

## **INTRODUCTION TO GLOBALIZATION**

We all study history and it makes us believe that the events in the past have something to do with the present, then we should also study the present which is relevant to us.

### **WHAT IS GLOBALIZATION?**

According to Manfred Steger, globalization refers to “the expansion and intensification of social relations and consciousness across world-time and world-space.”

by **EXPANSION**, it is the formation of various connections in social, political, economic, cultural, and technological.

by **INTENSIFICATION**, refers to acceleration or maintaining these affiliations and connections globally.

With these processes of intensification and expansion that globalization allows:

**GLOBALISM** emerged which represents a belief system or ideology that promotes a global community with shared norms, values, and governance. It advocates for the globalization of markets, international cooperation, and the dissemination of beliefs and ideas.

It is the belief that the integration of economic markets is beneficial for everyone in global connections.

**GLOBALITY** represents a future social condition. In this state, existing political borders and economic barriers become irrelevant.

Envisions a future state of extensive global interconnections that will continue to evolve.

### **HOW DO WE STUDY GLOBALIZATION?**

Our study of the process of globalization must be inherently interdisciplinary so that we can accurately understand the social, economic, political, and cultural processes that shape globalization. Having an interdisciplinary perspective can help us grasp the entire structure and arrive at a more accurate diagnosis of current events and the world in general.

By doing this, we can overcome a **PAROCHIAL OUTLOOK** on one's immediate community. A person who only looks at their community's problems without considering the wider context of society is **PAROCHIAL**. Additionally, someone who focuses on their country's issues without analyzing the larger global context is **CLOSE-MINDED**.

We need to broaden our imagination to comprehend the relationship between different structures of the contemporary world that produce our social realities. It is critical for us to understand the meaning of the word "imagination" to achieve this level of understanding.

### **SOCIOLOGICAL IMAGINATION**

Introduced by Charles Wright Mills, the sociological imagination emphasizes the interconnectedness of individual lives and societal history. Mills defines "troubles" as personal challenges and "issues" as larger social challenges.

It involves an individual's awareness of the relationship between themselves and the broader society, both in the present and the past. By utilizing the sociological imagination, individuals can make connections to the root causes of societal structures, moving away from a purely personal perspective.

### **PERSONAL TROUBLES AND PUBLIC ISSUES**

Personal troubles affect individuals within their immediate relationships, while larger public issues extend beyond personal control.

The sociological imagination challenges the perception of personal problems as isolated issues, highlighting the influence of social norms, habits, and expectations.

Public issues like homelessness, joblessness, and crime are questioned in terms of whether they result solely from personal choices or stem from broader societal problems.

*Example:* When a single person is unemployed in a nation with a population close to a hundred million, it may be seen as a personal problem, possibly due to individual choices. However, if thousands are unemployed in a nation of a hundred million, there may be larger systemic issues at play. Job mismatch, where graduates struggle to find suitable employment due to a lack of opportunities or job availability, exemplifies a societal problem. The sociological imagination underscores this distinction, suggesting that shared problems among individuals may indicate an underlying social issue that needs addressing.

## **THE STRUCTURES OF GLOBALIZATION**

### **THE GLOBAL ECONOMY and MARKET INTEGRATION**

#### **ECONOMIC GLOBALIZATION**

Economic Globalization is defined as the expanding interdependence of world economies. This can be attributed to the growing scale of cross-border trade in commodities and services, the flow of international capital, and the wide and rapid spread of technology.

According to T. Szentes (2003), Economic Globalization is the process of making the world economy an 'organic system' by extending transnational economic processes and relations to more countries, thereby deepening global economic interdependencies.

Further, the International Monetary Fund (IMF) defined economic globalization as a historical process, the result of human innovation and technological progress.

#### **EARLY HISTORICAL TRACES OF EXCHANGE**

- PREHISTORIC ERA: Homo sapiens' migration from Africa to populate the rest of the world marks the beginning of globalization (Grills and Thompson, 2001).
- SILK ROAD (Asia, Europe, Africa): According to Frank and Grills (1993), the best example of archaic globalization 5,000 years ago - limited to land.
- DISCOVERY OF AMERICA AND SEA ROUTE TO INDIA (Late 15th Century): Adam Smith (1776) considered Christopher Columbus' discovery of America in 1492 and Vasco de Gama's direct sea route to India in 1498 as the two greatest achievements of human history, opening the idea of sea trade.
- ESTABLISHMENT OF GALLEON TRADE (1571): Historians Dennis Flynn and Arturo Giraldez, as cited by Claudio and Abinales (2018), pinpoint the beginning of the age of globalization to 1571 with the establishment of the galleon trade connecting Manila in the Philippines and Acapulco in Mexico. This marked the first direct connection between the Americas and Asian trading routes.
- 19TH CENTURY (1867): Adoption of the gold standard at the international monetary conference in Paris.

The gold standard, while simplifying trade, proved to be restrictive, compelling countries to back their currencies with fixed gold reserves. The upheavals of World War I led to the abandonment of the gold standard as countries depleted their gold reserves. Economic historian Barry Eichengreen argues that the recovery of the United States during World War II began when they abandoned the gold standard, allowing for increased spending to revive their economy.

- 20TH CENTURY - CURRENT: Transport Revolution (Golden Age of Globalization): Characterized by relative peace, free trade, and financial and economic stability.
  - **FIAT CURRENCIES** replace the gold standard, allowing governments flexibility in managing economies.
  - Establishment of **INTERNATIONAL MONETARY SYSTEM (IMS)**: Facilitating economic globalization through internationally agreed rules, conventions, and institutions.

#### **INTERNATIONAL MONETARY SYSTEMS:**

- Gold Standard: Functions as a fixed exchange rate regime.
- Bretton Woods System: US dollar as the only convertible currency; establishment of IBRD and IMF.
- European Monetary System (EMS): Successful in stabilizing exchange rates, leading to the foundation of the European Economic and Monetary Union (EMU).

Ongoing economic integration: Trade patterns evolve, emphasizing the voluntary flow of goods to maintain relationships between and among states.

### **ELEMENTS OF ECONOMIC GLOBALIZATION**

#### **[1] INTERNATIONAL TRADE**

The importance of international trade is pivotal for a country's economy, fostering interdependence among nations for exporting and importing, thereby sustaining the economic well-being of the home country.

*Example:* Building a car involves bringing together parts from various countries. For instance, it might be assembled in Korea, but its components and technology come from Japan, the design originates in Germany, minor parts are sourced from Taiwan, and marketing services are provided by the United Kingdom.

[2] FOREIGN DIRECT INVESTMENT

According to the United Nations, FDI is defined as “investment made to acquire lasting interest in enterprises operating outside of the economy of the investor.”

Refers to the investment made by a company or an individual in one country into business interests located in another country. In FDI, the investor typically acquires a significant degree of influence or control over the foreign business entity.

[3] CAPITAL MARKET FLOWS

Capital market flows involve the movement of funds between financial instruments, assets, or markets within the broader capital market, encompassing the stock and bond markets. In many developed countries, investors diversify their portfolios with foreign financial assets, while borrowers seek funds from international sources (World Briefing Paper, 2001).

Additionally, remittances from migration, often flowing from industrialized to less industrialized countries, contribute to capital market flows.

[4] MIGRATION (MOVEMENT OF LABOR)

Growing mobility of labor. This movement can be beneficial to developing economies when educated migrants return home to establish new enterprises. However, it also poses challenges, such as the "BRAIN DRAIN," resulting in the loss of skilled workers crucial for economic growth (Stiglitz, 2003).

[5] DIFFUSION OF TECHNOLOGY (STIGLITZ, 2003)

The diffusion of technology is the spread and adoption of new innovations or ideas across different contexts and populations.

Innovations in telecommunications, information technology, and computing have reduced communication costs, facilitating the global flow of ideas and technical knowledge. However, the rapid growth and adoption of information technology create a "DIGITAL DIVIDE," making it challenging for less industrialized countries to advance their businesses without the existing technical infrastructure and resources found in many industrialized nations.

## **FOUR INTERCONNECTED DIMENSIONS OF ECONOMY**

### **[1] GLOBALIZATION OF TRADE AND GOODS AND SERVICES**

Demonstrated through the establishment of the World Trade Organization (WTO) in 1995. WTO ensures smooth, predictable, and free trade among countries.

### **[2] GLOBALIZATION OF FINANCIAL AND CAPITAL MARKETS**

Evident in the liberalization of financial and capital markets. Manifests in cross-listing of shares on foreign stock exchanges, cross-hedging, portfolio diversification, and round-the-clock global trading.

### **[3] GLOBALIZATION OF TECHNOLOGY AND COMMUNICATION**

Emphasizes instant transactions and interactivities facilitated by the internet and communication technology.

### **[4] GLOBALIZATION OF PRODUCTION**

Illustrated by the existence of multinational corporations (MNCs) and transnational corporations (TNCs).

*Example:* The Coca Cola Company

## **MARKET INTEGRATION**

A phenomenon in which market of goods and services that are somehow related to one another begin to experience similar pattern of increase or decrease in terms of prices of products. (Tatum, 2020)

Market integration is the extent to which markets trade with each other. Highly integrated markets have fewer trade barriers and similar prices, while low integration leads to price fluctuations and trade barriers.

**INTERNATIONAL FINANCIAL INSTITUTIONS** were established by countries to encourage public and private investment, fostering economic and social development in developing and transitioning countries. They provide long-term, low-interest loans, and grants for government or private sector projects.

## **FIVE WORLD BANK GROUP INSTITUTIONS**

### **[1] INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)**

Lends to governments of middle-income and creditworthy low-income countries.

[2] INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

Provides interest-free loans, called credits, to governments of the poorest countries.

[3] INTERNATIONAL FINANCE CORPORATION (IFC)

Lends directly to the private sector developing countries.

[4] MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

Provides guarantees to investors in developing countries against losses caused by noncommercial risks.

[5] INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES (ICSID)

Provides international facilities for conciliation and arbitration of investment disputes.

**OTHER INTERNATIONAL ECONOMIC INSTITUTIONS**

[1] NONGOVERNMENTAL ORGANIZATIONS (NGOS)

private, nonprofit organizations that independently pursue activities to alleviate suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development. They operate independently from the government, are values-based, and are guided by principles of altruism and voluntarism.

[2] ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

Helping governments tackle the economic, social, and governance challenges of a globalized society, an international organization primarily consists of high-income countries.

[3] UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Manages a "network" of development activities undertaken by the United Nations in the areas of democratic governance, poverty alleviation, crisis prevention and recovery, energy and the environment, and HIV/AIDS.

[4] WORLD TRADE ORGANIZATION (WTO)

An international organization governing the system of rules for global trade among its member nations. It is also involved in dispute settlement and compliance monitoring related to international trade (Goldin & Reinert, 2012).

## **THE GLOBAL INTERSTATE SYSTEM and CONTEMPORARY GLOBAL GOVERNANCE**

### **GOVERNANCE VS GOVERNMENT**

**GOVERNANCE** is defined more as the process of exercising political, economic, and administrative authority to manage national or international affairs. It ensures the distribution of power to manage public resources and provide solutions for existing problems.

**GOVERNMENT** is the body, agency, or institution, invested with the power to manage a political unit, organization or more often, a State.

### **NATION-STATE**

Considered as a **POLITICAL UNIT** (a unit with political responsibilities)

- [1] National Citizen (People)
- [2] National Territory (Land)
- [3] National Administration (Government)

### **STATE**

Primary political actor in the global political and economic arena. Its significance is grounded in the tangible and quantifiable aspects that characterize a country. This includes measurable elements such as the population, defined territories, and the recognized government established by the constitution. Furthermore, the state is perceived as a community of individuals residing in a specific territory, governed by their own established authority, and enjoying autonomy from external influences.

### **ELEMENTS OF THE STATE (DE LEON 2011)**

#### **[1] PEOPLE**

Refers to the inhabitants living within the state. Without people, there can be no functionaries to govern and no subjects to be governed. There is no requirement as to the number of people that should compose a state. Ideally, it should be neither too small nor too large: small enough to be well-governed and large enough to be self-sufficient.

#### **[2] TERRITORY**

It includes not only the fixed portion of land over which the jurisdiction of the state extends (**TERRITORIAL DOMAIN**) but also the rivers and lakes therein, a certain area of the sea that abuts upon its coasts (**FLUVIAL AND MARITIME DOMAIN**), and the airspace above the land and the waters (**AERIAL DOMAIN**). Thus, the domain of the state may be described as terrestrial, fluvial, maritime, and aerial.



[3] GOVERNMENT

Usually used to refer to a person or persons who have the function of political control/administration. It is the agency that carries out the will of the state.

[4] SOVEREIGNTY

The supreme power of the state to command or enforce obedience. The term may be defined as the supreme power of the state to command and enforce obedience to its will from people within its jurisdiction and, corollary, to have freedom from foreign control.

It has two manifestations:

INTERNAL SOVEREIGNTY - The power of the state to rule within its territory.

EXTERNAL SOVEREIGNTY - The freedom of the state to carry out its activities without subjection to or control by other states. External sovereignty is usually referred to as independence.

[5] CONSTITUTION

A body of rules and principles in accordance with which the power of sovereignty is regularly exercised.

Nature and Purpose/Function of Constitution:

- Serve as the supreme or fundamental law.
- Establish the basic framework and underlying principles of government.

**ORIGIN OF THE STATE (De Leon 2011)**

[1] DIVINE RIGHT THEORY

It is ordained by God to govern the people references to the law which Moses receive at Mount Sinai.

[2] NECESSITY OR FORCE THEORY

It maintains that states must have been created through force, by some great warriors who impose their will upon the weak. Once the rule is well established the state is established. This theory is generally a result of war.

[3] SOCIAL CONTRACT THEORY

It asserts that the early states must have been formed by deliberate and voluntary compact among the people to form a society and organize government for their common good. This theory justifies the fight of the people to revolt against a bad ruler.

## **NATION**

The concept of nation is based on the idea that a political unit corresponds to nations. It is somewhat subjectively defined through the people's sense of collective or communal identity

For Max Weber, it is a "COMMUNITY OF SENTIMENT" or GEMEINSCHAFT with a specific feeling of solidarity in the face of other groups. Individuals in Gemeinschaft prioritize the larger association over their own self-interest. They are regulated by common mores, guiding appropriate behavior and responsibilities within the association.

In contrast, Benedict Anderson considers it an "IMAGINED COMMUNITY." He sees it as such because this sense of community is not necessarily defined by the objective provision of the law or the constitution.

## **NATION VS STATE**

The STATE and NATION are different but highly related to each other. A STATE is independent and has sovereignty over its territory, while a NATION is a population with shared culture, history, and territory, among other aspects. SOVEREIGNTY is the power to control the state both EXTERNALLY (in its relationship to other sovereign states) and INTERNALLY (in its relationship to citizens and other governing bodies).

## **INTERNATIONAL STATE SYSTEM**

The concept of sovereignty traces back to the TREATY OF WESTPHALIA (1648), which ended the Thirty Years' War. This treaty established the interstate system, recognizing state sovereignty to avoid future wars.

The idea spread from Europe, leading to the growth of state power globally. European development, driven by factors like tax systems and military power, facilitated the spread of influence worldwide. The expansion of the interstate system, propelled by IMPERIALISM, resulted in over two hundred states, many of which exist in poverty.

## **HISTORY OF COLONIALISM**

Colonialism, according to Moore and Collins, destroyed the originally established cultural patterns of production and change. They argue that hunger and underdevelopment should be viewed as ongoing processes. The history of colonialism is considered a key factor in the persistent poverty and underdevelopment of many countries.

### **MINORITY OF NATIONS**

Represents the countries that prioritize agricultural and industrial revolution.

### **MAJORITY OF NATIONS**

The countries that remain primitive and underdeveloped.

## **REASONS WHY COLONIALISM LED TO THE DESTRUCTION OF THE INITIALLY ESTABLISHED CULTURAL PATTERN OF PRODUCTION.**

### **[1] COLONIAL MIND**

Refers to the mentality of colonizers who subject other people to colonization. These colonizers perceive agriculture in the subjugated lands as primitive and backward. Consequently, they not only justify their colonization process but also view it as a necessary one.

John Stuart Mill, an English economist, philosopher, and colonizer apologist, even stated that "colonies should not be thought of as civilizations or countries, but as agricultural establishments whose sole purpose is to supply the larger community to which they belong."

### **[2] FORCED PEASANT PRODUCTION**

The communities colonized by neighboring countries were forced to plant cash crops instead of food crops. The initial practice of planting food crops was solely for feeding the community. However, due to the colonizing nation's desire to profit from the peasants' crop production, they were compelled to plant cash crops. Cash crops are those planted for their market value.

### **[3] PLANTATION**

Direct takeover of the land either by the colonizing government or by private foreign interests. Some farmers were forced to work in plantations fields through either enslavement or economic coercion.

### **[4] SUPPRESSING PEASANT FARMERS**

The colonial government formulated a policy of keeping the price of imported food low through the removal of tariffs and subsidies. Peasants were told that they did not need to grow their own food, as they could always buy it cheaply through imported goods. This, in return, resulted in low income for the farmers.

## **CONSEQUENCE OF COLONIALISM**

Colonialism, expressed as a practice of domination involving the subjugation of one people to another, persists in contemporary forms, often referred to as Neocolonialism.

**NEOCOLONIALISM** is an indirect form of control through economic or cultural dependence. It manifests in the ongoing control of former colonies by ruling native elites compliant with neocolonial powers. Populations are exploited for their labor and resources to satisfy an insatiable appetite.

This can also be defined as the continuing active control exercised by past colonizer governments over the affairs of newly independent states, perpetuating a system where great powers, usually the past colonizer countries, maintain an exploitative relationship with former colonies. This covert and indirect form of control establishes a system of dependency.

## **INTERNATIONALISM**

The desire for greater unity among states and people.

### **[1] LIBERAL INTERNATIONALISM**

Offers orderliness and protection, without a form of world government, international system would be chaotic. Participative global community where integration for politics and economy is highly encourage

### **[2] SOCIALIST INTERNATIONALISM**

Advocates for economic equality. They do not problematize the divided nations as it is not a problem for them, their main concern is the economic division of people.

## **GLOBAL GOVERNANCE**

GOVERNANCE refers to the action or manner of governing. In contemporary GLOBAL GOVERNANCE, there is not a single organization to which states are universally accountable, and no organization possesses the military force to compel a state to adhere to global rules.

Nevertheless, there are general behaviors observed among states, such as adherence to navigational routes and recognition of territorial boundaries. Failure to comply becomes a global concern. Maintaining international order involves following GLOBAL NORMS despite the absence of a comprehensive world government. GLOBAL GOVERNANCE encompasses various intersecting processes that contribute to shaping this order.

## **SOURCES OF GLOBAL GOVERNANCE**

[1] SIGN TREATIES AND FORM ORGANIZATIONS

[2] INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS

[3] INTERNATIONAL ORGANIZATIONS

International intergovernmental organizations or groups that are primarily made up of member states (e.g. United Nations). These organizations can become influential as an independent organization.

## **POWERS OF INTERNATIONAL ORGANIZATIONS**

[1] POWER OF CLASSIFICATION

*Example:* Developing vs Developed, Urban vs Rural

[2] POWER TO FIX MEANINGS

*Example:* Outbreak to pandemic, War conflicts, Good and bad nation-states

[3] POWER TO DIFFUSE NORMS

*Example:* Environment protection, Human Rights

## **THE UNITED NATIONS**

The LEAGUE OF NATIONS, established in 1919, was succeeded by the United Nations in 1945 after World War II. On 20 April 1946, the League of Nations officially ceased to exist, transferring its assets to the United Nations.

Representatives from 50 countries convened at the United Nations Conference on International Organization in San Francisco from 25 April to 26 June 1945. During this time, they drafted and signed the UN Charter, creating the United Nations to prevent another world war. The United Nations officially began on 24 October 1945, after the Charter was ratified by key nations and a majority of other signatories.

Now, the United Nations continues to work towards maintaining international peace, providing humanitarian assistance, protecting human rights, and upholding international law.

## **SIX ACTIVE ORGANS (UN, 2024):**

[1] GENERAL ASSEMBLY

Comprising all Member States, is the main policy-making organ of the Organization. It provides a unique forum for multilateral discussion of international issues covered by the UN Charter. Each of the 193 Member States has an equal vote.

The UNGA is responsible for making key decisions for the UN, which include:

- Appointing the Secretary-General based on the Security Council's recommendation.
- Electing the non-permanent members of the Security Council.
- Approving the UN budget.

## **[2] SECURITY COUNCIL**

Its primary responsibility is to maintain international peace and security. The Security Council takes the lead in determining the existence of a threat to peace or an act of aggression. It calls upon the parties in a dispute to settle it through peaceful means and recommends methods of adjustment or terms of settlement. In certain situations, the Security Council can impose sanctions or authorize the use of force to maintain or restore international peace and security.

The Security Council consists of 15 member states. The General Assembly elects 10 of these 15 to two-year terms, while the other 5 (sometimes referred to as the Permanent 5) are CHINA, FRANCE, RUSSIA, THE UNITED KINGDOM, and the UNITED STATES (Allies during the WW II).

### **THE PERMANENT 5 (P5)**

Each country holds veto power over the council's decisions. A single veto cast by a P5 member suffices to obstruct any Security Council action.

## **[3] ECONOMIC AND SOCIAL COUNCIL**

Dedicated to advancing the three dimensions of sustainable development: economic, social, and environmental. Serving as the central platform, it fosters debate, encourages innovative thinking, forges consensus on pathways, and coordinates efforts to achieve internationally agreed goals.

Moreover, the Economic and Social Council plays a crucial role in the follow-up to major UN conferences and summits.

## **[4] TRUSTEESHIP COUNCIL**

Responsible for supervising the administration of Trust Territories under the International Trusteeship System. The primary objectives of this system were to promote the advancement and progressive development of the inhabitants of Trust Territories toward self-government or independence.

### **TRUST TERRITORIES**

Refer to areas placed under the administration of one or more countries by the United Nations Trusteeship Council. Typically, these territories were former colonies or regions considered not yet ready for self-government.

### **[5] INTERNATIONAL COURT OF JUSTICE**

The principal judicial organ of the United Nations (UN). Its main function is to settle legal disputes between states and give advisory opinions on legal questions referred to it by the UN General Assembly, the UN Security Council, or other specialized UN agencies and bodies.

### **[6] SECRETARIAT**

Carries out the day-to-day work of the UN as mandated by the General Assembly and the Organization's other main organs.

### **UNIVERSAL DECLARATION OF HUMAN RIGHTS**

It declares that human rights are universal – to be enjoyed by all people, no matter who they are or where they live. The Universal Declaration includes civil and political rights, like the right to life, liberty, free speech, and privacy.

## **UNDERSTANDING GLOBAL INEQUALITIES**

### **[1] WORLD SYSTEM THEORY**

Immanuel Wallerstein developed a theoretical framework to understand the historical changes leading to the rise of the modern world.

Before the 16th century, Western Europe was dominated by the **FEUDAL SYSTEM**, a relationship between landlords who owned land and peasants who worked within it for wages. Wallerstein argued that Europe moved towards a capitalist world economy to ensure economic growth, involving the expansion of geographical control over the production process across different states.

The modern world economy, according to Wallerstein, did not rely on political force or colonial systems but on **ECONOMIC COERCION**. Nations coexist in a world economy, characterized by:

- [1] Division of labor;
- [2] Exchange of goods; and
- [3] Constant flow of capital and labor.

### **THE WORLD-SYSTEM**

Wallerstein defines a world-system as a "multicultural territorial division of labor in which the production and exchange of basic goods and raw materials is necessary for the everyday life of its inhabitants."

Capitalism, as Wallerstein defines it, is an economic system based on private ownership of means of production and their operation for profit. A capitalist system coexists with the world-economy, relying on the international division of labor.

### **CORE COUNTRIES**

Exploit others for labor and raw materials, benefiting most from the capitalist world economy. They have industries, government, financial power, and advanced education systems.

### **SEMI-PERIPHERY COUNTRIES**

Attempt to improve their relative position in the world economic system, falling between the core and periphery. They do not dominate international trade but can exploit other peripheral countries.



### **PERIPHERY COUNTRIES**

Possess industries like mining, forestry, and agriculture, with less power, poor education systems, and low wages. They export raw materials to the core, relying on coercive labor practices and often have a colonial history that damaged their local economies.

### **[2] DEPENDENCY THEORY**

Combination of theories which explains the interrelation of development and underdevelopment in the international system, incorporating Wallerstein's world system theory.

It contends that neoliberal policies sustain a system of dependence linking the economic status of developing countries to developed nations.

Core countries (1st world) maintain dominance through resource bondage, coercing peripheral countries into economic dependency. Neoliberal policies, dictated by the World Bank, World Trade Organization, and the International Monetary Fund, perpetuate this relationship, with core countries relying on the raw materials and cheap labor provided by peripheries to sustain their economic status.

### **NEOLIBERAL GLOBALIZATION**

#### **[1] ECONOMIC LIBERALIZATION**

Characterized by the flooding of the local market with imported goods that destroy the local industries and livelihood of the populace.

#### **[2] DEREGULATION**

The price of the products sold in the local markets of the peripheral states are no longer regulated by the government. Many commodities and products consumed by local consumers are privatized.

#### **[3] PRIVATIZATION**

Trade liberalization and market deregulation also lead to the privatization of public utility. This eliminates public subsidies on social services and public sector corporations.

#### **[4] LABOR EXPORT**

The exportation of labor force becomes the government's strategy to pay debt and regulate unemployment. (refer to capital market flow)

**[5] INTERNATIONAL DIVISION OF LABOR**

Underdeveloped areas were incorporated into the world economy principally as suppliers of mineral and agricultural commodities. As developing economies are merged into the world economy, more production takes place in these economies.

## **A WORLD OF REGIONS**

### **REGIONALISM**

Regionalism is defined as a political and economic phenomenon that favors a specific region over a larger area. It is a political ideology that can be motivated by shared identities, ethics, religion, ecological sustainability, or health. Formation of regionalism is observed to be inspired by socially emergent issues that needs to be addressed.

Basic features of regionalism include a group of countries located in the same geographically specified area.

### **REGIONALISM vs REGIONALIZATION**

#### **REGIONALISM**

The expression of a common identity or purpose or political will among countries in a specific region. It entails cooperation, coordination, and the establishment of formal institutions or agreements to address shared challenges or promote mutual interests.

#### **REGIONALIZATION**

Refers to the process of creating or strengthening economic, political, or cultural ties within a specific geographic region involving the increased interdependence and integration of countries within that region through various means such as trade agreements, alliances, or cultural exchanges.

### **WHY FORM REGIONS?**

The motivations for forming regions vary, and it serves as a way of coping with globalization for both lesser-developed and developed countries. Forming alliances between neighboring countries is also a tactic used by the developed countries in terms of protecting or solidifying their strengths.

- [1] Military defense
- [2] Pooling of resources
- [3] Protecting a country's independence from superpower politics
- [4] Mitigating economic crises.

### **NON-STATE REGIONALISM**

Involves countries forming alliances based on common motivations, irrespective of their geographic proximity.

However, regionalism faces challenges:

- [1] Resurgence of militant nationalism and populism
- [2] Continuing economic crises

[3] Sovereignty and regional stability

[4] Differing visions of what regionalism should achieve.

## **GLOBAL DIVIDES: THE NORTH AND THE SOUTH**

### **GLOBAL SOUTH**

Metaphor for interstate inequality and a concept created by the West, particularly referring to countries colonized by the Spaniards in the southern part of the American continent, collectively known as Latin America.

This division is characterized by socio-economic and political disparities primarily focused on the southern hemisphere, comprising Africa, Latin America, Asia, and the Middle East. The term also denotes developing countries compared to the rich, industrialized nations in the Global North.

The term “Global South” is not geographical rather, its usage denotes a mix of political, geopolitical, and economic commonalities between nations.

### **GLOBAL SOUTH OR THIRD WORLD?**

The terms Global South and Third World are conceptually similar, both referring to conditions typically found in developing countries.

Until then, the more common term for developing nations was “THIRD WORLD.” The term was coined by Alfred Sauvy in 1952, in an analogy with France’s historical three estates: the nobility, the clergy and the bourgeoisie.

The term “First World” referred to the advanced capitalist nations; the “Second World,” to the socialist nations led by the Soviet Union; and the “Third World,” to developing nations, many at the time still under the colonial yoke.

### **THIRD WORLD**

Countries that had yet to industrialize fully

### **SECOND WORLD**

A term used during the Cold War for industrial socialist states under the influence of the Soviet Union. Positioned between the impoverishment characterizing developing nations and the affluence associated with developed nations

### **FIRST WORLD**

Countries that are characterized by stable democracies, the rule of law, a capitalist economy, and a high standard of living.

### **GLOBAL NORTH**

Encompasses the developed societies of Europe and North America. It is characterized by established democracy, wealth, technological advancement, political stability, an aging population, zero population growth, and dominance in world trade and politics. Members of the Group of Eight (Canada, France, Germany, Italy, Japan, United Kingdom, Russia, and the United States) are part of the Global North.

### **ASIAN REGIONALISM**

Asian regionalism is a recent concept among continental communities. Nevertheless, what fortifies Asian nations is the establishment of collaborations and cooperation founded on mutual respect.

For instance, the ASEAN (Association of Southeast Asian Nations), as a regional bloc, demonstrates full respect for the sovereignty and independence of its members through consensus and consultation.

### **ASPECTS THAT LEAD TO A GREATER ASIAN INTEGRATION**

- [1] Integration has been market driven
- [2] Formal institutions such as Asian Development Bank were established.
- [3] Economic grants and overseas development assistance are made available by better Asian economies
- [4] Production networks have expanded
- [5] cooperation among the ASEAN and East Asian countries  
*Example: ASEAN +3 (China, Japan, South Korea)*
- [6] ASEAN follows a consensus rule as an approach to decision making.

GLOBALIZATION and REGIONALIZATION are the same for they refer to integration. Their difference lies on the scope. Globalization is worldwide, while regionalization focuses on a specific geographical region.

-----GOOD LUCK-----