



FACILITATORS AND THEORIES OF GLOBALIZATION



Facilitators of Globalization



STATE ACTORS

Governments that manage their country's economy and relations with others.

Role of States in Globalization:

- Create policies for growth
- Join trade agreements
- Support businesses & industries
- Open markets for foreign trade

Importance:

- Encourages trade and investment
- Creates opportunities for citizens
- Connects countries globally
- Supports development and modernization

Facilitators of Globalization



.....
.....

STATES

are the primary entities that create and enforce Barriers to International Trade.

BARRIERS TO INTERNATIONAL TRADE

Created and enforced by states

Reasons for barriers:

- Protect domestic industries
- Ensure national security
- Raise government revenue
- Maintain product quality & safety

TYPES OF BARRIERS

1. Natural Barriers (geography, distance)

- ✓ Pros: None from an economic policy standpoint, as these are inherent geographical challenges.
- ✗ Cons: High export costs, limited market access

2. Political Barriers (government policies, trade stance)

- ✓ Pros: Protects local industries, supports national security
- ✗ Cons: Limits consumer access, may cause international conflict

TYPES OF BARRIERS

3. Tariff Barriers (tax on imports)

- ✓ Pros: Government revenue, protects domestic industries
- ✗ Cons: Higher consumer prices, risk of trade wars

4. Non-Tariff Barriers (quotas, embargoes, regulations)

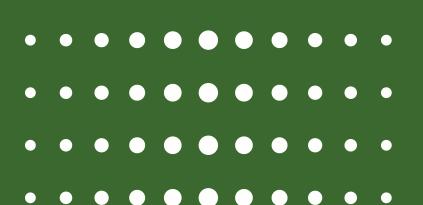
- ✓ Pros: Protects local industries, ensures safety & quality
- ✗ Cons: Limits foreign entry, reduces consumer choice, may favor domestic firms unfairly

MULTI-NATIONAL CORPORATIONS (MNC)

Multi-National Corporation are large companies that operate in multiple countries but are managed from a central headquarters in their home nation.

Why MNCs are key drivers of globalization

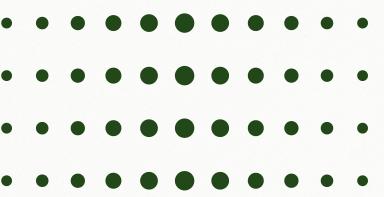
- Global Influence – Their size and power allow them to shape markets and consumer choices worldwide.
- Economic Growth – They boost both home and host country economies through investments and job creation.
- Economic Integration – Outsourcing and global supply chains lower costs and increase productivity.



Impact of MNCs:

- Operation – Global presence with operations in multiple countries
- Workforce – Employing large numbers of workers globally
- Innovation – Investing in R&D and hiring skilled individuals
- Contribution – Contributing to domestic economies and GDP growth





INTERNATIONAL GOVERNMENTAL ORGANIZATIONS (IGOS)

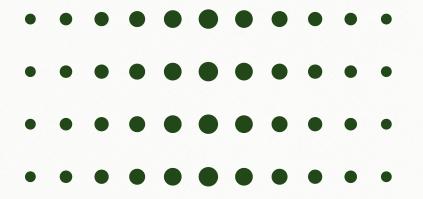
International Governmental Organizations (IGOs) are formal institutions created by two or more countries through treaties or agreements to work together on common issues. They consist of sovereign states that cooperate to solve global, regional, or sector-specific problems.

General Roles of IGOs

- Promote peace and security
- Support economic cooperation & development
- Provide humanitarian aid
- Develop international laws/treaties
- Advance health, education, and social progress

Major IGOs:

- United Nations (UN)
- World Bank
- International Monetary Fund (IMF)



WORLD TRADE ORGANIZATION (WTO)

- Established in 1995, replacing the General Agreement on Tariffs and Trade (GATT).
- Created to prevent and stop unfair trade practices like high taxes on imports.
- Main role: Promote and helps countries trade more freely by removing trade barriers.

What is the Importance of WTO?

✓ Economic Growth

✓ Fair competition

✓ Prevents trade wars

INTERNATIONAL NON-GOVERNMENT ORGANIZATIONS (INGOS)

- Non-profit groups working across countries to solve global issues.
- Independent from governments but raise awareness, pressure leaders, and push for change.

Major Examples:

1. **Amnesty International** – defends human rights (free speech, fair trials, protection from torture).
2. **Greenpeace** – protects the environment (climate, forests, oceans, renewable energy).
3. **Transparency International** – fights corruption and promotes good governance.



What is the Importance?

- ✓ Give a global voice to ordinary people.
- ✓ Help solve problems that governments often ignore or mishandle.
- ✓ Promote accountability, justice, and environmental sustainability.



THEORIES OF GLOBALIZATION

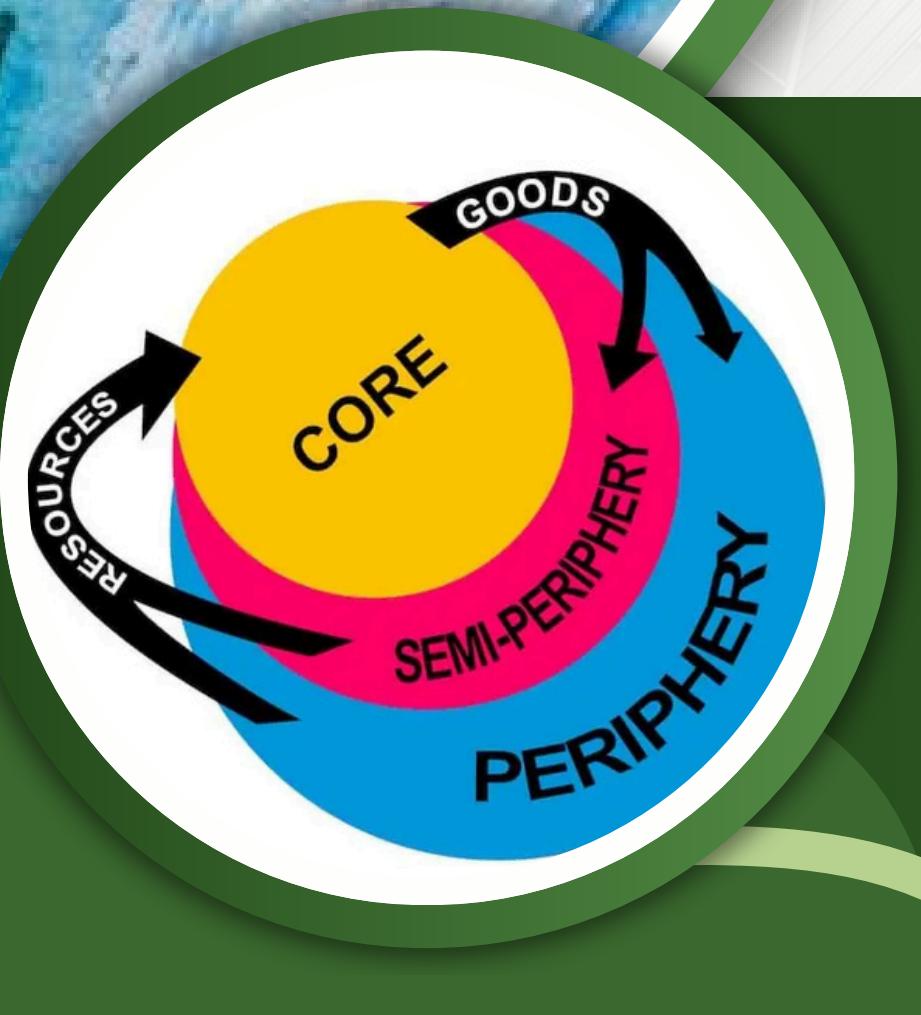




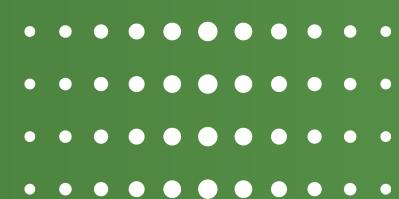
WORLD-SYSTEMS ANALYSIS

- Developed by Immanuel Wallerstein (1970s)
- Views the world as a single interconnected world-economy
- Explains global inequality through economic and political structures

GLOBAL DIVISION OF LABOR



- 01 Core Countries
- 02 Periphery Countries
- 03 Semi-Periphery Countries



Core Countries

- Highly industrialized, advanced technology, capital-intensive production
- Exploit other regions by importing raw materials & exporting high-value goods
- Examples: USA, Japan, Western Europe

Periphery Countries

- Least developed, dependent on core for capital/technology
- Supply cheap labor & raw materials
- Examples: Sub-Saharan Africa, parts of Latin America

Semi-Periphery Countries

- Intermediate position, mix of core and periphery traits
- Exploited by the core but exploit the periphery
- Examples: Brazil, Mexico, India, China



DEPENDENCY THEORY

- Explains why developing countries remain poor
- Root cause: economic dependence on developed nations
- Dependence through: loans, aid, trade relations
- Creates a cycle of debt & limited growth

Examples of Dependency

- **Haiti – relies on foreign aid, classified as HIPC (Highly Indebted Poor Country)**
- **Africa – dependent on aid/loans, still facing poverty**
- **Philippines – heavy reliance on foreign loans & ODA (World Bank, IMF, Japan projects)**

MODERNIZATION THEORY

Explains how societies move from traditional to modern systems through industry, technology, and education.

SOFT POWER

- Influence through attraction & persuasion (not force)

Examples:

- South Korea: K-pop, K-dramas, culture
- United States: Hollywood, universities, global brands

Advantages:

- Builds positive long-term image
- Promotes peace without war

Disadvantages:

- Slower impact than military power
- Depends on credibility & trust

HARD POWER

- Influence through military or economic force

Examples:

- Russia: Military force in Ukraine
- United States: Economic sanctions on Iran & North Korea

Advantages:

- Produces immediate results
- Useful for defense in conflict

Disadvantages:

- Causes conflict, war, destruction
- Damages international image



**THAT'S ALL
THANK YOU!**