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**Chapter I. Unit 1**

**Fundamentals of Globalization**

**Objectives**

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* 1. To write a personal definition of globalization based on a concept map.
  2. To differentiate the competing conceptions of globalization
  3. To identify the underlying philosophies of the varying definitions of globalization
  4. To agree on a working definition of globalization for the course

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Globalization has become a buzzword of the 21st century. Throughout history, pivotal events have significantly altered perspectives on, and approaches to, academic disciplines. Terrorist attacks, pandemics (i.e. COVID-19), climate change issues, problems of migration, among other global concerns reinforced the need for scholars, political leaders, policy makers, international organizations, non-state actors, and individuals to focus even more on global issues in an age of increasing globalization. Globalization links the fate of countries, intergovernmental organizations, state actors, and individuals to an unprecedented degree.

I. **Globalism.** It is a state of the world involving networks of interdependence at multicontinental distances. These networks can be linked through flows of influences of capital and goods, information and ideas, people and force, as well as environmentally and biologically relevant substances (such as acid rain or pathogens). Globalization and deglobalization refer to the increase or decline of globalism. In comparison with interdependence, globalism has two special characteristics:

1. Globalism refers to networks of connections (multiple relationships), not simply to single linkages. We would refer to economic or military interdependence between the United States and Japan but not to globalism between the US and Japan. US-Japanese interdependence is part of contemporary globalism but by itself not globalism.

2. For a network of relationships to be considered “global,” it must include multicontinental distances, not simply regional networks. Example: APEC but not ASEAN (Keohane, R. and Nye, J, 2000).

**A.**  **The Dimensions of Globalism:**

1. **Economic globalism** involves long distance flows of goods, services, and capital, and the information and perceptions that accompany market change. It also involves the organization of the processes that are linked to these flows: for example, the organization of low-wage production in Asia for the US and European markets.

Some economists define *globalization* in narrowly economic terms as “the transfer of technology and capital from high-wage to low-wage countries, and the resulting growth of labor intensive Third World exports.”

2. **Military globalism** refers to a long distance networks of interdependence in which force, and the threats of promise of force are employed. A good example of military globalism is the “balance of terror” between the US and the Soviet Union during the cold war.

3. **Environmental globalism** refers to the long distance transport of materials in the atmosphere or oceans or of biological substances such as pathogens or genetic materials that affect human health and well-being. Examples include the depletion of the stratospheric ozone layer as a result of ozone-depleting chemicals; human-induced global warming, in so far as it is occurring; the spread of the AIDS virus from Central Africa around the world beginning at the end of the 1970s.

4. **Social and cultural globalism** involves movements of ideas, information, and images, and of people – who of course carry ideas and information with them. Examples include the movement of religions or the diffusion of scientific knowledge. An important facet of social globalism involves imitation of one society’s practices and institutions by others: what some sociologists refer as “isomorphism.” At its most profound level, social globalism affects the consciousness of individuals and their attitudes towards culture, politics, and personal identity.

a. **Political globalism** could refer to the subset of social globalism that refers to ideas and information about power and governance. It could be measured by imitation effect (for example, in constitutional arrangements or the number of democratic states) or by the diffusion of government policies, or of international regimes.

b. **Legal globalism** could refer to the spread of legal practices and institutions to a variety of issues, including world trade and the criminalization of war crimes by heads of states.

***Globalism*** *is a phenomenon with ancient roots and* ***globalization*** *is the process of increasing globalism, now or in the past. However, others also argue that globalization is both a phenomenon and a process.*

II. **Globalization**. It is the process by which globalism becomes increasingly thick. The issue is not how old globalism is, but rather how “thin” or “thick” it is at any given time.   
 Example of ***“thin globalization,”*** the Silk Road provide an economic and cultural link between ancient Europe and Asia, but the route was plied by a small group of hardy traders, and the goods that were traded back and forth had a direct impact primarily on a small (and relatively elite) stratum of consumers along the road.   
 ***“Thick globalization,”*** on the other hand, involve many relationships that are intensive as well as extensive: long distance flows that are large and continuous, affecting the lives of many people. Example is the operations of global financial markets today, affect the people from Peoria (city in Illinois, USA) to Penang (Malaysia).

**A. Various definitions of globalization**

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| **Proponent** | **Definition** |
| **BARFIELD C. (2000)** | * It is the impact of changing technology on individual countries, individual societies over time. * It is very much technology-based. |
| **Payne, R. (2009)** | * The integration of markets, politics, values, and environmental concerns across borders. * It refers to shrinking distances among the continents, a wider geographic sense of vulnerability, and worldwide interconnectedness of important aspects of human life, including religion, migration, war, finance, trade, diseases, drugs, and music. * Globalization implies a significant and obvious blurring distinctions between the internal and external affairs of countries and the weakening of differences among countries. * Although globalization is generally regarded as Americanization of the world, America itself was, and continues to be, profoundly shaped by the forces of globalization. |
| **Steger, M. (2010)** | * Globalization is the intensification and expansion of social relations and consciousness across world-time and world-space. (*working definition of the course*) |

**B. Interdependence and Globalization**

Human societies have always been characterized by varying degrees of interdependence. Most of us do not grow the food we eat, make the clothes we wear, manufacture the cars we drive, produce the water we drink, or build the homes we live in. We depend on each other to accomplish both profound and mundane objectives.

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| **Interdependence** | **Globalization** |
| * It involves mutual dependence and cooperation * At the heart of the concept of interdependence is reciprocity * It is a political and economic situation in which two states are simultaneously dependent on each other for their well-being (Nassar, 2005) | * It refers to the integration of markets, politics, values, and environmental concerns across borders (Nassar, 2005). |
| Steger, M. (2010) | * Globalization is the intensification and expansion of social relations and consciousness across world-time and world-space. (*working definition of the course*) |

**Globality** is a social condition characterized by tight economic, political, cultural and environmental interconnections and flows making currently existing borders and boundaries irrelevant.

Example: globality of online gaming, ecumenism and same sex-marriage.

C**. Attributes of Globalization**

1. *Various forms of connectivity*. They are diverse because they can be economic, political, cultural, and the like. They are enabled by various factors, pressures, media, among others.
2. *Expansion and stretching of social relations.* This is with the presence of non-government organizations, friendships/relationships, government associations, multinational corporation (MNCs).
3. *Intensification and acceleration of social exchanges and activities*. Such as from snail mail to facebook; live television, and increased travel (cheap flights or piso fare promo)
4. *Occurs subjectively*. We think about the world such as the use of social media like #PrayforMarawi; #PrayforHongkong. We associate ourselves with global trends as fan of K-Pop, and other international artists. Hopefully, we feel some sense of responsibility especially on climate change.

Globalization is an uneven process. No single person or country experience globalization the same way. Legrain (2004) said,

“I believe that globalization is generally a good thing. Yes, the world is changing fast. Yes, it can be scary. Yes, some people will lose out at first. But we should opt to live in a more globalized world because it offers greater opportunity for everyone, rich and poor, to make the most of their potential. Globalization offers a richer life – in the broadest sense – for people in rich countries and the only realistic route out of poverty for the world’s poor. Make no mistake: we can build a better globalization. It is vitally important that we make the right choices. Our future depends on it.”

What is being globalized?

* The different forms of connectivity and flows are different facets of globalization
* Different “globalities” represent different forms of globalization (Flusty, 2004)
* Depending on the globality, you see a different dynamic

**D. Debating Globalization**

The three dominant positions in this debate is assumed by:

1. the hyperglobalizers and the transformationalists,

2. the weak globalizers, and

3. the skeptics and rejectionists.

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| **Debating Globalization** | | | |
| **Views/Arguments on:** | **Hyperglobalizers & Transformationalists** | **Weak globalizers** | **Skeptics and Rejectionists** |
| **Globalization and internationalization** | * They see profound changes in the international system. * Contemporary patterns of globalization are viewed as being unprecedented. | * There are many important changes in the international system but increased internationalization is not altering the world to the extent claimed by the hyperglobalizers | * Globalization is largely a myth that disguises the reality of existence of powerful sovereign states and major economic divisions in the world |
| **State and sovereignty** | * There is an erosion of sovereignty and the weakening of nation-states as a result of globalization and internationalization. | * States remain sovereign. | * National governments determine the nature of global interactions. |
| **Economy** | * There is a borderless economy that integrates people everywhere in the global market. | * States’ economy remain sovereign. | * National governments remain in control of their domestic economies as well as the regulation of international economic activities. |
| **Social and Cultural** | * There is cultural homogenization. * People around the globe are living in a “global village”. | * Culture, nationalism, and geography continue to divide us. * While people around the world, are living in the “global village,” they continue to jealously guard their own huts. | * Inequality continue to fuel nationalism. * Instead of cultural homogenization, the world is dividing into cultures that remain suspicious of each other. |

**Conclusion:** Some groups see globalization as homogenization whereas others view it as promoting diversity and greater tolerance of differences. Many non-state actors view it as conducive to their efforts to improve social conditions, protect the environment, and promote democracy. Globalization is linked to the toppling of dictators and the spread of human rights and democratic government. By removing restraints on people’s movement, globalization is perceived as instrumental in giving to the individual the power to choose. People are free to shape their identities, pursue an education anywhere in the world, and upgrade their standard of living. On the other side, critics of globalization focus on how cultural homogenization imposes Western values on others and destroys their traditions, religious beliefs, identities and sense of community and belonging. Many believe that globalization is a threat to national sovereignty and autonomy. Environmentalists, for example, believe that globalization contributes to environmental degradation, and labor unions and students contend that globalization lowers wages, creates greater inequality, and allows rich countries to maintain their dominant position in relation to poor countries.

E. **Causes of Globalization**

**Nassar** in his book Globalization and Terrorism: The Migration of Dreams and Nightmares explained that religion, technology, economy, and empire are the engines that empower the drive toward globalization. Thus, power, wealth and greed play a major role as root causes of globalization. Even the area of technology is arguably driven by the profit motive.

According to him, globalization is rooted in power and wealth. Whether for the glory of God, the empire, the nation, or the corporation, the spread of people, goods, and ideas grew and developed. In the process, hegemony continues into the twenty-first century under the guise of globalization.

**Payne (2009)**, on the other hand, believes that the causes of globalization are inseparable from the human desire to explore, to gain greater physical and economic security, to be creative and curious, and to move from one country to another. He mentioned the causes such as,

1.*) migration* with the assistance of some basic forms of technology, improvements in transportation and navigation, revolution in communications, inexpensive airline travel;

2.) *advances in military* which allowed states to consolidate power internally and subsequently to challenge other states for power and dominance; and medical technologies

3.) *medical technologies* assisted globalization, and its inability to successfully control infectious diseases such as AIDS, increases our sense of vulnerability in a global society, but has contributed to improvements in some areas like enabling people to live longer and healthier lives, advances in commerce, and developments in culture;

4.) *financial market expansion* that encouraged more economic interactions, innovation, entrepreneurship, and the development of new technologies

5.) *communications revolution* directly affects economic, financial, military, and cultural globalization. Example, the “Love Bug” virus that caused computers worldwide to crash at lightning speed, with devastating effects on communications, businesses, education and medical care around the world. It even penetrated the secret computer system of the code breakers at the US National Security Agency, as well as some classified systems at the Pentagon. This happened in May 2000, created by a 23-year old Filipino student.

F. **Forms of Globalization:**

1. Economic Globalization may be defined as the intercontinental exchange of products, services, and labor. Frankel (2005) points out that this is one of the most powerful forces to have shaped the postwar world. According to him, the two major drivers of economic globalization are:

a. reduced costs to transportation and communication in the private sector; and   
 b. reduced policy barriers to trade and investment on the part of the public sector.

Payne asserts that the emergence of new technologies and the diffusion to major parts of the world had intensified economic globalization. Multinational corporations (MNCs) have been instrumental in globalization of production and distribution networks. He added that consumers worldwide use similar products made by similar corporations. Economic globalization also includes the movements of people and exchange of ideas which paved way for the creation of global teams (corporate cultures of Citigroup, Chevron, Hewlett-Packard) that operate across national borders and the development of global cities (New York, London, Tokyo, Shanghai, Milan, Hong Kong, Zurich).

2. Financial Globalization leads to the deepening and expansion of global finance. Financial problems affecting a country such as the terrorist attack in the World Trade Center and the Pentagon on September 11, 2001, sent shock waves through financial markets worldwide, painfully demonstrating direct linkages among American, European, Asian, and the Latin American economies.

Four basic developments that drive financial globalization:

a. *Consolidation of financial institutions* in most countries. Before, local banks were largely locally owned and operated, but the number of independent financial institutions is declining as mergers and acquisitions result in larger financial institutions (BDO is merging of Equitable, PCI and Banco de Oro)

b. *Globalization of operations* is where banking conglomerates extend their reach by forming strategic alliances with similar institutions in different countries

c. Emergence of *New technologies*  such as online banking where telecommunications aid operation to expand into foreign markets even without having branches (Pera padala of pawnshops)

d. *Universalization of banking* had contributed to the blurring of bank and nonbank financial services.

Before 1944, British pound became the strongest and most desirable currency as an impact of the stretching of the British Empire across the world. In 1944, US, Britain and other countries held a conference in Bretton Woods, New Hampshire, to determine the international financial order. The conference established the **Bretton Woods System**, which required the currencies of other countries to have an exchange rate fixed to the dollar, with the dollar fixed in terms of gold at $35 an ounce. This arrangement gave the US significant influence over the international monetary supply.

The Bretton Woods System set up the **World Bank** (also known as international bank for Reconstruction and Development), to help stimulate Europe’s economic recovery after the devastation of World War II. It also created the **International Monetary Fund (IMF)** to implement the rules of the international financial system and to help countries experiencing short-term of balance-of-payment and liquidity problems.

3. Political Globalization is characterized by the acceptance of states, the relative power of states, and the spread of nonstate political and regional organizations composed of states, and the spread of nonstate political actors. Political issues in one part of the world directly or indirectly affect many other areas. For example, conflicts in the Middle East have important ramifications for Europe, US and Japan. Most of the emphasis on political globalization is concentrated on the spread of **multilateral institutions**. These are organizations composed of many states pursuing common objective and include both international intergovernmental organizations (IGOs), such as the United Nations, the European Union, Organization of American States, and the British Commonwealth.

Politics is both local and global. Many policies that were once considered as local or national concern are now global, which suggests the strengthening of **policy interdependence.** In other words,national policies of one country are intertwined with those of other countries, and many national problems can be solved through global cooperation. States form **international regimes** to cope with problems generated by complex interdependence which were designed to regulate the behavior of their members. At the heart of most international regimes is the concept of **global governance,** which refers to collective actions taken to establish international institutions and norms to deal with national and global issues.

4. Military Globalization is characterized by extensive as well as intensive networks of military force. This includes the actual use of force and threats to use violence. The most obvious example of military globalization is the nuclear age and the proliferation of weapons of mass destruction. This is characterized by several developments in modern history:

a. The *competition among European powers and territorial expansion* that resulted in the colonization of Asia, Africa, and the Americas;

b. The *emergence of international alliances and international security regimes*, such as the Concert of Europe and the North Atlantic Treaty Organization (NATO);

c. The *proliferation of weapons and military technologies worldwide*; and

d. The *creation of global institutions to deal with military issues*, such as the nuclear nonproliferation regime.

The **Concert of Europe** (1815-1914) established a set of principles, rules and practices that helped to maintain balance between the major powers after the Napoleonic wars, and to spare Europe from another broad conflict, which ushered in the Congress of Vienna.

5. Cultural Globalization involves the exchange of food, people, products, ideas, and technology across national boundaries. It affects the consciousness of individuals and their attitudes towards politics, religion, economics, and broader cultural values. It also influences their sense of identity, belonging and nationalism. Sports which have been generally associated with nationalism, are one of the most obvious and emotional aspects of cultural globalization. World Cup soccer (football), watched by billions of people around the world demonstrates the global passion for sport. The recently concluded NBA game between Golden State Warriors and Raptors, boxing match between many Pacquiao and Floyd Mayweather Jr. are few examples. The globalization of sports has been accompanied by the development and enforcement of rules for athletes around the world.

6. Environmental Globalization focuses on the interdependence among countries in relation to such problem as global warming, the spread of infectious diseases, air and water pollution, deforestation and loss of biodiversity, and threats of endangered species. It refers to the impact that environmental problems in one part of the world have on distant places. Virtually, all forms of globalization have an impact on the environment. Examples, military globalization as had disastrous consequences for people, animals, forests, air quality and the oceans. Economic globalization, directly contributing to deforestation, air pollution, and the degradation of the land. Environmental globalization with concerns to other issues such as global hunger, and inequality.

7. Criminal Globalization. Terrorist attacks in the US on September 11, 2001, represented an extreme form of **criminal globalization** and diminished the action given to less dramatic but most equally dangerous transnational criminal activities. It is the intercontinental spread of global crime and its impact on governments and individuals. It includes transborder crimes such as drug trafficking, money laundering, prostitution, alien smuggling, arms trafficking and counterfeiting. It poses severe challenges to national and global security.

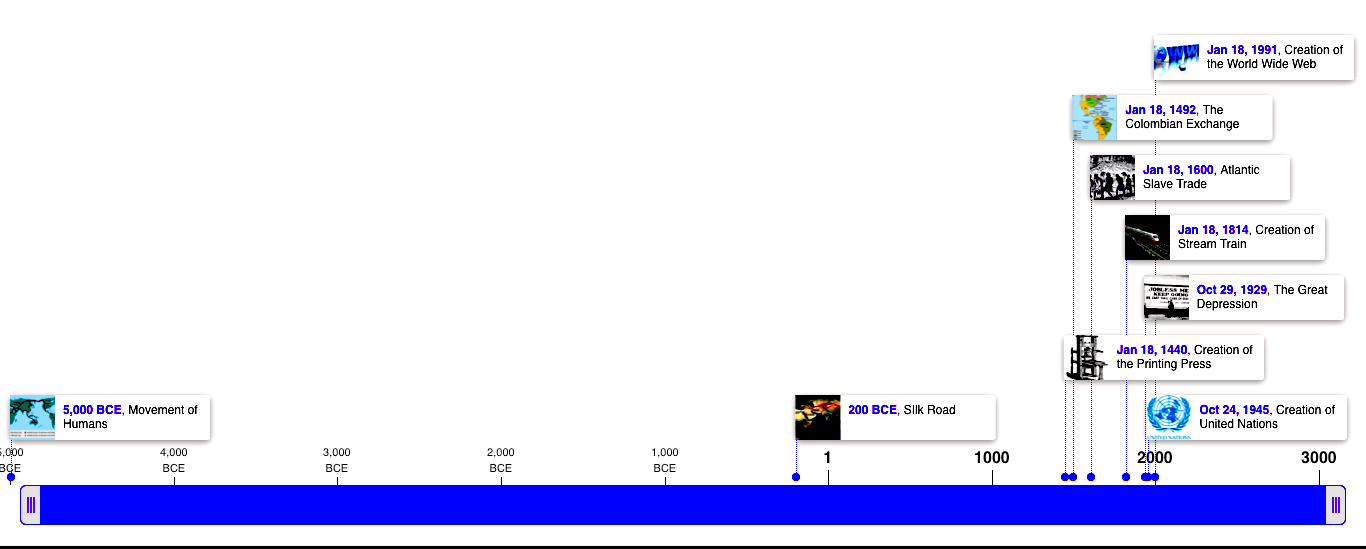
**Terrorism** is defined in the dictionary for diplomats according to Nassar as the “use of violence against non-combatants, civilians or other persons normally considered to be illegitimate targets of military action for the purpose of attracting attention to a political cause, forcing those aloof from the struggle to join it, or intimidating opponents into concessions.”

The globalization of violent conflicts has led unprecedented levels of human suffering. Terrorism has constituted a necessary component in such conflicts.

**F. PERIODS OF GLOBALIZATION**

For discussion, we can identify *five waves of globalization* in the constant sea of change that defines human experience.

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| **Waves of Globalization** | | |
|  | **Period (Covered)** | **Nature of global interaction** |
| **First** | * This wave of globalization is as old as human civilization. * Globalization was occurring long before the language of globalization came into existence | For more than five thousand years human beings from different places have interacted, mostly through trade, migration, and conquest. |
| **Second** | This wave of globalization is closely associated with the Western European conquest of Asia, Latin America, and Africa and the spread of capitalism to these areas. | **Dependency** theorists view this period of globalization as being profoundly influential on global politics and trade. |
| **Third** | This began around 1870 and declined around 1914. | * This wave is marked by breakthroughs in technological development, the global production of primary commodities as well as manufactured products, and mass migration. * Vast areas of land in North America, Argentina, Australia, and elsewhere were cultivated and agricultural products were exported. * The production of primary products led to the demand for labor.   + Some Filipinos were brought to the Hawaiian coasts in the US to work in sugarcane plantations. They were called the *Sakada.*   + This explosion of global activities was followed by a retreat into nationalism from 1914 to 1945. World War I was followed by the Great Depression and a wave of protectionism, led by the US. |
| **Fourth** | From 1945 to 1980 | * This period of globalization was characterized by both cooperation and conflict. * It was spurred by the retreat of nationalism and protectionism and the strengthening of internationalism and global cooperation. * The removal of trade barriers was selective, but institutions – such as the World Bank, the International Monetary Fund, and the General Agreement on Tariffs and Trade (GATT) – were formed to encourage global trade and development. * Many developing countries, relying on the exports of primary commodities, continued to be marginalized and disadvantaged in the global economy. * Efforts to encourage nations to work together in the United Nations were weakened by the rivalry between the US and Soviet Union. * The most important form of globalization during this period was military globalization. |
| **Fifth** | current period | This is characterized by unprecedented interdependence among nations and the explosive growth of powerful non-state actors. |

TIMELINE OF GLOBALIZATION

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LEARNING ACTIVITY

First Individual/Group Activities: (for face to face setting)

1. Group dynamics

* Make a causal loop or problem tree analysis on the causes and effects of globalization. Use 1 whole white cartolina. Present in the class your group output.

Causal loop diagram – an analytical tool containing words and directed arrows connecting those words, usually with at least one closed loop representing feedback. Use red mark for causes and blue mark for effects

Problem tree analysis – a pictorial representation of a problem, its causes and its consequences that are fitted into the diagram on a hierarchical preference basis. Use different colors to distinguish the causes and effects.

2. Individual sharing of globalization experience

* Make a creative presentation (powerpoint, essay, talent showcasing, etc.) about your “globalization story”. You may bring pictures or significant things that are related to your story.

**Rubric for the Learning Activity**

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| --- | --- |
| Integration of lessons/concept discussed in class | 15 |
| Additional research related to the topic | 10 |
| Clarity of points | 5 |
| **Total** | **30** |

**ASSESSMENT**

FIRST LONG EXAMINATION