SOCSCI 4 THE CONTEMPORARY WORLD

## CONCEPTS OF GLOBALIZATION

### GLOBAL ECONOMIC IMPERIALISM

- A situation in which one nation assumes economic power or influence over the others;
- Westernization and/or Americanization;
- Filipinos have become alien to Filipino products;

### GLOBALIZATION: A CONTESTED CONCEPT

- Many scholars have dealt on the topic, and thus there is no single definition of globalization;
- It is a heavily contested concept in terms of its meaning, form, and implication;
- It connotes different things to different people simply because it is not amenable to a precise definition;

### GLOBALIZATION IS A PHENOMENON

- It is something that is difficult to understand;
- Reich (1998) says that it is a term whose meaning is obscure;
- Schottle (1995), it stands for quite a large public spread across the world as one of the defining terms of the 20th century social consciousness.
- For McGrew (1990), globalization is described as something that is comprised of multiple sameness and interconnectedness that go beyond the nation-state;

- Rosenau (1996) states that globalization is not the same as globalism or universalism. Globalization - refers to a process, while globalism refers to an aspiration for a world with shared values.

### GLOBALIZATION

- Freeden (2003) posits that globalization denotes a range of processes nesting under one rather unwieldy epithet.
- Appadurai (1996) proposed five dimensions of global cultural flow, namely 'ethnoscapes,' 'technoscapes,' 'mediascapes,' 'financescapes,' and 'ideoscapes.'

- These landscapes are created through the movement of people, technologies, information through media, money and commodities, and political ideas.

- For Steger (2005), the term globalization should be limited to a set of intricate social processes that modify prevailing social statuses based on the modern regime of self-dependent nation-states.

### GLOBALIZATION AS A CONDITION

- Steger uses the term globality to mean globalization as a condition.
- Globality denotes future social conditions characterized by thick economic, political and cultural interconnectedness and global flows that make currently existing political borders and economic barriers irrelevant.

## GLOBALIZATION AS AN IDEOLOGY

- For some, ideology is dogmatic while for others, it connotes political sophistication;
- Ideology refers to the dominant modes of thought;
- Ideology is defined by core claims;
- Since globalization has core claims; hence, it is an ideology.
- Steger uses the term globalism to mean globalization as an ideology;

He then identifies five core claims of globalism:

1. liberalization and global integration of markets;
2. inevitable and irreversible;
3. nobody is in charge of globalization;
4. globalization benefits everyone;
5. furthers the spread of democracy in the world.

## POLITICAL DIMENSION OF GLOBALIZATION

- Political Globalization refers to the intensification and expansion of political interrelations across the globe;
- These processes raise an important set of political issues pertaining to the principle of state sovereignty, the growing impact of intergovernmental organizations, and the future prospects for regional and global governance.

## ECONOMIC DIMENSION OF GLOBALIZATION

Economic Globalization means an increase of free trade, speed of trade global economic organization and regional trade blocks;

The expansion of free trade allows governments not restrict the importation of products nor impede the export of local products.

## CULTURAL DIMENSION OF GLOBALIZATION

- Globalization refers to the concept of a global village;
- Through globalization, the world has become a borderless world
- Communication technology makes the world shrink.
- McLuhan (1964) believes that media has connected the world in ways that created a global village;
- Globalization is referred to as cultural imperialism. It is the conviction that there is a "better" culture.

## WORKING DEFINITION

GLOBALIZATION refers to the expansion and intensification of social relations and consciousness across world-time and world-space.

## FOUR ATTRIBUTES OF GLOBALIZATION

1) Globalization has various forms of connectivity;
2) It allows for the expansion and stretching of social relations;
3) Globalization intensifies and accelerates social exchanges and activities;
4) Globalization occurs worldwide.

**Summary**

Globalization may be defined and conceptualized from different lenses, but an interdisciplinary definition is necessary;

Some scholars consider it as a process, a condition or an ideology;

Experts from different fields of social sciences define globalization based on their specialization or expertise

Steger's definition of globalization is the most unbiased working definition.

## THE GLOBAL ECONOMY

### STEGER'S DEFINITION OF GLOBALIZATION

GLOBALIZATION REFERS TO THE EXPANSION AND INTENSIFICATION OF SOCIAL RELATIONS AND CONSCIOUSNESS ACROSS WORLD-TIME AND WORLD-SPACE.

### ECONOMIC GLOBALIZATION

- Refers to the expanding interdependence of world economies.
- Shangquan attributes this to the growing scale of cross-border trade commodities and services, flow of international capital, and wide and rapid spread of technology.
- The flow of international capital can be observed in foreign direct investments (FDI).
- Foreign direct investments - a type of investment in which a company establishes a business in another country for production of goods or services and still takes part in the management of that business.

- The flow of international capital can also be observed in foreign portfolio investments, trade flows, external assistance, external commercial borrowings, and private loan flows

- The International Monetary Fund defines economic globalization as a historical process, the result of human innovation and technological progress.

- It refers to the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders.

### SILK ROAD

Economic globalization can be traced from the time when there was economic movement in Asia, Africa through the Silk Road.

Silk Road - a network of trade routes that connected the East, particularly China, and the West.

### DIMENSIONS OF ECONOMY

Benczes (2014) identifies four interconnected dimensions of economy, namely:

1. globalization of trade of goods and services
2. globalization of financial and capital markets
3. globalization of technology and communication
4. globalization of production

### ECONOMIC GLOBALIZATION

The most fitting definition of economic globalization is that of Szentes': the process of "making the world economy an 'organic system' by extending transnational economic processes and relation to more and more countries and by deepening the economic interdependencies among them."

Examples of this is the price movements of imported fuels in the Philippines.

### NATION-STATES

- There are different agents that bring about the interdependencies of global economies. However, there are some who believe that it is still the nation-state but of different levels.
- The role of nation-states as manager of the national economy is being redefined by globalization.
- Boyer and Drache (1996) state this idea.
- Brodie calls the government as the "midwives" of globalization.

- Nation-states still act as a buffer against the negative effects of globalization. Government policies and regulations either permit or deny smooth connections among world economies.

## GLOBAL CORPORATIONS

- On the other hand, some experts claim that the actors are now the global corporations.
- Ohmae argues that the nation-state has ceased to exist as the primary economic organization unit in the global market.
- Filipino consumers, for instance, prefer to consume and avail of global products and services like H&M, Uniqlo, Accenture, etc.
- Reich posits that national products, technologies, corporations and industries become obsolete.

## INTERNATIONAL MONETARY SYSTEM

- One of the actors that facilitate economic globalization
- Refers to internationally agreed rules, conventions, and institutions for facilitating international trade, investments, and flow of capital among nation-states.
- Historically, there are three global IMS - the gold standard, the Bretton Woods System and the European Monetary System.

- **Gold Standard** – fixed exchange rate using gold as the international reserve.

- **Bretton Woods System** – US dollar became the only convertible currency; established the World Bank and IMF.

- **European Monetary System (EMS)** – created after Bretton Woods collapsed; stabilized exchange rates and later led to the European Economic and Monetary Union.

## IMF AND WORLD BANK

a) **World Bank** - responsible for post-war reconstructions
b) **International Monetary Fund** - aims to promote international financial cooperation and strengthen international trade

## ECONOMIC GLOBALIZATION

With the nation-states, global corporations and international monetary systems as actors of economic globalization, the world now is confronted with a number of ongoing debates as to whether economic globalization unites or divides the world.

**Arguments that globalization unites**

- fosters universal economic growth and development (Benczes, 2014)
- worldwide distribution of income
- reduces poverty (World Bank, 2002)
- creates mutual dependence between developed and developing countries

**Arguments that globalization divides**

- exploitation of sources of goods and services
- benefits are uneven among nations
- workers in TNCs are paid less than workers in home countries
- Wallerstein (2005): capitalism increases inequality

Economic globalization affects all nations and citizens through the increasing integration of economies around the borderless world.

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## MARKET INTEGRATION

As a substitute to the League of Nations, the United Nations was established to promote international cooperation and to restore international order.

Earlier in 1944, at the Monetary and Financial Conference in Bretton Woods, New Hampshire, the first government-sponsored international financial institutions were established:

a) **International Monetary Fund**
b) **World Bank**

**INTERNATIONAL FINANCIAL INSTITUTIONS**

There are two types of international financial institutions:

- Intergovernmental
- Private

**FIVE ORGANIZATIONS OF WORLD BANK**

**REGIONAL DEVELOPMENT BANKS**

- Asian Development Bank
- African Development Bank Group

**PRIVATE INTERNATIONAL FINANCIAL INSTITUTIONS**

- Citigroup
- Merril Lynch

**INTERNATIONAL FINANCIAL INSTITUTIONS**

Both intergovernmental and private financial institutions help facilitate the functionality of a global economy by lending money to their member states and global corporations.

These global institutions are active agents in fostering social and economic development by providing various forms of help to improve the national and global economies.

**GLOBAL MARKET INTEGRATION**

- It did not happen overnight.

- Harvey (1990) explains that developments in shipping and navigation enabled countries and cities to expand trade beyond borders.

- It was the result of the establishment of a global economy that involved the homogenization of trade and commerce.
- The integration of the global market started when big American corporations began to emerge after the Second World War with the rise of new conglomerates.
- Later, Japan and Europe followed suit

- The rise of American, Japanese, and European corporations further developed international trade.

1. **International companies** - importers and exporters with no investments outside their home countries.
2. **Multinational companies (MNCs)** - have investments in other countries, but do not have a coordinated product offering in each country.
3. **Global companies** - have investments and are present in many countries.
4. **Transnational companies (TNCs)** - have investments in foreign operations, have a central corporate facility but give decision-making, research and development and marketing powers to each individual foreign market.

These global corporations have common attributes:

1. an agent of desired economic development
2. an economic prominence
3. a very powerful entity that can create a crisis.

These corporations may hit their target of economic development by making their consumer products available in many parts of the globe

Gereffi (2001) identifies three structural periods:

- Investment-based period (1950–1970)
- Trade-based period (1970–1995)
- Digital globalization (1995 onward)

**Conclusion**

- The ascent of global corporations is a reflection of a globalized market integration. TNCs and MNCs are no longer limited to their home countries. They are able to expand their reach to their continents and countries.
- International financial institutions play an important role in the social and economic development programs of developing nd transitional nations.
- They are instrumental in the functionality of the global economy which is reliant on global corporations.

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## THE GLOBAL INTERSTATE SYSTEM

### STRUCTURES OF GLOBALIZATION

Weber describes the state as a compulsory political organization with a centralized government that maintains the legitimate use of force within a certain territory.

The concept of nation emphasizes the organic ties that hold groups of people together and inspire a sense of loyalty and belonging-i.e., ethnicity, language, religion and others.

Combining these two, a nation-state can then be defined as a political community that emanates from civic society to legitimately execute peace.

Thus, the civic society is the basis of the people's oneness.

Some scholars like Appadurai and Ohmae claim that globalization has superseded the individual function and jurisdiction of nation-state. This is still arguable.

Nation states can manipulate competitive advantages with international and political issues, transnational civil society organizations, and multinational companies.

They are also accountable for a host of international norms and standards, find themselves in subordinate positions to protect their economy, etc.

However, if nation-states no longer have power in today's globalized world, then why does the United Nations (UN), with the increasing number of states, remain relevant in global decision making?

### EFFECTS OF GLOBALIZATION TO NATION STATES

1) Globalization is seen to impose a **forced choice** upon nation-states.
2) The second effect of globalization on nation-states is the **establishment of economic and political integrations**.
3) The third effect of globalization is the **establishment of international laws and principles**.
4) The fourth effect of globalization is the **rise of transnational activism**.
5) The fifth effect of globalization is the **creation of new communications network**.

### INTERGOVERNMENTAL ORGANIZATIONS

In order to facilitate connections among nation-states, intergovernmental organizations (IGOs) were established.

Their aim is to foster strong economic, political, cultural, and educational, and technical intergovernmental relationships.

Established in 1967, the Association of Southeast Asian Nations (ASEAN) now has 10 member states. Its aims are:

1. to accelerate economic growth, social progress, and cultural development in the region;
2. promote regional progression;
3. advance peace and sustainability;

4. promote active and beneficial cooperation and mutual assistance on matters of common interest in the economic, technical, cultural, administrative, and scientific fields;
5. provide assistance to each other in the framework of training and research installations in the educational, professional, technical, and administrative spheres;
6. work hand in hand for more effective and greater use of agriculture and industries;
7. advance Southeast Asian research;
8. preserve close and beneficial collaboration with current international and regional institutions with similar aims and purposes.

The European Union (EU), an IGO with 28-state members, was established in November 1993. Its goals are:

1. to promote peace, its values, and the well-being of its citizens;
2. offer freedom, security, and justice without internal borders;
3. uphold sustainable development based on balanced economic growth and price stability;
4. combat social exclusion and discrimination;
5. promote scientific and technological progress;
6. enhance economic, social, and territorial cohesion and solidarity among member countries;
7. respect cultural and linguistic diversity;
8. establish an economic and monetary union.

9. The World Trade Organization (WTO) has 164 member-states. Its objective is to ensure that trade runs as smoothly, predictably, and freely as possible.

## GLOBAL INTERSTATE SYSTEM

Internationalism is basically anchored on the opinion that nationalism should be outrun because links that bind people of different countries are more powerful than those that disconnect them.

Globalism is an attitude that seeks to understand all the interconnections of the modern world and to highlight patterns that underlie them. It pursues and explains to describe a world that is characterized by a network of connections that span multicontinental distances.

Liberal internationalism proposes that nations must give up their freedom and submit to a larger system of laws that is embodied by common international principles.

Socialist internationalism is based on the view that capitalism is a global system and that the working class must unite as a global class to forward the struggle against capitalism.

Overall, the global interstate system is a facet of contemporary political globalization that seeks to form collaboration among nation-states through the establishment of intergovernmental organizations.

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## CONTEMPORARY GLOBAL GOVERNANCE

Global governance makes world affairs systematic, secured, and formulaic.

It is the totality of norms, laws, policies and bodies that define, comprise and facilitate transnational relations between citizens, states, cultures, intergovernmental, and non-governmental organizations (Weiss and Thakur, 2014).

There are many sources of global governance.

- States sign treaties, and form organizations in the process legislating public international law
- Powerful transnational corporations
- The need for "global democracy" or the clamor for "good governance"
- International non-governmental organizations (NGOs)

Although many internationalists like Bentham and Kant imagined the possibility of a global government, nothing of the sort exists today because there is no one organization that various states are accountable to.

To sustain the need for global governance, International organizations are established.

**The most prominent of the IOs is the United Nations.**

**UNITED NATIONS**

The United Nations (UN) is the largest intergovernmental organization in the world, with a current membership of 193 member states and two permanent non-member observer states (Palestine and Vatican City/Holy See).

**Did You Know?**

**U.N. and the Philippines share a rich history**

The Philippines was one of the founding members of the U.N., being one of the first countries to sign the U.N. Declaration in 1942. The Declaration is the basis of the U.N. Charter, which the Philippines signed in 1945 along with 49 other countries.

The United Nation was established in 1945, after the Second World War with one central mission: to maintain international peace and security.

It carries the functions of delivering humanitarian aid, promoting sustainable development, and upholding international law.

It is also a space for its members to manifest their perspectives through its core organs and committees.

**UNITED NATIONS: ORGANS, ROLES, AND FUNCTIONS**

The United Nations is composed of six organs:

- The General Assembly
- The Security Council
- Economic and Social Council
- Trusteeship Council
- The International Court of Justice
- The Secretariat

**THE GENERAL ASSEMBLY**

The General Assembly is the central deliberative and the only organ where all member-states have equal representation in discussion, coordination, and policy making.

- The organ that allows all its member-states to vote on policies and resolutions.
- It is entrusted in the election of members for the various organs of the un.
- Handles the budget of the organization
- Establishes subsidiary organs to help it manage different situations across the globe.

**THE SECURITY COUNCIL**

The Security Council is the organ which has the commitment to preserve peace and security.

- Creates peaceful resolutions to disputes and conflicts
- The only organ that can issue binding resolutions to members with permanent members having the privilege to veto.
- It has the power to decide on armed intervention if the situation calls for it.

- Is tasked with the protection and safety of UN personnel

Permanent members: China, France, USA, UK, Russia

Current non-permanent members (two-year term): Brazil, Albania, Ghana, Gabon, Kenya, UAE, India, Ireland, Norway, Mexico.

**THE ECONOMIC AND SOCIAL COUNCIL**

The Economic and Social Council is the main organ for cooperation, policy review, policy dialogue, and advice on social, economic, and environmental issues.

- it is responsible in the handling and coordination of economic and social fields of the organization.
- it serves as the central forum for discussing international economic and social issues
- ECOSOC consults with academics, business sector representatives and 3,200 NGOs with their work being reviewed through several sessions and discussions to deal with the organizations work.

**THE TRUSTEESHIP COUNCIL**

The Trusteeship Council is the organ tasked to administer international oversight for 11 trust territories and to make sure that adequate procedures are taken for independence and self-government.

- It was established to administer trust territories with the best interests of the inhabitants and of international peace and security
- Trust territories were former mandates of the League of Nations and territories taken after World War 2
- As of november 1, 1994, all operations were suspended as the mission of the council was fulfilled. It still exists in paper but it is no longer required to meet annually.

**THE INTERNATIONAL COURT OF JUSTICE**

The International Court of Justice is the UN's prime judicial organ.

- It settles disputes between states in accordance with international law and gives advisory opinions on international legal issues.
- All member states of the UN are party to the ICJ Statute and may initiate contentious cases
- No more than one judge of each nationality may be represented on court at the same time

**THE SECRETARIAT**

The Secretariat is the organ tasked to execute the daily activities as assigned by the five other organs.

- It is the executive arm and handles setting of the agenda for the deliberative and decision-making bodies of the UN.
- It is the main source of economic and political analysis for the General Assembly and Security Council
- It is organized along departmental lines, with each department or office having a distinct area of action and responsibility

Although the GA is the most representative organization in the UN, many commentators consider the Security Council (SC) to be the most powerful. The Security Council's veto power over resolutions is one of the challenges that the UN has been facing since the organization's founding.

**SUSTAINABLE DEVELOPMENT GOALS**

The Millennium Development Goal was set to promote sustainable development. In 2015, these was changed to the Sustainable Development Goal's (SDG's). These collection of 17 global goals covers social and economic issues including poverty, hunger, health, education, global warming, gender equality, water sanitation, energy urbanization, environment, and social justice.

Challenges of global governance confronting UN based on knowledge, norms, policy, institutions, and compliance, as identified by Weiss and Thakur (2014):

In terms of **managing knowledge**:

UN is underappreciated regarding how its convening capacity and mobilizing power are utilized to help funnel and consolidate knowledge from outside and ensure its discussion and dissemination among governments.

In terms of **developing norms**:

The contrasting moral structures of social behavior in different member-states complicate the formulation of a normative standard that can be applicable to all.

In terms of **promulgating policy recommendations**:

In formulating propositions, problems occur when only the member-states are heard. At times, the help from NGOs and the global public opinion are belittled, and recommendations are not executed.

In terms of **institutionalizing and complying with ideas**:

Institutions can also be places where ideas are cornered and left behind. There is an absence of the modality and processes for enforcing compliance with international norms and laws. In fact, some UN staff members violate, cheat, and challenge them.

To conclude, contemporary global governance defines the political scope of globalization. Cooperation among nation-states is the only way to reform and advance the roles and functions of interstate relationships despite real challenges being faced by United Nations.