple poles will also create positive effects on economic growth and make the world a stronger place.

It is thought that the study will provide a different perspective on the concept of "multipolarity", which is a new economic order, and will shed light on the evaluation of its relationship with different economic areas and the conduct of different empirical studies with different data.

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