

NATIONAL OPEN UNIVERSITY OF NIGERIA

**DEPARTMENT OF PEACE STUDIES AND CONFLICT
RESOLUTION, FACULTY OF SOCIAL SCIENCES**

COURSE CODE: PCR422

**COURSE TITLE:
GLOBALIZATION AND PEACE**

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PCR 422
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PCR422

Course Guide

INTRODUCTION

Welcome to PCR422: Globalization and Peace

Globalization and peace is a three-credit unit course for undergraduate students in Globalization and Peace Studies. The materials have been developed to equip you with the fundamental principles of the subject matter. The course guide gives you an overview of the course. It also provides you with information on the organization and requirements of the course. COURSE

OBJECTIVES

The course aims to help students understand the causal relationship between globalization and conflict, and how fair and inclusive globalization can engender peace and economic development. Globalization is the comprehensive term for the emergence of a global society in which economic, political, environmental, and cultural events in one part of the world quickly come to have significance impact on people in other parts of the world.

Globalization tells us about the growing economic, political, technological, and cultural connections that connect individuals, communities, businesses, and governments around the world. Globalization also involves the growth of multinational corporations that have investments and operations in many countries and global marketplace. The international institutions that oversee world trade and finance, such as world trade organization (WTO) play an increasingly important role in this era of globalization

These broad aims will be achieved by

- i. Introducing students to the concepts of globalization and peace;
- ii. Explaining the various concepts and dimensions of globalization
- iii. Acquaint students on how globalization has promoted trade, broader communication among people and how it has vigorously engineered conflict across the world etc.
- iv. The positive impact globalization has brought in sharing knowledge, technology, investments, resources, and ethical values.
- v. Acquaint students with what institutions, governments and development partners can do to promote globalization for peace.
- vi. Understand case studies and experiences that can promote globalization and peace by examining the ECOWAS and African Union's (AU) models.
- vii. Acquire skills in globalization and Peace-building strategies.

WORKING THROUGH THIS COURSE

To complete this course, you are required to read the study units and other related materials. You will also need to undertake practical exercises for which you need a pen, a notebook and other materials that will be listed in the guide. The exercises are to aid you in understanding the concepts being presented. At the end of each unit, you will be required to submit written assignment for assessment purposes. At the end of the course, you will write a final examination.

COURSE MATERIALS

The major materials you will need for this course are:

- (i) Course guide
- (ii) Study Guide
- (iii) Assignments file

Relevant text books are listed under each unit.

TEXTBOOKS AND REFERENCES

Certain books have been recommended for the course. You may wish to purchase them for further reading.

ASSESSMENT FILE

An assessment file and a marking scheme will be made available to you. In the assessment file, you will find details of the works you must submit to your tutor for marking. There is only one aspect of the assessment of this course; the tutor marked. The marks you obtain in the area and in the final examination questions will make up your total marks. The assignment must be submitted to your tutor for formal assessment in accordance with the deadline stated in the presentation schedule and the Assignment file. The work you submit to your tutor for assessment will count for 30% of your total score.

TUTOR MARKED ASSIGNMENT (TMAs)

You will have to submit a specified number of the (TMAs). Every unit in this course has a Tutor Marked Assignment. You are required to attempt all the questions and you will be assessed on all of them but the best four performances from the (TMAs) will be used for your 30% grading. When you have completed each assignment, send it together with a Tutor Marked Assignment form, to your tutor. Make sure each assignment reaches your tutor on or before the deadline for submissions. If for any reason, you cannot complete your work on time, contact your tutor for a discussion on the possibility of an extension. Extensions will not be granted after the due date unless under exceptional circumstances.

FINAL EXAMINATION AND GRADING

The final examination will be a test of three hours. All areas of the course will be examined. Find time to read the unit all over before your examination. The final examination will attract 70% of the total course grade. The examination will consist of questions, which reflect the kinds of self assessment exercise and tutor marked assignment you have previously encountered. And all aspects of the course will be assessed. You should take the time between completing the last unit and taking the examination to revise the entire course.

COURSE MARKING SCHEME

The following table lays out how the actual course mark allocation is broken down.

Assessment	Marks
Assignments	Assignments account for 30% of total marks
Final Examination	Final Examination 70%
Total	100%

PRESENTATION SCHEDULE

The dates for submission of all assignments will be communicated to you. You will also be told the date of completing the study units and dates for examinations.

COURSE GUIDE: OVERVIEW AND PRESENTATION SCHEDULE

UNIT	TOPIC(S)	WEEKLY ACTIVITY	ASSESSMENT (END OF ALL UNITS IN A MODULE)
MODULE 1			
Unit 1		Week 1	
Unit 2		Week 2	
Unit 3		Week 3	
Unit 4		Week 4	
Unit 5		Week 5	Assignment 1
MODULE 2			
Unit 1		Week 1	
Unit 2		Week 2	
Unit 3		Week 3	
Unit 4		Week 4	
Unit 5		Week 5	Assignment 2
MODULE 3			
Unit 1		Week 1	
Unit 2		Week 2	
Unit 3		Week 3	
Unit 4		Week 4	
Unit 5		Week 5	Assignment 3

MODULE 4			
Unit 1		Week 1	
Unit 2		Week 2	
Unit 3		Week 3	
Unit 4		Week 4	
Unit 5		Week 5	Assignment 4
MODULE 5			
Unit 1		Week 1	
Unit 2		Week 2	
Unit 3		Week 3	
Unit 4		Week 4	
Unit 5		Week 5	Assignment 5

HOW TO GET THE MOST FROM THIS COURSE

You will be required to study the units on your own. However, you may arrange to meet with your tutor for tutorials on an optional basis at the study centre. Also, you can organize interactive sessions with your course mates.

TUTORS AND TUTORIALS

Information relating to the tutorials will be provided at the appropriate time. Your tutor will mark and comment on your assignments. Keep a close watch on your progress and on any difficulties you might encounter and your tutor shall provide assistance to you during the course. You must take your tutor-marked assignments to the study centre well before the due date (at least two working days are required). They will be marked by your tutor and returned to you as soon as possible. Do not hesitate to contact if you do not understand any part of the study units or the assigned readings; you have difficulty with the exercises: you have a question or problem with the assignments with your tutor's comments on an assignment or with the grading of an assignment. You should try as much as possible to attend the tutorials. This is the only chance to have face-to-face contact with your tutor and ask questions which are discussed and answered instantly. You can raise any problem encountered in the course of your study. To gain maximum

benefit from course tutorials, prepare a question list before attending them. You will learn a lot from participating in discussion actively.

SUMMARY

The course guide gives you an overview of what to expect in the course of the study. The course teaches you to understand the causal relationship between globalization and peace, and how fair and inclusive globalization can engender peace and economic development. We wish you success and hope that you will find it both interesting and useful.

NATIONAL OPEN UNIVERSITY OF NIGERIA (NOUN)

Headquarters

Table of Content

There are five (5) modules in all. Each module consists of five units

Pages	Pages
MODULE 1: Meaning, History and Dimensions of Globalization	12
Unit 1: The Meaning of Globalization	12-21
Unit 2: Historical Perspective of Globalization	22-31
Unit 3: Dimensions of Globalization	32-40
Unit 4: Advantages/Good News about Globalization	41-52
Unit 5: Globalization, the Quest for Justice, Human Rights and Peace	52-63
MODULE 2: Concepts of Peace, Peace-Building and Globalization	64
Unit 1: The Meaning of Peace, Peace –Building and Globalization	64-76
Unit 2: Globalization and Governance	77-86
Unit 3: Role of Law and Justice in Globalization Process: Implication for global Peace	87-96
Unit 4: Challenges of Promoting Peace in Globalization	97-105
Unit 5: Globalization, Multiplier effects and vulnerability of micro-societies/domestic to crisis, and on the larger system	107-114
MODULE 3: Building An Inclusive Globalization	115
Unit 1: Building an Inclusive Globalization Process	115-122
Unit 2: Why the Inequalities Caused by Globalization Must be Addressed	123-130
Unit 3: What Nigeria/Africa must do to Benefit from a peaceful globalization	131-140
Unit 4: Good Governance, Globalization and World Peace	141-151
Unit 5: Consideration of Public Interest as the basis of Peace in Globalization Process	152-159
MODULE 4: Cultural Diversity and Tolerance as Basis for Promoting Peace in Globalization Process	160
Unit 1: Cultural Diversity and Tolerance as Basis for Promoting Peace in Globalization Process	160-168

Unit 2: Conflict and Conflict management for Sustainable Peace in Globalization Process	160-168
Unit 3: Impact of Donor Agencies on Peaceful Globalization Process	177-183
Unit 4: Using Partnerships and Collaborative Efforts to Promote Global Peace and Security	184-193
Unit 5: Humanitarianism and World Peace	194-206
MODULE 5: The Role International Governmental and Regional Organizations in Promoting World Peace	207
Unit 1: Globalization and Peace: The UN's Approach.	207 217
Unit 2: The Role of National Governments in Promoting Peaceful Globalization	218 227
Unit 3: The Role of Regional Organizations in the Promotion of Peace in Africa:	228 236
The Experiences of Economic Commission of West Africa States (ECOWAS) and South Africa Development Commission (SADC) Examined.	
Unit 4: Globalization and Peace: The African Union (AU) Experience	237 246
Unit 5: Concluding General Remarks and the Future of Globalization	247-262

MODULE 1 (UNIT 1)

Unit 1: The Meaning of Globalization

Unit 1 Structure

1.1 Introduction

1.2 Learning Outcomes

1.3. The Meaning of Globalization

1.3.1 Three Aspects of Meaning of Globalization

1.4 Summary

1.5 References, Further Readings, Web Sources

1.6 Possible Answers to Self-assessment exercise



1.1 Introduction

With the end of the Cold War in 1989, world politics and economy metamorphized and became aligned with the unipolar ideology of market economy and globalization processes. Interestingly, the same process which created global economy and politics was altered by globalization as there was a deepening reality of today due to the rise of nation-states and cross-border transactions. Globalization is intended to bring about a unifying world as if the world itself is a small community where members can be better known to one another. Essentially, there is now a breaking down of barriers and distance, where one does not need to spend too many days to reach another part of the world, or spend too much resources communicating with another person in other parts.

The purpose of this unit therefore is to present diverse, but concrete meaning and understanding of globalization. Such meaning is not intended to be predicated on one single sentence. With the complexity and dimensions of globalization, it becomes obvious that to fully achieve the above-mentioned objective, the entire unit must be structured in such a manner as to make for adequately explanation of the concepts and precepts of the subject of globalization. We must thus take comprehensive and methodological approach of describing and prescribing the conceptual issues with empirical examples.



1.2 Learning Outcomes

The purpose of this unit is to:

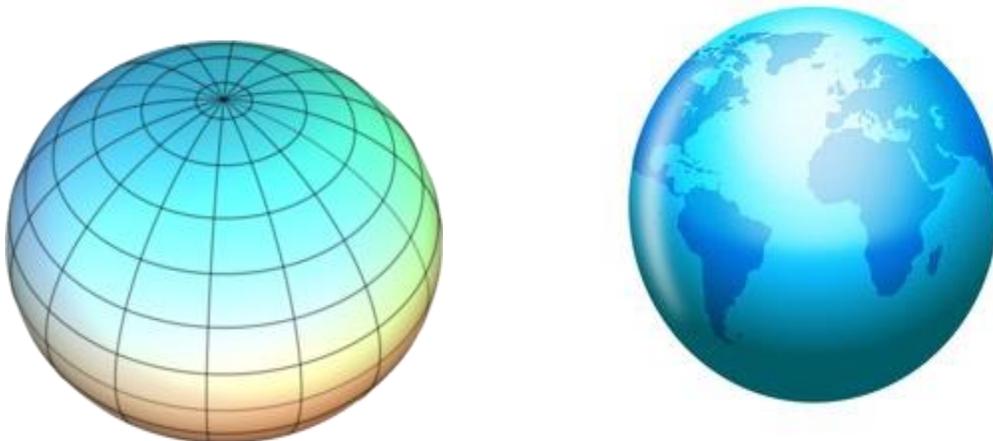
1. Introduce the concept of globalization to student;
2. Acquaint students with the concepts and meaning of globalization, and
3. Present diverse opinions on the subject-matter.



1.3 The Meaning of Globalization

The shape of the earth can be said to be *spheroid*. This basically means that the earth is sort of round like a globe (as can be seen in the images below).

Figure showing *Spheroid* Shape of the Earth and its Regular Globe Depiction



The term “globalization” is thus conjugated from the word – *globe*. This concept is thus illustrative and speaks to the fact that the new phenomenal oneness of the entire world, which is basically technology-driven and occasioned by advances in information and communications technology from the 1980s.

To this end, Thomas Freidman defined globalisation as:

the inexorable integration of markets, nation-states and technologies to a degree never witnessed before—in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is enabling the world to reach into individuals,

corporations and nation-states farther, faster, deeper, cheaper than ever before (Friedman, 2012).

Globalization also refers to trends that encompasses expansion in international trade, movement of multinational corporations (MNCs) telecommunications, monetary co-operation and integration, cultural exchanges and technical co-operation, migration and refugee flows, including relations among the world rich and poor countries (Goldstein and Pave house, 2011). The processes of globalization today can be seen in every day affairs, such as faster and more comfortable transportation, communication, knowledge-sharing, exchange among academics and researcher in institutions and business.

Globalization should therefore mean that communities across the world can have a share of global resources due to the breaking up of barriers between nations. It also portends that there should be shared or mixing of cultures, thereby ensuring that individuals (powerful and otherwise), cooperate bodies and state actors can join in one accord to facilitate economic, political and social intercourse within global community. Ultimately, countries can thus take advantage of the gains of globalisation and minimize the complexities and challenges that comes from globalization as we will see in the lessons below.

It must however be pointed out that globalization is believed by a wide spectrum of people to offer more adversities than privileges for the global community, especially for developing countries. For example, Timothy Ongi of the Global Business Council admits that globalization was originally thought to advance international co-operation and development, but the disparities it has created, out of the making of the west, necessitated the September 11 2001 bombing of the ITC-USA. Globalization is multidimensional, affecting all aspects of life – economic, culture, politics, environment and social lifestyles. Globalization is not a new phenomenon; but because it has captured the important changes and transformations which took place in the 1990s following the collapse of communism in 1989, the term has reappeared with more embellishing and all-embracing terminologies, such as global village, information age,

network of interdependence etc. Two reasons are usually advanced as the basis for recent popularity. The first is connected with the speed with which communication technology, transportation and knowledge-sharing have overtaken the world in the last two decades. The second is the way peoples all over the world are moving across their national borders and blending into best global practices and cultural fads.

Ajayi (2001) defined it as increasing integration and interaction among people in activities that relate to economic in human societies around the world. Many writers on globalization and international political economy think that globalization is much more of economic activities than political or social. When citizens of other states make case for democracy, rule of law, equality, access, freedom or co-operation and cultural exchange in other states different from their own by virtue of right of expression of international public opinion, it is probably justified by the opportunities that globalization process offers. In the events of US presidential election in 2008, people around the world wished that not only the Democratic Party wins the election; they also wished that Barack Obama, the most popular candidate (African American), emerge the president through international public opinion. Of course, it was a wish fulfilled. Such effort, too, could probably be said to be justified by the opportunity that globalization offers. The alignment of opinions across the world over Obama's presidency was also a scenario when the world truly seemed to be one global village. Globalization is more than just movement of goods and people across borders.

For example, Baylis and Steve (2001) wrote that globalization is a term that implies three sets of factors in the world economy. These factors according to them are internationalization, technological revolution and liberalization. The terms are discussed below.

1.3.1 Three perspectives (Aspects) of Looking at the Meaning of Globalization

(i) **Internationalization**

This describes increases in economic transactions across borders which has been taking place since the turn of the century. Internationalization has indeed taken a leap in the past two decades. For goods and services including people to be freely allowed across borders, there must be an environment of liberalization that supports business, good measure of access, democracy and so on.

An excellent example of internalization of an environment is Dubai, which has recently emerged as the number one location in the world for business, entertainments, sports, shopping, health tourism, and tourism generally, entertainments and sports. Taken advantages of the dynamics of globalization and fortune from the discovery of oil, Dubai was turned into one of the world's most awe-inspiring cities in the world from just a desert backwater in less than 60 years. Tiger Woods, one of the world's most celebrated golf players invested in golf course to which the royal family in that enclave has substantial stakes. Woods has also profited from the *internationalization* of Dubai as he has received various payments from his life work, golfing. He was reported to have signed a contract in August 2008, that included an upfront payment of \$29 million for the promotion of a golf course, shopping mall, luxury villas and mansions.

The development in Dubai is a shining example of the auspices of economic and political liberalism, which political institutions of that country have allowed. Ordinarily, those ideas are usually considered either too notorious or not in line with Islamic ways of life because it gives too much room to “frivolities or unethical religious mode of Islam”. Liberalization of politics is a fundamental basis for economic liberalization. Democracy, for example, has become a political ideology for nations wishing to move forward in their reforms and development process, precisely because the world seems not only more comfortable with it, but also sees it as the best among alternatives. It is no longer entirely seen as the capitalist west agenda, especially

since the fall of communism in 1989. Moreso, the recent *orange revolution* that engulfed the Middle East countries from Libya to Egypt, Algeria to Syria etc. is substantially attributed to the demand for democracy, which globalization is carrying in its endless journey from continent to continent, region to region and country to country.

(ii) Technological revolution and worldwide network

This describes the effect of electronic communication, permitting non-state actors and indeed individual, to operate globally with less regard for location, distance and borders. These are also opportunities engendered by the intent and spirit of globalization. For example, the rate at which information technology is networking by the so-called New Media (Cable News Networks (CNN), Al-Jazeera etc.) and shared among peoples and nations in the last decade has been unprecedented. Today, there is universality of ethics of work in organizations, corporations, public institutions in the way information is generated, shared, stored and utilized – all aided by computer internet system. Executives can now do in-depth research on industries without spending hours reading through tons of materials. Taking the West as a role model without admiring its values, Malaysia believes it can become a super power by 2020. The only thing Malaysia thinks it can copy from the West is the inputs of ICT to economic development by building a technologically savvy and knowledge driven society that derives power from modern economy and transportation systems. “Nothing more, nothing less”. Liberalism is what the west thinks it owes the world, and on that basis, it shares knowledge and technology internationally. This is the positive and interesting thing about globalization. There is also the negative side of the revolution in technology.

The September 11, 2001 terrorist attack in Washington, for example, presents a negative side of globalization. As Basil Ibebunjo (2015) explained,

We live in the age of uncertainty where globalization, occasioned by advances in technology, and Information/Communication Technology (ICT) can serve to exacerbate every security situation. Thus, events in the most remote part of one

country can have significant consequences on even the most advanced far-flung country (Ibebunjo, 2016).

He noted that this point was illustrated by former U.S. President George W. Bush, in the *Introduction to the 2002 National Security Strategy of the United States*. In that document, Mr. President affirmed that “the events of September 11, 2001, taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states” (National Security Strategy of the United States of America, 2002, quoted in Ibebunjo, 2016).

Till date, Americans feel their lives is affected more and more by events outside their domain, that terrorist half the world could wreak havoc in Washington or anywhere in the United States. Additionally, 9/11 has become a landmark in the security and defence and defence arena globally. If not the philosophies of liberalism, which provides basis for globalization, perhaps, choice entry and exit from American states could be a lot more difficult. Of course, it is utterly difficult to visit the US today. Everybody is a suspect or potentially seen as capable of ricking havoc against America. Even those who are favourably disposed to American values are treated with disdain at airports and ports of entry to the USA. This therefore means that this negative global event has basically impacted on virtually the entire citizenry of whole world.

(iii) **Liberalization**

Generally speaking, this means the relaxing or loosening of national government laws that controls social, economic or political affairs of the state. Liberalization is thus used in relations to policies undertaken by national governments (states) to deregulate their economies, create market for free entries and exits, and thus prevent hostilities among nations including the provision of information and frameworks within institutions that shapes expectations. Liberalization is therefore often used and treated as synonymous with deregulation—that is, the removal of state restrictions on business.

Above, we mentioned the social angle, which is an important aspect of liberalization. This is often neglected and holds such good examples are gay rights, abortion, divorce and other socio-cultural practices. A good example was the US President Barrack Obama gay rights campaign that failed in Africa. On his first visit to his father's homeland, Kenya, he confronted Uhuru Kenyatta and over millions of Kenyans watching on television with his views and defence on gay rights. He asked African states to liberalize and defend gay rights in Africa, telling Kenya's president that a state has no right to punish anyone based on "who they love". The Kenyan president publicly disagreed, stating:

There are some things that we must admit we don't share," Kenyatta said, insisting that gay rights "is not really an issue on the foremost mind of Kenyans... It's very difficult for us to impose on people that which they themselves do not accept (The Guardian International Edition, 2015).

This caused public outcry in most African countries. In Nigeria, up to 14 years jail terms was advanced in the anti-gay bill. Obama threats to cut off foreign aid to Nigeria if the anti-gay bill is passed did not waver Nigerians. Just like Nigerians, most African insisted that the West cannot impose a culture that is alien on the continent. This example shows how different cultures and civilizations can clash in the global order that is occasioned by globalization. It is believed in some quarters that this was one of the things that cost President Jonathan a second term. Yet, nothing came out of this campaign during the Buhari Presidency.

Economic liberalization came about because people are now more concerned about the growth of their economies. What are the environments that promote growth? First prerequisite is an environment that promotes efficient rules and regulations, including access and opportunities for investment. It raises another question as to what institution is responsible for the promotion good legal environment for economic management. It is important to note that the political institution is responsible for the promotion and enforcement of responsible legal (political, economic and social) environments. This is what most investors cherish of countries across the world. Here, a point has been underscored that liberalization of political institutions and politics

is a defining element of globalization. An economy is intensely shaped by it. For example, Simai (2003) wrote that politics is a domain of activity and a sphere of every society, but also a dimension of the functioning of all institutions and most facets of human relations.

To reiterate the initial point, the economy is par excellence political and the global economy is no exception. Globalization cannot be simply reduced to mere movement of people and goods across borders. What about the efforts of many non-English speakers who travel annually to learn to speak English Language? For example, the Japanese, Chinese, Koreans students and many other Asian countries travel to Europe and America in large numbers to study English Language every summer. The purpose is to enable students share in the very language that is fast assuming universality of purpose. In fact, globalization seems to be railing on English Language. It is the language of global economy, global politics and international relations (IRs).

Globalization has truly shaped or introduced similarities in the way states behave across the world. But it has not truly made the world a global village/community where values and interests are same and one. Globalization is a network of interdependence – which in reality does not imply interdependence of universality of purpose, but has to a considerable extent, succeeded in creating gaps between the rich and the poor (Nye 2003). Globalization must be seen from the positive and negative sides. It is truly a network of global interdependence. But it is an interdependence in which (stronger) advanced states reap the gains in geometrical progression, while the (weaker) developing states reap the gains in arithmetical progression. We must not conceive globalization as economists believe – presuming that the world economy are one of equality and the same for all countries. Globalization should be conceived as an economic world market arena in which there is little or no morality and where every actor is struggling to maximize his gains, where the activities of Britain or America, for example, is capable of “jeopardizing the interest of Nigeria” as a result of national interest of those countries. Globalization is also riding on liberalism, according individuals the liberty, to enter

the world stage, compete and become successful or remain unsuccessful. You cannot exclude yourself from the train, and the price of failure as an individual or a country is costly.

States with stronger technology to produce sophisticated goods and services enters weaker economies that have far less technology to compete. In fact, many have argued that the resurgence of globalization is to enable advanced economies and their multi-national corporations flood weaker states' market with goods and services realizing that citizens in weak states would prefer such items with sophisticated advertorial entries, quality and conviction.

On the contrary, goods and services from weak states are not allowed to enter markets in advanced countries on grounds of lack of quality assurance. The European Union Common Agricultural Policy (CAP), for example, favour subsidies to European farmers and onward movement of outputs to African markets, but restricts finish products of African economies into European markets on account that quality cannot be assured.

Self-Assessment Exercises 1

Attempt the following exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. The Cold War ended in _____ world politics and economy metamorphized and became aligned with the unipolar ideology of market economy and globalization processes. a. 1969; b. 1979; c. 1989; d. 1999
2. The process of globalization is driven by the following except _____? a. Technology; b. Science; c. information and communication; d. All of the above.



1.4 Summary

Globalization refers to the increasing global relationships of culture, people, and economic activity. It is generally used to refer to economic globalization. The global distribution of the production of goods and services, through reduction of barriers to international trade such as tariffs export fees, and import quotas and the reduction of restrictions on the movement of capital and on investment

Globalization may contribute to economic growth in developed and developing countries through increased specialization and the principle of comparative advantage. It may also imply transnational circulation of ideas, languages, and popular culture, including international and commonly accepted issues such as climate change, democracy, governance. Critics of globalization allege that globalization's benefits have been overstated and its costs underestimated. Critics argue that it has decreased inter-cultural contact while increasing the possibility of international and intra-national conflict. However, globalization if managed well, could bring about reduction in poverty and prosperity to poor people and nations.

Globalization implies a network of interdependence among states of unequal status. Globalization is more of economics than political and social issues. It is a web of interactions among states, MNCs and institutions within the fulcrums of economic, political and social.

Baylis and Steve (2001) wrote that globalization is a term that implies three sets of factors in the world economy. These factors according to them are internationalization, technological revolution and liberalization. Internationalization is not only about goods and services including people to freely move across borders, it also underpins politics and social practices across borders. Technological revolution and liberalization are altogether, shaping the ways globalization processes are railing. Globalization is an environment of business supported by liberalization, good measure of access, opportunities and democracy.

The support that globalization processes have received, following the demise of communism in 1989 are much more designed to promote economic relations, trade and global finance, and knowingly or unknowingly, but the advanced industrial nations are benefiting more from the interactions and transactions than the weak developing state of the South. The extent one country can stay in it depends on how able it can compete. Exit is somewhat impossible virtue of global interdependence.

However, by reasons of global peace-building and poverty reduction championed by the UN, non-state actors and World Bank, including pressure from developing states, there might be a shift, in the way globalization processes would deliver global wealth to global community. Most importantly, the international community is interested in global wealth being distributed in a way that it is equitable and just. That is, a community should be able to benefit from economic

resources which are not produced in its environment. This is not exclusive of technology and skills. Hence technology transfer and capacity-building should be critical linkage between developed and developing countries in international development cooperation and peace-building initiatives.



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1.6 Possible Answers to SAEs

1. c. 1989.
2. d. All of the above

MODULE 1, (UNIT 2)

Unit 2 **Historical Perspectives of Globalization**

Unit 2 Structure

2.1 Introduction

2.2 Objectives

2.3. History of Globalization (Three Phases of Globalization)

2.4 Summary

2.5 References, Further Readings, Web Sources

2.6 Possible Answers to Self-assessment exercise



2.1 Introduction

This unit examines historical perspectives on globalization. This is to enable us appreciate the background and origin of globalization. So much has been written about globalization and how it has taken the world by storm in contemporary times, as if this it is a very new phenomenon. Globalization is however not an entirely new occurrence. It is a process that has a history and has taken a path of development, with differing intensity and force. It is thus safe to argue that its recent resurgence is only a reality of deepening changes that occurred in the 1990s following the fall of communism – forcing its power across all continents.

For example, when Jeremy Bentham coined the term “international” in 1780s, it appealed to all and sundry as something that cut across boundaries, and also as it captured the happenings at that time. Thus, globalization perfectly aligns with present circumstance because it explains contemporary events, especially in the ways people interact at the international stage and how goods and services are exchanged/consumed. Nothing is new and only history can vindicate such argument. This unit underscores the historical perspectives of globalization.



2.2 Learning Outcomes

The purpose of this section is help students:

- i. appreciate the background of globalization with regards to its historical phenomenon;
- ii. understand the importance of historical perspective of any academic subject or discuss;
and
- iii. grasp the prospects of globalization in the new millennium.



2.3 Historical Perspective of Globalization

Globalization is not new phenomenon in International Relations/Economic Studies. For example, Scholte in Baylis and Steve (2001), explained that discussions on globalization often involve exploration of three far-reaching historical changes. When we talk about the history of globalization, we refer to the many process that has led up to the current stage of development in global connectiveness.

Many scholars have indeed proposed terms to describe the various periods that led up to the present-day advances in communication and global integration that we have come to know as globalization. Examples include the creation and use of such terms as “proto-globalization” and “archaic globalization”. They however never became popularised. In reality, present day globalization and indeed its historical antecedents were all driven by trade, regulated by the political system of the state entity (which is discussed below). It can be surmised therefore that the history of globalization involved complex interactions between economic, political, socio-cultural, and interestingly, biological factors. Biological factors, which includes humans, animals and micro-organisms (especially disease-causing forms),

To the question of when globalization began, there is no consensus. Many scholars thus prefer certain timelines. Generally, the choice seems to be centred around the following events: the Industrial Revolution (at about 1800), Western maritime expansion (around 1500), and the

integration of Asia (somewhere around 1000). The most notable is the industrial revolution and it is discussed below.

The Industrial Revolution was basically the transition to into new manufacturing that took place across the West, notably Great Britain, Europe, and the United States. It started from about 1760 to sometime between 1820 and 1840. This transition was significant because there was a shift from hand production techniques to the use of machines for iron production, chemical, agricultural and other manufacturing processes. It also showcased steam and water powered processes. It must be mentioned that the textile industry and capital investment grew exponentially. The importance of this to Africa should be emphasised here. By the 8th century, Britain was leading the world in commercial, and controlling the global trading empire with colonies in North America, the Caribbean, and Indian subcontinent. African countries also were later colonised and thereby contributed to the development of Europe and the West in general.

For us to understand the evolution of the new global order, we must discuss and be able to explain the following three sub-heads that far-reaching historical changes, emphasizing their linkages to globalization.

2.3.1 Historical phases of Globalization

(i) The Treaty of Westphalia 1648

Before the more recent globalization process, world politics was chiefly organized on the basis of Westphalia System of 1648, which involved official core principle of “states system”. That is, a form of governance which provided a general understanding that the world is divided into “territorial parcels” called states based on “absolute sovereignty” and which must be respected by one another. It focuses on international understanding, which the world shared as a universal core value or a guiding principle of states action towards one another.

By such understanding, states possess and exercise absolute sovereignty and control over its designated territories including rights of total authority. Sovereignty connotes two things.

Firstly, it means that no state is subject to external control or that no state has the right to control another or exercise arbitrary powers over another. Otherwise, such an attempt at exercising control over another state is not only considered as an aggression against the state under a forceful control, but also an aggression against the international community as a whole.

(ii) States' Sovereignty as a Universal Culture

The second is the capacity of a state to make laws and enforce such laws with all the governmental powers it cares to employ. In other words, it must single-handedly create public institutions that make, administer and enforce laws as well as exercise sanctions on those that violate them. However, such laws, the way they are implemented including the sanctions that come with them if violated, must conform to international standards with respect to international human rights' codes of the UN. This is where globalization brings itself to bear with contemporary relevance, covering not only trade (economy), but also politics and social issues.

It creates a convergence and meaning in what happens at the level of state system. Yet it was an era in which "national interest" of states dominated the global scene. And there came first and second world wars. The lessons of the two wars were instructive to great world leaders and writers. It reminded them that the world risked a catastrophic perils and extinction if the road to global co-operation and peace is not made a world agenda, a world in which there is check and balances in the activities of states. If states were to be left entirely to their whims and caprices (absolute sovereignty), political leaders could easily turn autocrats, abrasive, and then bruise their own citizens, annex another territory forcefully to the detriments or denial of their human rights and abuse of territorial integrity. For examples, the US and Britain came heavily on Saddam Hussein (Iraq) in 1990 and 2002 respectively on Saddam Hussein for violating the sovereignty of Kuwait by attempting to annex it, including possessing structures that came near a manufacture of nuke, though the international community did not wholeheartedly support the 2002 invasion of Iraq. The US believes that Hussein had previously used chemical weapon

against the Sunni Muslims in the days of civil war in Iraq, and that it had not expended Iraqis vast oil resources to improve the Human Development and the welfare of Iraqis. That is not all. The situation in Zimbabwe has been receiving international concern and comments. Altogether, pressure is already on Mr. Robert Mugabe to comply with internal and international oppositions to his misrule.

So, globalization has not ignored unfolding bad political processes in other countries. Globalization is not limited to trade and movements of goods. It captures and deal more with issues related to trade, commerce and movement of international finances, but not to the exclusivity of interaction of political processes or social policy among states. By 1970s, the mode of production in contemporary modern society experienced a major shift from agriculture and manufacturing to those associated with consensus international motivation – such as information and mass media, computers, knowledge, telecommunication – becoming the most important assets in global economy. Some international economic theorists argued that this was also an era of globalization in which surpluses of goods and services were being accumulated away from older industrial economies to newly industrializing and poor states, supported by signs, dates, images, mass-media and consumerism. If international relations were not resumed and promoted among nations, entry into another state to trade would have been much more difficult. Even then bipolar ideology between the West (capitalism) led by the USA and (communism) led by the defunct USSR dominated the world. Weak countries that believe in the West built their economic and political ideology around the West, while those that believe in communism built theirs around USSR. But a larger chunk of the weak states, especially of African practiced mixed economies – that has more of western definitions, as a result of colonial history and attachment to the west.

In all, The US was determined to see the world unified into one ideology, an ideology of market economy which it shares and believes as the basis of freedom, choice and personal

initiative. It gave aid to weak states to encourage them share and admire free market; she then gives awards to great economists whose academic thesis underscores the importance of democracy, liberalism (market-oriented economy), personal initiative, creativity and excellence. Utilizing the science of international diplomacy, propaganda and tact, instead of war, the US brought communism to its knees in 1989, pushing the world into one arena of politics, economy and social instincts. About four and half decades after 1945, western propaganda and the internal shortcomings in communism led to the demise of the ideology – An era which Francis Fukuyama – a Japanese American in the U.S. Department of state in 1990s documented in his thesis as “the end of history”. In his thesis, Fukuyama argued that the collapse of communism has heralded the triumph of a universal ideology (Liberal Democracy) over all rival forms of ideology. By that argument, the world became reorganized under a unipolar ideology of liberal democracy and heralded the end of bipolar ideology between the West and the Communist Russia. The west became less perturbed once communism was overrun, and desired to deepen liberal democracy on which its economies and politics have thrived, globalization was given new impetus carrying on its firings, market economy, reform of institutions, property rights, privatization, deregulation, democratization and financial liberalization in accordance to the prescription of Williamson (1989).



The basic elements in globalization process

The US and its allies are biggest stakeholders at the World Bank. The World Bank, it must be noted, is most favourably disposed to seeing weak states and those in transition implement the above variables in their economic development process. And for those already in their advanced status to strengthen the variables, and evolves new entry-points for implementing the variables so to bring excellent dimensions in their practicalities. This, somewhat historical perspective, is important for understanding the character of globalization in a going concern.

(iii) **The Driving Forces of Globalization**

What are the driving powers of globalization in which countries of the West is playing significant role? The forces include; computer-data flows, electronic money and information transfers, migration, troop's movement, telecommunication and satellite images, international focus on the UN as "the focal point of global government", The UN believes that peace is fundamental to global stability and prosperity, especially in poor countries. It also believes that the attainment of that peace is to empower citizens, create opportunities that accord people

access and responsible lifestyle. To live a “responsible lifestyle” as implied in UN thinking means a high GDP per-capita income, opportunities for qualitative and equitable education, reliable infrastructural facilities and access to use them effectively, food security, cleaner and safer environment, broader civil and political freedom, rule of law, gender equality and richer cultural life, including reasonable absence of “economic predators” such as poverty, unemployment and inequality.



Electronic governance is considered very important in globalization process. The UN is most favourably disposed to such initiative. Through its UN-IIST, e-Macao project has been launched. The project is supported by Microsoft and Macao Institute of Tourism and World Bank for the United Nations University in software research, development, and capacity-building. The overall objectives is to transfer knowledge gained to developing countries and build a global community of experts for developing and sharing and applying concrete electronic governance solutions. Through the Global Desktop Project (GDeP), the UN-IIST seeks to assist developing countries to shift from being consumers of imported software to being creators open-source technologies. The UN has also not relented on Migration and asylum, as it is promoting the opportunities and limits of migration, including asylum.

It is most probable that the world would not be able to endure without those driving forces in the future. Except that the future of globalization would most probably be refined by the future changes or pressures from weak states, including opinions of international humanitarian policy-makers to provide equal playingfields. But much more than that, development and freedom from economic weakness will only generate from the positive attitude of the people that desire development. In other words, developing states must take pragmatic and ambitious initiative to beat down poverty and apply methods that quicken technological development and engender poverty reduction.

Self-Assessment Exercises 2

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

3. The Industrial Revolution was basically the transition to into new manufacturing that took place across the world including the West, notably Great Britain, Europe, and the United States and Africa. a. True; b. False; c. Maybe; d. Not sure
4. Historical phases of globalization can be explained using? a. The Treaty of Westphalia 1648; b. States' sovereignty as a universal culture; c. The driving forces of globalization; d. All of the above



2.4 Summary

From the 1600s through the early 1800s, global economics was based on mercantilism and political influence was tied to the size of a nation's merchant fleet and its accumulation of tradable goods. By the end of the 1700s, some nations were shifting toward protectionism while attempting to improve their infrastructure. Domestic upheaval occurred as independence movements began to surface in opposition to imperial governments.

Capitalism emerged in Europe and the Americas during the mid- to late 18th century, accompanied by the development of democratic political systems. The colonial period in Europe and Asia gradually declined during the nineteenth and twentieth centuries, giving rise to new

nations with trading ties with their former colonizers. In the first half of the 20th century, shifts in political power created an ebb and flow of international trade. As resources were depleted in some nations, the export capital of other nations grew and economic pressures led to increased economic cooperation, legislation and military conflict. More nations began to utilize economic measures, in place of or in addition to military conflict, to settle international disputes. In 1945, the World Bank was established, followed by the International Monetary Fund in 1947. The establishment of these organizations was intended to help regulate and monitor the economic relationships between countries.

The development of radio, television, and most recently Internet technology greatly hastened the pace and potential for intercultural exchange. In addition, immigration and international travel have created ethnic communities in many nations. Marriage and interbreeding further obscure traditional divisions between societies. Whereas the globalization debate previously focused on the activities of governments and social organizations, the growth of multinational corporations and e-commerce gave rise to a new facet of the debate. Corporations have increasingly become the chief agents for globalization.

While globalization has been going on for centuries, its contemporary form is thicker and quicker with leaps and bounds as a result of spill-over effects – multiplying further innovation, competitions and chain reactions to new inventions. The history of globalization can be explained in three dimensions. The first is the universal core values, which the world share. That relates to the limitation that the international community place on the limit of sovereignty. From the Westphalia Treaty, a new era of production and distribution was ushered into global economy in the 1970s. That was also overtaken by the collapse of communism in 1989 leading to the new form of worldwide networks of global interdependence. This form is most likely to continue because it carries with its new elements that global economy may not be able to

dispense with in the future. Such an insight accords us the importance of history in the proceeding characteristics of globalization



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2.5 Possible Answers to SAEs

3. b. False. Africa was not involved in the industrial revolution.
4. d. All of the above

MODULE 1, (Unit 3)

Unit 3 Dimensions of Globalization

Unit 3 Structure

3.1 Introduction

3.2 Learning Outcomes

3.3 Dimensions of Globalization

3.3.1 Economic Globalization

3.3.2 Globalization and Politics

3.3.2 Cultural Globalization

3.3.3 Geography and Environment

3.4 Summary

3.5 References, Further Readings, Web Sources

3.6 Possible Answers to Self-assessment exercise



3.1 INTRODUCTION

It is a gross understatement to admit that globalization processes have impinged more only on economics to the exclusion of politics, socio-cultural and environmental issues as most economists often tend to suggest. Globalization is multi-dimensional in terms of areas of linkages and scope. In fact, the extent to which it has illuminated other areas is comparable to economics, politics, management, information studies, geography, sociology, biology, chemistry etc. For examples, issues of global warming or planetary climate change, biodiversity etc have come under the explanatory powers of globalization. In this unit, various dimensions that explain globalization as a phenomenon are explained.

3.2 Learning Outcomes

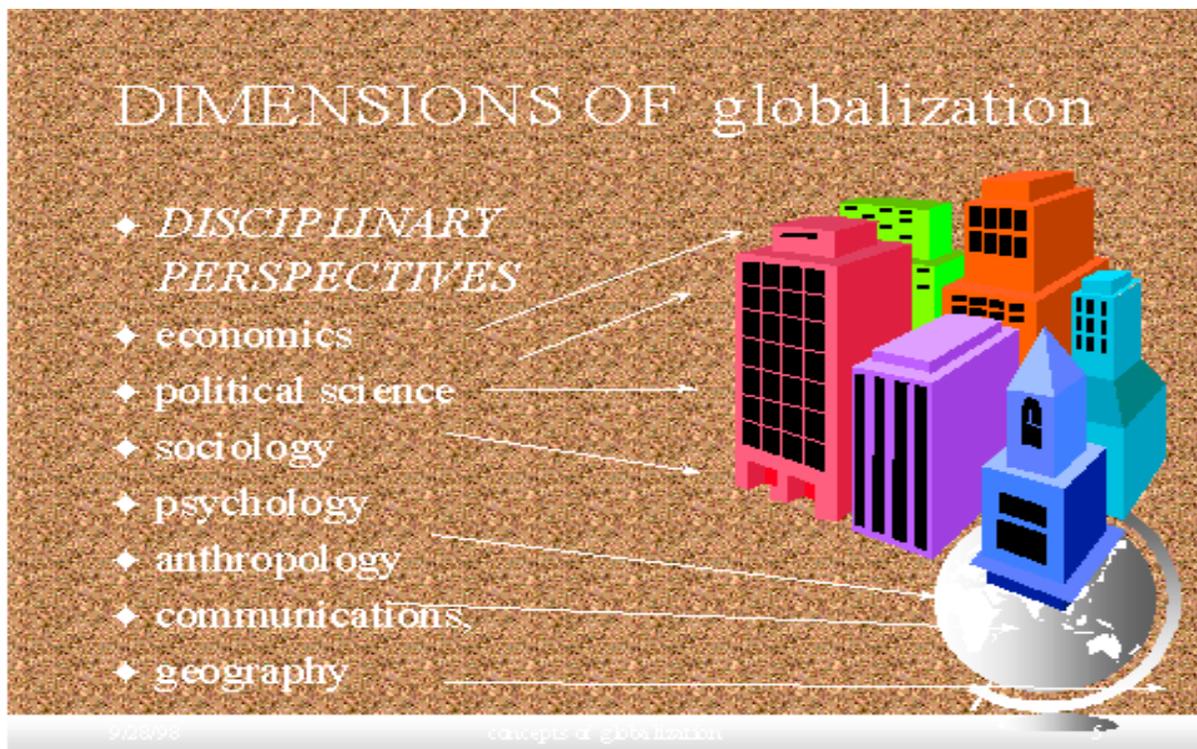
The purpose of this unit is to:

1. Ensure students understand the various dimensions of globalization;
2. Intimate students with the sequence of changes that occur in the process; and
3. To help students understand how each dimension is linked to the other.



3.3 Dimensions of Globalization

Globalization is not only a cross-cutting phenomenon, but also a multi-dimensional one. It is therefore possible to find the cross-cutting faces of globalization and where it enters into economics, politics, culture and environmental activities.



At the bottom of all perspectives on globalization is the notion of interconnectedness. The idea is that events or actions in one part of the world may have effects on events in other parts of the world. Many have admitted that it connotes influence of individuals, companies, institutions and states.

3.3.1 Economic globalization

In the process of Westphalia Treaty of 1648, sovereign nations found that it was almost impossible for a country to be in an island of its own without relations with others. International relations are needed to increase economic opportunities and benefits. Liberals and humanitarian political scientists in international relations argued that economic interdependence or humanitarian support to other countries imply peace and cooperation as events of the end of World War II and the oil crisis of 1973 clearly demonstrated. The power of the guns gradually diminished resulting in a sense that the possession of oil, natural resources and ability to share in those resources are elements of power. Of course, such romance is based on policy choices of values and costs; zero-sum and non-zero-sum games. Globalization is also unfolding in the areas of money and finance, proliferation and growth of MNCs, movement of goods and services, including micro-electronic production processes in which research and development has become dominant features. No right-thinking manufacturer across the world can afford to ignore these. That in essence implies one world fused together by “one global economy” which economists often assume. The UN has, indeed, taken pragmatic leadership in this “one global economy”. In co-operating with other multilateral organizations, the UN has sought to strengthen normative, legal and institutional frameworks that allow global economy to operate more effectively and reap benefits for all regions, all countries, but especially the weak. The UN is most likely to be expending resources and discussing globalization at any time and in the context of most profound challenges that it poses for international community and how to respond to the deleterious consequences.

Globalization signifies trade liberalization for developing states. Many see it as a controversial issue in the sense that all are intended to be gainers; this is overly regarded as very simplistic. Instead, quite a large majority contends that some countries have gained much more than the rest. For example, since the new phase of globalization started in 1989 at the retreat of

communism, only a few countries have enjoyed moderate growth rate, while, astonishing numbers have suffered decline in standards of living in terms of per-capita income. The Human Development Report (HDR) of 1999, for example, claimed that the about 33 of the richest countries in the world have continue to enjoy expanding exports trade, over 59 countries in the Sub-Saharan Africa continue to suffer less than 4% GNP. Khor (2000) argues that one conclusion to made from reports on trade liberalization is that if trade liberalization is carried in countries that are not ready to be able to cope, its economy

3.3.2 Globalization and Politics

Another dimension of globalization **is** politics. Before the first and second world wars, the world witnessed some forms of globalization in politics. For example, statism was the dominant ideology that defined government interest. But following the 2nd world war, bipolar alliances (capitalism and socialism) dominated the global scene culminating in the fall of communism in 1989. Today, a new form of globalization is sweeping across the globe – a globalization that professes democracy, access to justice, reforming public institutions for efficient delivery of collective goods (good governance), and rule of law, human rights, participation, empowerment and property rights.

Stated differently, reforming public institutions and electoral process are currently going on in most developing countries so as to produce more credible and legitimate government that can deliver on mandate and party priorities to the electorate. Also, donor countries are only most willing to support states that are ready and responsive to reform agendas, especially those reforms that focus on *good governance*, which today has become part of the discourses in globalization. It is generally believed that good governance can promote peace in societies. Globalization is today not so much entirely about trade and movement of goods and services as claimed by many people. Rather, it connotes a number of issues in politics. Therefore, issues that bothers on government's inclination to commit internal resources (*delivery on mandate*), has come

under the explanation of globalization. This is because the OECD countries have taken that as guiding principle of development assistance to weak states.

3.3.3 Cultural globalization

Socio-cultural values have taken unprecedented spread pulling down old ways, pushing up new values of across the world. Wearing suit (jacket) to the office is now seen as a demonstration of “corporate identity and responsibility” by workers around the world. Adolescent and teenagers have their peculiar mode of dressing in recent times, including the use of terminologies. American culture is very prominent in this age of globalization. So also are immigrants among who are the Afro Americans, altering America’s original culture to the delights of today’s youth across the global space, especially in terms of music, dance, clothes, fashion and styles of speaking and making gestures. Within universities across the world, students have generally adopted some mode of dressing, which unless you dress along same ways, you are branded a conservative, overtaken by time or out of the styles that are fashionable. These are some of the effects of globalization in action.

Globalization is not only about the universality of adolescent behaviour; it has also crept into family life. For example, *nuclear family pattern, one man one wife, number of children etc, - a few family pattern that were thought to be the culture of Whiteman*, are now regarded as international best practices. Hitherto in Africa, a man with more than one wife and many children is regarded as wealthy and an accomplished person. Today, children demand, such as education, healthy living has foisted a huge financial responsibility that imposes marital checks and discipline among men. Therefore, economic globalization has brought with it some cultural universality.

3.3.4 Geography, environmental issues and globalization

Global warming and other global environmental issues are contemporary challenges that generate from geography and environment. And it goes beyond national boundaries. It is increasingly becoming threats to humanity. Hence it has become matters of global concern in recent time. Climate change is a threat to humanity as a whole. But addressing the depletion of

ozone layers could bring about unprecedented impact on poverty reduction, nutrition, health, malnutrition, and environmental abuse. Certainly, it is difficult to speak of globalization to the exclusion of climate change in the discussion of developmental issues. Interestingly, economics, politics, socio-cultural, and environmental issues are cross-cutting. Every policy decision-making is either connected to economic or political consideration and vice versa. Whether it would be feasible to cut carbon dioxide emission depends on the public policy of states. For example, the USA has been reluctant in addressing the issues of cutting Green House Gas (GHG)⁴ emission for fear of reduction in industrial outputs and employment as production capacity of a state is an indicator of growing GDP. **Greenhouse gas emissions** are gasses that are emitted into our atmosphere on a daily basis and trap heat in it. It is made up of carbon-dioxide, (CO₂), methane (CH₄), Nitrous Oxide (N₂O).

The resurgence of democracy has put environmental challenges on governance and accountability. The cross-cutting nature of these phenomena has enabled the elements to transcend their boundaries and thus be listed in the fringes of globalization process. It is equally an issue no one can deny.

By and large, Globalization is widely regarded as one of most important societal changes of our times, one that affects people living all around the world. Since the late 1980s, globalization has become an important field of research in the social sciences, as well as a major concern for policy-makers and citizens alike. This often places social scientists into meaningful dialogues about the benefits and drawbacks of globalization with government officials, corporate executives, leaders from civil society, and the general public.

Our Globalization Programme constitutes a timely and relevant course of study. It should appeal to many kinds of prospective students, but especially those seeking to deepen their understanding of the diverse types of societal changes being driven by globalization. Upon completion of the programme, students should be well positioned for a variety of jobs dealing

with global processes and international affairs, or for continued studies in the social sciences at the doctoral level, trade, political economy etc.

- an understanding of the various scholarly perspectives on globalization.
- an understanding of the cultural, social, political and economic dimensions of globalization.
- an understanding of the relationship between local and global societal change, and of the interdependencies among the various dimensions of globalization.
- the ability to think critically and analytically about global processes.
- the ability to sustain life-long learning and intellectual development.
- the ability to undertake independent social scientific research.

Self-Assessment Exercises 3

It may be in MCQs, True/False, Fill in the gap, or Matching formats. Provide a guide and the time required from the learners. E.g. Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

5. The Treaty of Westphalia, which brought about the sovereign nations, came into force in _____. a. 1948; b. 1648; c. 1748; d. 1848.
6. Socio-cultural values have also taken unprecedented spread pulling down old ways, pushing up new values of across the world. a. True; b. False.



3.4 Summary

Globalization is a notion of interconnectedness. The idea is that events or actions in one part of the world may have affects others similar events in a distant part of the world. As Held and his colleagues describe it, the influence of individuals, companies, institutions and states are “stretched” in terms of their geographical effect. Closely related to the notion of interconnectedness is the notion of speed at which it is railing: That is, how far this

interconnectedness influences the others. Another characteristic discussed by various authors is the notion of integration. Integration implies that individuals, companies, organizations and states are not merely connected, but that the operation of one is, in important ways, systematically linked to the operation of others. Organizations depend on other organizations in far distant places to do their work. In other words, this interconnectedness is not simply a matter of random contacts or temporary effects. With increasing globalization, the effects may become more predictable, more regular. A related concept is the notion of institutionalization. Patterns of behavior and the assumptions behind those behaviors become more regularized. Global technologies and relationships become embedded within the normal operation of individuals, organizations and agencies. People begin to assume that it is “normal” to be able to have day-to-day relationships with organizations and people on the other side of the planet.

Globalization has various dimensions. These dimensions are economic, political socio-cultural and ecological perspectives. The economic perspectives underpin mostly the activities of MNCs in production processes, transformation, research and development. It also involved the movement of goods and persons across borders on the platforms of transportation, communication and information technology. Globalization of politics relates to global litigation for democracy and good governance on the platforms of policy reform. Today, even the United Nations and advanced industrialized states that used to be pacesetters for developing countries are also undergoing some reforms that mitigates the delivery of services to the public. Socio-cultural globalization manifests in corporate and general style of dressing among young people. For example, it has become fashionable across the world to wear suits/jackets to the office. Younger generation all over the world now prefer to wear mini or jeans as smart wears. Climatic and geographical crisis have united the world in the challenges of environmental degradation and depletion of ozone layer. Argument for efficient governance to address the issues has also received global concern. Globalization is truly about movement of goods, less movement of

people. But politics, geography and culture have simultaneously entered into the concepts and definitions of globalization.



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3.6 Possible Answers to SAEs

- 5. b. 1648
- 6. a. True

MODULE 1, UNIT 4

Unit 4: [Advantages](#) of Globalization

Unit 4 Structure

4.1 Introduction

4.2 Learning Outcomes

4.3 Advantages of Globalization

4.3.1 Trade and Labour Practices advantage

4.3.2 4.3.2 Democracy

4.3.3 4.3.3 Climate Change

4.4 The Gainers in globalization process

4.4.1 Why the gainers may continue to gain in the process

4.4.2 4.4.2 What the Gainers must do to Help the Losers become Gainers and Ensure Global Peace

4.5 Summary

4.5 References, Further Readings, Web Sources

4.6 Possible Answers to Self-assessment exercise



4.1 Introduction

Everything has its disadvantages as well as advantages. Globalization is characterized by good and bad news. In an environment of unequal playing opportunities, there is bound to be unequal chances of success and gains in which case some would share more advantages and others more disadvantages. This unit will discuss the good side of globalization in contemporary considerations. We shall also examine how the gainers can assist the losers to improve their lots for global peace and security.



4.2 Learning Outcomes

The purpose of this unit is to explain to the students:

1. the benefits globalization;
2. gainers in the process of globalization;
3. why the gainers may continue to gain in the process; and
4. identify what the gainers must do to help the losers to become gainers so as to ensure global security.



4.3 Advantages of Globalization

Hazel Henderson (2000) documented that the Prague meeting was still removing graffiti and mending broken windows after the anti-globalization protests staged during the recent meetings of the World Bank and the IMF. This minor damage caused by a small number of agitators was deplored by the non-violent majority of civic groups. They urged the Bankers to focus on poverty, debt relief, human rights, equity and less polluting forms of development (green economy).

The forum added that there are many of the same issues of misguided development and unregulated globalization of markets. Novelist Wole Soyinka of Nigeria and others called for the internationalization of Jerusalem, "a spiritual site of significance to all humanity" under a United Nations (UN) mandate. Although many writers have criticized globalization – regarding it as a *dirty word*, on account that though it represents a modern word that sums up the new era, yet it is not always clear of what it stands for in economic terms. Still, many have also written to restate the advantages over and over again, admitting that the world is better off by it on account of global networks of interdependence. The issue of poverty, for instance, is a challenge to global community. Truly, the challenge of poverty has been included as global agenda for action. Any attempt to pretend that it does not exist, or that it is not a global threat will imply a peril for the world in the near future. Advantages about globalization could be discussed in a number way.

4.3.1 Trade and Labour Practices advantage

Gonde (2001) stressed that over the past 50 years, trade has been a major force driving economic growth, with global trade expansion outstripping global GDP growth. In 1990s alone, the trade of advanced countries grew at an annual average rate of 6.8%, more than double the annual world output growth rate of 3.2% with annual DGP of 5.5%"; Although not an unprecedented increase, developing nations are assessing the world markets for goods, capital and technology now move faster than what it was in the past decades, starting to catch up with the wealthiest countries in terms of human development index.

Within the challenges and targets set in the Millennium Development Goals (MDGs), and numerous poverty reduction strategies, poverty-stricken people are being lifted up, life expectancy and literacy levels are improving. ILO together with local labour union organizations are pulling down bad labour practices and pushing up good practices that meet international standards and regulations within the ambit of human rights. For examples, the child labour act in conformity with the Universal Basic Education (UBE) has become an issue of significance on globalization agenda as a result of the child's right act. National governments, UNICEF and ILO are promoting policy to ensure that national and international participation of labour force of children is between 01-015 years. That presupposes that a child within that age bracket must be enrolled in school not as a member of the workplace. These are importance policies harmonization that can promote peace in globalization process.

4.3.2 Democracy

Perhaps, the most auspicious impact of globalization is the democratization revolution sweeping across countries. At the demise of communism in 1989, the erstwhile centralized governments began to embrace democratization, especially among former military controlled states in Africa, and newly independent countries of Central East Europe (CEE) that emerged out of the defeat of USSR. Where power is centralized and basic services fail to reach people in outlying areas and whenever certain groups are denied access to democratic process, or when the law is not conscientiously applied; impunity prevails and access to justice is denied.

Although it is difficult to attain ideal democratic setting; but where democratic benefits largely apply, participation in the political processes, equities, choices and opportunities including freedom and fundamental human rights are fundamental norms. That is a condition where everyone has the opportunity to lead safe, fulfilling, creative and rewarding lifestyles.

Nothing has possibly come into global or universal discourse more than democracy. In many countries, people feel that many of the decisions and projects which enhance quality of lives are no longer within the reach of government alone. The purpose of development is to enlarge peoples' choices, opportunities and capabilities most basic to human personality and dignity (Sen 2003). Democracy is the single most accepted concept that offers these. People believe that governments have the capability to lead democracy in their countries. The global community seems to have accepted this too, because issues such as gender equality, participation, accessibility etc. are the defining characteristics of democracy. These are indeed some critical elements which many thinks are the foundations of genuine global peace and security. The challenge, therefore, is that globalization will work for all by universalization and

practice of democracy. Unfortunately, globalization of democratic gains has not worked most significantly in making it a foundation for just and equitable societies. If globalization must work for global peace and security, its universalization must genuinely be inclusive and as well as promote just societies in trade, finance, technology, etc.

4.3.3 Climate Change

The issue of climate change, for example, has become one of general concern for national governments, business actors and humanitarian institutions. Globalization process is fostering unity and consensus among world governments to address the problems of global warming – the very problem caused by Green House Emission (GHEs) and other environmental problems.

More than ever before, the United Nations in the turn of the new millennium has moved further to preserve world peace by developing new frameworks for crisis prevention, managing threats and returning states to stable societies. The process within which the largesse is delivered in the globalization process is faulty. Issues in the Millennium Development Goals MDGs are all problems that rail on globalization processes, and which the partnership of world governments hopes to achieve under the co-ordinating status of UN by 2015. They include:

- * Eradication of extreme poverty
- * Achieve Universal Primary Education
- * Promote gender equality and empower women
- * Reduce infant mortality and improve maternal Health
- * Improve maternal health
- * Combat HIV/AIDs and other diseases
- * Ensure environmental sustainability
- * Develop global partnership for development

It is to be added, too, that globalization processes is bringing about the fraternity of culture and values among people of wide distances. For example, there is now a convergence of sense of smart dresses worn by young people across the world. People of different races no

longer feel very strong sense of xenophobia when they come in contact with one another. These are the visible gains of globalization that can engender peace. International migration of workers and settlement in countries other than their own has been greatly enhanced.

4.4 The Gainers in globalization process

Though there are signs that development is working, no one is pretending that it is fast enough for those hundreds of millions of people who continue to live in poverty. Ours is a world which is deeply entrenched inequalities where developed countries invest \$600 billion a year on defence and up to another \$400 billion dollars on agricultural subsidies, but provide just about \$50 billion a year in aid to developing countries.

If globalization for development has worked or is working, why are there still so many challenges for the world to face? The truth is that there is wide variation for group of nations, especially developing countries of the south compared to others in the north. While South East Asia has experienced modest, but substantial progress in their economic development, Sub-Saharan Africa poverty has risen by 7.4 million between 1990 and 2000, and most countries are yet to experience appreciable economic benefit from open trade regimes. The gainers in globalization process are the advanced counties of the North, the membership of Organization of Economic Co-operation and Development (OECD), who often impose domestic technical regulations that permit countries to restrict products from entering their markets. Studies by US department for agriculture and the OECD have shown that questionable technical barriers are used in 62 countries (African renewal 2006 Pp18). How can policy practitioners from Africa, for example, tell an average African dairy farmer or cotton producer that their products cannot be sold in international marketplace, while subsidized and sophisticated imported cotton or dairy products from abroad flood in their own local markets in Africa?

The EU Common Agricultural policy (CAP) is overly dangerous to African products for protecting European farmers and imposing barriers on African products from entering their

markets. The conclusion is that African goods are essentially primary and sub-standard. Weak countries are technologically not well equipped to compete with advanced countries in this openness and competition of unequal status. But global harmony and justice can emerge when there is level playing field.

4.4.1 Why the gainers may continue to gain in the process

The reason why gainers will continue to gain in the globalization process is because weak countries are not only operating and competing with more sophisticated and technologically advanced north, developing (weak) countries are also not equipped with the capacity to reform their institutions for productive civil service and competitive industrial sector. This is because institutions in developing states work more to support the structure that protect corruption. Besides that, the advanced countries produce more qualitative and satisfying goods and services, they are also actively engaged in research and development (R&D), which continuously bring innovation and additional value on their political and economic environment. These are lacking in developing states. Advanced countries cannot wait for the arrival of the weak countries of the south. Therefore, the disparities are most likely to widen.

4.4.2 What the Gainers must do to Help the Losers become Gainers and Ensure Global Peace

The gains of globalization will be maximized by reducing the disparities between the poor and rich developed countries. The reasons why the disparities must be addressed among people and states have become startlingly clear, even beyond widely accepted notions of justice, human rights and social equity. The wider the gaps, the more difficult they become bridging those gaps. Evidence has shown that high level inequity reduces the rate of rapid economic growth. Disparities can introduce deficiencies in an economic system. In developing states, decent work are not only unavailable, women are grossly alienated. What do the gainers need to do?

Firstly, there should be a fulfilment of the promises of an integrated and more secured world based on strong political will of international action. Rich countries need to deepen their

investment to developing nations. It is on record that 80% of Foreign Direct Investment (FDI) across the world flows into only about 12 better performing economies. The whole essence of FDI is to eradicate the colonial pattern of trade system, in which colonies exported raw materials and bring back industrial finished products to developing countries. This will not only result in balance of trade deficit for weak states. Besides, it can also make them perpetual dependent on advanced countries. Weak states need to be assisted with capacity to identify appropriate priorities, and international supports to institutions for sound economic governance. Appropriate mix of technology transfer and technical assistance without backstage manipulation and excuse on intellectual property right by developed countries are important ways of helping weak states overcome the challenges of economic development. These are areas where losers can close gaps and reap the benefits of globalization process.

Self-Assessment Exercises 4

It may be in MCQs, True/False, Fill in the gap, or Matching formats. Provide a guide and the time required from the learners. E.g Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

7. _____ is one of the international figure that has called for the internationalization of Jerusalem, "a spiritual site of significance to all humanity" under a United Nations (UN) mandate. a. John Lenon; b. Adam Smith. C. Bill Clinton. D. Wole Soyinka.

8. With the end the Cold War and the demise of communism in 1989, centralized governments began to embrace democratization, especially among former military controlled states in Africa. a. True. b. False. c. Not sure



4.5 Summary

The report of the Secretary General of United Nations Conference on Trade and Development (UNCTAD) 2009 indicates that North South Trade remains important, with the North providing the main markets and sources of imports, investment and technology for developing countries. Yet, many have not been lifted out of poverty in view that scenario. Developing Countries are

the losers in globalization process. First, they are lacking in the appropriate technical know-how and technology to compete. Its business environment is not very friendly, stable and predictable. Volatility of business environment is eroding the confidence of investors in investing their capital in any particular economy. There is a strong relationship between foreign investment and economic growth. Larger inflows of foreign investments are needed for the country to achieve sustainable high economic growth.

- It increases a country's GDP
- Increases employment opportunities in recipient states
- Provides wide range of opportunities to enjoy quality goods and services.
- Provides important social responsibilities to the communities where they operate

There are many conditions that must be put in place by developing countries to attract FDI. They are:

- (i) Peace and political stability
- (iii) Consistency in macroeconomic policies predictability
- (iv) good governance, political stability, guarantee of property rights, rule of law and absence of corruption, among others

However, the emergence of South-South trade regime is significant in transforming developing economies. This can be achieved by focusing on technological innovation priority, research and development. Globalization is the process by which the economies of countries around the world become increasingly integrated over time. This integration occurs as technological advances expedite the demand for goods and services, the flow of capital, and the migration of people across international borders. Without any doubt, globalization has had a number of positive effects on countries and businesses around the world. Yet the concept once regarded as almost universally positive has undergone a bit of a reassessment in recent years.

The plain truth is that market liberalization by itself does not lift all boats, and in some cases, it has caused severe damage to poor nations. For example, there is no denying the fact that more multinationals have contributed to labour, environmental, and human rights abuses as they pursue profit around the globe. Globalization gives companies access to wider access to markets, consumers' access to a greater variety of goods and services. But the benefits of globalization are not always shared by all of the parties involved in trade. Unfortunately, developing countries which need the potential benefits of globalization the most are often the losers. The downside of global capitalism is the disruption of whole societies, from financial meltdowns to practices by multinationals that would never be tolerated in the West. Industrialized countries have enacted all sorts of workers', consumers', and environmental safeguards since the turn of the century. But the global economy is pretty much still in the robber-baron age, where "winners take all" syndrome persist.

The problems of globalization are that it is not limited to developing nations. Some workers in advanced economies particularly those in unskilled jobs and belonging to labour unions feel that they are being increasingly displaced by low-wage competition in developing countries. Some of these workers are unable to make the transition to skilled jobs and service-oriented industries. For globalization to bring peace there must be justice in the process, starting from trade negotiation, agreements and opportunities.

The world, since 1989, has moved further into one of multilateralism and interdependence –called globalization. Globalization has many advantages. It has shown its potentials for an accelerated economic growth and development as poverty reduction is easing up. Globalization processes are stepping up new challenges for democratization for societies. Thus, erstwhile centralized societies are decentralizing for participation, access and engaged in the pursuits of Fundamental Human Rights. Globalization is bringing together diverse cultural values into a convergence in terms of mode of dressing, food, styles etc.

Today, teenagers across the world have common sense of values in the way they think, dress and relate with one another. Also, attitude of racism is easing up, giving way to diversity and multicultural experience.



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4.6 Possible Answers to SAEs

7. d. Wole Soyinka
8. a. True

MODULE 1, UNIT 5

Unit 5: Globalization and the Quest for Justice

Unit 5 Structure

5.1 Introduction

5.2 Learning Outcomes

5.3 Globalization and the Quest for Justice, Human Rights, Peace and Social

5.3.1 Specific ways of integrating Justice into Globalization Other ways.

5.4 Summary

5.5 Self-Assessment Exercise (SAE)

5.6 References, Further Readings, Web Sources

5.7 Possible Answers to Self-assessment exercise



5.1 Introduction

Globalization has tremendously altered the face of global economy, creating winners and losers. But many contend that the inequity and injustice that globalization brings to the world is often underestimated. They argued that the space for reaping the gains is thinner for some few states and individuals than it presents for large number of states and individuals. In other words, the level of injustice is higher than justice therein. They insist that justice must be entrenched into globalization processes for sustainable peace and development.

In this unit, we will be discussing the unwholesomeness of globalization, defined in terms of how morally wrong the processes have unfolded and how such constitute one of the most important challenges of our time, including ways of addressing the injustice.



5.2 Learning Outcomes

The objectives of this unit are to:

1. underscore the disadvantages inherent in the process of globalization.
2. show how such ills have affected lives and social existence, especially in weak states.
3. Demonstrate the nature of the challenges it poses to the world community and to address it.



5.3 Globalization and the Quest for Justice, Human Rights, Peace and Social Justice

What do we mean by Globalization, Human Rights, and Social Justice? Globalization, human rights and social justice represent extremely complex societal challenges for investors. We live in a world of growing local and global inequalities; a world where human conflict, war and mistreatment continue, and in many places have intensified; a world where government, economic and social institutions perpetuate the disparity in wealth and opportunities. Globalisation a system of global economic integration, a constellation of processes by which nations, businesses, and people are becoming more connected and interdependent through increased economic interactions (via goods and capital flows), communication exchange, cultural diffusion (especially Western), and travel.

This definition of globalization warrants further explanation as it sounds fairly benign and does not recognize the rampant problems generated as mentioning the concept. Globalization has concentrated power in the hands of economic elites and political conservatives to create a *new world order* based on private corporate control than public democracy. Rich countries have overwhelmed poor ones in defining the macroeconomic policies that must be followed, which usually benefit the former at the expense of the latter.² For example, the structural adjustment programs and regional trade agreements set in motion by the Bretton Woods Institutions (i.e., the International Monetary Fund, the World Bank, the International American Development Bank), have repeatedly borne out significant detrimental effects on weak developing nations

Human Rights and Social Justice (HRSJ): In terms of the HRSJ, United Nations Universal Declaration on Human Rights states: "all human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood". A situation where individuals and groups receive fair treatment and a just share of the benefits of society based on the notion that men are born free and equal in dignity

and rights and treated accordingly is called social justice. This includes the distribution of wealth and income, and more importantly, equal basic rights, security, obligations, and opportunities.

Today's world is also one where information technology, specifically the internet, enables improved communication on a global scale, in a way that avoids the censoring that dominates mainstream media due to the concentrated control of these media. As a result, while many injustices and atrocities are still perceived as distant and intangible problems, there is the growing awareness and attention to the issues, including some mainstream media coverage. On the other hand, not everyone has access to information and tools that could prove helpful in addressing these problems. This digital divide also serves to widen the inequities that exist globally.

Another aspect of our current plight is the growing environmental challenges the world is facing, including increased environmental destruction and degradation as it diminishes available natural resource. These factors have significant impacts on human rights and social justice issues. They affect the amount and quality of resources available and access. These create a growing number of environmental refugees who are displaced from their land because of environmental damage and global warming. The challenges are immense and there is a clear need for increased global political will to address them. Corporate media bring attention to the 'issue of the day' (such as the crisis in Sudan), and the issue of today is all too often forgotten by tomorrow. Although it is important to increase awareness of a particular issue, this approach causes a myopic distraction and fails to acknowledge the broader and systematic relationship between various problems that need to be addressed. For example, the media attention might highlight the challenges of sweatshop labour in the apparel industry, but neglect to paint the larger picture of labour rights challenges across *all industries*. Each isolated social crisis or challenge is part of a larger problem that needs collective attention. By focusing on specific incidents, we fail to put time and energy into creative solutions for the ubiquitous problems of

the world. How do the issues of globalization, human rights, and social justice affect investment in capital markets?

The framework of current capital markets, particularly the stock market and publicly traded companies, is premised on the assumption that economic growth (as currently measured) is the primary goal of business and governments alike. In fact, capital markets carry an unsustainable mandate for growth that compromises the environment, labour, and community. As the global activities of the human population have already overshoot the world's ecological carrying capacity, the stock market itself is inherently unsustainable environmentally, socially and economically. We would go so far as to say that our current system of economic growth, which is based on globalization do benefits, directly or indirectly, from human rights violations and social injustices.

Recognizing these challenges, there must be an effort that works to develop new financial services, which do not carry a mandate for unsustainable growth. Instead, companies should be required to consider additional factors, including: the social, legal, and economic effects of their operations and products on their employees, customers and suppliers on the communities and geographic areas in which the companies operate; the long and short-term interests of the companies and their shareholders; and the companies' effects on the environment. In other words, we seek to redefine the purpose of the corporation. This is not a small task and it will take time and patience. The Niger Delta region in Nigeria is a case in point.

Of course, we do have the ability, primarily by screening and shareholder activism, to invest within the existing process and gain the most financial benefit with the least harm. In the case of issues of environmental sustainability, we should be investing in corporations that, despite subscribing to the prevailing growth paradigm, recognize the impending ecological crisis, and are making changes to their products, services, operations and, business models to reduce

their environmental footprint, and to increase their ability to successfully navigate and maximize sustainable development.

Talking about social issues, the questions are even more complex, and the argument for financial benefit is difficult when the action goes beyond the company's employees and immediate community. It is important to address the question of what is reasonable to expect of corporations given the framework and market conditions in which they operate. The question is how do we, as investors, capture the greatest financial benefits with the least harm in relation to community and their environments; or is it possible to address social equity and human rights issues when investing in capital markets that are driven by globalization and profits? Or is it possible to generate profit via substandard work conditions in developed nation factories, or increasing outsourcing to less developed nations, resulting in ever falling cost structures based on lower wages and poorer working conditions? The answer is no. Investing in publicly traded companies, is de facto participation in the system that perpetuates social injustices. It is possible to avoid particular companies or industries that cause the most harm, but the reality is that the problems are endemic; they infiltrate every company—whether an apparel, electronics, or capital goods company—operating in, or outsourcing to, developing nations. Essentially every publicly traded company is engaged in this activity, regardless of how high their standards are in developed nations (or not, as the case may be). It extends to the consumer market too—every inexpensive good we purchase that is partially or fully made in a less developed nation, or in a substandard open facility in the developed world, is inexpensive at the expense of humans and the environment. So where does that leave us?

It is important to look at the broad range of social issues from labour rights, to human rights, to access to clean water, and a myriad of issues in between and beyond. We would argue that much of the social problems in the world today are driven by, or at the very least exacerbated by, the inequitable distribution of natural resources caused primarily by publicly

traded companies, Since the beginning of colonization (and long before), social inequities have been established to enable the ruling class, or the powerful people access natural resources from spices and silk in past centuries to oil today.

If we recognize what social problems and human rights abuses are, more often than not, tied to inequitable distribution of natural resources, the importance of environmental sustainability, as a prerequisite for social sustainability, becomes clear. It is believed that in many ways the United States is the biggest global human rights abuser through its appropriation of the largest amount of natural resources relative to its population base. Moreso, the U.S and other western capitalist countries with critical global influence are much more responsible for the economic structures that result in social inequities and labour rights abuses. Looking outside the U.S., let's consider two serious problems faced in the world today.

In the second case, we can consider Sudan and the Darfur conflict. It is widely understood that the inaction of the global community is based in great part on the power Sudan has as an oil producing country. For example, China is unlikely to compel Sudan to admit the United Nations peace-keeping forces as 7% of China's oil comes from Sudan. Again, the apparent inability of the global community to address genocide is based on the distribution of resources, which in this case, give Sudan considerable power (not to mention money to fund the genocide). Clearly both of these issues are serious and need to be addressed by the global community. The U.S. in particular, needs to reform campaign financing and dismantle the oligarchic control of multinational corporations. Citizens have a responsibility to push governments to take these actions, as well as a responsibility to examine their own actions and inactions. That is, individuals must consider the social and environmental impact of their consumption and consider reducing that demand and decreasing those misgivings.

5.3.1 Specific ways of integrating Justice into Globalization Other ways.

Despite the limitations outlined above, there is the need for specific actionable suggestions believed to have several prong strategies to address broader social issues: The following points can be considered:

- **Personal Footprint Evaluation:** We each need to examine our own consumption patterns. Do we need all that we consume? Do working harder, making more money, and buying more 'stuff' enrich our lives? Could we easily forego some consumption and increase quality time with our families, friends and communities? Can we shift our consumption to lower footprint products such as local food, locally manufactured goods, or products and services designed with environmental or social consideration?
- **Personal Activism:** We need to individually, and collectively, call on our representatives to address campaign finance reform, to eliminate the political power of corporations, and to address global social inequities. We can also use our power as consumers to demand that social and environmental issues play a greater role in business decision-making and leave communities better off. Finally, we each have a responsibility to engage others in conversation about these broad challenges, expanding views beyond the myopic discussions around individual incidents, and motivating further personal activism in these areas.
- **Charitable Giving:** Investors are concerned to make a direct contribution (in time or money) to problem-solving on the ground in regions in need. They reject investments in countries where significant and systematic human rights violations are occurring. Sudan is one example of a country that would fall in this category. Events thereafter suggest that recent splitting of the country by referendum in 2011 may not after all salvage the situation.
- When looking at investments in regions of the world that may have current or past human and/or labour rights violations. We also take into account the nature of the

investment under consideration. That is, what types of products and services does the company provide and what social and environmental benefits result from the company's activities. For example, a provider of mass transportation, or a manufacturer of solar cells, both provide inherent environmental advantages, and offer solutions to social challenges of transportation and remote energy provision respectively. In these cases, where the actions of the government may or may not be notorious, we believe the benefits of developing effective infrastructure and product supply to address social issues in an environmentally sustainable manner, are invaluable. As previously stated, it is only with environmental sustainability that social sustainability and peace can be achieved.

Self-Assessment Exercises 5

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

9. Human Rights and Social Justice is the Universal Declaration on Human Rights states: "all human beings are born free and equal in dignity and _____. a. Justice. B. Social Justice; c. Rights; d. Equity
10. One of the current plights is the growing environmental challenges the world is facing, including increased environmental destruction and degradation as it diminishes available _____.



5.4 Summary

The impetus for addressing inequalities within and between countries is often justified on the grounds of justice. Justice, however, is a contested concept that evokes varied claims to fairness, equality, impartiality and appropriate rewards or punishments. Liberalism, as Dr. Hilmar Schmiedl-Neuburg demonstrated, "is not a monolithic theory or philosophy but describes a family of many different approaches to the fundamental problems of politics, law, economics and society." Hence, there are three liberal conceptions of justice, namely: libertarianism, liberal egalitarianism, and liberal developmentalism. *C. Teehankee (2007) went further to say that markets are the most efficient means of distributing goods and services in a society where all individuals have equal opportunities to access income,*

wealth and property. Government should play as minimal role as possible in the free exchange of goods and services, and instead play a strategic role in helping individuals help themselves

Globalization re-emerged at the demise of Commission in 1989. Globalization has occurred variously in the past. But its resurgence in the millennium seems to be epoch-making, creating the fear of changing the course of history. But globalization has not worked as intended either because the advanced industrialized state does not want it to work to an equitable benefit of weak states (the losers), or that weak states themselves are too weak in their institutional arrangements to enter the mainstreams and gains of globalization.

Three groups – one strongest and one stronger, and the third somewhat weak. The strongest represents a smaller chunk of world population, but staying in the forefront of global economic growth. Their economies are either advanced or growing faster than those of developing (weak) states - the former. These advanced countries are accessing global markets for goods, capital and technology; they are trading more and more with each other as well as with rich nations and they have overcome poverty. They stronger states are starting to catch up with the wealthiest countries with their citizens in the fast lanes of escaping poverty.

But the losers, the weak developing states in greater numbers of world population are being left behind in poverty, and wide disparities between them and advanced countries. Somehow, there is trepidation arising from such level of poverty. What are these issues that cause trepidation in globalization process? Globalization has significant effects on various types of social stratification, including with respect to class, country, gender, the urban/ rural divide and age. Although contemporary globalization has in some ways helped to narrow social hierarchies, it has also tended to widen gaps more than it has closed it in terms of economic and political injustices. Across many societies, there are arbitrary privileges and exclusions.

For examples, development strategies designed to alleviate poverty are often centered on elite or donor-driven initiatives. Elite-driven initiatives are also not grassroots or poverty

focused. When class are created – that is the division of population in respect of different roles in the production process, it further reflects in type of food we eat, dress we wear, the opportunities and access we have in life. Of course, class diversity is to be accepted and indeed welcomed as part of life. But it is unjust when it creates or generates unnecessary and unequal categories of life chances for individuals in the society. Class existed in all societies. Our argument is that globalization has made it worse in terms of social mobility, educational opportunities, access to public services etc. In the south, for example, globalization has ushered in competition. Competition is capable of bringing excellence from individuals. But those who cannot compete have resulted to various forms of crime, such as robbery, prostitution, forgeries, etc to meet up and pay their bills. These are bad news particularly for developing countries. Just as globalization has created class and unequal ability to compete, so also has it resulted in unequal access to global markets, with policy-makers pursuing liberalization, deregulation and privatization without consideration to issues of class injustice.

Today, the countries of the south are often referred to the *countries of the periphery, third world, weak Countries and failed states* as against the north that is referred to as *advanced, developed, industrialized. Economies* etc They link liberalization to globalization, extolling the virtues of free global markets in which there is unequal strength and opportunities. The liberalization brought in markets for deregulation and privatization. Consequently, there is reduction in state-supplied social services, with disproportionately harmful effects on children and the aged population. Not only that those arrangements have denied citizens common (basic) amenities, it has also introduced outsourcing strategies and activities to third world countries, thereby causing huge space for job cuts and unemployment

Another bad news about globalization is the degree in which social and cultural interactions have been facilitated. No doubt, such interaction enriches the beneficiaries with multi-cultural experiences that enable them to fit into the global space. But the harmful

consequence is that communicable diseases, such as HIV/AIDs, Bird Flu now constitute pandemics across the globe. The power that engenders such occurrence is freer movements of persons, goods, communication opportunities etc.

We can also talk about globalization and the proliferation of small arms, terrorism and pockets of domestic conflicts. The international development magazine of the DFID reports that more people throughout the world are killed and maimed by small arms than any other weapons. Together with the research team of the Bradford Centre for International Co-operation, studies study visits were made to Sierra Leone, Northeast India, Nepal, and Nigeria to assess the impact of conflicts on the lives of ordinary people and the casualties caused by indiscriminate use of small arms. It was found that small arms constitute serious danger to lives and property in these countries and many more if such tour is to be extended. Perhaps, the most candid way to redress injustice that trails globalization is the enthronement of democracy and participation. Kirkpatrick et. al. (2002 eds.) defined democratic participation as a process through which stakeholders' influence and share control over development initiatives, decisions, and resources which together affects them. Have the stakeholders agreed to share control, initiatives, and resources?? The affirmative answer is No. Participation emanates from the theoretical precepts that conventional economic development models centered on the transfer of capital, which came to be widely perceived to have failed those it was intended to benefit. Participation is invented to create level playing field, inclusivity



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5.6 Possible Answers to SAEs

9. c. Rights
10. Natural resource

Glossary

Cold War

The Cold War was a bi-polar period of geopolitical tension and balance between the United States and the Soviet Union and their respective allies, the Western Bloc and the Eastern Bloc. The period began following World War II has had different time line attached to it. However, some historians put this at start of the announcement of the Truman Doctrine on 12 March 1947 to the breakup of the Soviet Union on 26 December 1991. There was really no direct military encounter in the sense of fighting the superpowers but the period was characterised by the ideological and geopolitical struggle for global influence.

Globalization

This can be said to be the phenomenal integration of people, culture, nation-states, economies and technologies to a degree never witnessed before. This is basically driven by advances in sciences, information and communications technology.

Internationalization

This term is used to describes increases in economic transactions across borders which has been taking place since the turn of the century. This include goods, services and even people, who are now able to move more freely across borders, due to an environment of liberalization that supports business, good measure of access, democracy and freedom.

End of the Module Questions

End of Module SAE

1. Outline the driving forces of globalisation.
2. What are the multi-dimensions of globalization? is not only a cross-cutting phenomenon, but also a one. It is therefore possible to find the cross-cutting faces of globalization and where it enters into economics, politics, culture and environmental activities.
3. Discuss the advantages of globalization using specific examples.

Answers to end of Module SAE

1. Driving forces of globalization are: i. transportation and communication; ii. Computer data flow; iii. Electronic transfer; iv. Migration; v. Troop movement. vi. satellite communication; vii. And international focus on the UN and others.
2. The multi-dimensions of globalization can be found in economics, politics, culture and environmental activities

MODULE 2 (UNIT 1)

Unit 1: The meaning of Peace

Unit 1 Structure

1.1 Introduction

1.2 Learning Outcomes

1.3 The meaning of Peace

1.3.1 Peace-building and globalization

1.3.2 How not to use globalization to promote inequity

1.4 Summary

1.5 References, Further Readings, Web Sources

1.6 Possible Answers to Self-assessment exercise



1.1 Introduction

Some of the major challenges that face the international community are how to ensure peace and security. The first and second world wars have come and gone. The rules and behaviours that states and national governments must follow, have been sufficiently laid down by the United Nations through the ratification of international conventions by states. For more than 65 years, these conventional rules and behavioural requirements have guided the action of states, as well as discouraged them from engaging unscrupulously in behaviour that could trigger the occurrence of instability, insecurity and injustices. The UN has earned an excellent mark in the last 65 years, especially when evaluations are made retrospectively on how far the world system has stabilized compare to the complex nature and inherent tension of the world system until 1945. That kind of anarchical world was characterized by naked force, alliances of warfare, stupid skirmishes, manoeuvres etc. It could be referred to as globalization of instability, insecurity and absence of peace. Or a world without meaningful and sustainable order.

Yet, a new phase of globalization has re-emerged. The new form of globalization is intended to galvanize and create a common front for the world, bring practices that deter threats to world peace and security to common concern of all. But the outcome of globalization so far seems to be proving the contrary. In this unit, we examined the concept of peace and how globalization is innocuously threatening the stability of the global system, especially the weak states.



1.2 Learning Outcomes

This unit is therefore, designed to:

1. underscore the meaning and concepts of peace; and
2. show the benefits of peace and security in globalization process.



1.3 The meaning of Peace

Sustainable Development that provides responsible lifestyles for citizens of a country depends on how peace and stability are guaranteed and assured. Peace refers to a situation of absence of war or hostilities. Peace is a state of harmony characterized by the lack of violence, conflict behaviours and the freedom from fear of violence. In most cases, it is commonly understood as the period of absence of hostility. Peace also suggests the existence of healthy or newly healed interpersonal or international relationships, prosperity in matters of social or economic welfare, the establishment of equality, and a working political order that serves the true interests of all. It can also imply public security and order or freedom from violence, quarrels and disagreement; a state of tranquillity and harmonious relationship by maintaining law and order. Peace can be viewed in three technical dimensions.

- (i) an agreement or treaty between warring or antagonistic nation-states, groups, etc., to end hostilities and abstain from further fighting or antagonism. (Group/institutional levels)
- (ii) a state of mutual harmony between people or groups, especially in personal relations: *Try to live in peace with your neighbours. (Group/interpersonal levels)*
- (iii) the normal freedom from civil commotion and violence of a community public order and security: *He was arrested for being drunk and disturbing the peace. (personal level)*

1.3.1 Co-operation for Peace-building in Globalization

Peace-building should be an important aspect of globalization process. Therefore, political economy of peace-building (PBR) has financed projects on economic and social policy reforms and reconstructions in post-conflict societies. However, PBR has never tried to systematically address the multiple linkages between globalization on the one hand, and violent conflict and peace-building on the other.

Globalization as an extremely complex phenomenon is often conceived in terms of increased international trade and foreign direct investment (FDI) only. These are of course key aspects, but the reality of globalization goes far beyond the economic sphere. The social inequalities that uneven distribution and allocation of resources brings upon societies should be considered as components of the ills of globalisation. Apart from the exponential growth in the flows of goods, services, and capital around the globe, globalization has, for example, promoted the movement (migration) of people. It has influenced the values and ideas across borders and often across continents. In keeping with this broad view of globalization, it is a fact that globalization is remaking the political and social characters of most societies around the world, not just economic.

For example, globalization has posed new challenges to global governance and the management of global public goods (such as health, education, human security, etc.). It has provoked the emergence of global networks around a variety of issues and put increasing strain on nation states, societies, and communities everywhere to adapt to it. In turn, this has called into question the capacity of the nation state to design and implement public policies that engenders peace. How then can we co-operate for peace and security in globalization process? We can overcome the complexities of globalization by observing the following;

(a) Language and Information

Globalization has increased information flows between geographically remote locations. Unarguably this is aided by technology with the advent of fibre optic communications, satellites, and increased availability of telephone and Internet. But remote communities, illiterates in poor countries are “cut out” of the process. So there are those that can access public resources as a result of access and knowledge and those who cannot as a result of illiteracy and lack of access. Henrich Boel Foundation (A German NGO) has documented that lack of access and information on Diamond, Gold etc has exacerbated the conflicts in Liberia. Congo. Chile, etc. The same could be said of Boko Haram in Northern Nigeria in recent time

Again, the major languages of the world are spoken in the foregoing ratios: Mandarin (845 million speakers) followed by Spanish (329 million speakers) and English (328 million speakers). However, the most popular second language is undoubtedly English, the Lingua franca of globalization:

- About 35% of the world's mail, telexes, and cables are in English.
- Approximately 40% of the world's radio programs are in English.
- English is the dominant language on the internet.

Greater immigration, including illegal immigration is more than 200 million around the world today. Newly available data show that remittance flows to developing countries reached \$328 billion in 2008. Spread of local consumer products (e.g., food) to other countries (often adapted to their culture). Worldwide fads and pop culture such as, Sudoku, Numa Origami, Face book, and Myspace; are accessible only to those who have internet or television, leaving out a substantial portion of the Earth's population. But it can promote peace if these fads are made for the reach of all. Therefore, to promote peaceful globalization, Jeffrey Hart (2009) has identified five responsible ways, with a conditionality of ability to read and understand.

1. the existence of a global infrastructure, e.g easy access to internet to all rather than few individuals
2. global harmonization or convergence of some important characteristic feature, e.g anti-racism
3. responsible borderlessness;
4. global diffusion of some initially localized phenomenon; and
5. geographical dispersion of core competences in some highly desirable activities. e.g sharing of knowledge and technology

(b) Ecology

The current global environmental challenges are causing instability and displacement around the world. But it might be solved by international cooperation programmes, such as climate Change - cross-boundary water and air pollution mitigation strategies, fishing of the ocean, and the spread of invasive species. Since many factories are built in developing countries with less environmental regulation, globalism and free trade may increase pollution and impact on precious fresh water resources. This is because economic development historically required a "dirty" industrial stage, and Hoekstra and Chapagain 2008 argued that developing countries

should not be prohibited from increasing their standard of living by crafting its own regulations. If these regulations are supported, but not under-estimated by MNCs, peace can indeed be promoted. e.g. the Niger delta region in Nigeria.

(c) Cultural and Tourism

Tourism is travel for recreational reasons, leisure or business purposes. The World Tourism Organization defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes". There are many forms of tourism such as agritourism, birth tourism, culinary tourism, cultural tourism, eco-tourism, geo-tourism, heritage tourism, medical tourism, nautical tourism, pop-culture tourism, religious tourism, slum tourism, war tourism, and wildlife tourism. Globalization has influenced the use of language across the world. For example, every street in Hong Kong, a former British colony, shows various signs, a few of which incorporate both Chinese and British English. This is a growth of cross-cultural contacts, one of advent of new categories of identities which embodies cultural diffusion, including the desire to increase one's standard of living and enjoy foreign products and ideas, adopt new technology and practices, and participate in a "world culture". To promote peace in globalization process, culture and tourism must be accorded a special place in international relations, trade and exchanges. By so doing the world could be moving to cross-cutting monocultural instincts in which no distinctions exist and everyone shifts between various lifestyles in terms of music, cloth and other aspects once firmly attached to a single culture. This may not just be a mere cultural assimilation as mentioned above, but blending to the obliteration of culture divide as we know it today.

The construction of continental hotels is a major consequence of globalization process in affiliation with tourism and travel industry, including worldwide sporting events such as FIFA WORD CUP and the Olympic Games. Website with a downloadable interactive rugby game for its fans to play and compete is an addition. *Social* – development of the system of non-governmental organizations as main agents of global public policy, including humanitarian aid and developmental efforts are altogether the inclusivity of globalization process.

Religious

The post-September 11 world is seized with the dangers of religious extremism and conflict between religious communities, particularly between two or more of the Abrahamic faiths: Islam, Christianity, and Judaism. The threat of religious extremism is real and well documented. The connection between religion and conflict is in the process of being thoroughly explored. To

discuss religion in the context of international affairs automatically raises the specter of religious-based conflict. The many other dimensions and impacts of religion tend to be downplayed or even neglected entirely.

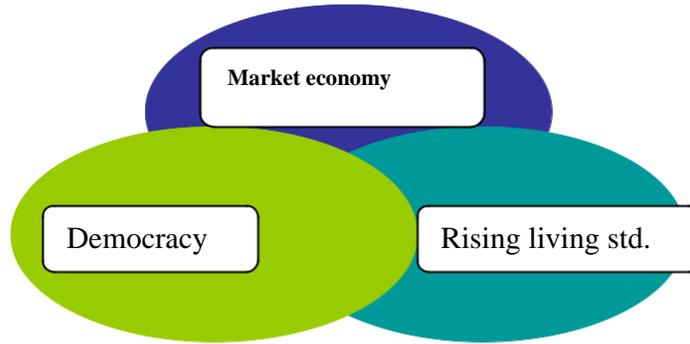
In other words, the spread and increased interrelations of various religious groups, ideas, and practices and ideas of the meanings and values of particular spaces are the fallout of globalization process. The American Institute for Peace states that: there are a number of important contributions to literature in terms of using religion to promote togetherness. For example, when communal identity, particularly religious, is causal factors in violence and conflict, traditional diplomacy may be of little value in seeking peace or conflict management.

As a caveat, Douglas Johnston, president of the International Centre on Religion and Diplomacy stated, conflict situations can be resolved when treated on faith-based intervention, noting that:

- religion is a significant factor in the identity of one or both parts to the conflict;
- religious leaders on both sides of the dispute can be mobilized to facilitate peace;
- protracted struggles between two major religious traditions transcend national borders, as has been the case over time with Islam and Christianity; and/or forces of real politic have led to an extended paralysis of action.;
- moral warrants for opposing injustice on the part of governments can utilize unique leverage for promoting reconciliation among conflicting parties, including an ability to humanize situations that have become dehumanized over the course of protracted conflict;
- capability to mobilize community, nation, and international support for a peace process;

Economic liberalization

- According to Jagdish Bhagwati, a former adviser to the U.N. on globalization, although there are obvious problems with overly rapid world development, globalization is a very positive force that lifts countries out of poverty. According to him, it causes a virtual economic cycle associated with faster economic growth. The question is how are these all related to global peace-building? Whereas globalization advocates, such as Thomas Friedman (Friedman 1999) would argue that market economies, liberalization, rising living standards and the spread of representative democracy will help mitigate and resolve potential conflicts (as least in the long term),



Globalization adversaries like Maude Barlow and Tony Clarke (Barlow and Clarke 2002) or Alejandro Bendaña (Bendaña 2002) will maintain that corporate dominance over financial systems, economic resources and increasingly national governments is provoking a host of new tensions, as evidenced by the worldwide protests against the WTO, the FTAA, or the G8. A first step in coming to grips with this problem would be to analytically subdivide the phenomenon of globalization into political, economic, and socio-cultural globalization. Each one of these categories represents a different manifestation of the same phenomenon.

Political globalization, for example, can be seen as the globalization (or at least the regionalization) of key governance challenges, prompted by the relative decline of the nation state. Economic globalization is being used to increase integration of global production processes, as evidenced by greater trade and investment flows. Finally, social/cultural globalization results from the greater movement of people, ideas, and cultural patterns across borders, often facilitated by ICTs and the Internet.

Export orientation in poor countries and open markets in rich countries (that is, trade between rich and poor countries) promote growth and prosperity where they are needed most, in poor countries. Bilateral trade reduces the risk of war between nations (O'Neal and Russett 1997, 1999; Russett and Oneal 2001). As to *why* trade contributes to the prevention of war, two ideas come to mind. First, war is likely to disrupt trade. The higher the level of trade in a pair of nations, the greater the costs of trade disruption are likely to be if there is conflict or war. Again, commerce might contribute to the establishment or maintenance of moral capitals, which has a civilizing and pacifying effect on citizens and statesmen.

Some writers have rejected the “peace by trade” proposition. Their criticisms are not convincing to Beck, Katz, and Tucker (1998) who raised serious technical issue of time dependence in the time-series cross-section data. Russett and Oneal (2001) responded to the

objections raised against their earlier work and demonstrated that those objections do not affect their substantive conclusions. Hegre's (2000) study seemed to necessitate a consideration of the "peace by trade" proposition. He found that the pacifying effect of trade is stronger among developed countries than among less-developed countries. Therefore, if peace globalization is to be ensured and assured, greater equity and fairness should be accorded developing states.

Generally speaking, peace studies have overly demonstrated that economic, political and social harmony is the presence of peace among people who govern themselves. The most valid backdrop for discussing peace is to underscore peace as an outcome of justice and equity in governance, distribution and appropriation resources in the society. Otherwise they become vulnerable to negative disparities, insecurity and sometimes war or violence. However, despite globalization's enormous potential to accelerate economic growth and development, the level of world poverty remains high in many parts of developing nations. Therefore, most situations of violence, breach of peace and wars are caused by domestic injustice and inequity, but such local problems are, today, aggravated by the intensity of globalization processes – causing, inequalities losers and winners.

A globalization of interdependence ought to mean peace and cooperation, but unfortunately it is not that simple. Conflict goes on, even in a world of interdependence, but globalization unlike the conflict of the 20th century, which involved bombs and guns, now come with crisis of economic disparities, institutional weaknesses and poverty, especially in developing countries. These are the very sources of conflict across the world today.

Self-Assessment Exercises 1

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. Peace suggests the existence of the following except a. healthy interpersonal relationship; b. prosperity; c. equality; d. none of the above.
2. There are many forms of tourism. Outline some of them.



1.4 Summary

Language and information, ecological problems, culture and tourism when shared can engender peaceful globalization process. Lee and Pyun (2008) have also assessed the impact of trade and integration based on a large panel data set of 290,040 country-pair observations from 1950 to 2000. Results demonstrated that bilateral trade interdependence reduces the probability of interstate military conflict between the two partners. If bilateral trade volume increases 10% from the world mean value, the probability of military conflict between the two trading partners decreases by about 0.1% from its predicted mean probability, other variables remaining constant. The peace-promotion effect of bilateral trade integration is significantly higher for contiguous countries that are likely to experience more conflicts.

Again, the study finds that global trade openness also significantly promotes peace. An increase in global trade openness would reduce the probability of military conflict as it leads to an increase in bilateral trade interdependence and trust. However, when the level of bilateral trade interdependence is held constant, the effect of increased *multilateral* trade openness on the probability of bilateral conflict is not clear. Countries more open to global trade may have a higher probability of dyadic conflict if multilateral trade openness reduces bilateral dependence on any given country, thus lowering the opportunity-cost of military conflict.

Mayer, and Thoenig (2008) have also found that an increase in multilateral trade raises the chance of conflict between states. In contrast to their findings, however, our study finds that *multilateral* trade openness in fact lowers the probability of dyadic conflict with the bilateral trade partner, and by a larger magnitude than bilateral trade does alone. An increase in global trade openness by 10% from the world mean value decreases the probability of the dyad's military conflict by about 2.6% from its predicted mean.

The results may derive from the fact that an open global trading system will prevent a state from initiating a war against any trading partner because other trading partners in global markets

prefer to do business with a "peaceful player". Hence, global trade openness of a country can reduce the incentive to provoke a bilateral conflict. We also think that openness of states can bring about peaceful environment because they become more susceptible to political freedom and democracy. They apply international law better and employ good governance. Trade openness can also lead to an "expansion of bureaucratic structure," which concerns itself with economic interests in addition to security interests — and is thus less likely to support military action.

Therefore, globalization promotes peace through two channels: one from the increased advantage peace holds for bilateral trade interdependence and the other from a country's integration into the global market, regardless of the size of trade with each trading partner. "Globalization" has been one of the most salient features of the world economy over the past century. Emerging markets and developing countries continue to integrate into the global trading system. World trade has increased rapidly, particularly since World War II — from 18% of world GDP in 1950 to 52% in 2007. At the same time, the number of countries involved in world trade has also increased significantly. However, despite the increase in the number of country pairs between which conflict is possible, the probability of dyadic military conflicts has decreased.

Our findings suggest that trade integration not only results in economic gain but can bring about significant political gain. It can also engender peace between trading partners. It also explains why regional or global economic integration is often initiated to satisfy political and security motives. For example, the *raison d'être* behind the formation of the EU following World War II was the desire for peace — particularly between France and Germany.

In response to the current financial crisis and economic recession, some countries have resorted to trade-restricting measures to try to protect national businesses and jobs. The world should remember that protectionism in the interwar period provoked a wave of retaliatory actions that not only plunged the world deeper into the Great Depression but also put international relations at greater risk. Peace is said to exist when justice and equity exist in the society. Peace is a condition of harmonious relationship within or between communities. The United Nations University (UNU) has sufficiently underscored the absence of equitable or fair distribution of collective resources as the cause of conflict and insecurity in the society. To enthrone long-lasting peace in any society, we need to imbibe and implement social justice, good governance,

and social dialogue. There is also the need to provide adequate space for property rights, fair competition and social inclusion. Social inclusion involves access, equity,

social justice and human rights.



1.5 References, Further Readings, Web Sources

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- Wolfgang Dietrich: *Interpretations of Peace in History and Culture*; Palgrave Macmillan, London, 2012



1.6 Possible Answers to SAEs

1. d. none of the above
2. There are indeed many forms of tourism. Some of them are agritourism, birth tourism, culinary tourism, cultural tourism, eco-tourism, geo-tourism, heritage tourism, medical tourism, nautical tourism, pop-culture tourism, religious tourism, slum tourism, war tourism, and wildlife tourism.

MODULE 2, UNIT 2: Globalization and Governance

Unit 2 Structure

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 **Globalization and Governance**
 - 2.3.1 **Globalization and Regionalism**
 - 2.3.2 **How Globalization and Governance can be used to promote global Peace?**
- 2.4 Summary
- 2.5 References, Further Readings, Web Sources
- 2.6 Possible Answers to Self-assessment exercise



2.1 Introduction

Globalization processes that are characterized by inclusivity and benefit to all is imperative in the argument for sustainable global peace and development. This is important to the international community. But the realities of globalization, today, are that it has fundamentally changed the world economy, creating blocks of losers and winners among countries of the world. In other words, the original intention is to see globalization work for the collective interest of all by allowing it to play out equitably for the gains of all. At least, that is what a larger member of international community thinks it should be, when communism fell in 1989. But it turned out to unfold its hidden agenda of creating disparities and inequalities, thereby sowing the seed of domestic conflicts and disenchantment. This is why, for examples, protesters will throw stones at Heads of States and Governments of the G8 at Davos or London: it is also the reason why the WTO meetings will not see peace in the future or why world ministers of finance of states to world economic fora would spend so much for the security of conference venues in the future.



2.2 Learning Outcomes

The purpose of this unit is to explain:

1. the concepts of globalization and governance;
2. globalization and regionalism, and
3. how globalization and governance can be used to promote global peace



2.3 Globalization and Governance

Globalization is often defined to encompass networks of interdependence that span intercontinental distances (Nye 2000). As such, the term incorporates a host of profound changes in world politics: growing political linkages at the global level, erosion of local space, structures of economic life, including homogenization of social life through global standards, products, and culture. Typically, these broad trends are attributed to considerable reduction in communication and transportation costs. Conceived in this way, globalization is an umbrella term, covering a wide variety of linkages between countries, extending beyond economic interdependence. No single volume could comprehensively examine how globalization affects governance.

Friedman (1999) defined globalization as

the inexorable integration of markets, nation-states and technologies to a degree never witnessed before in a way that enables individuals, corporations and nation-states to reach around the farther world, faster, deeper and cheaper than ever before.

This definition has an important, if implied, political dimension as well. Although facilitated by lower communication and transportation costs, globalization rests on the decisions of national governments to open or not to open their markets to others and to participate in a global economy. Even if they refused to open, for example, events in other nations may compel them to open their borders. It is this political dimension, we argue, that is crucial for understanding globalization and its effects on governance.

Like globalization, governance can be conceived broadly or narrowly. Most generally, the Commission on Global Governance (1995) defines it as “the sum of the many ways individuals and institutions, public and private, manage their common affairs, or a continuing process through which conflicting or diverse interests may be accommodated and in which cooperative action may be taken.” This is crucial to peaceful co-existence of world nations and their security. In that sense, Nye (2000) observed that governance is “the processes and institutions, both formal and informal that guide and restrain the collective activities of a group.” As such, governance is nearly synonymous with patterned social interaction, similar to our earlier conceptions as one of international regimes.

Governance can also be understood more narrowly as that subset of restraints that rests on authority, where authority itself is a social relationship in which “A (a person or occupant of an office) wills B to follow A and B voluntarily complies” (Scholte 1987). In other words, governance is characterized by decisions issued by one actor that are expected to be obeyed by a second. Most of the papers in this volume focus on this narrower meaning of governance.

It is important to recognize, however, that the conception of governance is not government. Many social and political units among families and clans, firms, labour unions, alliances, and empires govern social interactions and can possess authority, at least in regard to their members. Nation-states assert sovereign authority and claim a monopoly over the legitimate use of force but they represent only one type of governance structure. Corporations, NGOs, international standard-setting bodies, and many other entities all act authoritatively within the global system. In other words, all can be part of international governance.

In investigating the links between globalization and governance, three analytic dimensions of governance are particularly important:

The **first** is the centralization or dispersal of power of co-ordination (across levels of governance or between public and private governance); **second** is the degree to which government ultimately responds to the wishes of those who are governed, and **third** is the dimension of democratic

accountability; and convergence or divergence among the forms of governance and their policy products. We discuss each of these dimensions in turn.

Governance varies in the centralization of authority. Authority can be highly concentrated—vested in a single, hierarchical entity with claims to exclusive jurisdiction, as in totalitarian national states or the transnational Roman Catholic Church. Governance can also be widely dispersed, with individual nodes exercising only a limited jurisdiction. The example here might be the United States, a decentralized federal state with a large sphere of private activity. Understanding this dimension requires identification of the site(s) or location(s) of authority. More types of authority produce a more decentralized system. International anarchy—a system of sovereign states—consists of actors without any overarching authority and, thus, constitutes a highly decentralized governance structure. Subsidiarity, a term that originated in the European Union, implies a normative bias toward decentralized governance. Governance at the level closest to the ultimate principals—the electors in a democracy—is preferred.

Debates over how globalization effect governance and promote peace often hinge on the same distinction between delegated and transferred authority. When states create international dispute settlement procedures, for instance, they may delegate authority to the new entity, allowing it to act on their behalf only so long as decisions are compatible with their interests, or, more rarely, they may transfer previously sovereign powers to an entity that can now expect compliance with its rulings. Globalization may lead to greater delegation of authority to a greater range of entities, but states may still retain the ability to revoke this authority at will. States would then remain dominant political actors. On the other hand, if globalization produces real transfers of authority from states to other types of units, a fundamental change in world politics may be underway. Inclusiveness, access and participation helps to promote understanding and peace.



2.3.1 Globalization and Regionalism

The post-cold war era emphasis on trade in global politics has elevated states on the basis of their market potential. This is different from emphasis placed on ideology by the bipolar international system until the collapse of the Soviet Union in the early 1989. The logical response for smaller countries who desire greater international leverage in such a system is to form coalitions with similar states to increase their clout and co-operation in international fora. However, such

condition of global affairs has led many political theorists to question whether globalization is taking importance away from the nation-state as the primary actor in international relations. As we will see, there are those who believe that globalization is creating sweeping changes in the very fabric of human society and subverting the sovereignty of the nation-state. Proponents of this theory point to the effects of multinational corporations, non-profit organizations (NGOs) and new international political institutions like the International Criminal Court (ICC) or the International Monetary Fund (IMF) on the internal decision-making processes of national politicians and leaders.

At the other end of the spectrum are the sceptics who view globalization as a merely quantitative increase in economic trade between countries. These sceptics reject the view that the increase in inter-state traffic has no costs or erosion of nation-states' authority, and consider the nation-state as the preeminent actor in international relations. The concept of integration is abstract in that it cannot be observed and measured. In its most general use though, integration refers to the movement of units from a state of isolation towards unification. When applied to the Nation-State, it means integration which refers to "a process of large-scale territorial differentiation characterised by the progressive lowering of internal boundaries and the possible rising of new external boundaries." Integration has therefore traditionally been used in the context of economic and commercial integration but can also refer to the multidimensional processes of social, political, labour, or military cooperation between two or more countries. Integration is the "most intense form of inter-state interaction" and linked to increased levels of cooperation. When states co-operate in such intense manner, peaceful understanding and mechanisms for resolving conflict are easily available.

Regional integration is characterised by the intensification of relations between independent sovereign states that gives rise to some kind of structure for mutual cooperation based on recurring and stable patterns of behaviour. Such behaviour is expected to promote co-operation and peace. It can be described in terms of a gradual process with varying levels of cooperation and conflict given the issue in question but does not automatically imply consensus at every level. For example, it is possible for two nations to create a common customs union without agreeing on labour or environmental standards.

No doubt, if globalization processes is incapable of breaching global peace, it is certain that it has breached peace at the domestic and regional levels. The anger that people feel about the inequity of global trading system is captured in the fish on our plates and the cotton in our shirts. Reducing poverty through inequalities, both within and between countries, and building a more inclusive globalization that engenders peace is the most important challenge of our time.

The EU common agricultural, policy (EU – CAP) supports European fisheries with about £500 million annually in order to have sophisticated vessels and leeway into West Africa territorial waters. But African countries can have income from allowing European boats to fish in her waters, but the deals are often badly negotiated, sometimes netting a royalty of less than 1% of the catch value. Under the same arrangement cotton from African farms are not allowed into E.U. markets, but finished products from the raw cottons bought cheaply on African domestic markets are allowed into African markets at exorbitant prices. Fair trade matters in poverty reduction and peace-building. This is because when the multiplier effect of globalization brings pressure on local people the tendency is for them (local people) to revolt against them governments and policy-makers. This is because in such distorted globalization process, healthcare and opportunities for education would not only be insufficient, unemployment would be high and returns on employment would be low. But when regionalisms are fostered, opportunities are created for citizens of such regions. For example, the citizens of European Union (EU) are allowed to easily find work and school in member states. Movement is very flexible for them, including migration, exchanges and passages. In that wise, conflict is minimized among members of the union.



2.3.2 Ways by which Globalization and Governance can be used to Promote Global Peace

Trade is about buying and selling, is about earning income so as to be able to put food on the table, send kids to school and stay healthy. But when globalization processes are unregulated or poorly governed, it can rob people of their jobs, incomes and capacity to put food on the table or send kids to school. The economies of most African countries are weak because their market serves essentially to receive goods and services from abroad. That implies unemployment, insecurity and domestic instability. Domestic instability can mould into global insecurity.

Within the ambit of globalization, international community has canvassed an increment of aid to developing countries including technology transfer. But donors are not committed to these agreements, nor are they ready for meaningful technology transfer. Instead, they scale-up increment of their domestic expenditure on weaponry on account of global terrorism and *national interest* of security of their citizens; on account of ‘patent right’ or “intellectual property rights”. In a way, advanced donor countries have tactfully remained lackadaisical in meaningful technology transfer.

It seems, therefore, that development must be pragmatically pursued by countries that seek it without waiting for moral consideration by another country to help them. The argument is that no advanced country will wholeheartedly develop or support another weak one is only a figment of imagination. But a fair and meaningful global interaction that supports infrastructural development, trade, technology transfer to developing countries, just as the Marshall Plan was implemented, can usher in considerable development in weak states. Events have shown that where governance and institutions are receiving meaningful supports, peace and development have thrived. For example, the Central East European (CEE) countries have made considerable progress with the transition to a meaningful market economy and face the challenge of developing macroeconomic policy frameworks on the road to EU ascension. The progress was not without the support received from EU. More importantly, it has helped not only to stabilize the economies in transition of the central Europe, but also peace and progress in the region.

Naturally, the region was prone to volatility after the fall of Communism in 1989, but the transformation of the economies of Lithuania, Latvia, Estonia, Czech republic etc, supported by the EU has laid strong foundation to peace and prosperity in the region. Of course, the EU member states would have suffered huge migration, crime, or pave way for terrorism to breed and wreak havoc in Europe. Efficient governance on the basis of regionalism can help the entire world to stabilize.

Self-Assessment Exercises 2

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

3. Globalization is irrevocably linked with governance. a. True; b. False.
4. Regional integration can be said to be characterised by the _____ of relations between independent sovereign states. a. intensification; b. harmonisation; c. organisation. Synchronization



2.4 Summary

Governance is a decision-making process that — through consultation, dialogue, exchange and mutual respect — seeks to ensure coexistence and, in some cases, coherence between different and sometimes divergent points of view. This involves seeking some common ground and extending it to the point where positive joint action can be envisaged, canvassed and shared.

Globalization, for its part, reveals a new sphere of common interests that transcends states, cultures and national histories. We need to go beyond the classical inter-nations system. Indeed, the disproportion between the enforcement role of states and their actual capacity to handle issues calls for new forms of governance.

As with any system of power within the nation-state, what is needed is "good" global governance— that is, a system that offers a good balance between efficiency and legitimacy, adapted to this new universal context. What then are the specific challenges of global governance as opposed to the classical systems of national governance? In my view, elements of legitimacy must be based on institutions and procedures. Classical legitimacy entails citizens choosing their representatives collectively by voting for them. But it also relies on the political capacity of the system to bring forward public discourse and proposals that produce coherent majorities and provide citizens with the feeling that they can debate the issues.

In other words, the political system must represent the society, and allow it to see itself as a whole, with all its members using the same language and experiencing the same feelings. Since legitimacy depends on the closeness of the relationship between the individual and the decision-making process, the first challenge of global governance is distance. The other legitimacy challenge refers to the so-called democratic deficit and the accountability deficit, which arise when there are no means for individuals to challenge international decision-making. Although transparency remains crucial to ensure that governments are both accountable and challengeable at home, classical definitions of domestic accountability and democracy cannot be simply transposed and applied in the international institution's context.

Globalization and global governance can help to build an inclusive globalization that supports political, economic and cultural institutions that affects the well-being of people, communities across the world. The economic challenges that the world face today can be mitigated if we utilize the opportunities that technology provide to connect, share value and do things in the most common way that positively impact on people, supporting social justice, human rights, and cutting down questionable appetites of those in political positions. Again, global fraternity and organization has the responsibility to deal with the theme of globalization and equity as one of the most transcendent and defining issues at present for the future of peoples. Unfortunately, we find ourselves facing terminology that reflects profound contradictions, since it is not precisely equity that characterizes the present globalization with its neo-liberal features, given the contemporary expression of the internationalization of production associated with highly developed capitalism. Certainly, globalization in what has been called its

third stage is sustained by significant advances in communications and information technology, which potentially offer broad possibilities for development. However, the benefits of this process suppose an equitable participation in the scientific technical advances that make it possible, equity being understood as access at equal conditions to which all are entitled in accordance with universal norms of social justice.

The importance of peace is at the heart of global community. The imperative of peace has been seen in the establishment of the league of Nations in 1918 and the United Nations in 1945 respectively. Post 1945 in particular has seen a relatively very stable world devoid of wars and insecurity. But the demise of communism in 1989, and subsequent resurgence and argument for globalization that would enable the world community share the wealth of global space, has brought about other dimensions of instability and insecurity. The intention is half-hearted. While the advanced industrial countries are benefiting much more from the globalization process as a result of their comparative advantage, the weak countries are far from benefiting technologically as a result of weak infrastructure and public institutions. Consequently, trade arrangement is against developing states, aid and technology transfer one full of promises and less actions. The arrangement has to do with trade secrets, intellectual property rights, barriers of tariffs and taxes charged at the border on goods from developing States.



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2.6 Possible Answers to SAEs

- 3 a. True
4. intensification

MODULE 2, UNIT 3

Unit 3 **The Role of Rule of Law and Justice in Globalization Process**

Unit 3 Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 **The Role of Rule of Law and Justice in Globalization Process**
3.3.1 Implications for global Peace
- 3.4 Summary
- 3.5 References, Further Readings, Web Sources
- 3.6 Possible Answers to Self-assessment exercise



3.1 Introduction

Globalization, it seems, has come to stay. With the efforts of the United Nations and other multilateral agencies, institutional arrangements to promote peace, integration, interconnectedness and trade relationship have increased. For countries that wishes to express their friendship, the most common behaviour available to them, is to commence trade relations. However, that does not imply that such trade relationships have impacted on the countries equally on favourable terms. Therefore, there is the need to promote law of international co-operation and justice in globalization for the purpose of peace. Without law and justice, conflict and protests will continue to take place, and demonstration shall continue to trail world leaders’

forum and peace will continue elude it. Perhaps, such turmoil and demonstration may snowball into protests like a conflagration fire across the world.



3.2 Learning Outcomes

At the end of this unit, students should be able to explain:

1. the role of rule of law and social justice in globalization process;
2. the implications of the role of rule of law and social justice for global peace and security



3.3 The Role of Rule of Law and Justice in Globalization Process

Rule of law and justice in globalization process means, fairness, access, sense of belonging, inclusiveness and interdependence in the world's economic, political and socio-cultural space. One of the many ways by which fair globalization process could be assured and ensured is to make rule of law and social justice basic components of it. Although it is often said that there little or no morality in economics, but justice and fairness could make a difference in globalization process.

The International Labour Organization (ILO) has, for example, discussed some key roles it could play in helping to promote and achieve progress and social justice. It considers, for example, that the present context of globalization is characterized by the diffusion of new technologies, the flow of ideas, the exchange of goods and services, increase in capital and financial flows, the internationalization of business and business processes and dialogue as well as the movement of persons, especially working women and men. The process it added is reshaping the world of work in profound ways.

On the one hand, the process of economic cooperation and integration has helped a number of countries to benefit from high rates of economic growth and employment creation: absorb many of the rural poor into the modern urban economy, to advance their developmental goals, and to foster innovation in product development and the circulation of ideas; However, global economic integration has caused many countries and sectors to face major challenges of income inequality, continuing high levels of unemployment and poverty, vulnerability of

economies to external shocks, and the growth of both unprotected work and the informal economy, which impact on the employment relationship and the protections it can offer; Recognizing that achieving an improved and fair outcome for all has become even more necessary in these circumstances in order to meet the universal aspiration for social justice, reach full employment, ensure the sustainability of open societies, achieve social cohesion and to combat poverty and rising inequalities. Convinced that the International Labour Organization (ILO) has a key role to play in helping to promote and achieve progress and social justice in a constantly changing environment. Consequently, it affirms that labour is not a commodity and that poverty anywhere constitutes a danger to prosperity and peace everywhere; ILO has the solemn obligation to promote programmes which will achieve the objectives of full employment and the raising of standards of living. Same could be said of minimum living wage and the extension of social security measures that provides basic income to all in need, along with all the other objectives set out in the Declaration of Philadelphia.

Heads of State and Government at the 2005 World Summit of the United Nations has endorsed fair globalization and the goals of full and productive employment and decent work for all, as central objectives of their relevant national and international policies. Convinced that in a world of growing interdependence and complexity and the internationalization of production: the fundamental values of freedom, human dignity, social justice, security and non-discrimination are essential for sustainable peace, economic and social development. Therefore, building social cohesion and the rule of law through international labour standards can promote:

- the importance of the employment relationship as a means of providing legal protection to workers;
- productive, profitable and sustainable enterprises, together with a strong social economy and a viable public sector, which are critical to sustainable economic development and employment opportunities.



3.3.1 Implication for Global Peace and Security

Recognizing the complex and multifaceted nature of the globalization process, social scientists with different disciplinary perspectives have attempted to differentiate between its dimensions. Perhaps the most obvious is the separation of its economic and non-economic dimensions. As

has been shown earlier, globalization is closely associated with the analysis of international economic exchanges. This economic perspective emphasizes the way international economic exchanges are increasing in frequency, creating greater interdependence between national economies and facilitating their integration. These accounts situate current economic activities within a historic context that stresses the demise of Keynesianism and centralized economic planning and the gradual replacement of the previously ubiquitous endogenous economic policy approach with an outward looking growth model that is highly dependent on international investments, the flow of finance capital and trade (Scholte, 2000). These accounts began with the 1944 Bretton Woods conference. By reaffirming the gold standard, adopting policies to stabilize the world economy, undertaking to assist member states during times of fiscal and economic difficulty, and addressing the need for reconstruction and development, the signatories to the agreement hoped to avoid catastrophes such as the Great Depression of the 1930s and foster the smooth functioning of the international capitalist economic system. This is, in part, an initiative at promoting rule of law and justice in global economic relationship.

The replacement of Keynesian with neoliberal economic policies by radical right western governments in the 1980s have continued to build on these developments. The USA consolidated its hold over the International Monetary Fund and World Bank and used these organizations to promote the interests of powerful commercial financial institutions. These developments were accompanied by further deregulation of international economic exchanges, thereby increasing the volume of global trade, new opportunities for MNCs. It was noted earlier that sociologists, political scientists, scholars in media and communications studies and other fields are critical of the practice of defining globalization narrowly in economic terms. As the political scientist Held (2004) insists, "... the story of globalization is far from simply economic. Giddens (1999) agrees, pointing out that globalization "... is political, technological and cultural as well as economic." However, critics of the economistic perspective do not deny the importance of international economic exchanges in fostering global integration. They recognize that the process of globalization is driven primarily by economic forces even though developments in communications technology, population movements, political cooperation and civil society activities also play a critical role in fostering international exchanges, interdependence and integration.

Technological innovations in communications are singled out by many as making a major contribution to globalization (Caimcross, 1997; Castells, 1996, 2001; Giddens, 1999). The way breakthroughs and improvement in communication technology is shared has added value in terms of rule of law and justice in the promotion of inclusive and peaceful globalization process.

Stated differently, these innovations have not only facilitated rapid increases in economic exchanges, the mass media, have exposed many millions of people around the world to events in other countries. This has been accompanied by a greater awareness of diverse cultures and lifestyles and has also increased interpersonal contacts between peoples in many different parts of the world. Mass travel and ready access to internet communications have allowed ordinary people to interact promptly with others in many distant countries and regions. Places that were previously regarded as remote are now more readily accessed and communications that were previously time-consuming are now instantaneous. Therefore, access to communication and information about globalization are forms of fairness and justice.

Enhanced communications have also increased awareness of cultural diversity in the modern world and facilitated the consumption of cultural artifacts on an international scale. People who were previously relatively culturally isolated now consume cuisine, appreciate art and music, and wear apparel and purchase crafts and other commodities from many different countries. The diffusion of culture is a matter of much debate among globalization scholars who speculate on whether a single, global culture of internationally shared attitudes, preferences and tastes is emerging (Lechner and Boli, 2005). However, the resurgence of traditionalism suggests that the diffusion of culture and pressures of cultural homogenization are being resisted.

The increase in migration is identified as yet another dimension of the globalization process. Although migration is hardly new, there is a good deal of evidence to show that population movements have accelerated over the last few decades particularly from low to high income economies (Hatton and Williamson, 2005). The Western countries are a magnet for millions of people from the Global South in search of employment and opportunities to improve their living standards. The new migrants include unskilled workers as well as well-educated members of the middle class with sought after, technical skills. Of course, push factors such as civil conflict and economic stagnation in the developing world are also a major cause of world migration. The result is that previously homogenous cultures have now become increasingly complex and diverse.

The multidimensional globalization process is transcending economic exchanges to create greater interdependence among the world's nation states and their peoples. However, contrary to the claim that nation states are becoming less important, they continue to shape identity, structure economic activities and exert political control over the lives of their citizens. They are likely to serve as fundamental social and political formations for many decades to come. Nevertheless, in its multifaceted form, globalization has brought about significant changes in way people in the world's nation states relate to each other. This is often expressed as a time-

space compression which, as Giddens (1999) put it, has fostered a shared consciousness of the world as a single place. Although Giddens and other multidimensionality are not oblivious to the tensions and conflicts which characterize contemporary globalization, their writings optimistically imply that the international changes taking place auger well for the future. With a shared global consciousness of their common humanity, people may be more tolerant of cultural and religious difference, amenable to cooperate with each other, avoid conflict and support international institutional arrangements that enhance reciprocity. It is in this sense that the multidimensional view of globalization is readily transformed into a cosmopolitan view that more overtly and confidently asserts the principle that all human beings are members of the same, global community. Cosmopolitans believe that purposeful efforts should be made to promote the integration of disparate societies and remove the strictures of cultural, religious and national difference that blinker people's awareness of their common humanity. By serving as an agent of universality, globalization facilitates the realization of these ideals.

Self-Assessment Exercises 3

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

5. What does the rule of law and justice in globalization process mean?
6. Increase in migration is identified as yet another dimension of the globalization process. a. True; b. False; c. Maybe; d. Not sure



3.4 Summary

Proponents of liberal cosmopolitanism draw on the multidimensional approach to optimistically and confidently assert that the growing interdependence of the peoples of the world's nation states and will foster greater international cooperation, tolerance and the furtherance of peace. They also view globalization as vehicle for achieving these goals. As people and their governments increasingly recognize that they are members of the same human community, and that they have much to gain from cooperation, they will work together to regulate the forces of globalization to promote social well-being and social justice for all.

The belief that the forces of globalization can be domesticated to serve human interests is a key element of the cosmopolitan perspective. It finds expression in a plethora of proposals for strengthening existing multilateral arrangements or establishing new arrangements that can effectively manage global economic as well as political processes for social ends. Advocates of this

approach believe that the United Nations and other representative multilateral organizations created at the end of the Second World War have made a major contribution to promoting international cooperation. Although enfeebled in recent times, they contend that these organizations can be revitalized to address the challenges of globalization. The Bretton Woods institutions also need to be reformed so that they do not function as the agents of international capitalism but fulfil their original purpose of promoting the economic welfare of the world's nation states and their citizens. New international organizations that democratically represent these states and are able to exercise control over international economic activities should, they believe, also be created.

Held (2004) has neatly summarized these proposals and packaged them within a social democratic framework that reflects liberal cosmopolitan ideals. However, others are skeptical of the ability of the world's governments to cooperate in this way and place more faith in the role of emerging civil society institutions in fostering global cooperation. Resurrecting older cosmopolitan beliefs, others believe that nation states should be bypassed and that opportunities for direct democratic representation in new and reformed multilateral institutions should be created. Electronic democracy and other forms of direct participation in new global assemblies of the world citizens have been suggested as ways of achieving this goal (Schotle, 2000). The burning question, of course, is whether these and many other proposals for creating a democratic, just global order can ever materialize in the face of entrenched inequalities in global power, the relentless pursuit of commercial interests and the hegemonic exercise of unipolarity beliefs.

The adoption of a global perspective will broaden the scope of social policy and social work scholarship to encompass many more cultures and societies and obtain meaningful insights into the way that diverse cultures and societies define, interpret and promote social welfare and social justice. Social policy and social work will be enriched by a perspective of this kind and hopefully assert its latent commitment to cosmopolitan ideals. More frequent and meaningful exchanges between social policy and social work scholars and practitioners in many different parts of the world will also permit the formulation of interventions that effectively address social welfare and social justice concerns at the international level.



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3.6 Possible Answers to SAEs

5. Rule of law and justice in globalization process means, fairness, equal access to justice and resources, sense of belonging for all, inclusiveness and interdependence in the world's economic, political and socio-cultural space.
6. a. True.

MODULE 2, UNIT 4

Unit 4 Challenges of Promoting Peace in Globalization

Unit 4 Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 **Challenges of Promoting Peace in Globalization**
 - 4.3.1 **Specific ways of Implementing Fair Process in Globalization**
- 4.4 Summary
- 4.5 References, Further Readings, Web Sources
- 4.6 Possible Answers to Self-assessment exercise



4.1 Introduction

Today, the world is generally regarded as a global village, where in one market; every country must compete with every other for its share of world's consumers' goods and services, tourism, investments, sports and culture. But such competition should be guided by rules, procedures and regulations – so as to create room for losers to be encouraged and for winners to exercise moral restraints that the game is not about “winners take it all”. This is what the United Nations University-World Economic Development Research (UNU-WIDER) refers to as “pro-poor globalization strategy”.

In an effort to maximizing the benefits of globalization, many challenges are being faced. In this unit, we intend to discuss these challenges in process of promoting peace in globalization.



4.2 Learning Outcomes

The objective of this unit is to help:

1. Students understand the challenges of implementing fair globalization;
2. Project specific ways of integrating justice into globalization process; and
2. Explain specific ways of ensuring peace in globalization process.



4.3. Challenges of Promoting Peace in Globalization

After the colonial division of the world and the two world wars, the interests of capitalist development itself presented the necessity to replace the use of force as the means of domination. The liberation of the former colonies and the new mechanisms of neo-colonial subjugation that followed made more obvious than ever before the inequality in the exercise of the right to development, and the inequality of the existing international economic order. The experience of the post-war period showed that while capitalism may have been able to provide economic growth, it did not guarantee equitable access to the product of this economic growth and adequate social development.

The expansion of the international financial flows and their contradictory development in the 1980's were strongly manifested in the external debt crisis and the debates that accompanied it, today buried under speculative finance capital's apparently infinite capacity for movement, with its short-term solutions that have done nothing but exacerbated the problem of the Third World's growing indebtedness. This has been a subject that policy-decision makers try to ignore even in the most recent financial conferences. A marked regression left the debate on these themes unfinished, as a strong neo-liberal counteroffensive accompanied the growing globalization of economic activity.

These measures are now reduced to an international collaboration with the countries with a lower relative development, in line with the neo-liberal notion redistributing of resources. Trade liberalization does not include the products in which the underdeveloped countries have comparative advantages, but does open those previously protected in some way from the unequal competition of the transnational enterprises and their highly competitive production. As a result, massive resources are presently being lost in the Third World. The liberalization of finance favours great flights of capital from the developing countries, and enormous fortunes, often the

product of speculation and governmental negligence, are transferred with impunity to the banking entities of the central countries, which use them to their benefit.

The neo-liberal globalization we are witnessing brings with it an enormous concentration of property which, by its very nature, impedes equitable access to the benefits of economic growth. The consequences are in sight. First of all, the gap between the rich and poor is growing within the national space and between nations. According to CEPAL, the index of poverty in Latin America rose from 41% in 1990 to 45% in 2000, while in the world 1.2 billion people live in conditions of extreme poverty. In addition, the index of inequality of per capita income in Latin America went from .51 in 1950 to .70 in 1998, and according to the Human Development Report 2000, the richest 20% of the population has an income almost 19 times that of the poorest 20%. Those of Sub-Saharan Africa are worse with consequences of the unequal terms of trade, which annually translates into losses of \$100 billion for the developing countries. The external debt has had very negative repercussions, especially in our region



4.3.1 Specific ways of integrating Justice into Globalization Process

These contain deep analyses, critical views, and future expectations on the impact of globalization, democracy, and international migration on conflicts and peace-building. The world has gone through a major transformation in the last two decades. The end of the Cold War in Europe has led to a massive increase in private capital flow and has also brought an information and telecommunication revolution. In this new interdependent and interconnected world, international trade and investment has overtaken the importance of national economies. Globalization has created new opportunities as well as many risks and challenges. While globalization creates new wealth and encourages technological innovations, it has also failed to support and promote sustainable human development and thus can be accused of generating anguish and deprivation. This has already resulted in growing civil unrest and, in some cases, contributed to armed conflicts in the developing world. However, peace and conflict research has hitherto somehow overlooked the influence of increasing globalization on the formation and management of such emerging conflicts. The study of globalization also tends to overlook a proven fact that the management of conflicts in the South has been invariably influenced by the global powers and their strategic politics. Therefore, to manage and minimize the effects of globalization, there are specific factors, we cannot afford to ignore.

(a) Good Governance. Peace & Globalization

How can the world achieve "perpetual peace"? Smooth diplomatic and political relationships have traditionally emanated as much from ties brought on by economic interdependence as they have from kinship. The "liberal peace" view — traced back to Kant, Angell, and Schumpeter — stresses that mutual economic interdependence can indeed be a conduit of peace. Greater bilateral economic interdependence limits the military incentive for interstate belligerency. A state that is more trade-dependent is less likely to fight a partner when a larger trade-derived gain is at stake. Business elites — who benefit most from increased economic interdependence — also lobby for restraint when the state opts to consider military force against an important trading partner.

Arguments against "liberal peace" are many. Dependency theorists and neo-Marxists, for example, argue that asymmetric interdependence can lead to the exploitation of national resources by the senior trading partner, threatening the national autonomy of the junior partner. The litany of history's wars that evolved out of trade disputes bears witness to this unfortunate fact.

(b) Bilateral trade deters military conflicts

Lee and Pyun (2008), assessed the impact of trade integration on military conflict based on a large panel data set of 290,040 country-pair observations from 1950 to 2000. Results show that an increase in bilateral trade interdependence reduces the probability of inter-state military conflict between the two partners. If bilateral trade volume increases 10% from the world mean value, the probability of military conflict between the two trading partners' decreases by about 0.1% from its predicted mean probability, other variables remaining constant. The peace-promotion effect of bilateral trade integration is significantly higher for contiguous countries that are likely to experience more conflicts. For example, an increase of 10% in bilateral trade volume lowers the probability of military conflict between two contiguous states by about 1.9%.

(c) Global trade openness promotes peace

More importantly, our study finds that global trade openness also significantly promotes peace. An increase in global trade openness would reduce the probability of military conflict as it leads to an increase in bilateral trade interdependence. However, when the level of bilateral trade interdependence is held constant, the effect of increased *multilateral* trade openness on the probability of bilateral conflict is not clear. Countries more open to global trade may have a higher probability of dyadic conflict if multilateral trade openness reduces bilateral dependence on any given country, thus lowering the opportunity-cost of military conflict. In a recent

paper, Martin, Mayer, and Thoenig (2008) find that an increase in multilateral trade raises the chance of conflict between states. In contrast to their findings, however, our study finds that *multilateral* trade openness in fact lowers the probability of dyadic conflict with the bilateral trade partner, and by a larger magnitude than bilateral trade does alone. An increase in global trade openness by 10% from the world mean value decreases the probability of the dyad's military conflict by about 2.6% from its predicted mean.

The results may derive from the fact that an open global trading system will prevent a state from initiating a war against any trading partner because other trading partners in global markets prefer to do business with a "peaceful" player. Hence, global trade openness of the dyad can reduce the incentive to provoke a bilateral conflict. We also think that open states can be more peaceful because they become more susceptible to political freedom and democracy. They apply international law better and employ good governance. Trade openness can also lead to an "expansion of bureaucratic structure," which concerns itself with economic interests in addition to security interests — and is thus less likely to support military action.

Therefore, globalization promotes peace through two channels: one from the:

- increased advantage peace holds for fair and equitable bilateral trade interdependence and the other from a country's integration into the global market, regardless of the size of trade with each trading partner.
- "Globalization" has been one of the most salient features of the world economy over the past century. Emerging markets and developing countries continue to integrate into the global trading system. World trade has increased rapidly, particularly since World War II — from 18% of world GDP in 1950 to 52% in 2007. At the same time, the number of countries involved in world trade has also increased significantly. However, despite the increase in the number of country pairs between which conflict is possible, the probability of dyadic military conflicts has decreased.

Our findings suggest that trade integration not only results in economic gain but can bring about significant political gain as well — such as a significant “peace dividend” between trading partners. It also explains why regional or global economic integration is often initiated to satisfy political and security motives. For example, the *raison d’etre* behind the formation of the EU following World War II was the desire for peace — particularly between France and Germany.

In response to the current financial crisis and economic recession, some countries have resorted to trade-restricting measures to try to protect national businesses and jobs. The world should remember that protectionism in the interwar period provoked a wave of retaliatory actions that

not only plunged the world deeper into the Great Depression but also put international relations at greater risk.

The world has gone through a major transformation in the last two decades. The end of the Cold War in Europe has led to a massive increase in private capital flow and has also brought an information and telecommunication revolution. In this new interdependent and interconnected world, international trade and investment has overtaken the importance of national economies.

Globalization has truly unleashed some daunting challenges within and between countries in its re-emergence. Such challenges are made worse by the activities of “spoilers” - a group of people who benefit from an ugly situation and who utilizes some tactics of various means to hinder delay or manipulate the situation to perpetuate or sustain it. The “spoilers” may not see any ugliness in the situation as long as they can give or ascribe the situation to politics or competition. It becomes a lot more problematic if they “spoilers” are well-equipped than the societies that are being manipulated. For examples, think of the activities of EU-CAP and MNCs in developing countries, including those of the petit bourgeoisie who represent the interest of capitals in weak states. In one way or the other, their activities are capable, and of course, cause instability and insecurity in weak states.

At the demise of communism in 1989, globalization took the front seat driver of world ideology, carrying a toga of western liberal democracy by which the world must share global wealth. While some countries jealously bought into it, other especially from the Islamic world felt that was a design to challenge Islamic political ideology – that is religious and political leadership enshrined in one docket.

Henry Kissinger has underscored the importance of democracy in one of his articles that appeared on the “Daily Yomiuri” in 2004, but he observed that respect for local governance and values must be considered as an entry-point in the promotion of peace in the world. The west has self-pleasing fantasy that they were chosen to help or save the rest, the poverty-stricken world. But such pleasure must not be pretentious or half-hearted. It must be built on existing positive values and institutions of weak countries that seek development.

Self-Assessment Exercises 4

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

7. The expansion of the international financial flows in the 1980s and their development had _____ actions in mostly the developing nations as this was strong manifested in external debt crisis. a. complimentary; b. discriminatory; c. implicating d. contradictory.
8. Trade integration not only results in economic gain but political gains, which may significant “peace dividend” between _____. a. trading partners; b. warring partners; c. conflict partners. D. none of the above.



4.4 Summary

Globalization is first and foremost a result of the expansion, diversification and deepening of trade and financial links between countries, especially over the last ten years. This reflects above all the success of multilateral tariff reduction and trade liberalization efforts. The Fund has played a key role in encouraging current account convertibility as a basis for the expansion of world trade, and more than two-thirds of the Fund's member countries have committed themselves to this principle by accepting the obligations of Article VIII.

Globalization will continue to reinforce the interdependencies between different countries and regions. It can also deepen the partnership between the advanced countries and the rest of the world. And to support this partnership in a mutually beneficial way, the advanced countries could help to further open their markets to the products and services in which the developing world has a comparative advantage. In addition, the reform efforts of the African countries will need to continue to be supported by adequate financing on concessional terms. In this regard, I am pleased to note that the Fund has put the ESAF, our concessional lending facility, on a permanent footing, so that it can continue to support reform efforts of the poorer countries,

especially in Africa. Moreover, the Fund and the World Bank have recently begun implementing the framework for action to resolve the external debt problems of heavily indebted low-income countries (HIPC), including their large multilateral debt. Three African countries--Burkina Faso, Côte d'Ivoire, and Uganda--are among the first countries to be considered under the Initiative.

The challenge facing the developing world, and African countries in particular, is to design public policies so as to maximize the potential benefits from globalization, and to minimize the downside risks of destabilization and/or marginalization. None of these policies is new, and most African countries have been implementing them for some time. In particular, sub-Saharan Africa has made substantial progress toward macroeconomic stability.

Our wealth is built on the breath and choice of the markets we can sell to – or buy from. For many people in developing countries, economic poverty derives from lack of access and inability to trade freely with one another in the process of globalization. This is irrational and irritating. Such irrationality cannot be a source of peace and inclusive globalization. It cannot be a source of stability in developing states and their micro-societies either. Therefore, in professing and promoting globalization, the gains and benefits of the international community must be reconsidered; especially from the angle of global trading architecture that appears detrimental to poorest countries. We can retrospect or observe to find that globalization processes instead of obviating poverty and stabilizing the world into a global village, is causing ripples and sowing the seeds of inequalities and conflict.

People rate access and freedom to make purchasing decisions above charitable aid they receive as their best way to tackle poverty. Agriculture is the largest employer of labour in poor countries, especially Africa. Unfortunately, the rich countries do not play fair with poor ones by denying them access to western markets. The domestic market is smaller to earn income for the family to improve their health, education and live a responsible lifestyle. Opening trade to accessibility will keep African Farmers out of subsistence. Despite the importance attached to aid to poor countries, recent challenges indicate that fair trade, access and respect to local values will enrich globalization process in promoting global peace and stabilities in the state. Rules that deter ‘spoilers’ must be entrenched and rigorously implemented. Unfortunately, there are no gate-keepers at the global trade arena.



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4.6 Possible Answers to SAEs

7. d. contradictory
8. a. trading partners

MODULE 2, UNIT 5

Unit 5 Globalization, Multiplier effects and vulnerability of micro-societies to crisis, and the larger system

Unit 5 Structure

- 5.1 Introduction
- 5.2 Learning Outcomes
- 5.3 **Multiplier effects and vulnerability of micro-societies to crisis, and the larger system**
- 5.4 Summary
- 5.5 References, Further Readings, Web Sources
- 5.6 Possible Answers to Self-assessment exercise



5.1 Introduction

Absence of peace in micro societies is potentially dangerous to stability of the global community. Globalization and democratization of political systems alone does not necessarily lead to more accountable governments or better economic management, just as both are fuelling conflicts in domestic societies that do not cherish their significance.

Although globalization has helped to increase growth and wealth in recent years, it has not done so for all continents and all countries. The Sub-Saharan African and the Middle East have worsening imbalances that impede development and make them vulnerable to the risk of crisis that may likely endanger the world peace.

In this unit, we focused on how absence of peace and vulnerability of micro-societies to domestic crisis can have multiplier effects on the larger system.



5.2 Learning Outcomes

The objectives of this unit are to;

1. underscore the potential dangers of wrong implementation of globalization;
2. explain the gains of fair resource allocation in societies. and
3. determine the dangers of denying weak states technological capabilities,
which also implies absence of peace.



5.3 Globalization, Vulnerability of Micro-Societies, Domestic crisis and Multiplier Effects on the Larger System

Some claim that globalization means the competition of companies nationally and internationally to maximize profit. It is also identified as a process of the international integration of economies by means of the social restructuring of the modes of production, distribution, and consumption of goods and services on a global scale. This restructuring is accomplished in part through the removal of trade restrictions and the opening of national borders to allow capital to flow freely between countries (Scholte, 2000) ;). Some authors go even further to suggest that globalization is not merely a process of economic integration, but the actual universalization of knowledge, technology and communication, culture, health care, heritage, genetic codes, and natural resources such as land, forests, air, and water (Barlow, & Clarke 2002; Reiser, & Davies 1944; Smith, 2000). A third definition equates globalization to westernization

and modernization, where existing local social structures and cultures are gradually dismantled and replaced by the social structures of capitalism, rationalism, industrialism, and the imperialism of such social institutions as McDonald's, Hollywood, CNN, and the likes (Schiller, 1991; Scholte, 2000; Spivey, 1996; Taylor, 2000).

Although the roots of globalization can be traced back to the Enlightenment era of eighteenth-century Europe (Gray in Smith, 2000), the impact and vulnerability of micro-societies to crisis that globalization generates has never garnered as much attention as it has in the last 20 years or so. Rationalism as a paradigm of knowledge configuration allows globalization to flourish. It aims to define reality by means of observable, physical truths that are discoverable and understood in terms of scientific, objective research. The Enlightenment vision that dominates in the United States upholds that rationalism as a scientific knowledge is non-territorial and that objective truth is valid for anyone, anywhere, anytime such that certain products, regulations, technologies, art forms, and the like can apply across the world (Scholte, 2000). *The Enlightenment mindset opposes territorial divisions and state borders as it is affirmed as follows, "Reason knows no territorial limits"* (Albrow, 1996). Rationalism sets the foundation for other globalization forces to develop. It promotes a knowledge framework for capitalist production and the advancement of scientific thinking, a framework out of which technologies open up extraterritorial spaces (Smith in Hakovirta, 2000; Scholte, 2000).

Africa and Asia were pushed to move through gradual changes toward industrialization by means of a modernization process. This was the case because First World economists were of the belief that developing countries existed in a state of poverty because they are not industrialized. The Western experts believed that modernization would benefit both the developing and the highly developed Western countries. Hence, foreign capital flowed into Third World countries to build factories, as well as industrial and commercial establishments. Expectations were raised by the promise that globalization would create a more prosperous and egalitarian world.

However, naive optimism was eventually dashed because modernization brought, instead, enhanced economic disparity: poor countries became poorer, and rich countries became richer. The foreign capital that was provided to help the poor countries was motivated by the prospect of earning sizable returns in the form of interest. Debtor countries were given little banking control, so that capital was effectively free to move in and out of the country through an open trade policy. For the developing countries, the payment of debt-related interest alone was impossible. In order to repay their loans, debtor countries had to deprive their people of basic necessities. Increasing amounts of raw materials, such as logs, minerals, grain, and others items,

were exported in order to earn the foreign exchange necessary to counter the growing trade deficit. Vast areas of farmland that had been planted with subsistence crops were now planted with cash crops to feed the hunger of foreign traders, not the farmers who tilled the land. Unregulated global market practices sacrificed forests and vast tracts of land for short-lived trade benefits. Governments of poor countries made radical cutbacks in spending, thereby reducing public and social services, and creating massive unemployment. Ultimately, the "structural adjustment" made by a poor country's government in order to repay its loans was economically, socially, and ecologically disastrous for its citizens (Bello, Kinley and Elison, 1982).

Technology facilitates international trading practices, the transfer of capital, and also makes possible the virtualization of international finance. "National governments became unprecedentedly vulnerable to the ebbs and flows of money markets (Smith (2000). The World Bank and the IMF demand that Third World countries open up their markets to free trade so that such countries can accumulate hard currency through increased exports. Third World countries, however, are often not able to compete with the products imported into their countries because foreign governments often subsidize those products. As well, import tariffs commonly applied by debtor countries are often removed in order to comply with the conditions set by lending countries. When the growth of imported products surpasses a country's exports, a trade deficit results, and it is ultimately the rich country that accumulates the hard currency, not the poor one. On this subject, George (1992) cites a statement made by Senegalese former President, Abdoulaye Wade: "facts emerge from the World Bank's account that Africa is paying this institution more than it receives from it, which means that, contrary to received wisdom, African poverty is financing the long-term wealth of the rich countries:". As a consequence of the internationalization of capital, a new international division of labour emerges.

Early on in the internationalization process, developing countries export raw materials to developed countries, which subsequently manufacture goods. The developing countries, in turn, import the finished products. As the new international division of labour evolves between First World and the Third World countries, industries are established in developing countries to manufacture products for local consumption. Poor host countries become less dependent on foreign import, although they are still dependent on capital goods and on the import of machinery and technology. This results in the import substitution economy evident in poor countries since products that are normally imported from other countries become available locally. Later, changes are made to international division of labour practices. Now, First World corporations promote the production of goods in developing countries, not merely for local use, but for export to world markets, as well. As a result, Third World countries begin exporting

goods, and the reigning import substitution model is changed to an export-oriented economy. Further assurances of wealth and economic stability are pledged, as employment opportunities are created in the developing countries (Brecher and Costello, 1994). The legal framework that organizes foreign investments in poor host countries makes investment attractive. Hardly any restrictions hamper the transfer of capital or the repatriation of profits to rich capitalist countries. Tax policies and exemptions are favourable to investor countries. Leaders of host countries, desperate for the injection of foreign capital, go even so far as to create a political will in their countries to meet the expectations of foreigners.

Eventually, globalization results in largely unilateral gains that are reaped by transnational corporations. Despite employment at the corporations' plants, workers can hardly provide themselves with basic supplies, since they are paid poorly. The support of workers' rights and health and safety standards are virtually non-existent in these corporations. Labour costs are extremely cheap, and unions are repressed. In order to discourage workers and unions from asking for better wages and benefits, and better working conditions in general, workers are prevented from forming unions. The pollution of water sources by the chemical and gas emissions of factories destroys the environment. Host countries hardly benefit from the operation of transnational businesses because whatever profit those companies make is repatriated to capitalist countries and is not reinvested in the local economy.

In terms of human security, social justice, environmental care, and democracy, the consequences delivered upon humans by globalization continue to be diverse, although considered to be more adverse than positive. Third World governments are attracted by globalization to the development it promises to bring to poor countries. The term "development" suggests an increase in productivity and an improvement in the quality of people's lives. However, more than four decades of development around the world have resulted in poverty, social injustice, and environmental degradation. Hancock (1989, p.114) cites Esteva's view on development: "Development means the sacrifice of environments, solidarities, traditional interpretations and customs to ever-changing expert advice. Development for the overwhelming majority has always meant growing dependence on guidance and management." Zachariach emphasizes the definition, "In many parts of Asia, Africa and Latin America, development has become an odious word because of its connotation to patronization, unfulfilled promises and, worse, deceitful cover-up of inhuman exploitation". This perspective on development challenges the dominant paradigm of modernization increasingly labelled globalization-following the role model of North industrialized nations.

Self-Assessment Exercises 5

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

9. Africa and Asia were pushed to move through gradual changes toward industrialization by means of a modernization process. a. True; b. False; c. Not sure.
10. Ultimately globalization results in largely unilateral gains that are reaped mostly by _____ corporations. a. national; b. transnational; c. municipal d. all of the above.



5.4 Summary

Globalization will continue to reinforce the interdependencies between different countries and regions. It can also deepen the partnership between the advanced countries and the rest of the world. And to support this partnership in a mutually beneficial way, the advanced countries could help to further open their markets to the products and services in which the developing world has a comparative advantage. In addition, the reform efforts of the African countries will need to continue to be supported by adequate financing on concessional terms. In this regard, I am pleased to note that the Fund has put the ESAF, our concessional lending facility, on a permanent footing, so that it can continue to support reform efforts of the poorer countries, especially in Africa. Moreover, the Fund and the World Bank have recently begun implementing the framework for action to resolve the external debt problems of heavily indebted low-income countries (HIPC), including their large multilateral debt. Three African countries--Burkina Faso, Côte d'Ivoire, and Uganda – are among the first countries to be considered under the Initiative.

The challenge facing the developing world, and African countries in particular, is to design public policies so as to maximize the potential benefits from globalization, and to minimize the downside risks of destabilization and/or marginalization. None of these policies is new, and most African countries have been implementing them for some time. In particular, sub-Saharan Africa has made substantial progress toward macroeconomic stability. Modernization proponents argue that as countries experience sustained economic growth, individual income, in due course, will rise. This theory assumes that the success of development is measured solely by the value of economic input and output rather than by human and environmental considerations. Unfortunately, this is not the case. While some countries enjoy accelerated economic growth, the poor of those countries are caught in floods and drought, in structural violence, and are adversely

affected by vanishing sources of income. Since the planet's resources have benefited only a few, global development has in fact created much disparity so that massive poverty exists in the mindset of unprecedented wealth. There are over a billion people who are unable to meet their basic needs amongst those whose consumption is not ecologically sustainable. In the modernization paradigm, development has prioritized economic growth even as the rural and urban majorities have remained economically and socially marginalized. The risk of suffering from crisis, whether through violent conflict or the disparities and disenchantment caused by globalization at the domestic societies, has been shared as potential threat to global stability.

Of the 118 conflicts in 80 locations since 1989, most only have domestic definitions in relatively poor countries. Most of them have re-surfaced in five years after peace accords were signed. There are many factors that constitute potential breach of domestic and international peace. Chile's 2006 Human Development Report (HDR), for example, underscored the dangers of widespread use of technology which it said will not automatically improve human Development unless it is shared and used to foster social inclusion, such as access and affordability. But in a situation where some majorities are excluded from the information technology in an information age will only harden those that are cut-off from it to perpetuate crude behaviours that inimical to a civilized community. The very idea of "patent right".

Since globalization is here to stay, efforts should be continually made to mitigate its destructive effects. This challenge has been taken up through global education or peace education efforts initiated by people at the grassroots level, in the upper echelon of governments and societies, and by peoples' movements, religious groups, non-governmental organizations (NGOs), and others. Many schools have added global education to their social studies curriculum, while others have integrated it into other subject areas. However, greater awareness of and participation in the movement is required, particularly on the part of First World countries. Simultaneously, more education and conscientization is necessary in Third World countries. It has taken centuries to realize the encroachment of globalization into world systems; it may take longer to mollify its negative effects. Beginning in the 60s, North-based NGOs that worked in the areas of aid and development began to realize that their partnership work in assisting Southern peoples and communities, through people-centered projects, was not sufficient. Equally important, it became apparent, was the need to raise awareness among Northern citizens of structures of global injustice and the role their countries' foreign policies and industries (e.g., trade, transnational corporations, and aid) played in reproducing North-South inequalities — between and within societies. This increased awareness aimed to motivate citizens to take action in solidarity with Third World citizens to transform the structures of

injustices and foster a fairer world system. It was in this social context that the movement called development education (sometimes referred to as popular education) emerged (Arnold, 1991). Most importantly, development education drew inspiration from the dialogical and conscientization strategies formulated by the well-known Brazilian adult educator, Paulo Freire (1973). Burns (1989) describes Freire's central concept of conscientization in the following way.



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5.6 Possible Answers to SAEs

5. a. True
6. d. transnational

Glossary

Peace

Peace represents many different things to different person but can be generally said to be the state of harmony that is often characterized by the lack of violence, conflict behaviours and the freedom from fear of violence.

Governance

This all-important concept can be defined as sum different ways many ways that individuals, institutions (public and private), and even governments, manage various common affairs to achieve their various objectives. It can also be said to be the continuing process through which conflicting or diverse interests can be accommodated and for the benefit to all players in a system or groups of systems to the attainment of goals.

End of the Module Questions

1. Tourism is travel that can be carried out for a. recreational reasons, b. leisure c. business; d. all of the above.
2. Explain the implication of the role of Rule of Law and Justice in Globalization process for peace and security.
3. Explain how bilateral trade be used to deters military conflicts?

MODULE 3 UNIT 1

Unit 1 Building an Inclusive and Sustainable Globalization That Promote Peace

Unit 1 Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Building an Inclusive Globalization That Promote Peace
- 1.4 Summary
- 1.5 References, Further Readings, Web Sources
- 1.6 Possible Answers to Self-assessment exercise



1.1 Introduction

Developing countries (Africa in particular), need to focus intensively on achieving the Millennium Development Goals. We need to continue to invest in economic development even in the post MDGs years if it is not going to be extended. Basic needs will continue to set the foundation for the future priorities. At least, this is the view of the idealist perspectives, especially the United Nations. If the UN fails to craft a new framework, National governments does not to be told, at least, that it needs to remain steadfast in its economic development in another goal or version. The good news is that many African countries, home to about 30% of World population have achieved average annual growth of 5.5 percent from 1995 to 2005.

These countries want assistance to build infrastructure for higher growth, especially energy and physical facilities that can support regional integration. Growth from agriculture benefits the poorest four times more than growth in other sectors. We need a 21st Century Green Revolution designed for the special and diverse needs of Africa, sparked by greater investments in technological research and dissemination, sustainable land management, agricultural supply chains, irrigation, rural microcredit, and policies that strengthen market opportunities while assisting with rural vulnerabilities and insecurities. More countries need to open their markets to farm exports, too.



1.2 Learning Outcomes

At the end of this unit, students should be able to:

1. Understand the importance of inclusive and sustainable globalization;
2. Understand the implication of unidirectional globalization; and
3. Determine what is required to build and sustain globalisation.



1.3 Building an Inclusive and Sustainable Globalization

An Inclusive and Sustainable Globalization

It has been reiterated that we live in an age of globalization. Yet its contours are uncertain. Since the end of the Cold War, the number of people in the world market economy has increased from about one billion to four or five -- vastly increasing the productive labour force, building new manufacturing and service centres throughout the developing world, boosting demand for energy and commodities, and creating vast possibilities for increased consumption. New pools of savings are adding to global capital flows that are drawn to investment opportunities offered by both emerging markets and transforming developed economies. The transfer of skills, technologies, information, and applied practical knowledge is rushing ahead.

The global flow of trade has more than doubled since 1990. More open economies lower the cost of goods and services. More countries are relying on export-led growth. While the purchases from developed economies remain important, new trade patterns reflect regional and global supply chains and increasing “south-south” trade. Nearly 300 million people have escaped extreme poverty. Yet many remain on the fringes and some are falling further behind. They can be counted as countries, as regions and groups within countries, or as individuals. Their exclusion has many causes – including conflicts, poor governance and corruption, discrimination, lack of basic human needs, disease, the absence of infrastructure, weak economic management and incentives, lack of property rights and rule of law, and even geography and

weather. We can also see the environmental challenge of this extraordinary surge of growth, with rivers that run black, skies that block the sun, and threats to health and climate.

Globalization offers incredible opportunities. Yet exclusion, grinding poverty, and environmental damage create dangers. The ones that suffer most are those who have the least to start with – indigenous peoples, women in developing countries, the rural poor, Africans, and their children. It is the vision of the World Bank Group to contribute to an inclusive and sustainable globalization to overcome poverty, enhance growth with care for the environment, and create individual opportunity and hope.

In 2000, the countries of the United Nations established the eight Millennium Development Goals — an ambitious target to halve poverty, fight hunger and disease, and deliver basic services to the poor by 2015. These goals, our goals, are posted by the main entrance of our headquarters building, reminding us every day of what we come to work to accomplish. The motivation was that every year, malaria strikes some 500 million people worldwide. Yet we could get close to overcoming this leading killer of African children by taking pragmatic action. It would take an investment of approximately \$3 billion a year over the next few years to provide every household vulnerable to malaria with treated bed nets, medicines, and modest amounts of indoor insecticide. The International Energy Agency estimates that developing countries will need about \$170 billion of investment in the power sector each year over the next decade just to keep up with electricity needs, with an extra \$30 billion per year to transition to a low carbon energy mix.

An additional \$30 billion per year is needed to achieve the Millennium Goal of supplying safe water to 1.5 billion people and sanitation to the 2 billion people who lack these most basic necessities, also improving gender equality in poor countries. There is need for another \$130 billion a year to meet the transportation infrastructure requirements of growing developing countries, including an estimated \$10 billion a year for maritime container terminals to accommodate opportunities in trade. And to provide primary education for some 80 million out-of-school children, another Millennium Goal, low-income countries will require about \$7 billion per year. How the World Bank Group Can Help.

Meeting these needs is not, of course, just a question of money. Nor is it the role of the World Bank Group to finance the investments by itself. Rather, it is the purpose of the Bank Group to assist countries to help themselves by catalyzing the capital and policies through a mix of ideas and experience, development of private market opportunities, and support for good governance and anti-corruption – spurred by our financial resources. This is an inclusive

globalization, because it appreciates the problems that present societies face and at the same time mainstreaming these challenges into public policies.

It is the purpose of the Bank Group to advance ideas about international projects and agreements on trade, finance, health; poverty, education, and climate change so that they can benefit all, especially the poor seeking new opportunities. Therefore, we should be expanding the frontiers of thinking about policy and markets, pioneering new possibilities, not just recycling the passably proven with a modest financial advantage. It is the responsibility of the International Bank for Reconstruction and Development (IBRD) is our public finance arm to providing loans based on market prices, risk management, and other financial services relevant, combined with deep development experience. With this stronger focus, the rest donor community can be challenged to commit to an ambitious increase in numbers to help the poorest, especially in Africa and South and East Asia.

Second, we are committed to a stronger growth strategy for IFC. IFC is well-capitalized and is bolstering its private sector investments in IDA countries, low-middle income countries, and needy regions and sectors in middle income countries. By investing in private sector development, economies can create jobs, families can gain employment, food can be available on the table, and children can be kept in school. This is an inclusive globalization process.

Globalization must not leave the “bottom billion” behind. This assertion is based on more than respect for the worth of our fellow men and women, and beyond an appreciation that any of us might have been born in similar circumstances. Inclusive globalization is also a matter of self-interest. Poverty breeds instability, disease, and devastation of common resources and the environment. Poverty can lead to broken societies and could become breeding grounds of those bent on destruction and to migrations that risk lives. This is because globalization has brought uneven benefits to the billions in middle income countries who have started to climb the ladder of development since the end of the Cold War. In many lands, social tensions are weakening political cohesion. The middle-income countries are home to 60 percent of the world’s forests and 40 percent of global emissions of CO₂ from fossil fuels. Together with developed countries that produce most emissions, these nations will be key to crafting a global approach to climate change. These middle-income countries need to continue to grow, to offer inclusive development, and to adopt environmental policies for sustainable prosperity.

The greater influence of developing countries presents another question: What will their place be in this evolving global system? This is not only a question of how large developing countries will interact with developed countries, but also with the poorest and smaller states of the world. It would be ironic indeed for the Bank Group to withdraw from work with middle

income countries at a time that governments are recognizing the need to integrate these countries more effectively in diplomacy and political-security institutions. They should therefore be integrated as partners in the institutions of the multilateral economy too.

Two years ago, it was envisaged that China will build on its success by becoming a “responsible stakeholder” in the international system. This is, of course, a challenge for others, too, if the world is to achieve an inclusive and sustainable globalization. And with responsibility, there should be greater voice and representation. We need to advance the agenda to strengthen the participation of developing countries throughout the Bank Group’s work and workforce. Developed countries are also facing the opportunities and strains of globalization. People are anxious about the rate of change, even as many in younger generations adapt with amazing flexibility. Of course, common sense of publics in developed countries leads them to recognize there is no successful recourse to isolation. Common decency – as well as self-interest – drives them to recognize the interdependence, even as they debate how best to pursue it.

Inclusive and sustainable globalization needs to be fostered by global institutions. The World Bank Group has significant financial resources; an experienced, knowledgeable, and dedicated staff; convening power; people in more than 100 countries; and 185 member states. When at its best, the Bank Group can mobilize other resources – public and private, financial and human – to generate demonstration effects and multiplier effects. When successful, the World Bank Group is a catalyst for market dynamism that seizes the opportunities of globalization, inclusively and sustainably.

In developing countries, there is the need to focus intensively in partnerships on achieving the Millennium Development Goals. These basic needs will set the foundation for inclusive future societies by building on, for example, African countries, which is home to 36 percent of the population, and achieving average annual growth of 5.5 percent from 1995 to 2008. These countries want assistance to build infrastructure for higher growth – especially energy and physical facilities that can support regional integration. They also need developed local financial markets, including opportunities for microfinance that can mobilize African savings for growth and development. It needs capacity to ensure that resource revenues build a sustainable future for all citizens with quick support, reintegration of refugees, and more flexible development assistance.

The World Bank Group will need to play a more active role in fostering regional and global public goods that transcend national boundaries and benefit multiple countries and citizens. It is our calling to ensure that this agenda is linked to the aims of development. It has already demonstrated its potential to assist in countering communicable diseases through our

work on HIV/AIDS, malaria, avian influenza, and vaccine development. We are in the midst of re-examining ways to strengthen the nexus between aid and trade, including the innovative trade finance project, focused principally on Africa, which within two years has already backed almost \$2 billion of trade. The World Bank should assist societies to open their economies. Some had plenty of energy resources and capital but little economic diversity and ability to create jobs. Others were seeking to improve schools, strengthen the adoption of technology, and expand employment through business deregulation and trade. A number were deepening productive ties with Asia, through cross-investments, trade, and the growth of service centers. Our recent “Doing Business 2008” report shows there is progress. Egypt tops the list of economies reforming regulations to make it easier to do business. Saudi Arabia eliminated layers of bureaucracy that had made it one of the toughest places to start a business and also did away with minimum capital requirements. These are encouraging developments that inclusive globalization can bring, but there is much more that can be done. An inclusive globalization must deliver benefits for all the people in these states.

In building an inclusive globalization for peaceful world, the challenge requires humility – and intellectual honesty. Many development schemes and dreams have failed. This is not a reason to quit trying. It energizes the cause to refocus continually and rigorously on results and on the assessment of effectiveness. This is the best way to earn the confidence and support of local and international public. These six strategic themes offer a direction – to be discussed, refined, and improved. To bring these ideas to fruition, we need to understand the particular needs of our clients. We welcome the counsel and guidance of our shareholders.

The World Bank Group can also offer leadership by integrating good governance and rule of law policies in the development agenda. Just last month, we joined with the UN to launch a Stolen Assets Recovery—or STAR—Initiative to get developed and developing countries to work together to recover the financial plunder of corruption. A “Doing Business” report makes it clear that poor regulatory and licensing policies not only stifle entrepreneurs, but also create opportunities for graft

Self-Assessment Exercises 1

It may be in MCQs, True/False, Fill in the gap, or Matching formats. Provide a guide and the time required from the learners. E.g Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. Since the 1990s, global flow of trade has more than doubled since 1990. a. doubled. b. tripped. C. quadrupled d. none of the above.
2. In as much as globalization carries along with it, incredible opportunities, it can also cause exclusion, grinding poverty, and environmental damage create dangers. a. True; b. False.



1.4 Summary

Building on inclusive and Qualitative globalization is important to the international community and micro-societies. We have seen that globalization is largely the concern of economics. And the benefits of Economic interdependence are sometimes either expressed as zero sum – where winner takes it all or those based on the principle of quid – pro – quo (positive sum situation where all gain or have chances of gaining. Inclusive and qualitative globalization derives from the idealist perspectives of international relations. It contends that moral questions for international humanitarian concern are difficult to conjure in a world of competition. But the world will be better off if the resources of the world are tinkered on humanitarian basis by sharing it together.

Liberal Economists think of global interdependence in terms of joint gain, that is, positive situations in which everyone state benefits and everyone is better off. Failure to pay attention to inequality and benefit from global system is a source of conflict and disquiet in most states and micro-societies. For example, the integration of international and local markets is important for the distribution and access the world “Economic Pie”. But such access and distribution must make provisions for the weaker participants to at least, enjoy some basic opportunities that will alleviate poverty. The root of poverty lies in the inability to fund customers for what you have produced China, India and Vietnam are obviating poverty because they are creating new markets and finding access to sell their goods and services. When national earnings are increased through such efforts, poverty alleviating structures can begin to emerge and conflicts in its fragmented forms within the society can also begin to diminish.

While debt forgiveness has been implemented, the newest challenge is to improve global trading architecture so as to enable poorer country make poverty history. Therefore, integration of markets that affords access and opportunities to poorer economies seem a necessary to inclusive globalization. It is also important to suggest that inclusive globalization implies reducing subsidies in the areas that hurts weaker economies in terms of the goods that they have to offer in western markets. We can also make a conscious or deliberate efforts to choose customers that world patronizes goods from poorer countries.

Absence of freedom from violence, quarrels and conditions of harmonious relationships - which implies conflict, is not only caused when men take up arms against others. Conflict can also result from the activities of states bluffing the others through economic competitions. Zimbabwe is seen as “rogue state” by power brokers of the international societies. So aid, trade and investment might be denied it. The adverse consequences of such exclusivity might generate internal local fragmentation, pressure and conflict in that society. Inclusive globalization is important for weaker states to emerge from their economic poverty and domestic conflict situation, by allowing integration, access and opportunities in trade investment vice versa.



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1.6 Possible Answers to SAEs

1. a. doubled.
2. a. True

MODULE 3, UNIT 2

Unit 2 Why the Inequalities Caused by Globalization Must be Addressed

Unit 2 Structure

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 Why the Inequalities Caused by Globalization must be Addressed
- 2.4 Summary
- 2.5 References, Further Readings, Web Sources
- 2.6 Possible Answers to Self-assessment exercise



2.1 Introduction

Making globalization work for all implies that the inequalities caused by globalization processes must be addressed. In this unit, we focused on somewhat detailed, but précised strategies for, and why the ills of globalization must be tackled. For many, globalization still may mean the only viable option before societies which can improve the economic and therefore social status of their citizens if fully endorsed by the members of society, for example by adopting neoliberal policies and joining the world free market. But reality is however far more complex.



2.2 Learning Outcomes

At the end of this unit, students should able to:

state several reasons why inequalities in globalization must be addressed



2.3 Why the Inequalities Caused by Globalization must be Addressed

For a great number of societies that have adopted neoliberal policies to a significant extent and for a few decades, these policies have caused greater levels of inequality, unrest and crises despite some temporary improvements in terms of GDP or basic health issues such as life expectancy at birth. Many Latin American societies, for instance, have responded to the neoliberal policies by shifting towards centre-left politics and social democracy (Brazil, Chile, and Argentina), some others have responded by revitalizing socialist-populist agenda, such as the case of Venezuela, Paraguay (with a new president known as the bishop of the poor) and Bolivia (Eva Morales, the first endogenous president of the country). A different range of experience of the neoliberal agenda exist in relation to those societies which have not been able to ‘fully’ embrace the required reforms due to the inapplicability of the policies in their social and political context. These societies under these policies have extremely exploited their human and natural resources, became paralyzed under a heavy foreign debt, or lacked the necessary infrastructures or strong political governance. Many of such cases can be found in Africa.

In contrast, we may refer to some other few cases that are considered as the successful examples of economic globalization. Among them, South East Asian societies and the most recent and prominent one, that is China. A closer look at these cases like China that have shown a long-term growth will reveal that these cases have started their growth at least one decade earlier before adopting neoliberal policies, by heavily investing on education, infrastructures while pursuing a rather equal distribution of wealth/land. Even later after shifting toward economic liberalization, they have implemented these neoliberal policies very gradually and cautiously with significant government-led financial regulations, not to only attract investments, but also to avoid them from leaving the country in the difficult times. In terms of outcome, although the economic growth rate has been high and some sections of their population are lifted out of absolute poverty, there are so many *ifs and buts* around the consequences of economic changes for different groups of society.

Why we must address global inequality

In order to add clarifications to our arguments, we may also need to raise the question of “inequality of/in what?” The answer is inequality in income, health, education, welfare, rights,

etc. Neoliberal policies have increased inequality though have improved the average basic living standard and created a new middle class around the newly growing metropolitan areas. During the pre-liberalization period, the majority of people in these societies were equally depressed by their ruling (communist or nationalist) elite. However, after shifting towards market capitalism, the elite have distributed the new opportunities (mostly through uneven privatization processes), giving privilege to party loyalists, friends and relatives. This also creates a rent-seeking syndrome that does not allow the poor to escape poverty. Therefore, a new urban middle class has emerged in these countries. Otherwise, the rest of society is pushed back to a more unsecured unsustainable life. Global Changes and **their impacts** have truly brought about inequality and poverty. Expanding space for poverty is synonymous with expanding space for insecurity, strained societies and opportunities for violence. These are critical reasons why global inequality has to be addressed. There are also a couple of points that need to be mentioned. They are addressed below.

While quantitative studies can show us the scales and extents of inequality and poverty in terms of the number of people and severity of gaps, they disguise many practical, emotional, and humane aspects of reality. No matter how accurate the data are, the quality of life is a quality issue rather than a quantity issue. That is why it is addressed as ‘quality of life’ rather than ‘quantity of life’. One has to just spend one day in the slums in India, an Afghani household in a refugee camp in Pakistan, or Nigerian slums Ajegunle/Mushin to understand. Similar conditions can be found in Iranian asylum seeker in detention centre or with an Iraqi family desperate for medication for their child during the 1990s US-led UN sanctions of Iraq.

Behind inequality is the big question of power – usually exercised through policies and coercive action. Many studies, especially those implemented by powerful capitalist institutions and think-tanks, do not address the issue of (political and economic) power relations. Many of these studies are blind to the uneven and unfair nature of the capitalist economic system that is supposed to be the most reliable system. Similarly, they are blind to the historical roots of inequality and poverty in the low-income societies and assume that these societies can improve their situation through a more efficient integration with the world capitalist economic system. The MDGs have made bold attempt to redress inequality caused by globalization in a way. Yet

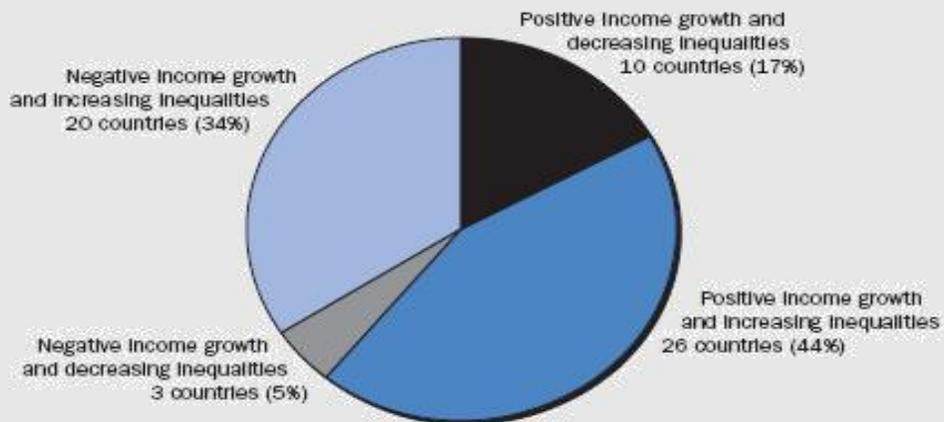
as we approach the end of the programme in 2015, a post MDGs needs to be crated almost immediately.

An economic policy system that encourages more and more consumption in order to stimulate more and more production and thereby greater levels of growth is a system that ends up in dis-empowering and dis-harmonizing relationship between those who can afford the consumption of luxurious goods and those who cannot afford them. Data are not free from flaws. UNDP published a report in 2007 which presented an estimation of world wealth inequality by adopting a new notion of inequality. This new concept is argued to represent ‘global’ inequality by comparing the households’ wealth across regardless of their nationality. Therefore, unlike the earlier measurements of world inequality, which were based on the nation-state as the unit of analysis, the new notion considers households as its unit. The advantage of using this new notion is in its ability to include inequality within the nation states which used to be concealed behind the national averages (consult the following two figures).

Neoliberal globalist argues that growth caused by globalization (integration into the world free market system) will improve within-country equality. However, the World Bank development indicators reported in 2007 clearly shows that growth does not necessarily result in less domestic inequality. In 1996 for the first time, the UN University developed a standardized data base for comparing countries in terms of their internal inequalities. According to the recent studies based on this database, most of the countries have shown rather constant levels of internal inequality over the last four decades, except the Eastern European societies with a rising inequality but still less than the developed societies, while China has the highest rate of increase in inequality as seen in the figure below.

Inequality has increased in many countries, with or without growth

1j



Note: Based on 59 country observations.
Source: World Bank staff calculations.

Self-Assessment Exercises 2

It may be in MCQs, True/False, Fill in the gap, or Matching formats. Provide a guide and the time required from the learners. E.g Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

3. Many Latin American societies have responded to the neoliberal policies of the West by shifting towards centre-left politics and _____. a. related politics. b. liberal democracy; c. social democracy; d. none of the above.
4. Some countries outside North America and Europe (such as South East Asian societies and China) have successfully navigated globalization resulting in economic globalization. a. True; b. False



2.4 Summary

Liberals have long established that global economic cooperation among states is capable of transforming international politics, such that, trade is not only promoted but also the mitigation of conflict or adversarial relationship. Montesquieu (1989), Kant (1957) and Smith (1979) offer arguments concerning economic commerce with political cooperation among states. They insist that cross-border investment and trade including cordial political relationship can discourage aggression. Such cooperation is not so much of mere economic cooperation, but real intention to transfer wealth to poorer countries so as to reduce pressure and fragmentation caused by poverty in developing states. These are indirect pay-offs, but the reality is well known on the long-run.

However, the very reason why inequalities caused by globalization among states must be addressed lie in the fact that a small conflict that generates from local misallocation of resource, lack of access, opportunities to domestic and international markets can metamorphosed into regional conflict that may threaten global peace. Conflict is not necessarily a situation or war – where machine guns must be deployed. For example, the south believes that the advanced north – the OECD countries are responsible for the economic quagmire developing countries have found themselves. Neo-colonialism and then globalization are seen as manipulative tools being used by the north to hold back the economies of the south. Neo-colonialism involves the establishment of structures that influences public policies and infrastructure to the advantage of western capitals and globalization seeks to open up markets, trade and investment for easy entry and exit among states. But the reality is that weaker economies shrink far more that they are able to gain because of their competitive inequality with huge capitals and advanced technologically – ready states. Moreover, western markets are not accessible to poorer states. Even where opportunities are given to access western markets, subsidies to farmers in developed countries put African goods on inferior status.

These inequalities and lack of opportunities must be re-examined and addressed. China and India have recently improved on their growth rate and GDP as a result of access to African and western markets. Thus, poverty is easing up in these countries and domestic conflicts and pressure on local population are diminishing. Addressing the ills of globalization will enable people to live responsible lifestyles, especially in weaker and poor states. More transparency and accountability are needed in the globalization process. In fact, those are two variables that are needed to address the inequalities caused by globalization be addressed. It must be addressed because it is directly or indirectly one of the major causes of economic weaknesses of citizens of developing states especially Africa. Economic weaknesses can cause frustration. And frustration is a source of weakness or threat – just as the attack on the U.S. trade house in September 11 2001 has shown. Lack of access and opportunities can cause domestic conflict. And domestic conflict is a source of regional conflict that may worry the international community. Unfortunately, there is little or no morality in economics. This is the problem of addressing inequalities in globalization process.

Generally, it has been argued that higher degrees of political and economic freedom in the form of democracy and capitalism in the developed world are ends in themselves and also produce higher levels of material wealth. They see globalization as the beneficial spread of liberty and capitalism. Marshall McLuhan popularized the term *Global Village* beginning in

1962. His view suggested that globalization would lead to a world where people from all countries will become more integrated and aware of common interests and shared humanity. Supporters of democratic globalization believe that the economic development was the first phase of globalization, and should be followed by a phase of building global political institutions. Dr. Francesco Stipo, Director of the United States Association of the Club of Rome, advocated for unifying nations under a world government, suggesting that it "should reflect the political and economic balances of world nations.

A world confederation would not supersede the authority of the State governments but rather complement it, as both the States and the world authority would have power within their sphere of competence. Former Canadian Senator Douglas Roche, viewed globalization as inevitable and advocated creating institutions such as a directly elected United Nations Parliamentary Assembly to exercise oversight over unelected international bodies.¹ Economist Paul Krugman is a staunch supporter of globalization and free trade and has a record of disagreement with many critics of globalization. He argues that many of them lack a basic understanding of what comparative advantage is in a package



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2.6 Possible Answers to SAEs

3. social democracy
4. a. True

MODULE 3, UNIT 3

Unit 3 What Nigeria/Africa must do to Benefit from Globalization for peace

Unit 3 Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 What Nigeria/Africa must do to Benefit from Globalization for peace
- 3.4 Summary
- 3.5 References, Further Readings, Web Sources
- 3.6 Possible Answers to Self-assessment exercise



3.1 Introduction

The purpose of investing profoundly in economic development of a state's economic is to enthrone empowerment, capacity, peace and stability. In all countries of the world, the government and the private sector now collaborate to provide economic power for the citizens, not only from domestic sources of resource maximization, but also from external domain. Globalization processes have provided entry-ports for states to leverage and increase their economic power potentials across national borders. However, Nigeria and indeed Africa are locked in the web of the complexities of globalization as weak competitors. It has sufficiently been established that many countries all over the world can do little or nothing to escape the

effects of globalization. In this unit, we examined what Nigeria and indeed Africa must do to benefit adequately from the globalization process.



3.2 Learning Outcomes

The objectives of this unit to help students understand:

1. the consequences of unequal and unsustainable globalization for Africa/ Nigeria;
2. What Nigeria and other countries must do to mitigate the consequences of the above; and
3. How to maximise the benefits of globalization



3.3 What Nigeria/Africa must do to Benefit from Globalization?

Globalization is currently the keyword as well as idea for business theory and practice – among corporate individuals and organizations. As cross-border relations between countries and corporate individuals (Scholte 2000), it has intensified growth in international exchange, interdependence and competitions. Exchange, interdependence and competition creates room for excellence, quality, innovation as much as additional wealth in goods and services that are unavailable in one geographical axis. But weak competitors such as Nigeria face the challenge of inability to maximize the benefits of globalization as a result of weak technology, inadequate capital and “rudimentary resources”.

How Africa decides to approach globalization must be determined by its most urgent and strategic goals. These include, accelerating economic growth, eradicating poverty and Overall Development. At the beginning of the twenty-first century, poverty remains Africa's most pressing problem, and economic growth is the sine qua non of poverty reduction. Thus, Africa needs to achieve, as quickly as possible, growth that is both sustained and rapid.

The main questions Africa has to ask itself about globalization are as follows.

- ✓ First, having escaped the worst effects of the Asian crisis, should it still pursue globalization?
- ✓ Can Africa continue to remain isolated as the winds of change sweep through the global economy?

- ✓ Third, what are the advantages and disadvantages of integration into the global economy? How can the risks of globalization be minimized?
- ✓ What are the most important lessons Africa can learn from the crises and growth experiences of the Asian countries so that it can more successfully manage the unavoidable difficulties of globalization?
- ✓ Fourth, to what extent is Africa already integrated into the global economy, judging from the various indicators at our disposal, and how can it improve its competitiveness in international trade?
- ✓ Fifth, is globalization the panacea for all of Africa's economic problems?
- ✓ Sixth, what policy measures must Africa put in place to derive maximum benefit from globalization?

There are a number of reasons why many analysts advocate Africa's greater integration with the global economy. The overriding reasons are Africa's poor overall economic performance—which is due to a number of factors, including colonial history, disadvantageous geography, heavy economic dependence on exports of primary products and macroeconomic policy errors. The appeal of a more open economy is based on a simple but powerful premise: economic integration will improve economic performance. Additionally, globalization will offer new opportunities— such as expanded markets and the acquisition of new technologies and ideas—all of which can yield not only increased productivity but also higher standards of living, including peace. As we had seen, bilateral and multilateral trade ties promote peace and mitigate the tendency for conflict to exist between or among trading partners. Yet key factors are discussed below:

Trade remains the main vehicle for Africa's participation in, and full integration into, the global economy. Africa's trade is, however, concentrated in a narrow range of primary commodities, and, within this narrow range, Africa's market share has been shrinking. During 1960-69, Africa's average share of total world exports was 5.3 percent, and of imports 5.0 percent. During 1990-98, however, these figures dropped to 2.3 percent and 2.2 percent, respectively. These declines are attributed to, among other factors, the restrictiveness of Africa's trade regimes, and slow growth of per capita income, high transportation costs, and the continent's distance from major markets. Although Africa made substantial progress toward trade liberalization in the 1990s, its trade policies remain, on average, more protectionist than those of most of its trading partners and competitors.

Capital flows is Second Avenue to globalization, it has been noted that Africa was arguably the first continent to become integrated with the world economy: a higher proportion of Africa's wealth is held internationally than of any other continent. Estimates of the ratio of capital flight from African countries to Africa's gross national product range from 24 percent to 143 percent. And, although the global level of private capital flows has increased, Africa has not been one of the main beneficiaries. Thus, Africa has also missed out on the benefits that usually accompany such flows, such as job creation and the transfer of technology, management, and organizational skills. In 1990-94, the net return on investment in Africa was 20-30 percent, compared with 16-18 percent for the developing countries as a group. Africa has nevertheless failed to attract the capital flows it needs because of negative perceptions of the continent's economic and political activities, its poor infrastructure, and an inadequate legal framework, particularly for the enforcement of contracts.

Africa gives foreign direct investment pride of place because of its potential to stimulate economic growth. Although foreign direct investment in developing countries has increased in recent years, Africa's share of the total has remained as low as 3%. In an effort to attract more foreign direct investment, many African countries have taken such measures as expediting the approval process, removing restrictions on the repatriation of profits, providing liberal tax incentives, and allowing foreign participation in the privatization of state-owned enterprises.

Integration through human migration. The movement of people across national borders is the third avenue to globalization. Over the years, and with more vigor in recent times, many Africans have moved to Canada, France, the United Kingdom, and the United States. The main push factors from the home front include poor working environments, deteriorating infrastructure, and political instability and conflicts. It is estimated that more than 30,000 Africans with doctoral degrees work in Western Europe and North America. The advantages of emigration include workers' remittances, which assure their countries of origin a steady inflow of foreign exchange, and development of contacts that can lead to the acquisition of better skills, experience, and exposure to the latest technologies. The African Diaspora can thus make an important contribution to the continent's development.

Advances in telecommunications and transportation: The main forces behind globalization are not only the increasing ease of communication and transportation but also the falling cost of communications. The cost of telephone calls has dropped in most countries, and the number of telephones has increased in all regions except Africa. In Africa, the telephone sector is characterized by low network penetration rates, obsolete equipment, and long waiting lists for

telephone lines. In 1996, there were only 2 lines for 100 Africans. The average expected wait for obtaining a telephone in Africa was 31/2 years, the longest in the world. Telecommunications

infrastructure is a conduit to the Internet, which lies at the heart of the information technology necessary for a market-based economy. Complete integration with the global economy requires a functioning, readily accessible, and affordable telephone system.

If Africa continues to have the lowest teledensity and the fewest computers of any region in the world, it will remain marginalized and cut off from information and knowledge technology and, therefore, unable to compete in the global economy. Africa must take the necessary steps to rectify its deficiencies in this area.

Maximizing the benefits of globalization

It is important to stress four points. They are discussed below:

First, globalization is not a panacea. It will not solve all of Africa's economic problems. Integration with the global economy is a necessary but not a sufficient condition for growth. Sustainable growth and poverty reduction depend on other factors as well, including macroeconomic stability, a high investment-to-GDP ratio, reliable accounting and legal systems, and responsible government institutions. Empirical evidence shows that countries that have grown fast are those that have invested a large share of their gross domestic product and maintained macroeconomic stability. Africa must also anchor its growth prospects in the development of human capital, physical infrastructure, and strong institutions. It must foster the development of the private sector and the macroeconomic environment needed for the private sector to be viable. Good governance that stresses accountability and transparency and the development of institutions—the civil service, a sound banking system, and a trustworthy and independent judiciary—is also critical in this era of globalization.

Second, it is unlikely that a liberal trading regime will, by itself, generate greater volumes of trade unless accompanied by high-quality economic growth.

Third, to benefit from the global economy, Africa must make policy changes to become competitive and capable of venturing into new areas.

Fourth, given the differences in education, infrastructure development, and macroeconomic stability in individual African countries, the benefits of globalization are not likely to be the same for all.

Africa can learn a lot from Asia's development strategy. Asia benefited from its openness to the entire world and achieved enviably stable per capita income growth of 5 percent and above, with few downturns, and a remarkable decrease in the incidence of poverty. This progress was due to the importance the Asian countries attached to education and technology, an export-oriented strategy, a sound macroeconomic environment, and high saving and investment rates.

But tackling Africa's trade problem requires many approaches. At the national level, countries need to liberalize trade by removing trade barriers, adopting appropriate exchange rate policies, and diversifying exports. At the international level, there are two strands of thought on where Africa should concentrate its efforts. Some believe it should concentrate on primary products, where it has a comparative advantage. Others focus on the long run, arguing that a determined shift toward the promotion of manufacturing and export of manufactured products will be required for Africa to achieve rapid productivity growth. A comparative advantage in manufacturing would be a launching pad into the global economy.

Building up Africa's manufacturing sector will not be simple, however. The sector is not competitive for a host of reasons. First, policy has failed to promote the technical capacities or specific knowledge needed to enhance efficiency, which is fundamental to successful industrialization. Second, the key to successful exporting lies in the technical efficiency of firms, which, in turn, is dependent on policies encouraging innovation and economies of scale. Third, transaction costs in Africa tend to be high for a number of reasons, including high tariff and nontariff barriers, high international transport costs, poor telephone systems, and unreliable infrastructure facilities for essentials like water and electricity. Because manufacturing is transactions-intensive, this sector is nonexistent in some African countries and extremely small in others. At present, the playing field in international trade is not level. The industrial countries should eliminate restrictions against imports of African products, while the African countries must develop a coordinated trade strategy and play a more active role in both demanding and making concessions in trade negotiations.

Capital flows. Many African countries have adopted policies intended to make them more attractive to foreign investors—for example, liberalizing investment laws, offering fiscal incentives, easing restrictions on entry and profit remittances, and strengthening their banking and financial systems to eliminate the kinds of weaknesses that were responsible for the Asian crisis.

Debt. There is ample evidence that Africa's external debt burden is a severe obstacle to investment and renewed growth. Attempts to reduce or eliminate the debt burden are crucial to Africa's development.

Self-Assessment Exercises 3

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

5. Weak competitors such as Nigeria face the challenge because they cannot maximize the benefits of globalization due to the fact that it has weak _____, inadequate capital and “rudimentary resources”. a. manpower; b. resources; c. agriculture; d. technology.
6. Capital flows is said to be the _____ to globalization. For this reason therefore, it has been noted that Africa was arguably the first continent to become integrated with the world economy.



3.4 Summary

In order to maximize the benefits of globalization, Nigeria must, first and foremost, make faster progress in developing its resources through value – chain mechanism as well as mobilize such resources for local and international market. A prerequisite to this is infrastructures. For a country to be integrated into globalization processes, it means it now possesses the competitive ability to enjoy market and technology shares of the markets across borders. Trade remains the most fundamental vehicle through which Nigeria and indeed Africa can benefit from globalization. But technological know-how must be improved so as to improve the quality and standards of goods and services. That is to say that adding values to Nigeria’s resources that exist in their crude forms constitute the major challenge in entering the globalization process. Nigeria, therefore, need to create and transfer technology. It also needs to encourage reasonable movement of people across national borders through a process of human migration.

Nigeria also needs to improve her political good governance, transparency and accountability challenges. This will not only encourage macro-economic stability, but also an enabling environment for domestic investment and inflow of Foreign Direct Investment (FDI).

Recently, regional integration has been underscored as a systematic vehicle for African countries to enter and benefit from globalization process. This can be achieved through closer trade links

and networks between or among African states by harmonizing trade policies. In that way, their capacities to participate in world trade can be attained

Globalization is not a new phenomenon. It has existed across centuries with different captions, such as internationalization, global integration, international trade etc. But unfortunately, Nigeria and indeed Africa has not benefited from it either as a result of colonization or imperialism. Yet avenues for sharing some benefits exist. Firstly, Nigeria must improve in the value of her commodities coming into the international market. This in turn involves improving in the technology and know-how that create those goods and services.

Globalization is all about competition with little or no morality. A country's share of the ability to benefit depends on its industry, macro-economic policies formulation and implementations. Most writers often argue for level playing field for both weaker and sophisticated competitors. This is a hard nut to crack. Migration of reasonable type should be encouraged including regionalization and closer trade links among African states.

There is substantial evidence, from countries of different sizes and different regions, that as countries "globalize" their citizens' benefit, in the form of access to a wider variety of goods and services, lower prices, more and better-paying jobs, improved health, and higher overall living standards. It is probably no mere coincidence that over the past 20 years, as a number of countries has become more open to global economic forces, the percentage of the developing world living in extreme poverty—defined as living on less than \$1 per day—has been cut in half. As much as has been achieved in connection with globalization, there is much more to be done. Regional disparities persist: while poverty fell in East and South Asia, it actually rose in sub-Saharan Africa. The UN's *Human Development Report* notes there are still around 1 billion people surviving on less than \$1 per day—with 2.6 billion living on less than \$2 per day. Proponents of globalization argue that this is not because of too much globalization, but rather too little. And the biggest threat to continuing to raise living standards throughout the world is not that globalization will succeed but that it will fail. It is the people of developing economies who have the greatest need for globalization, as it provides them with the opportunities that come with being part of the world economy.

No other group of states has followed the rules of globalization so closely as Nigeria or Africa. The economic and social strategy of African countries was and still is formed with a strong participation of IMF and World Bank. Many African governments had obediently followed the advice from outside. The code of "structural adaptation" rules was and still is quite

simple. The Institute for African Studies of the Russian Academy of sciences formulated what African states should do as follows:

- ❖ minimize the state's interference in the economy;
- ❖ considerably reduce the trade barriers and make the local producers compete with foreigners at par;
- ❖ curtail or cancel subsidies and price control;
- ❖ retrench budget expenditures;
- ❖ lift the limitations imposed on capital movement, but these must not involve money laundry;
- ❖ privatize state enterprises meaningfully and responsibly;
- ❖ lift the limitations imposed on foreign private investments, adopting the laws aimed at encouraging them

Most African countries followed these rules. They saw these measures as the way to the improvement of the economic development and quality of people's life. But the results of the implementation of the "structural adaptation" were poor. In fact, they were better in the countries *not covered by neoliberal programs*. Only one example of such an approach. Mr. M.A. Thomas, an Associate Director of the Center for Institutional Reform, writes in the most influential American political journal: "Still the debt crisis might have been avoided if not for the bad economic policies and poor governance of many HIPCs. Many of them maintained money-losing public enterprises, created government posts to provide employment, imposed artificially high exchange rates and formidable trade barriers and unduly concentrated on the production of just a few commodities.

Many HIPC governments, moreover, have been riddled with corruption support his view Mr. Thomas introduces several solid facts on ex-President Mobutu Sese Seko, Uganda, how "healthcare workers were stealing and selling 78% of drug supplies for their personal profit. Developing countries are accused of "breaking all the rules" of good budget execution, violation of the rules of public contracting and human-resource management, the practice of "ghost workers" and many other sins.

Government officials, police forces, legislatures are accused of incompetence. "In many HIPCs illegality permeates the highest level of government, – notes Mr. Thomas, – implicating presidents, ministers, legislators, and supreme court justices. These officials fill posts with cronies and pressure them to grant personal favors and remit money (often collected through bribes and embezzlement). This top-down pressure for illegal activity trickles down to all levels of government creating hierarchies of wrongdoing".



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3.6 Possible Answers to SAEs

4. [d. technology](#)
5. [second Avenue](#)

MODULE 3 (UNIT 4)

Unit 4 Good Governance, Globalization and World Peace

Unit 4 Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 Good Governance, Globalization and World Peace
- 4.4 Summary
- 4.5 References, Further Readings, Web Sources
- 4.6 Possible Answers to Self-assessment exercise



4.1 Introduction

Good governance is imperative for helping societies to have confidence in their identities. This is an important prerequisite for tolerance and openness towards others. It can also provide framework for peace and stability, human creativity and endeavour. Human rights and rule of law also defining variables of good governance. Then in what ways could human rights, justice and right to development be used to propel globalization for the purpose of world peace? This unit examines the possibilities and opportunities that good governance offers in promoting peace in globalization process.



4.2. Learning Outcomes

The objectives of this unit are:

1. to help students understand various concepts associated with good governance;
 - (a) underscore how good governance could be used to peace in globalization process
 - (b)



4.3 Good Governance, Globalization and World Peace

Recently the terms “governance” and “good governance” have become commonly used in development literature. Bad governance is being increasingly regarded as one of the root causes of all evil within our societies. Major donors and international financial institutions are increasingly predicating their development assistance on the condition that reforms that ensure "good governance" are undertaken by developing counties, otherwise known as recipients.

At the global level, governance has been viewed primarily as inte-governmental relationships, inclusive of non- governmental organizations (NGOs), citizens' movements, multinational corporations, and the global capital market. Interacting with these are global mass media of dramatically enlarged influence. (Commission of Global Governance, Our Global Neighbourhood). It is our firm conclusion that the United Nations must continue to play a central role in global governance. With its universality, it is the only forum where the governments of the world come together on an equal footing and on a regular basis to try to resolve the world's most pressing problems. Every effort must be made to give it credibility and resources it requires to fulfil its responsibilities.

Vital and central though its role is, the UN cannot do all the work of global governance. But it may serve as the principal mechanism through which governments collaboratively engage each other and other sectors of society in the multilateral management of global affairs. Over the years, the UN and its constituent bodies have made vital contributions to international communication and co-operation in a variety of areas. They continue to provide a framework for collaboration that is indispensable for global progress. (Commission of Global Governance, Our Global Neighbourhood)

The concept of "governance"

This is not new conception. It is in fact as old as human civilization. Simply put "governance" is the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance. Since governance is the process of decision-making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures to make and implement decisions. It can also be said to be the process through which rules, norms and actions of various societies are structured, sustained, regulated and held accountable.

Government is one of the actors in governance. Other actors involved in governance vary depending on the level of government that is under discussion. In rural areas, for example, other actors may include influential land lords, associations of peasant farmers, cooperatives, NGOs, research institutes, religious leaders, finance institutions political parties, the military etc. The situation in urban areas is much more complex. Figure 1 provides the interconnections between actors involved in urban governance. At the national level, in addition to the above actors, media, lobbyists, international donors, multi-national corporations, etc. may play a role in decision-making or in influencing the decision-making process. All actors other than government and the military are grouped together as part of the "civil society." In some countries in addition to the civil society, organized crime syndicates also influence decision-making, particularly in urban areas and at the national level.

Similarly, formal government structures are one means by which decisions are arrived at and implemented. At the national level, informal decision-making structures, such as "kitchen cabinets" or informal advisors may exist. In urban areas, organized crime syndicates such as the "land Mafia" may influence decision-making. In some rural areas, locally powerful families may

make or influence decision-making. Such, informal decision-making is often the result of corrupt practices or leads to corrupt practices.

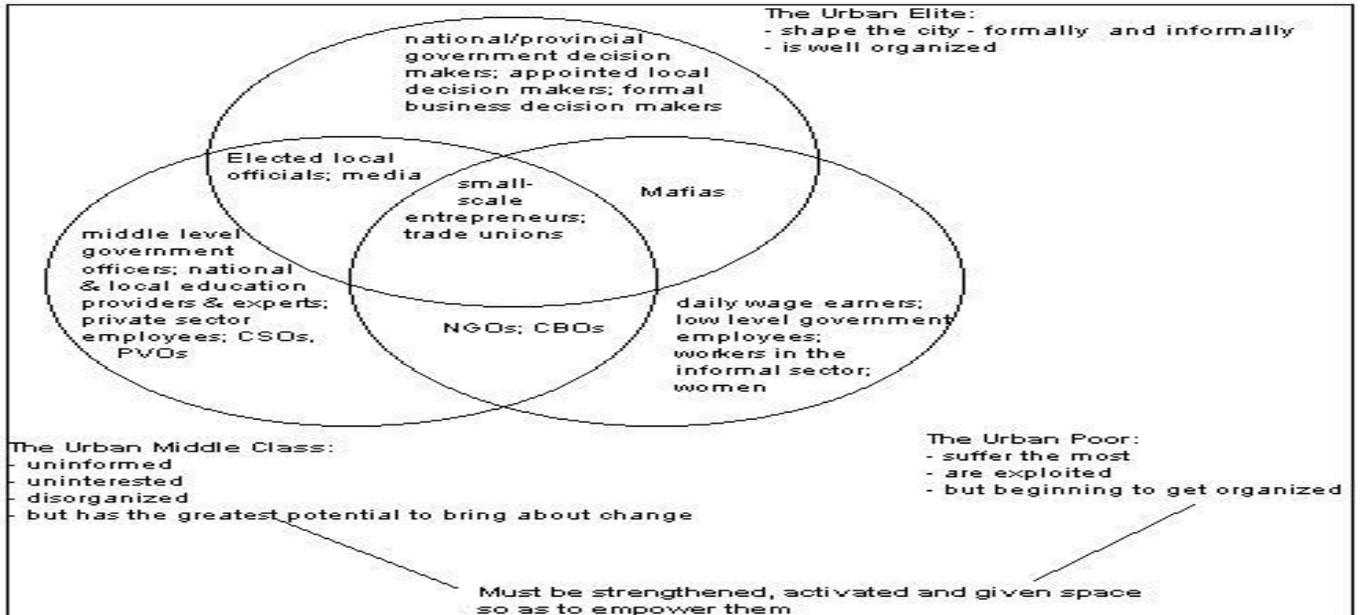


Figure explaining various elements and interactions in governance.

Good Governance

Good governance has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

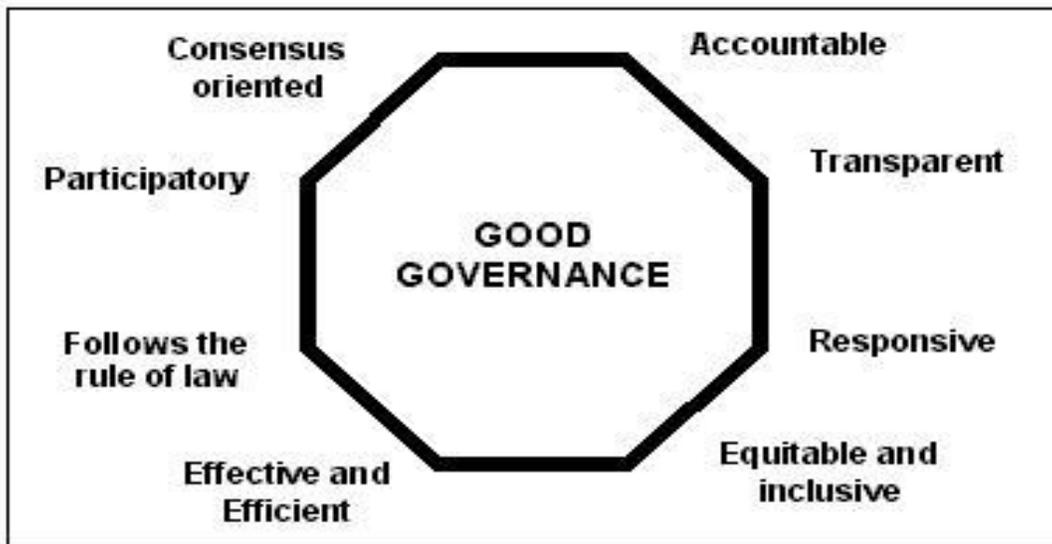


Figure showing Characteristics of good governance

Participation

Participation by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand. It means inclusiveness of stakeholders; interest. If these are factored into decision-making globalization policies, in trade, etc, the gaps between the rich and the poor can be minimized.

Rule of law

Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force. Where rules jealously guide capital and market behaviour of entrepreneur, or exploitation of labour or scooping of resources in weak states, peace can reign.

Transparency

Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

Responsiveness and Consensus oriented

Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe. There are several actors and plural view points in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

Equity and inclusiveness

A society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well-being.

Effectiveness and efficiency

Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

Accountability

Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Accountability varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general, an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability

cannot be enforced without transparency and the rule of law. From the above discussion it should be clear that good governance is an ideal which is difficult to achieve in its totality. Very few countries and societies have come close to achieving good governance in its totality. However, to ensure sustainable human development, actions must be taken to work towards this ideal with the aim of making it a reality.

Governance refers to the organization of life in a group or groups of societies. It entails values, institutions, norms and rules including procedures for the purposes of stability and prosperity. Good governance at the domestic levels is defined on certain standards, such as participation, transparency, equality and accountability. In what ways could good governance be defined or characterized at the international levels such that it is utilized in shaping globalization process, for peace and prosperity rather than conflict? The former UN scribe, Mr. Kofi Annan once stated that good governance is perhaps the single most important factor in eradicating poverty and promoting development. Today, some 3 billion persons live in poverty on less than \$2 a day. And over a billion people do not have access to Education and health facilities. But there is a paradox at the global economic governance and sustainable development. If equality, participation and openness including transparency and accountability are the benchmarks of good governance, there are criticisms that more and more of the decisions, procedures and norms by which the western capitalist countries manage their everyday life are hardly present at the global economic arena. If not, why would Shell Petroleum Development of Nigeria (SPDN) evade or fail to pay tax up to 2 billion Naira in Nigeria?

Globalization in itself is not new, neither is it a bad phenomenon. But globalization requires good governance in form of openness in trade negotiations, transparency and equality in terms of entry and exit from the international markets. The countries of the North think of global economic governance much more in terms of realism in international relations – absence of morality, but “survival of the fittest”. Good governance requires some modicum of morality, without it, transparency and accountability are only going to be elusive as ever. Good governance in trade and investments can be used to provide peace and security, depending on individual state leadership, international organizations and corporate executives.

World peace can be achieved through smooth diplomatic and political relationships have traditionally emanated as much from ties brought on by economic interdependence as they have from kinship. The “liberal peace” view — traced back to Kant, Angell, and Schumpeter — stresses that mutual economic interdependence can indeed be a conduit of peace. Greater bilateral economic interdependence limits the military incentive for interstate belligerency. A state that is more trade-dependent is less likely to fight a partner when a larger trade-derived gain

is at stake. Business elites — who benefit most from increased economic interdependence — also lobby for restraint when the state opts to consider military force against an important trading partner.

Arguments against “liberal peace” are many. Dependency theorists and neo-Marxists, for example, argue that asymmetric interdependence can lead to the exploitation of national resources by the senior trading partner, threatening the national autonomy of the junior partner. The litany of history’s wars that evolved out of trade disputes bears witness to this unfortunate fact.

Bilateral trade deters military conflicts

In a recent paper (Lee and Pyun 2008), we assess the impact of trade integration on military conflict based on a large panel data set of 290,040 country-pair observations from 1950 to 2000. Results show that an increase in bilateral trade interdependence reduces the probability of inter-state military conflict between the two partners. If bilateral trade volume increases 10% from the world mean value, the probability of military conflict between the two trading partners decreases by about 0.1% from its predicted mean probability, other variables remaining constant. The peace-promotion effect of bilateral trade integration is significantly higher for contiguous countries that are likely to experience more conflicts. For example, an increase of 10% in bilateral trade volume lowers the probability of military conflict between two contiguous states by about 1.9%.

Global trade openness promotes peace

More importantly, our study finds that global trade openness also significantly promotes peace. An increase in global trade openness would reduce the probability of military conflict as it leads to an increase in bilateral trade interdependence. However, when the level of bilateral trade interdependence is held constant, the effect of increased *multilateral* trade openness on the probability of bilateral conflict is not clear. Countries more open to global trade may have a higher probability of dyadic conflict if multilateral trade openness reduces bilateral dependence on any given country, thus lowering the opportunity-cost of military conflict. In a recent paper, Martin, Mayer, and Thoenig (2008) find that an increase in multilateral trade raises the chance of conflict between states. In contrast to their findings, however, our study finds that *multilateral* trade openness in fact lowers the probability of dyadic conflict with the bilateral trade partner,

and by a larger magnitude than bilateral trade does alone. An increase in global trade openness by 10% from the world mean value decreases the probability of the dyad's military conflict by about 2.6% from its predicted mean.

The results may derive from the fact that an open global trading system will prevent a state from initiating a war against any trading partner because other trading partners in global markets prefer to do business with a "peaceful" player. Hence, global trade openness of the dyad can reduce the incentive to provoke a bilateral conflict. We also think that open states can be more peaceful because they become more susceptible to political freedom and democracy. They apply international law better and employ good governance. Trade openness can also lead to an "expansion of bureaucratic structure," which concerns itself with economic interests in addition to security interests — and is thus less likely to support military action. The link between good governance and peace has been established in the literature of democratic peace.

Self-Assessment Exercises 4

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

7. What are the eight major characteristics of good governance?
8. Accountability is the only key requirement of good governance. a. True. b. False.



4.4 Summary

There is more to good governance than institutions and processes. Good governance implies equality, openness, transparency, accountability. Given the complexities of globalization processes and the criticisms that trails it, it is important to adopt the elements of good governance to globalization. Equality will provide equal opportunities on trade. Openness and transparency will provide illumination on the often but secretly negotiated trade deals that be devils weak/ developing nations. In that way peace can be promoted or enhanced in so far as suspicion is minimized.

Globalization promotes peace through two channels: one from the increased advantage peace holds for bilateral trade interdependence and the other from a country's integration into the

global market, regardless of the size of trade with each trading partner. "Globalization" has been one of the most salient features of the world economy over the past century. Emerging markets and developing countries continue to integrate into the global trading system. World trade has increased rapidly, particularly since World War II — from 18% of world GDP in 1950 to 52% in 2007. At the same time, the number of countries involved in world trade has also increased significantly. However, despite the increase in the number of country pairs between which conflict is possible, the probability of dyadic military conflicts has decreased.

Our findings suggest that trade integration not only results in economic gain but can bring about significant political gain as well — such as a significant “peace dividend” between trading partners. It also explains why regional or global economic integration is often initiated to satisfy political and security motives. For example, the *raison d’etre* behind the formation of the EU following World War II was the desire for peace — particularly between France and Germany. In response to the current financial crisis and economic recession, some countries have resorted to trade-restricting measures to try to protect national businesses and jobs. The world should remember that protectionism in the interwar period provoked a wave of retaliatory actions that not only plunged the world deeper into the Great Depression but also put international relations at greater risk.



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4.6 Possible Answers to SAEs

1. Eight major characteristics of good governance are: participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law.
2. b. False.

MODULE 3 (UNIT 5)

Unit 5 Consideration of Public Interest as the Basis of Peace in Globalization Process

Unit 5 Structure

- 5.1 Introduction
- 5.2 Learning Outcomes
- 5.3 Consideration of Public Interest as the basis of Peace in Globalization Process
- 5.4 Summary

5.5 References, Further Readings, Web Sources

5.6 Possible Answers to Self-assessment exercise



5.1 Introduction

Public interest is an important policy objective for national governments, international organizations and transnational corporations in promoting peace. Globalization is largely an economic policy framework that can be regulated from the public domain. This is because the border crossing of goods and services including persons are scrutinized by government policies and regulations. In this unit, public interest variables defined in terms of components are discussed as basis of promoting peace in globalization process.



5.2 Learning Outcomes

At the end of this unit, it is expected that students should be able to:

1. state the meaning of public interest: and
2. explain the t is important of public interest in the consideration for peace in globalization.



5.3 Public Interest Consideration as the Basic of Peace in Globalization Process

What is public interest?

According to the Webster's New World Dictionary, Public interest means "the people's general welfare and well-being; something in which the populace as a whole has a stake. According to the Random House Dictionary, Public interest is the welfare or well-being of the general public; the commonwealth, or that which appeals or has relevance to the general populace: a news story of public interest." John Stuart Mill, in his letter to George Grote, explained: "human happiness, even one's own, which is, in general, more successfully pursued by acting on general rules. However, Economist Lok-Sang Ho argues that the public interest must be assessed impartially. He defined it as the "*ex ante* welfare of the representative individual (Ho, 2012)".

Since regulatory regimes one largely domiciled in public domain in an era of public reform revolution, it is also possible to utilize the opportunity offered by it to address the ills of globalization for the purpose of peace in the society. In public decision – making process, a

policymaker will normally consider public interest as a factor to be located in the forefront of all other factors. This is because the inherent conflict between the objectives of “economic efficiency” and “public interest” often leads to situations of trade-off, which are politically sensitive.

Take for example a case in Zambia, in which a multinational cement giant, Lafarge Group (LG) had proposed to take-over the CHILAGA Cement Plc (CCP), the only cement company owned by Zambian Government. The government wanted to clear the take-over because of huge investments promised by the LG and the potential increase in employment opportunities. Notwithstanding the public interest issues, the Zambian Competition Commission (ZCC) refused to allow the take-over unless the LG agreed to certain undertakings. The ZCC feared that the take-over will foreclose entry for prospective players and increase the existing monopoly. The take-over took place after LG gave undertakings as desired by the ZCC.

Nevertheless, in another related case, the result was contrasting. In 2006, ZCC investigated sugar prices in Zambia, which were higher as against prevailing regional prices and export prices. Sugar industry in Zambia is a monopoly of Zambia sugar plc. After studying the market dynamics, ZCC proposed removal of the statutory requirement of having sugar fortified with vitamin A for consumption in Zambia. This statutory requirement had led to the foreclosure of imports, as trading partners did not fortify their sugar and engendered the monopoly of Zambia Sugar Plc. The government defended fortification on account of overriding public health interest and status quo prevailed. As a result, Zambia has the highest domestic sugar prices in the region. Governance challenges is likely to arise when competition authorities assess explicit non-competition criteria without transparent processes for doing so. In such cases, administrative discretion in interpreting concepts such as ‘fair’ competition is often the starting point for corruption in developing countries.

Here, it is worth reviewing the experience of South Africa. The South African Competition Act emphasizes the promotion of small businesses (SMEs), greater participation in the economy (especially by previously disadvantaged individuals), and promotion of a greater spread of ownership, thus attempting to balance efficiency concerns and broader development priorities within a competition framework. Anyhow, the number of cases where public interest considerations have made a material difference is small. Interestingly, explicit inclusion of public interest objectives has raised the profile of these policy imperatives, which seek to ensure policy coherence across diverse policy areas. In addition, their inclusion has put these issues on the active agenda of firms.

Competitive neutrality is important since it is about adoption of policies which establishes “a level playing field”. But 100% of that will deny government’s oversight function to protect public interest. The kind of public interest that is, here, expected of government are Tourism, political and institutional supports, trades, and prices, taxes, employment, environment, etc. Price of goods should not be hauled on consumers unfairly. Taxes must be paid by investors; firms must provide employment for the public as well as protection of environment. These are the variables of public interest components and are discussed below.

Survival in the new global business market required companies to upgrade their products and use technology skilfully in order to survive increased competition. According Baghwati a former adviser to the U.N. on globalization, although there are obvious problems with overly rapid development, globalization is a very positive force that lifts countries out of poverty. According to him, it causes a virtuous economic cycle associated with faster economic growth. The Chinese reform began to open China to the globalization in the 1980s. Scholars find that China has attained a degree of openness that is unprecedented among large and populous nations", with competition from foreign goods in almost every sector of the economy. Foreign investment helped to greatly increase quality, knowledge and standards, especially in heavy industry.

China's experience supports the assertion that globalization greatly increases wealth for poor countries. The liberation and the ongoing economic reforms in India that started in 1991 provide similar examples. A free trade area is a trade bloc whose member countries have signed a free-trade agreement, which eliminate tariffs , imports and quotas preferences on most (if not all) goods and services traded between them. If people are also free to move between the countries, in addition to free-trade area, it would also be considered an open border. The EU, a confederation of 27 member states, provides both a free trade area and an open border.

Internet

Globalization has given rise to the internet which connects computer users around the world. From 2000 to 2009, the number of Internet users globally rose from 394 million to 1.858 billion. By 2010, 22 percent of the world's population had access to computers with 1 billion searches every day, 300 million Internet users reading blogs, and 2 billion videos viewed daily. This is an evidence of fair globalization process where many countries are on the same page.

Migration and free trade policies

The enabling trade index (ETI) measures the factors, policies and services that facilitate the trade in goods across borders and to destination. It is made up of four sub-indexes: market access; border administration; transport and communications infrastructure; and business environment. About 85% of Dubai's population, for example, consists of foreign migrants, a majority of whom are from India. Migration of skilled workers is called brain drain. For example, the US welcomes many nurses to come and work in their country. The brain drain from Europe to the United States means that some 400,000 European science and technology graduates now live in the U.S. and most have no intention to return to Europe. Nearly 14 million immigrants came to the United States from 2000 to 2010. Immigrants to the United States and their children founded more than 40 percent of the 2010 companies. They founded seven of the ten most valuable brands in the world.

Resources (remittance) transfer by migrant workers to his or her home country. Remittances are playing an increasingly large role in the economies of many countries, contributing to economic growth and to the livelihoods of less prosperous people (though generally not the poorest of the poor). According to World Bank estimates, remittances totalled US\$414 billion in 2009, of which US\$316 billion went to developing countries that involved 192 million migrant workers.

International tourism

Tourisms for recreations, leisure or business purposes are essential ways globalization has shown its impact. The WTO defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. Globalization has made tourism a popular global leisure activity. In 2010, there were over 940 million international tourist arrivals worldwide, representing a growth of 6.6% when compared to 2009. International tourism receipts grew to US\$919 billion (€693 billion) in 2010, corresponding to an increase in real terms of 4.7%. As a result of the late 2000s recession international travel demand suffered a strong slowdown from the second half of 2008 through the end of 2009. After a 5% increase in the first half of 2008, growth in international tourist arrivals moved into negative territory in the second half of 2008, and ended up only 2% for the year, compared to a 7% increase in 2007.¹ This negative trend intensified during 2009, exacerbated in some countries due to the outbreak of the H1N1 Virus influenza resulting in a worldwide decline of 4.2% in 2009 to 880 million international tourists arrivals, and a 5.7% decline in international

tourism receipts. The World Health Organization (WHO) estimates that up to 500,000 people are in flight at any one time.

Emergence of lingua franca

Lingua franca refers to a language systematically used to make communication possible between people not sharing a mother tongue in particular when it is a third language, distinct from both mother tongues. Today, the most popular second English. Some 3.5 billion people have some acquaintance of the language. English is the dominant language on the Internet. About 35% of the world's mail, telexes, and cables are in English. Approximately 40% of the world's radio programs are in English. Language contact occurs when two or more languages varieties interact. Multilingualism has likely been common throughout much of human history, and today most people in the world are multilingual.

Political

Roland Robertson defines globalization as "the compression of the world and the intensification of the consciousness of the world as a whole. Globalization seeks to reduce the importance of nation states. Sub-state and supra-state institutions such as the EU, the WTO, the G8 or the International Criminal Court replace national functions with international agreement. Some observers attribute the relative decline in US power to globalization, particularly due to the country's high trade deficit. This led to a global power shift towards Asian states, particularly China that unleashed market forces and achieved tremendous growth rates. As of 2011, China was on track to overtake the United States by 2025.

In 2010 the United Nations Office on Drugs and Crime) reported that the global drug trade generated more than \$320 billion a year in revenues. Worldwide, the UN estimates there are more than 50 million regular users of heroin, cocaine and synthetic drugs. The international trade endangered species was second only to drug trafficking among smuggling "industries.

Self-Assessment Exercises 5

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

9. In public decision-making process, a policymaker will normally consider public interest as a factor to be located in the forefront of all other factors.
a. True; b. False.
10. For African countries to survive in the new global era, their companies must upgrade their products and use ____ skilfully in order to survive increased competition. a. manpower; b. labour; c. resources; d. technology.



5.4 Summary

'Globalization' is a favourite catch phrase of journalists and politicians. It has also become a key idea for business theory and practice, and entered academic debates. But what people mean by 'globalization' is often confused and confusing. Here we examine some key themes in the theory and experience of globalization. 'Globalization' is commonly used as a shorthand way of describing the spread and connectedness of production, communication and technologies across the world. That spread has involved the interlacing of economic and cultural activity. Rather confusingly, 'globalization' is also used by some to refer to the efforts of the International Monetary Fund (IMF), the World Bank and others to create a global free market for goods and services. This political project, while being significant - and potentially damaging for a lot of poorer nations - is really a means to exploit the larger process. Globalization in the sense of connectivity in economic and cultural life across the world has been growing for centuries. However, many believe the current situation is of a fundamentally different order to what has gone before. The speed of communication and exchange, the complexity and size of the networks involved, and the sheer volume of trade, interaction and risk give what we now label as 'globalization' a peculiar force.

With increased economic interconnection has come deep-seated political changes - poorer, 'peripheral', countries have become even more dependent on activities in 'central'

economies such as the USA where capital and technical expertise tend to be located. There has also been a shift in power away from the nation state and toward, some argue, multinational corporations. We have also witnessed the rise and globalization of the 'brand'. It isn't just that large corporations operate across many different countries - they have also developed and marketed products that could be just as well sold in Peking as in Washington. Brands like Coca Cola, Nike, Sony, and a host of others have become part of the fabric of vast numbers of people's lives. Globalization, thus, has powerful economic, political, cultural and social dimensions. Globalization involves the diffusion of ideas, practices and technologies. It is something more than internationalization and universalization. It isn't simply modernization or westernization. It is certainly isn't just the liberalization of markets.

Giddens (1990) has described globalization as 'the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa'. This involves a change in the way we understand geography and experience localness. As well as offering opportunity it brings with considerable risks linked, for example, to technological change.



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5.6 Possible Answers to SAEs

9. a. True
10. d. technology

Glossary

Governance

This is the process of decision-making and implementation that can apply in such contexts such as corporate governance, international governance, national governance and local governance. It can also be said to be the process through which rules, norms and actions of various societies are structured, sustained, regulated and held accountable.

End of the Module Questions

1. In line with inclusive and sustainable globalization, the UN in 2000, established the _____ Millennium Development Goals — an ambitious target to halve poverty, fight hunger and disease, and deliver basic services to the poor by 2015.
2. Explain why inequalities caused by globalization must be addressed.
3. What are the reasons many analysts advocate Africa's greater integration with the global economy?
4. Explain the term public interest.

Answers to end of Module SAE

1. Eight.

MODULE 4 (UNIT 1)

Unit 1 Cultural Diversity and Tolerance as Basis for Promoting Peaceful Globalization Process

Unit 1 Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Cultural Diversity and Tolerance as Basis for Promoting Peaceful Globalization Process
- 1.4 Summary
- 1.5 References, Further Readings, Web Sources
- 1.6 Possible Answers to Self-assessment exercise



1.1 Introduction

Geography and distance, together, has brought about differences in culture of people across national and international frontiers. But human beings across some national and international frontiers remain same in terms of nature and structures. All human beings have two legs, two eyes, two hands, one head, etc. In spite of the diversity in culture, which geography and distance has imposed on us, the international community has taken bold steps in fostering peace and stability among nations. The most recent efforts involve the promotion of economic ideology of Neo-liberalism (market economy) and political ideology of democracy (participation, equality and rule of law), propelled on the wheel of globalization. Globalization is not only about trade across borders. It also involves cultures across borders. In this unit, cultural diversity and tolerance are discussed as elements in relationships that could be used to promote peaceful globalization process.



1.2 Learning Outcomes

The objectives of this unit are:

1. To give students basic understanding of the concepts of cultural diversity;
2. To acquaint students with the inevitability and importance of cultural diversity especially in the era of globalization; and
3. To help students appreciate tolerance of cultural diversity in promoting peaceful Globalization



1.3 Cultural Diversity and Tolerance as Basis for Promoting Peace in Globalization Process

Today violence, terrorism and instability have taken on a new face globally. Confrontation and the central issue of war and peace are no longer between the superpowers. Rather, intra-societal violence, violence within nations overshadows violence that puts nation against nation. However intra-societal violence is not always confined within national borders as it can spill across communities and boundaries. Development of worldwide culture of peace is required to meet the challenges of increased societal violence. In the 21st century we cannot survive with the warfare of 20th century. Lucidity, solidarity, generosity and love must replace greed, hypocrisy and cynicism.

One of the priorities of international community and indeed national governments is to help to establish conditions, rules and institutional arrangement that would promote peace. Conflict at the domestic levels can degenerate to global conflict. For example, Italy's affront on Ethiopia, Japan's affront on China at Manchuria triggered the 2nd world war in 1939. The inability of South Africans to compete with other African immigrants in job opportunities in 2008 triggered the killing of immigrants, which other African governments and people saw as an insult and humiliation.

International migration is a key element in globalization. Countries must find ways to adjust to it or be doomed. Migration carries with it the culture of migrants. Roughly 2% of the world population, and some 140 million persons resides in countries other than that in which they were born. And globalization and regional integration have given permission to this. But this is usually not very palatable experience for immigrants or national recipient countries. While immigrants confront psychological traumas adapting and coping with the culture of host countries, the host countries, too, suffer an alien culture that interferes with their own. Within this globalization process, ideas and interest needs to be shares, for the purposes of multicultural experience. This is advantageous indeed. Alien culture must be tolerated by those whose culture offers some contrast.

If people of diverse cultures and backgrounds do not live together peacefully, how do young people contribute to the creation of dynamic and harmonious multicultural societies? The horrendous terrorist strike on Trade Center in New York in September 11, 2001 is nothing but a profound cause of clash of cultures and is crime against humanity. This can be overcome by an openness to other humanistic cultures and values or in other words, by multi-culturalism. In consonance with the spread of global economy, international relations, markets, information and technology, young people and all have to spread the wave of global culture of peace and harmony. This multi- culturalism and pluralism can promote the awareness of the oneness humanity and consciousness of common values and norms in various cultures, which will give way to global citizenships. It is therefore important to build an effective multi-cultural system at regional and global level. To accomplish this, the following measures are recommended:

(a) Young people who are the torch bearers of next generations should be made aware of, but also share the value literature and arts of various civilizations and cultures. They should be given multi-cultural peace education and peace studies.

(b) Confidence building measures should be undertaken by states and nations among people based on peace values that would promote tolerance and appreciation and respect for the culture of other's i.e. diversity.

(c) Promotion of social integration at global level and patronizing peaceful living at global level.

(d) The media and telecommunications play an important role of inter-connection between people and nations, and are a key factor in the process of the globalization of culture and the spread of multi-culturalism. A decade back people used to read news concerning their own society and watched their local media but with the growing telecommunication system the world has become a large global village where global telecommunication system has promoted inter-connection of different societies and their attempts to reach each other open and accessible. Hence, the modern electronic communications can play a key role in the creation and promotion of the required multi-culture of peace system. The electronic media and communications due to their fast movement of information can reach global multitudes simultaneously, have a great responsibility in shaping perceptions and opinions of the people and thus can play a crucial role in building a multi- cultural peace system.

It can emphasize that multi-cultural globalization is not a threat to ethnic identity. Furthermore, a conscientious, balanced and responsible media can help in eradicating the monster of violence, terror and war which are infesting many parts of the world. Thus it is important to create and develop a multi-cultural peace and media network, which should be force to reckon with. The main goal of this network should be to spread and promote the multi-cultural values, tolerance and peace. In addition, the media should cover the aspects of society and culture that are positive and constructive such as literature, poetry and drama in building a new pluralistic society. Not only this, decision makers and people in each country who have impact on popular consciousness should be personally involved and motivated to contribute towards the development and promotion of harmonious and multi-cultural societies. Thus, media and telecommunications can help in creating and promoting tolerance so that people of diverse cultures and backgrounds live together peacefully and there is global advancement of humankind towards global identification and unity, while keeping own traditions and intrinsic cultural diversity.

(e) Role of education in cultural identity formation: Young people who are the torch bearers of next generations should be made aware of literature and arts of various civilizations and cultures. They should be given multi-cultural peace education and peace studies. Today we live in an increasingly interdependent world, where the actions of ordinary citizens are likely to have an impact on other's lives across the globe. In turn our lives, our jobs the food we eat and the development of our communities are being influenced by global developments. It is important

that young people are informed about the world in which they live. Education for living together, having tolerance in diverse multi-cultural society is an essential foundation for one global world. Education should aim in developing a global perspective so as to expand and enrich young minds perspective, so that their views of the world are not ethnocentric, stereotypical or limited by a narrow or distorted point of view. Young people should be encouraged to learn universal and cultural values and practices, global inter-connections, present worldwide concerns and conditions, origins and patterns of worldwide affairs. Young people should be made global citizens of 21st century and education policy should be based on the following characteristics: -

- (a) To see the problems as a member of global society and find solutions to it.
- (b) To co-operate with others as a responsible citizen leaving ethnocentric views.
- (c) Able to understand, accept, appreciates and tolerate cultural differences.
- (d) Think critically and systematically.
- (e) Solving problems in a non-violent way.
- (f) Have sound knowledge of human rights and safeguard them in any part of the globe leaving own prejudices at on side.
- (g) Students and young people should be made aware of cross- cultural skills.

Better education can play a significant role in addressing social issues, cultural diversity and identity. In a multi-cultural education curriculum, education should explain the issues of cultural shock, racism, confused identity and conflicts based on inter-cultural tensions. Educators can teach about contemporary art and artists whose works address social issues, Educators can conduct discussions and students can analyse the expression of personal, social and political issues. Though educators should teach the idea of inter-connectedness between us and rest of the globe. Thus, multi-cultural education is a philosophical concept built on the ideals of freedom, justice, equality, equity and human dignity. This kind of education is not formal but informal – by means of discussions and practise, where in teachers and schools play an important role in developing the attitude and values necessary for democratic society. It values cultural differences and affirms the pluralism that students, their communities and teachers reflect. This kind of education challenges all forms of discrimination in schools and society through the promotion of democratic principles of social justice. Multi-cultural education is a process that brings all aspects of school functions to ensure the academic

achievements for all young minds. It helps students by providing knowledge about histories, cultures and contributions of diverse groups. It encourages students to work actively toward structural equality in organizations and institutions by giving them knowledge and skills for redistribution of power and income among diverse groups. The school curriculum should address issues of racism, sexism, classism, religious intolerance and linguisticism. Multi-cultural education advocates that teachers and students must critically analyse oppression in communities, societies and the world.

Self-Assessment Exercises 1

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. For man to survive in the 21st century, lucidity, solidarity, generosity and love must replace _____ a. greed; b. hypocrisy; c. cynicism; d. all of the above.
2. International migration is a key element in globalization. a. True. b. False



1.4 Summary

Though the task of multi-cultural society is nearly impossible, however if immigrant as well as native of the country both accept each other and start associating with each other and have mutual respect for each other's diverse culture's than that is the key for any multi-cultural society. It is said "charity begins at home" and so does tolerance. It might not be possible to change the whole world in one's life time, but sure enough one can set an example and mind you, it is infectious and spreads rapidly. "Youngsters are the torch bearers of next generations", and if they are educated about love, tolerance, non-violence, inter-connectedness, values and harmony from young age. We might see "Utopia", called harmonious multi-cultural society. Not only the young minds, but media, telecommunication experts, policy makers, teachers, parents and educationalists take a pledge that lets go beyond our religious beliefs, racial, regional and cultural differences and make this world happy, free from terror, worth living for humans where there are no 9/11 strikes & 26/11 attacks, where there is harmony and oneness.

Today we live in an increasingly interdependent world, where the actions of ordinary citizens are likely to have an impact on other's lives across the globe. In turn our lives, our jobs the food we eat and the development of our communities are being influenced by global

developments. It is important that young people are informed about the world in which they live. Education for living together, having tolerance in diverse multi-cultural society is an essential foundation for one global world. Education should aim in developing a global perspective so as to expand and enrich young minds perspective, so that their views of the world are not ethnocentric, stereotypical or limited by a narrow or distorted point of view. Young people should be encouraged to learn universal and cultural values and practices, global inter-connections, present worldwide concerns and conditions, origins and patterns of world-wide affairs. Young people should be made global citizens of 21st century and education policy should be based on the following characteristics:

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- (b) To co-operate with others as a responsible citizen leaving ethnocentric views.
- (c) Able to understand, accept, appreciate and tolerate cultural differences.
- (d) Think critically and systematically.
- (e) Solving problems in a non-violent way.
- (f) Have sound knowledge of human rights and safeguard them in any part of the globe leaving own prejudices at on side.
- (g) Students and young people should be made aware of cross- cultural skills.

Better education can play a significant role in addressing social issues, cultural diversity and identity. In a multi-cultural education curriculum, education should explain the issues of cultural shock, racism, confused identity and conflicts based on inter-cultural tensions. Educators can teach about contemporary art and artists whose works address social issues, Educators can conduct discussions and students can analyze the expression of personal, social and political issues. Educators should teach the idea of inter-connectedness between us and rest of the globe. Thus, multi-cultural education is a philosophical concept built on the ideals of freedom, justice, equality, equity and human dignity. This kind of education is not formal but informal – by means of discussions and practice, where in teachers and schools play an important role in developing the attitude and values necessary for democratic society. It values cultural differences and affirms the pluralism that students, their communities and teachers reflect. This kind of education challenges all forms of discrimination in schools and society through the promotion of democratic principles of social justice. Multi-cultural education is a process that brings all

aspects of school functions to ensure the academic achievements for all young minds. It helps students by providing knowledge about histories, cultures and contributions of diverse groups. It encourages students to work actively toward structural equality in organizations and institutions by giving them knowledge and skills for redistribution of power and income among diverse groups. The school curriculum should address issues of racism, sexism, classism, religious intolerance and linguisticism. Multi-cultural education advocates that teachers and students must critically analyze oppression in communities, societies and the world.

Though the task of multi-cultural society is nearly impossible, however if immigrant as well as native of the country –both accept each other and start associating with each other and have mutual respect for each other’s diverse culture’s than that is the key for any multi-cultural society. It is said “charity begins at home” and so does tolerance. It might not be possible to change the whole world in one’s life time, but sure enough one can set an example and mind you, it is infectious and spreads rapidly. “Youngsters are the torch bearers of next generations”, and if they are educated about love, tolerance, non-violence, inter-connecters, values and harmony from young age. We might see “Utopia”, called harmonious multi-cultural society. Not only the young minds, but media, telecommunication experts, policy makers, teachers, parents and educationalists take a pledge that lets go beyond our religious beliefs, racial, regional and cultural differences and make this world happy, free from terror, worth living for humans where there are no 9/11 strikes & 26/11 attacks, where there is harmony and oneness. Thus, it is the responsibility of national governments and international communities to promote and enact laws that supports and refine international migration, market, and processes.

The world is a large space with different cultures and identities. But we bear common features as human beings. In spite of those features we are suspicious of one another on the basis of cultural differences. However, the international community is evolving measures as well as refining them for the purpose of peace. The national governments also have crucial roles to play. Globalization is not only about trade across borders, but also culture in conjunction with trade and commerce. Others involve international migration. In these processes, immigrants’ culture offends host countries as much as immigrants do not find it easy to adapt to their new environments.

It is the responsibility of national and international community to promote rules that helps both to have confident in contrasting identity, such as tolerance and openness towards others for the purpose of peaceful co-existence.



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1.6 Possible Answers to SAEs

1. d. all of the above.
2. a. True

MODULE 4 (UNIT 2)

Unit 2 Conflict and Conflict Management for Sustainable Peace in Globalization Process

Unit 2 Structure

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 Conflict and Conflict Management for Sustainable Peace in Globalization Process
- 2.4 Summary
- 2.5 References, Further Readings, Web Sources
- 2.6 Possible Answers to Self-assessment exercise



2.1 Introduction

Government is the machinery through the will of the state is formulated, communicated and realized. The theory of origin of state insists that government emerged out of frustration of living in a condition of fear, intimidation oppression, crudeness and war of every man against every man. So, government exists in every society to promote peace and order for the common interest of all. But the level of interdependence among states in international community has also increased on account of the need to share global security and resources. Consequently, the movement of firms, persons, goods and services has increased as much as present new challenges for national governments. In this unit, the role of government in that process is examined in the face of her responsibility of promoting peace and order in their societies.



2.2 Learning Outcomes

The objectives of this unit are is to:

1. examine the role of conflict and conflict management in promoting peaceful process in globalization; and
2. to determine how the entire societies can profit from the linkages between conflict management in promoting peaceful process in globalization

2.3: Conflict and Conflict management for Sustainable Peace in Globalization Process.

Globalization has contributed to the creation of new paradigms, where new democracies and democratic values are challenged every day, and new threats against democracy, justice and fairness only heighten the precariousness of regional security, prosperity, and peace. Government is a public agency that is concerned with regulating the affairs of a country. Government emerged out the “social contract” between the people (citizens) and the state. The state, being an abstract phenomenon, is represented by government that is, a body of both elected and appointed individuals including Ministries, Departments and Agencies (MDAs) who work together in an integrated manner to discharge the functions of the state.

In the face of that, too, level of interdependence is growing tremendously for share of global resources through trade and investments, between and among these states. Not only are

trade and investments moving across borders, some negative vices, such as terrorism, drug peddling and arms deal are also accompanying the inflow of investment, trade and movement of persons. Globalization provides basis for these. Globalization is important to the international community as well as national governments. But what should be the role of national governments in globalization process, such that, it is refined for promoting peace and development? Firstly, national governments should adopt treaties and coercion in dealing with arms deal and threats posed by weapons of mass destruction (WMD), especially those that deals with the spread of nuclear weapons and small arms by non-state actors, including terrorism.

National governments should focus on rule- making that borders on national and regional economy by looking at rule of origin, public procurement, services, intellectual property rights and investment. Evidence has shown that while national regional agreements can make positive contributions to the evolution of the right rules, much however depend on the kind rules which National governments are ready to promote. Sampson and Woolcock (2003). Another role is for national governments to provide effective and efficient exporting and importing procedures that deter criminality of attempting to take one good/service from one state to the other. Where the rules are difficult and procedures cumbersome, there is temptation for traders and investors to circumvent the rules through “black market”. And once “black market” is introduced more than normal goods and services go through the sources. Therefore, an improved border and customs administration, risk-based inspection, port procedures, border cooperation agreements including electronic data interchange systems may provide useful tools in refining globalization.

Enforcing anti-corruption laws and not paying bribes can help in the refinement of globalization. National government should operate openness, but not openness that will harm their economy, so enforcing anti-corruption laws on imported goods including those that borders on bribes at customs check points and ports will help to revamp globalization; and thus, promote growth objectively. We live in an era in which the most important forces affecting every economy are global, not local. What happens “abroad” – in China, India, and elsewhere – powerfully affects even an economy as large as the United States. Economic globalization has, of course, produced some large benefits for the world, including the rapid spread of advanced technologies such as the internet and mobile telephony. It has also reduced poverty sharply in many emerging economies—indeed, for this reason alone, the world economy needs to remain open and interconnected.

Yet globalization has also created major problems that need to be addressed. First, it has increased the scope for tax evasion, owing to a rapid proliferation of tax havens around the world. Multinational companies have many more opportunities than before to dodge their fair

and efficient share of taxation. Moreover, globalization has created losers as well as winners. In high-income countries, notably the US, Europe, and Japan, the biggest losers are workers who lack the education to compete effectively with low-paid workers in developing countries. Hardest hit are workers in rich countries who lack a college education. Such workers have lost jobs by the millions. Those who have kept their jobs have seen their wages stagnate or decline.

Globalization has also fuelled contagion. The 2008 financial crisis started on Wall Street, but quickly spread to the entire world, pointing to the need for global cooperation on banking and finance. Climate change, infectious diseases, terrorism, and other ills that can easily cross borders demand a similar global response. What globalization requires, therefore, are smart government policies. Governments should promote high-quality education, to ensure that young people are prepared to face global competition. But global completion requires fair rules and fair implementation. They should raise productivity by building modern infrastructure and promoting science and technology. And governments should cooperate globally to regulate those parts of the economy – notably finance and the environment – in which problems in one country can spill over to other parts of the world.

The need for highly effective government in the era of globalization is the key message of *The “Price of Civilization”*. Simply put, we need *more* government action nowadays, not less. Yet the role of government also needs to be modernized, especially in line with the specific challenges posed by an interconnected world economy. Many governments have failed to understand and respond to the challenges of globalization ever since it began to impact world economy in the 1970’s. Rather than respond to globalization with more government spending on education, infrastructure, and technology. The reverse is the case in many economies today. For 30 years, for example, the US has been going in the wrong direction, cutting the role of government in the domestic economy rather than promoting the investments needed to modernize the economy and workforce. The rich have benefited in the short run, by getting massive tax breaks. The poor have suffered from job losses and cuts in government services. Economic inequality has reached a high not seen since the Great Depression.

Adverse trends have been exacerbated by domestic politics. The rich have used their wealth to strengthen their grip on power. They pay for the expensive campaigns of presidents and congressmen, so presidents and congressmen help the rich – often at the expense of the rest of society. The same syndrome – in which the rich have gained control of the political system (or strengthened their control of it) – now afflicts many other poor countries. Yet there are some important signs around the world for which people are fed up with. A government that caters for the rich while ignoring everyone else is one that requires growing calls for greater social justice.

The upheavals in Tunis and Cairo were first called the Arab Spring, because they seemed to be contained to the Arab world.

But then we saw protests in Tel Aviv, Santiago, London, and now even in the US. These protests have called first and foremost for more inclusive politics, rather than the corrupt politics of oligarchy. The European Commission has also called for a new Financial Transactions Tax (FTT) to raise around \$75 billion per year. The Commission has finally agreed that Europe's financial sector has been under-taxed. The new FTT might still face political opposition in Europe, especially in the United Kingdom, with its large and influential banking sector, but at least the principle of greater tax fairness is high on the European agenda.

The world's most successful economies today are in Scandinavia. By using high taxes to finance a high level of government services, these countries have balanced high prosperity with social justice and environmental sustainability. This is the key to well-being in today's globalized economy. Perhaps more parts of the world – and especially the world's young people – are beginning to recognize this new reality. This the direction that governments must move in order to cushion the effects of globalization process and promote peaceful world. Globalization is the cause. Not due to lack of internal spending but, rather, lack of control of cross-border flows of goods and capital.

Globalizations started as everything else in human history, for more profit, more power for the strong and wealthy exploiting the poorer and weaker spreading all over the world in order to lower costs and increase income. But what was not calculated or known at the beginning is that the process created a completely closed, interconnected and interdependent system as the article itself says, from which system there is no way back. Through this evolutionary process we locked ourselves into the multi-dimensional network, where whatever happens at one point of the net immediately affects all the other points in the net, and vice versa.

The global crisis shows us very clearly how much we depend on each other, and that no nation or economy can succeed if the whole system does not work optimally. Thus, we have a big problem. We see we are within new conditions we cannot turn backwards, and we also see now that with our previous profit hungry, ruthlessly competing attitude, with the "dream of infinite growth and consumption" we cannot make it work anymore, we only cause more damage. But this is a painful revelation as we are forced to change which we do not want to do.

Self-Assessment Exercises 1

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. Government emerged from the Treaty of Westphalia out the “social contract” between the people (citizens) and the state. a. True. b. False
2. Globalization is important to the international community, national governments, corporate entities and even individuals. a. True. b. False



2.4 Summary

So now we have a free choice: either we swallow the bitter pill and understand that we have to rebuild human connections, financial and economic systems that suit the new global, mutual conditions, or we continue stubbornly as we did so far, facing an ever-growing crisis and complete uncertainty about the future. Perhaps the success of Scandinavian countries shall not be merely explained by the high level of taxes but by the fact that high taxes ensure sufficient and more importantly STABLE government resources- a fundamental instrument for public policy.

Consequently, sustainable government spending- example public procurement in [labour intensive] infrastructure projects along with sustainable resources for education and social security- in turn ensures sustainable development. If we proceed by recognizing market failures at the current age of globalization and prevailing information imperfections and asymmetries and conclude that in the real global world market are highly volatile, then taxes will become a core instrument for managing the globalization-counterbalancing its negative consequences and thus ensuring high prosperity with social justice and environmental sustainability.

Perhaps creation of a Global Political Risk Guarantee Facility that will ensure an individual country from a change of policies in partnering countries would be a plausible instrument for managing globalization. That is by maximizing its benefits and minimizing its costs. This will entail putting in place transparent global governance mechanisms and political will of all concerned stakeholders. The proposed approach can be used to deliver, the analytical underpinning that Global Decision Makers need to take informed policy decision at the age of globalization It is an interactive and iterative consensus building framework that will ensure policy coherence and optimal level of policies for sustainability impact of globalization.

Globalization is generally seen as a complete and utter fraud which doesn't do one thing except transfer wealth from poor people in rich countries to poor people in poor countries. In high-income countries, notably the US, Europe, and Japan, the biggest losers are workers who lack the education to compete effectively with low-paid workers in developing countries. Hardest hit are workers in rich countries who lack a college education. Such workers have lost jobs by the millions." Now, Government has fooled these people once. Government represents an agency or institution of the state, which deals with the formulation and enforcement of those of rules as well as determine sanctions which comes with any form of circumvention. In the past decades, it is the convention of national governments to dominate or promote centrally – driven economy. But that has changed over the years, bringing the state mainly as a fascinator, promoter creating enabling environment and enforcing rules of business and National Economic Management. But national business and economic management can only thrive on cross-cutting network between and among states in order to promote growth and development.

Again, such transactions have brought with it some vices, such as drug and arms deal; the consequences of these are well known. National governments have roles to play in refining globalization, which now permits the movement of goods and persons including investment across borders. National governments need to focus on rule-making and rule-enforcement that deters drug and arms deals. They also need to enforce anti-corruption law and bribe-taking that allow harmful and substandard goods from entering the economy through the parts, especially with respect to international best practices. Otherwise, inability to enforce this can breach peace at the national or regional levels.



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2.6 Possible Answers to SAEs

1. True
2. True

MODULE 4 (UNIT 3)

Unit 3 The Role of International Donor Organizations and Institutions in Promoting Peaceful Globalization

Unit 3 Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 The Role of International Donor Organizations and Institutions in Promoting Peaceful Globalization
- 3.4 Summary
- 3.5 References, Further Readings, Web Sources
- 3.6 Possible Answers to Self-assessment exercise



3.1 Introduction

Globalization is a cross-cutting phenomenon. The interest in globalization by states, institutions, and international organizations including non-state actors, such as non-governmental organizations (NGOs) and multinationals Corporations (MNCs), lies in its ability to shape business, growth rate and development. But international organizations and institutions are much more very concerned in international development issues nowadays because the process of evolving ideas in research advocacy and refining procedures for better donors' assistance rest with them.

In this unit, these variables are discussed with a view to establishing how and to what extent international organizations and institutions are making impact in globalization process for the purpose of global peace and security.



3.2 Learning Outcomes

The objectives of this unit are:

1. To underscore the impact of Donor Agencies on Globalization Process; and
2. To identify the roles that International Donor Organizations are playing and what they should additionally Play in Promoting Peaceful Globalization



3.3 The Role of International Donor Organizations and Institutions in Promoting Peaceful Globalization

In the span of one generation global economic interdependence has grown extraordinarily as a consequence of enormous technological progress and policies aimed at opening national economies internally and externally to competition. Globalization has brought benefits and opportunities for many people in many parts of the world. However, many others have been excluded from its positive impact. Extreme poverty remains a daily reality for more than 1 billion people who subsist on less than \$1 a day. More than 800 million people have too little to eat to meet their daily energy needs. Inequality between countries and within countries has also increased, including global environmental risks.

Promoting a coherent approach to policy making through effective co-ordination by donor community is essential to ensuring that the benefits of globalization are expanded and spread more rapidly and that its potentially negative effects are diminished. Uncoordinated effort by donors will only result in uncharitable globalization. The globalization of production, finance and information, among others, has not been matched by a corresponding reshaping of institutional mechanisms. Addressing this institutional and governance gap is the second great challenge of globalization. This where donor partners can again, with its universal membership, well placed to serve as a forum for building consensus on how to better manage globalization in order to promote development.

Globalization and interdependence have been included on the agenda of international development partners since 1999, following a High-Level Dialogue held on 17 and 18 September 1998 on the social and economic impact of globalization and interdependence. The General Assembly Second Committee have provided a forum for exchange of views among Member States and have helped to forge a global consensus on actions which need to be taken at the global, regional and national level to turn globalization into a positive force for development that benefits all. For its 2008 debate, the General Assembly requested the Secretary-General in resolution 62/199 to prepare a report on the on the “Impact of globalization on the achievement of the internationally agreed development goals, including the Millennium Development Goals” under the broader theme of “Globalization and interdependence”.

According to a policy paper published by the Harvard University, the CSOs play an important role in globalization through seven key activities. These activities are:

- identifying problems and globalization consequences that might otherwise be ignored
- articulating new values and norms to guide and constrain international practice
- building transnational alliances that advocate otherwise ignored alternatives
- altering international institutions to respond to unmet needs
- disseminating social innovations that have international applications

- negotiating resolutions to transnational conflicts and disagreements mobilizing resources and acting directly on important public problems

There is hardly any country of the world that is not caught-up in the globalization process. Even nations that detest the World Bank biggest shareholders and other leading market economies, today, are locked in the inescapable web of globalization process. More than ever, globalization process is hastening up the enlistment of development issues in weak countries. And within the methodical approach of partnership for development, the UN, the World Bank, the UNDP and regional organizations have found it expedient to promote peace through development programmes and initiatives? The programmes and initiatives include:

1. Research and Evolvement of ideas.
2. Advocacy; and
3. Refinement of processes, procedures and programmes.

The United Nations University (UNU) generate knowledge by studying human activities and the way in which they are altering the world with particular reference to developing countries. New and constructive thinking that incorporates both theoretical and practical approaches to problem-solving are the hallmarks of the UNU. It operates a network of global research institutions around the world for generating knowledge and ideas on contemporary problems. The International Finance Corporation (IFC) an arm of the World Bank, is also involved in generating knowledge through research on best practices that facilitates trade and investment, import and exports including customs, thereby exterminations the crisis that would have emanated from thereof.

The UNDP is most spectacular in knowledge generation and evolvement of ideas for example, the UNDP strategic plan 2008 – 2011 entails delivering knowledge, ideas, policy advice to the grassroots with respect to best development practices on programmes and projects. Oxfam – Great Britain is expanding the horizon for fair trade and globalization – to minimizing conflict that often greets WTO conferences. Oxfam believes that the disparities between the rich countries and the poor countries are potential source of conflict. Peace needs to be brokered – utilizing advocacy, research and dissemination of constructive information regarding that. OXFAM should insist in these directions as part of its agenda for global peace and development.

Not only are international organizations and institutions involved in research and advocacy for fir globalization process, they are also involved in the refinement of processes, programmes procedures including rules of the game. The UNDP, International Fund for Agriculture and Development (IFAD) ICT, etc are principal actors in global governance.

International Non-governmental organizations, private sector entities and other civil society actors are also fundamentally involved in the global governance. Collectively, they hold the capacity to design, formulate and implement policy measures and ensure compliance. Together, they design rules, structures and process of the game. UNDP in particular has supported decentralization in a number of countries as a strategy for permeating an inclusive (grassroots) globalization process. This is a way of promoting peace in the society as such can create access and opportunities for empowerment.

Self-Assessment Exercises 3

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. Promoting a coherent approach to policy making through effective coordination by donor community is essential to ensuring that the benefits of _____.
2. Globalization and interdependence have been included on the agenda of international development partners since _____. a. 1969; b. 1979; c. 1989; d. 1999.



3.4 Summary

Not only are national governments interested in issues of globalization, international organizations, institutions and non-governmental organization are also listing globalization as problem that requires their attention in inputs. How are these international organizations, institutions and Non-profits making impact in the way globalization steers? The answer is that they are evolving ideas in research endeavours, participating in advocacy as well as designing processes, programmes and procedures in the way business should operate across borders, in the way projects for poverty-reduction should be implemented. For example, the UNDP is designing and promoting decentralization that create access and opportunities for grassroots empowerment and poverty reduction.

How can non-state providers of education and public private partnerships work most effectively for poor people in East Asia and the Pacific? This report highlights issues, opportunities and challenges related to non-state providers and their partnerships with the state in fulfilling the right to education for all. It argues that non-state providers present a significant resource for improving access and quality that the state should harness. Public-private partnerships (PPPs) involve a formal relationship between public and non-state partners, with an element of risk-sharing between partners. The public sector defines the scope of business, targets and outputs, and the non-state sector delivers them, based on built-in incentives.

PPPs can have a number of benefits, by widening access to education, providing additional finance, incorporating skills from the private sector, and enhancing accountability. They are not a panacea, but a range of PPP models offer flexible approaches that can be adapted to differing local circumstances:

- *Educational service delivery initiatives*: These generally involve the government purchasing places for students in private schools, in situations where there is insufficient space in public schools.
- *Non-state management of public schools*: Under such schemes the school remains publicly owned and is subject to performance benchmarks. Schools are paid a fixed amount per pupil, or a management fee.
- *Voucher and voucher-like initiatives*: School vouchers are a certificate that parents can use to pay for education at a public or non-state school of their choice. Vouchers are used by governments to 'contract out' enrolment of students or purchase outputs.

- *Professional and support services*: These can include school evaluation, teacher training and textbook publication. Such PPPs allow governments to use private expertise and economies of scale.
- *Infrastructure initiatives*: PPPs are an increasingly common form of procurement for large infrastructure projects.
- *Philanthropic initiatives*: There are many examples of individuals and private sector firms donating goods, services or cash to schools.

Ultimately, education providers can maximise the benefits of PPPs by recognizing that partnerships based on comparative advantages, in which skills and resources are shared, can yield mutual benefits. Recommendations for governments and donors include the following:

- Governments should provide legal recognition for both for-profit and non-profit non-state providers, and a legal framework in which they can operate.
- The establishment of new schools can be encouraged through establishment criteria that are appropriate for the local context, objective, measurable, open to all, and focused on outcomes.
- Policymakers can also improve the functioning of the education system by ensuring that families are well informed about schools' performance.
- PPP design should reflect the desired objectives, the nature of targeting, and market factors such as the extent of the private school network. The government agency responsible for partnerships should have sufficient resources, information and skills.
- International actors can help in supporting the country-level evidence base on non-state sector providers. They can also help to build the capacity of governments and private sector providers, and support coordination among various types of non-state providers.



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3.6 Possible Answers to SAEs

5. Globalization

6. d. 1999.

MODULE 4 (UNIT 4)

Unit 4 Using Partnerships as Collaborative Frameworks for Promoting Peace and Security in Globalization Process

Unit 4 Structure

4.1 Introduction

4.2 Learning Outcomes

4.3 Using Partnerships as Collaborative Frameworks for Promoting Peace and Security in Globalization Process

4.4 Summary

4.5 References, Further Readings, Web Sources

4.6 Possible Answers to Self-assessment exercise



4.1 Introduction

The axiom that two heads or collaborative initiatives are better than single effort is true when it comes to strengthening ideas for problem-solving, societies and institutions in a holistic way. By thinking, planning, and working together, the individuals and groups that make a community can accomplish goals that could neither be achieve alone. Diverse stakeholders shape their holistic efforts through collaborative partnerships. These partnerships give communities a structure for organizing, planning, and implementing better ideas that leads to positive and functional ends. Collaborative partnerships are the mechanism for achieving co-operative and comprehensive strategies.



4.2 Learning Outcomes

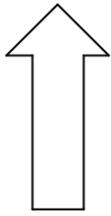
The process of global peace-building requires collaborative efforts and multilateralism. Therefore, the objectives of this unit are to:

- Underscore the importance of collaborative partnership in global peace and security
- recognizing opportunities for change;
- mobilizing people and resources to create changes;
- developing a vision of long-term change;
- seeking support and involvement from diverse and non-traditional partners;
- choosing an effective group structure;
- building trust among collaborators; and
- developing learning opportunities for students.

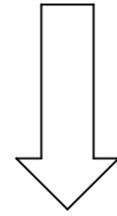


4.3 Using Partnership as Collaborative Frameworks for Promoting peace and Security in Globalization Process

In spite of the fact that effort takes time and requires careful attention, it's vital to create strong, viable partnerships that produce lasting change. This unit addresses the importance of collaborative partnerships in peaceful globalization process.



**Comprehensive partnerships begin because
individuals reach out to like-minded people
and groups to address issues that affect
Societies and
institutions**



There are many catalysts for comprehensive partnerships. Some form when national leaders or local policymakers initiate collaboration. Others begin when a community becomes aware of an urgent need for change, or when funding becomes available to respond to conditions in the community. For example, a school superintendent notified of new public or private funds for comprehensive services, may work with teachers, parents, and community agencies to develop school-linked strategies for health care, adult education, child care, job preparation, and violence prevention programs. Or, school staff may initiate collaboration with the community to respond to a recognized need.

The 8th agenda of the Millennium Development Goal succinctly declares that global partnership is necessary to address the complex nature of economic poverty and conflict. It is anchored on such partnership on rule-based and non-discriminatory system, insisting that the needs of LDCs and landlocked countries must be addressed, while also resolving the debt problems that overwhelmed developing countries in decades. These are not all. Partnership for development particularly generates from the vision of collective responsibility and security. It aims to involve all relevant stakeholders, such as civil society groups, government (governmental & non-governmental) network to accomplish the challenge of poverty and human security.

It is a system of formalized co-operation, grounded in legally binding agreements or informal understanding, co-operative working relationships, and mutually adopted plans among a number of institutions. They involve agreements on policy, projects and programmes objectives, including the sharing of responsibilities, resources, risks and benefits over specified period of time.

Understanding the Context for Collaboration and Forming a Partnership

No doubt, globalization is both a source of happiness and sadness. For advanced economies that possess the capabilities to thrive on it, the citizens stand to be happier as result of the benefits

that come with it. Advanced economies possess adequate human and technological capacities to enter the process and emerge successful. But for weak states with less qualitative human and technological know-how, it is aptly difficult to rail on the globalization process and emerge successful. Therefore, collaborative action becomes inevitable.

The theoretical frame of reference for collaborative partnership derives from the belief that globalization has thrown up inequalities and disparities among nations. The poverty threats of one nation are potentially the threat of others. The example of climate change impact across the world vividly describes how the “misgivings” of some few nations can be source of problem to others. But a collaborative action is needed to deal with a problem that is potentially a threat to all. As your partnership begins to take shape, you will want to make sure you are attracting appropriate participants to the collaborating table--and that they can work effectively once they get there. Experienced partnerships offer the following advice:

Conditions for Establishing Partnership

- Clear sense that important problem exists, and it is potentially inclusive in its effects. Eg Impact of climate change
- **Capability for a broad-based, inclusive partnership to exist**, by seeking partners who represent a cross-section of the community: parents, principals, teachers, counsellors and other school staff, cultural and religious leaders, health care and human service providers, business and political leaders, staff and administrators from community organizations, and representatives from local universities and student groups. Make sure your partners reflect diverse perspectives, experiences, cultures, and levels of authority.
- **Get started; get on board before moving forward** with your plans. Most partnerships expand gradually over time. For example, in one community a partnership that focused on school-linked strategies eventually joined forces with a partnership concerned with community policing. The joint effort, dubbed "Peace Builders," built capacity for conflict resolution and supported community policing strategies. As the entire community gradually embraced the idea, the size and impact of the new partnership grew.
- **Secure a commitment to collaboration.** You may want to ask partner organizations to designate representatives' names and responsibilities in writing; this makes it more likely the same people will be at the table every time the group meets. It also helps move decisions along quickly if organization representatives are authorized to make commitments for their employers.

Establishing an Effective Governance Structure

- Once your partners are in place, you are ready to establish a governing structure for the partnership. Take some planning time to consider the following questions: Will responsibility be shared equally, or will one partner take the lead? How will decisions be made among partners? The answers to these questions will be shaped by the extent to which partners share goals, responsibility, and authority; the comprehensiveness of the partnership and its strategies; and the level of resources and policy support for the collaboration.
- There is no prescription for the ideal size or design of a leadership group. However, in many communities a two-tiered approach to governance helps partners balance the need for broad oversight with practical considerations. A small management group (10-15 members) that can respond quickly to immediate concerns has responsibility for day-to-day management, while a larger oversight group (30-50 members) meets periodically to consider long-term issues and ensure diverse representation.

Global Governance and multilateral structures as Strategies of promoting Partnerships for peace in globalization

Global governance, the past year was a difficult one. Once again, the Doha world trade round collapsed in disarray. Faced with the stiff wind blowing from the on-going financial crisis, the follow-up to the Monterrey Financing for Development Conference, has managed no more than to secure the status quo. The preliminary talks have given some indication of the magnitude of the obstacles littering the way to a global climate agreement. The nuclear non-proliferation regime is under severe pressure. Multilateral structures of peacekeeping show clear signs of overstretch. The worst financial crisis since 1929 led to a comeback of the International Monetary Fund (IMF), but also disclosed the shortcomings of the global financial architecture.

However, the political climate seems to have changed in favour of global governance and partnership in the face of genuine global problems, such as terrorism, the climate and energy crisis, including the world financial and economic crisis. Leading political actors outdo each other with suggestions for a new world order: President Obama wants to establish a new disarmament and non-proliferation regime. The German Chancellor Merkel called for a world economic council. Former French President Sarkozy and British Premier advocate an international banking oversight commission. Germany and France together with Russia and Brazil promote a new global economic and financial architecture with a special focus on

regulating financial markets. China and Russia call for a new global reserve currency. If, in the 1990s, global governance structures such as the IMF and World Bank were still coming in for criticism as a neoliberal world government, the current financial crisis is a clear indication of how urgently an effective global regulatory framework is needed to come to grips with the present crisis and to contain future excesses. While climate change and a looming global energy crisis have now generally been acknowledged, political leaders are seeking, here as well, to create a global regulatory framework geared to mitigating and adapting to these genuinely global problems. In the face of seeking effective partnership frameworks, there also exist crisis of representation in the Partnership in Globalization Process.

The existing global governance architecture was created by the powers that emerged victorious from the Second World War, and above all by the leading Western power, the United States of America. While the institutional structures continue to reflect the geopolitical and economic realities of the second half of the 20th century, global power structures have in fact shifted. And while Russia and China have permanent seats on the UN Security Council, other major nations, including India, Brazil, Japan, or Germany, do not. There is not one African or Latin American nation, not one Muslim country permanently represented in the UN's central body. The International Monetary Fund's (IMF) system of quotas and voting rights accords to the European countries a preponderance no longer justified by their weight in the world economy. Despite the limited voting-rights reform carried out in March 2008,¹ the Benelux countries – to cite an example – continue to have a higher quota than China.

The dominant Western powers benefit from some advantages that have been built into the charters and procedural rules of multilateral institutions. To cite an example, the Security Council, with its veto-wielding permanent members, is United Nations' power center, not the General Assembly, with its large majority of developing countries. The major emerging powers in particular are no longer willing to put up with this lack of representation. They are proving better and better at throwing their increased weight into the balance outside the established multilateral structures. In the Doha world trade round, for instance, an alliance led by India and China has stood up to the pressure exerted by the industrialized Western countries. China pursues its interests on the basis of a system of bilateral agreements and new institutions, like the Shanghai Cooperation Organization (SCO). The Asian and Latin American nations are working to build regional financial governance institutions of their own as a means of working around the influence of the Western-dominated Bretton Woods Institutions (IMF and World Bank).² The legitimacy crisis of the global regulatory framework thus entails a risk that the established structures could be hamstrung, or indeed replaced, by competing regional arrangements.

Another challenge today is that China is highly reluctant to relinquish any of its sovereignty, and it prefers to go it alone when it comes to elementary issues like energy supply. However, Beijing has recognized that a functioning global regulatory framework may prove useful for securing its economic and political rise, and global rules and dispute-settlement institutions like the WTO may serve to shield China from pressure from Washington. Global institutions like the World Health Organization (WHO) have also proven useful in tackling internal problems such as epidemic. China has also recognized that it will be able to solve its sizable environmental problems only in cooperation with other countries. Beijing is for these reasons increasingly willing to engage in the framework of multilateral institutions. It has appreciably increased its contributions of blue-helmet troops for UN missions and is now, as an exporting nation, engaged in efforts to combat piracy off the Horn of Africa. This fundamental willingness to seek integration within multilateral structures is, however, conditioned on the provision that China's increased weight be reflected in institutional terms and that its core national sovereignty remain unaffected. The reservations China is still articulating towards any full integration into an enlarged "G8+N" thus coincide with the gain in status such a move would mean for China, but, and above all, also to China's pragmatic interest in coming up with solutions to pressing problems. The debate over turning IMF special drawing rights into a new global lead currency, which was initiated by Beijing, demonstrates the will decades.

Self-Assessment Exercises 4

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. Comprehensive partnership is vital in order to navigate the international system in a globalized world. therefore, national leaders or local _____ initiate such collaborations. a. policymakers; b. peacemakers; c. peacekeepers; d. conflict managers.
2. Advanced economies are able to thrive in the globalization process because they possess adequate human and _____ capacities to enter the process and emerge successful.



4.4 Summary

One of the globalization's paradoxes is that the growing interdependence of societies and the emergence of genuinely global problems (climate change, epidemics, terrorism, piracy) call for joint political action on the part of the inter-national community. Common political approaches and the functioning multilateral institutions needed to translate them effectively into practice

may therefore be seen as a logical response to the challenges posed by globalization. At the same time, the crises of multilateralism experienced in recent years – we need think here only of the failure of the Doha Round, the rejection of the EU Reform Treaty, and the difficult post-Kyoto climate talks – are a clear indication that interests and identities continue to be de-fined in the national framework. Compromises in global bargaining rounds and efforts to limit national sovereignty in the name of effective international institutions tend to trigger vehement reactions in many societies. Compromises on symbolically charged, identity-creating issues, or on the need to abandon a cherished position with a view to safeguarding global public goods, are therefore, hard to reach – and if they are reached, they may be difficult to communicate to a public at home.

Climate and Energy

It is likely to prove even more difficult to reach agreement in the highly complex climate talks set to be held in Durban, for what this conference has to distribute is above all burdens, without any prospects of short-term gains. Last year's creation of the International Renewable Energy Agency (IRENA) has established a new institution in the energy sector with its tradition-ally weak governance structures. It seeks to complement the established organizations under suspicion of one-sidedness.

If they are to take advantage of the improved climate for global governance to launch reforms aimed at altering the established structures and the outcomes of global rounds of negotiations, the central actors involved will have to bring their ideas and conceptions into alignment. What this means in the medium term is that the Europeans in particular will have to take leave of their preferred model of a world order with a view to achieving as much global governance as possible. A global architecture keyed to comprehensive regional integration processes would appear unrealistic for the medium term. The regions in which integration processes are no making headway – South Asia, North Africa and the Middle East, or East Asia – will have to be integrated into the global architecture by other means. This is not to say that there is no need to continue to provide support for dynamic integration processes like those underway in West Africa and – to a lesser extent – Southeast Asia. However, the global architecture will, in the medium term, be more likely to build on a mix of regional governance and efforts to integrate individual major actors like China, India, Russia, Brazil, Mexico, and South Africa directly at the global level.

The Europeans would be well advised to give particular consideration to the sensitivities of many countries when it comes to ceding sovereign rights. It is an open question whether supra-national structures patterned on the European Union would prove useful at the global level

– the great majority of countries being un-willing to relinquish sovereign rights on that scale. Although this will necessarily lead to painful readjustments of many expectations, it must be seen as an alternative preferable to a situation marked by multilateral institutions in a state of permanent crisis. Global debates like the discussion on the concept of the responsibility to protect may serve as a catalyst in efforts to find a common denominator with advocates of a more traditional concept of sovereignty.

Furthermore, it would be essential to resolve the representation crisis on the basis of a reform of the existing system of multilateral structures. Here too the Europeans would have a key role to play. In view of their relative decline in importance, they should be prepared to accept adjustments to the role they play in multilateral institutions. One possibility here would be voting rights in the Bretton Woods Institutions. The only alternative would be further marginalization of multilateral structures and a new dynamic for multipolar great power policies, a situation in which the EU would be at a distinct disadvantage in view of its logics of compromise and complex decision-making processes. In the long term the continued existence of an effective, rule-based global framework is thus in the interest of a supranational body like the EU. The Europeans should, together with the US, take the opportunity to reform global governance structures before the balance has tipped any further to their disadvantage. It will be of crucial importance to persuade the Obama Administration to commit to a “global governance realism” of this kind. What is needed to overcome the effectiveness crisis is a new attempt to reform the internal structures of the multilateral institution.



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4.6 Possible Answers to SAEs

5. a. policymakers
6. technological

Module 4 (Unit 5)

Unit 5 Humanitarianism and World Peace

Unit 5 Structure

- 5.1 Introduction
- 5.2 Learning Outcomes
- 5.3 Humanitarianism and World Peace
- 5.4 Summary
- 5.5 References, Further Readings, Web Sources
- 5.6 Possible Answers to Self-assessment exercise



5.1 Introduction

The dispersal of prosperity, free trade, and democratization is part of the stories about globalization. Quantitative studies provide a great deal of evidence for a causal chain running from free trade via prosperity and democracy to the avoidance of military conflict, as well as for another causal relationship between trade or economic openness and conflict avoidance. This is sometimes referred to as Kantian peace. In terms of methodological approach, it is important to discuss it in view of capitalist peace by historical examples and contemporary applications.

Since the publication of Adam Smith's *Wealth of Nations* [1776 and 1976], it had been acknowledged that the size of the market limits the division of labour and that the division of labour boosts innovation and productivity. In principle, globalization is the logical endpoint of the economic evolution that began when families switched from subsistence farming and household production to production for the market.



5.2 Learning Outcomes

The objectives of this unit are:

1. to introduce the concept of humanitarianism to the students; and
2. to help students understand the linkages between **humanitarianism** in world peace.



5.3 Humanitarianism and World Peace

In its most general form, humanitarianism is an ethic of kindness, benevolence and empathy extended universally and impartially to all human beings. Humanitarianism has been an evolving concept historically, but its universality is a common element in its evolution. No distinction is to be made in the face of suffering or abuse on grounds of gender, sexual orientation, tribe, caste, age, religion, or nationality. Humanitarianism can also be described as the acceptance of every human being for plainly just being another human, ignoring and abolishing biased social views, prejudice, and racism in the process.

The idea of humanitarianism and world peace is based on the notion and litigation for Human rights. Human rights are commonly understood as inalienable fundamental right to which a person is inherently entitled simply because she or he is a human being. Human rights are thus

conceived as universal (applicable everywhere) and egalitarian (the same for everyone). These rights may exist as natural rights or as legal rights, in both national and international law.

The doctrine of human rights in international practice, within international law, global and regional institutions, in the policies of states and in the activities of non-governmental organizations, has been a cornerstone of public policy around the world. In *The idea of human rightist*, "if the public discourse of peacetime global society can be said to have a common moral language, it is that of human rights." Despite this, the strong claims often made by the doctrine of human rights continue to provoke considerable scepticism and debates about the content, nature and justifications of human rights to this day. Indeed, the question of what is meant by a "right" is itself controversial and the subject of continued philosophical debate.

Many of the basic ideas that animated the movement developed in the aftermath of the Second World War and the atrocities of the holocaust, culminating in the adoption of the universal declaration of human rights in Paris by the UN GENERAL ASSEMBLY in 1948. The modern concept of human rights developed during the early modern period alongside the European secularization of Judeo-Christian ethics which reads that:

*All human beings are born free and equal in dignity and rights.
They are endowed with reason and conscience and
should act towards one another in a spirit of brotherhood.*

An idea of humanitarianism and world peace is intended to be viewed from the realist perspectives in international relations school. Although neither "realist" theorizing about interstate politics nor critical treatments of globalization recognizes it as a strong and beneficial link between globalization and the avoidance of war (humanitarian), the economic benefits of globalization and free trade are much less important than the international security benefits. Weede (1996) comes fairly close to general agreement on the following four propositions from economics, political sociology, and international relations.

The pacifying effect of trade might be even stronger than the pacifying effect of democracy, especially among contiguous pairs of nations, where conflict intensity is greater than elsewhere. Moreover, trade seems to play a pivotal role in the prevention of war because it exerts direct and indirect pacifying effects. In addition to the direct effect, there is the indirect effect of free trade as the consequent growth, prosperity. Democracy is believed to reduce the risk of militarized disputes and war. This is because the exploitation of gains from trade is the essence or purpose of capitalism and free markets. In this discussion we captioned direct and indirect international security benefits "the capitalist peace," of which "the democratic peace" is merely a component. Even if the direct "peace by trade" effect were discredited by future research,

economic freedom and globalization would still retain their crucial role in overcoming mass poverty and in establishing the prerequisites of the democratic peace. For that reason, Weede (1996) advocated a capitalist-peace strategy.

What Can Be Done to Promote a Capitalist Peace?

Lipset (1994) has stated that the viability of democratic regimes and the likelihood of transitions to democracy depend on the level of economic development. The more prosperous a country is, the more likely it is to become and to remain a democracy. This proposition has been supported strongly by cross-national studies, much better than any other conceivable determinant or prerequisite of democracy. Therefore, it may be argued that the promotion of democracy necessitates providing a helping hand to poor countries. This help can be provided in different ways.

(1) First, prosperous countries influence the legal foundations for capitalism or economic policies elsewhere. How much this influence matters was demonstrated during the Cold War by the divided nations, where one part was influenced by the Soviet Union and the other part by the United States. Economies benefiting from U.S. influence, such as West Germany, South Korea, and Taiwan, did much better than East Germany, North Korea, or mainland China, which were inspired by the Soviet model. After China began to abandon socialist practices and converted to creeping capitalism in the late 1970s, it quadrupled its income per capita in two decades and almost closed a sixteen-to-one gap in income per capita with Russia (Weede 2002). The idea of advice should not be conceived too narrowly. By providing a model for emulation, successful countries implicitly provide advice to others. In general terms, the best institutional and policy advice may be summarized as “promote economic freedom demonstrate that economic freedom or improvements in economic freedom increase growth rates”. Economic openness or export orientation is part of the package of economic freedom.

(2) Second, prosperous and democratic countries may provide open markets for exports from poor countries. Without a fairly open U.S. market, neither Japan nor the nations of Western Europe would have overcome the terrible legacies of World War II as quickly as they did. Without a fairly open U.S. market, the East Asian economic miracles might never have happened. South Korea and Taiwan might still be poor and ruled by autocrats instead of being fairly prosperous and democratic.

(3) Third, rich and democratic countries may provide FDI to poor countries. Even the nominally still communist regime in the People's Republic of China has understood the importance of FDI. Moreover, FDI not only promotes growth and prosperity, but also directly contributes to democratization (2003).

(4) Fourth, rich and democratic countries may provide economic aid. By and large, big economies, such as the United States or Japan, provide relatively much less aid than small Scandinavian economies, such as Norway or Sweden. But barriers to imports from poor countries are the lowest in the United States and the highest in Norway. Whereas European assistance to poor countries is provided by governments for the most part, U.S. private giving may be 3.5 times as large as U.S. official development assistance (Adelman 2003, 9). Rich-country subsidies to agricultural producers, which harm poor countries, are much greater than development aid. Whereas European Union aid per African person is approximately \$8 dollars, subsidies per European Union cow are \$913 (UNDP 2003, 155–60). The theoretical case for aid, however, has always been weak (Bauer 1981). Aid may strengthen governments and undermine free markets. This risk is much greater with government-to-government aid than with private giving, which rarely selects the state as recipient. Certainly, foreign aid does not promote democracy (Knack 2004).

The collapse of the World Trade Organization's meeting in mid-September 2003 was a tragedy for poor countries. According to *The Economist* and the World Bank, "a successful Doha round could raise the global income by more than \$500 billion a year by 2015. Over 60% of that gain would go to poor countries, helping to pull 144 million people out of poverty. While most of the poor countries' gains would come from freer trade among themselves, the reduction of rich country farm subsidies and more open markets in the north would also help.

As important as the provision of models for emulation is the avoidance of pressure from rich countries on poor countries to commit themselves to bad policies. Global labour standards are an important example of such pressure. Concerning the minimum-wage component of labour standards, the World Bank recognized this effect years ago.

Humanitarian intervention without a UN mandate is technically illegal under the rules of the UN Charter, but may be morally and politically justified in certain exceptional cases as shown in 1- 4 above. Benefits of this approach include that it contemplates no new legal rules governing the use of force, but rather opens an "emergency exit" when there is a tension between the rules governing the use of force and the protection of fundamental human rights. Intervening states are unlikely to be condemned as law-breakers, although they take a risk of violating rules

for a purportedly higher purpose of humanitarianism. However, in practice, this could lead to questioning the legitimacy of the legal rules themselves if they are unable to justify actions which the majority of the UN Security Council views as morally and politically justified. These emergency exits are peace strategies.

Peace is often defined as freedom from war. Peace, development and democracy form an interactive triangle. They are mutually reinforcing. Without democracy, fair distribution of economic progress and wealth is unlikely. Without sustainable development the disparities become marked and can be a cause for unrest, and without peace, developmental gains are quickly destroyed. The United Nations recognizes eleven major stages of conflict resolution and supporting peace

Conflict prevention: Preventing and resolving conflict before it results in violence is far less costly, both in human and financial terms, than responding to it once it has occurred. Action to address the underlying causes of conflict include strengthening governance, improving access to human rights, economic and social development, destruction of weapons and developing a culture of peace.

Peacemaking: The first step to peace if fighting breaks out revolves around diplomatic measures to negotiate a ceasefire and an agreement to which all parties agree, accepting that no gains are to be won by continuing the conflict. Implementing the peace agreement and rebuilding

communication needs to happen on official and informal levels to build a foundation for future reconciliation.

Peace keeping: Peace agreements are fragile. The presence of groups of neutral soldiers, military observers, civilian police, electoral observers and human rights monitors can encourage hostile groups not to return to the use of arms. Peace keepers' tasks can include establishing and policing buffer zones, demobilization and disarmament of military forces, establishing communication between parties, and protecting the delivery of humanitarian assistance.

Peace building: Rebuilding society after conflict is more than the rebuilding of the infrastructure. Peace building is a complex and lengthy process that requires the establishment of a climate of tolerance and respect for the truth. It encompasses a wide range of political, developmental, humanitarian and human rights programs and mechanisms. They include the reintegration of soldiers and refugees, demining and removal of other war debris, emergency relief, the repair of roads and infrastructure and economic and social rehabilitation. This is a lengthy process and the legacy of conflict can remain in communities for generations.

Some of the activities and issues to consider in peace building include:

Humanitarian relief and development: Delivering aid (food, water, health care and reconstruction of infrastructure) to communities that have suffered conflict. This needs to be carefully managed to avoid deepening divisions between groups or prolonging the conflict.

Disarmament, demobilization and reintegration of combatants: Transforming ex-combatants into peaceful and productive members of society is a critical but challenging task. Removing weapons, returning ex-combatants to their homes and supporting return to civilian life are all vitally necessary.

Refugees and displaced people: People returning home after the conflict may find their property has been destroyed, littered with unexploded ordinance and landmines or occupied by others. Mechanisms are needed for resettling people and helping them return to a safe and productive life and preventing future conflict.

Economic development: Assisting communities to become self-supporting after so much has been destroyed is vital. It can be done through small loans, training, and food for work programs. Rebuilding infrastructure supports these developments through making access to markets and contact with other communities easier.

Women; Armed conflict affects women and men differently. Women bear the brunt of sexual assault as a tool of war. Experience changes in their role as breadwinner and head of family on their own as they suffer the loss of partners and sons. Their specific needs may be overlooked, as they are not as obvious as the resettlement needs of ex-combatants.

Children; Children's lives may have been disrupted severely during the conflict. They may have been forced to flee their homes, gone without food, education and health care and even witnessed extreme violence or been recruited or conscripted to be active combatants. Rebuilding their lives entails assisting with social rehabilitation, trauma counselling and peace education.

Reconciliation: All wars are brutal and particularly so where there has been the mass killing of civilians. Developing trust and cooperation within communities of people who have been enemies is a long and difficult process. It involves balancing the competing demands for justice and accountability for perpetrators of violence with the need to reconcile differences and move forward. Timing is crucial as too few compromises may threaten peace in the short run but too many compromises may undermine lasting peace.

Reconciliation activities have included public confession, granting amnesty, community involvement to discuss appropriate punishment or acts of reconciliation, community building activities and peace education.

1. Preventing conflict and instability in the ECOWAS sub- region is a foreign policy priority for West Africa. ECOWAS governments' peace-building initiatives include aid to reduce poverty, improve governance capacity and achieve sustainable development, to avert conflict where possible and to respond to conflict when it occurs. It is increasingly integrating its humanitarian action and development activities to ensure peaceful globalization process

2. USAID is also engaged in similar example. In Bougainville, PNG, and the Solomon Islands peace building has included peace negotiations, peace monitoring, humanitarian relief to disrupted and displaced communities, and support for reconciliation efforts of women's and church groups, and the reintegration into productive civilian life of youth and men involved in the conflict.
3. In 1999 Australia took the lead role in the United Nations Peace keeping force in East Timor and provided substantial humanitarian aid during the crisis and its aftermath. Australia's aid program continues to contribute to the country's post-conflict reconstruction.
4. Australia is a significant contributor to international mine action, with a focus on providing assistance to the Asia-Pacific region. The Australian aid program includes support for mine clearance, mine risk education, victim assistance and advocacy activities, in collaboration with a range of international, regional and local actors. The Charter of the United Nations calls upon the peoples of the world "to unite our strength to maintain international peace and security", and charges the Security Council with the task of "determining the existence of any threat to the peace and deciding what measures shall be taken". There is ongoing development of processes and programs of conflict prevention and peacekeeping. Preventive diplomacy has expanded to include preventive deployment, preventive disarmament, humanitarian action, and peace-building.

Self-Assessment Exercises 5

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

9. Which of the following is not an aspect of humanitarianism? a. kindness; b. benevolence; c. empathy; d. none of the above
10. According to Lipset (1994), the viability of democratic regimes and the likelihood of transitions to democracy depend on the level of _____. a. conflict management; b. peacekeeping; c. economic development; d. all of the above.



5.4 Summary

At the 2000 UN Millennium Summit, 189 world leaders from rich and poor countries alike committed themselves to a set of eight time-bound targets that, when achieved, will end extreme poverty worldwide by 2015. Goals focus on reducing poverty and hunger, child mortality and the spread of disease and improving education, gender equality, maternal health, environmental sustainability and global partnerships.

Global peace and stability play a vital role in achieving the Millennium Development Goals, with conflict exacerbating poverty, gender inequality, children's rights and in many cases environmental degradation, including rendering land unusable due to landmines and other war debris and the contamination of water supplies. The International Campaign to Ban Landmines (ICBL) calls for: an international ban on the use, production, stockpiling, and sale, transfer, or export of antipersonnel landmines; the signing, ratification, implementation, and monitoring of the mine ban treaty; increased resources for humanitarian demining and mine awareness programs; and increased resources for landmine victim rehabilitation and assistance.

United Nations Education, Scientific and Cultural Organization (UNESCO) include links to UN documents about peace and activities for developing a culture of peace. There is also links to national organizations and useful publications. UN peacekeeping is based on the principle that an impartial UN presence on the ground can ease tensions and allow negotiated solutions in a conflict situation. The first step, which often involves intense diplomatic efforts by the United Nations Secretary-General, is to secure a halt to fighting and the consent of the parties before peacekeepers are deployed.

Earlier I referred to the wider concept of a "capitalist peace" instead of to the narrower concept of a "democratic peace." Fortunately, some crucial steps on the road to a capitalist peace exert a pacifying impact: prosperity, or high average income, contributes to the viability of democracy. A country achieves prosperity by economic growth. FDI is one helpful background condition for growth that also seems to promote democratization (Burkhart and de Soysa 2002). Export orientation, active foreign trade, FDI inflows, and economic openness are other useful determinants of economic growth (Dollar 1992; Edwards 1998; de Soysa and Oneal 1999; Bleany and Nishiyama 2002). As argued earlier, international trade by itself reduces the risk of war between trading nations. Thus, a beneficial means (namely, free trade) directly and indirectly (via prosperity and democracy) contributes to a desirable end: the avoidance of war between nations. Moreover, economic openness also reduces the risk of civil violence (de Soysa 2003)

and of genocides or other political mass murders (Harff, 2003), and the intervening variable of prosperity-in-between trade and war avoidance-also happens to reduce the risk of domestic instability and violence (Henderson and Singer 1999; World Bank 2003). The policy implications of the capitalist-peace strategy are simple: promote economic freedom and globalization. If the policy succeeds, one gets more prosperity, more democracy, less civil war, and less interstate war.

Ultimately, the capitalist-peace strategy rests on a policy of depoliticization. Under capitalism, material well-being depends less on political affiliations and more on market success. The capitalist peace depends on a universalistic ethic and its acceptance (Giersch 1995). Free trade and the principle of non-discrimination between peoples or races and between domestic and foreign producers guide consumers to buy from the best and cheapest producers. Often, the cheapest producers in poor countries need their customers more than richer producers in rich countries, who can fall back on either capital income or social-security transfer payments, need theirs. In applying the capitalist-peace strategy to contemporary problems, three conditions must be recognized.

First, a capitalist-peace strategy presupposes a minimal degree of state effectiveness. There is a need for the establishment of property rights, the enforcement of contracts, domestic stability, and the rule of law or, at least, substitutes for it, such as “market-preserving federalism” (Montinola, Qian, and Weingast 1995). Moreover, the democratization component of the capitalist-peace strategy requires overcoming arbitrary and autocratic rule. This statement obviously points to another difficulty. As Huntington suggested some decades ago, “authority has to exist before it can be limited” (1968, 8). Overcoming chaos, warlords, and state failure appears to be a prerequisite for the applicability of the capitalist-peace strategy. Analysing how this prerequisite might be established is beyond the scope of this article.

Second, we have few reasons for optimism about the applicability of the capitalist-peace strategy to the Muslim world. Certainly, it does not look like a solution to the problem of international terrorism, although it might help in achieving something like containment of the problem—that is, in denying non-Muslim allies to Muslim terrorists and their sympathizers. My pessimism about the Muslim world derives from two sources. Muslim civilization so far has resisted democratization more consistently and persistently than other non-Western civilizations. Turkey is still the best example of a Muslim democracy, but Turkish democracy is strongly guided by the secularist armed forces, which makes the democratic character of the regime dubious. Moreover, even though Atatürk began the process of secularization in the 1920s, its success is still in doubt at the beginning of the twenty-first century.

Besides, some Muslim countries are rich in oil or other natural resources. Superficially, natural wealth might seem to facilitate the achievement of prosperity and growth, but it does not do so in these cases. Although we do not yet know why, “there is now strong evidence that states with abundant resource endowments perform less well than their resource-poor counterparts” (Ross 1999, 2970). Perhaps rich resource endowments reinforce elite predatory behaviour and rent seeking behaviour⁶ and thereby make institutional and economic development more difficult. In any event, the capitalist-peace strategy seems least likely to prevent violence and war within the Islamic civilization or between it and the rest of the world.

Still, it might work elsewhere, in particular Asia. Bhalla (2002) has argued in more detail and more convincingly than anybody else, insisting that inequality among human beings has probably fallen since the 1970s, including global poverty. In 1980, approximately 43.5% of humankind had to survive on a single dollar a day or less in 1985. At the turn of the millennium the percentage was 13.1. This progress has been spread unevenly across the globe. Africa has done the worst. Asia was involved most in globalization and therefore has done better. Within Asia, the demographic giants China and India, where nearly 40 % of humankind live, have been most important. As they opened up, they grew much faster than in previous decades. The degree of Asian progress is most vividly illustrated by some of Bhalla’s data on middle classes. If one defines a middleclass person by a daily income between \$10 and \$40 in 1985 purchasing-power-parity terms, then the global middle class of 1960 was largely white. Only 6 percent of it was Asian. At the turn of the millennium, 52 percent of the global middle class was Asian, and its share is still growing.

The crucial question for the applicability of the capitalist peace is China. Taiwan and South Korea have recently demonstrated that Confucian civilization by itself is no permanent obstacle to democratization. In the long run, China’s rise might upset the global balance of power. Historically, the rise and decline of nations have been associated with conflict and war (Organski and Kugler 1980; Gilpin 1981; Kugler and Lemke 1996), but the close FDI and trade links between China and the West, between China and the United States, even between China and Taiwan hold out some hope for “peace by trade”.



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5.6 Possible Answers to SAEs

9. d. none of the above
10. economic development

Glossary

Donor

This can generally be said to be a person, organization or government that donates something voluntarily. For the purposes of this book, donors here refer to international aid donor, that make money, gift and other items to countries, groups and individuals in need of it.

Humanitarianism

Humanitarianism is an ethic of kindness, benevolence and empathy extended universally and impartially to all human beings. it is anchored on the principles of no discrimination in the face

of suffering or abuse on grounds of gender, sexual orientation, tribe, caste, age, religion, or nationality. It involves the acceptance of every human being for plainly just being another human, ignoring and abolishing biased social views, prejudice, and racism in the process.

End of the Module Questions

1. With specific examples, explain the role international donor organizations and institutions play in promoting peaceful globalization.
2. The 8th agenda of the Millennium Development Goal succinctly declares that global partnership is necessary to address the complex nature of economic poverty and _____
3. Explain what must be done for effective, broad-based, and inclusive partnership to exist.

Answers to end of Module SAE

2. conflict

3. For effective, broad-based, and inclusive partnership to exist. by seeking partners who represent a cross-section of the community: parents, principals, teachers, counsellors and other school staff, cultural and religious leaders, health care and human service providers, business and political leaders, staff and administrators from community organizations, and representatives from local universities and student groups. Make sure your partners reflect diverse perspectives, experiences, cultures, and levels of authority.

Module 5 (Unit 1)

Unit 1 Globalization and Peace: The UN and other Development Partners' Approach

Unit 1 Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Globalization and Peace: The UN and other Development Partners' Approach
- 1.4 Summary
- 1.5 References, Further Readings, Web Sources
- 1.6 Possible Answers to Self-assessment exercise



1.1 Introduction

For developing countries, poor productive capacity, business climate and limited access to world market hold the private sector back. In Nigeria, reforms engineered by globalization are causing many losers to swell. For example, reform of public sector is introducing wider inequalities as a result of lack of resources to kick-start a new beginning for individuals. The UN compact for action is supporting private sector involvement in the economy. The critical focus of the UN is peace in the world. There is therefore the need for an inclusive globalization that reduces poverty and inequality.

1.2 Learning Outcomes

The key objectives of this unit are to:

1. introduce students to the approaches of the UN and other development partners in the peace process of globalization
2. to highlight various measures, which has been taken to minimize conflict in the society by the initiatives of the UN; and
3. to underscore the importance of the role of the UN's in globalization and world peace, with emphasis on developing nations.

1.3 Globalization and Peace: The UN's Approach and other development partners

Since the end of the cold war, internal conflicts flourish in weak and failed states. The origins and root causes of the recurrence of the conflicts are well known. They include ethnic and tribal confrontation, lack of resources, bad governance, bad economic management and lack of adequate international assistance. When a poor African country is confronted with anarchy and chaos, how can we be sure that the international intervention is not related to political reasons without any links to the internal dispute?

Secondly, the new political conditionalities imposed by the international organizations and the donor countries, are often considered as a new form of intervention in the internal affair of the recipient countries, and globalization is a continuous process of international intervention in the internal affairs of a majority of poor and small states.

This is not a question on the need for the UN's involvement in intra-state conflicts. What is at issue are the conditions under which the UN and other international organizations should get involved. What happens when the government concerned is in existent because we are confronted by a "failed state" question? How is a failed state or an ineffective and illegitimate government to be defined? And who should authorize an intervention which is not requested by the government concerned? Several of these questions are yet to be settled if the comity of nations is to avoid being confronted by. In a failed state, **rent-seeking** is rampant. That is, an

attempt to obtain economic rent by manipulating the social or political environment in which economic activities occurs, rather than by creating new wealth. It is characterized by a near loss of control of its territory, or of the monopoly on the legitimate use of force therein, erosion of legitimate authority to make collective decisions, an inability to provide public services and to interact with other states as a full member of the international community.

The fourth principle, "Equality and mutual benefit", requires the payment of attention to sustained economic and social development. No regime can be stable without hope of a growing economy, increasing employment rate and diminishing illiteracy. The principal organs of the UN have no specific competence in the promotion of development. But they should integrate the dispersed efforts of the financial organizations and of the regional and bilateral donors to promote the reforms necessary to up-scale the principle of mutual benefit where trade development and environment issues are formulated by a wider body of global organizations. The optimists say that we need a world parliament for globalization.

The fifth principle is the most important. There can be no coexistence without diversity. Thus, the prerequisite to peaceful coexistence is cultural, economic and political diversity among nations. The dimension of peaceful coexistence implies opposition to 'uniformisation' of the planet. Cultural and political diversity belongs to humanity's heritage. It must and it can be protected by implementing the principle of peaceful coexistence.

What are the function and problems within the globalization process?

Globalization creates new challenges and opportunities for those people who are of greatest concern. These are discussed below:

- ❖ The humanitarian players - that is, the UN system and its organizations, the Red Cross Red Crescent, NGOs - are playing several roles in relation to globalization. It is monitoring the impact of globalization and helping governments to strengthen social safety nets and provide basic social services.
- ❖ The UN has continued to reinforce efforts to address the needs of vulnerable people as well as must adapt methods of assistance and do all it can to prevent additional, or new, groups from becoming vulnerable by enforcing stronger commitment to co-operation and co-ordination among States, Governments, development partners, including local civil society. The UN must also contribute to the global policy agenda to ensure that globalization moves in the right direction and supports efforts to reduce poverty and vulnerability. The International Federation of Red Cross and Red Crescent Societies is particularly well-placed to support this endeavour through its network of 176 National Red Cross and Red Crescent Societies who are in a special position to inform their governments as to the needs of vulnerable people.

- ❖ : How can we ensure participation in the globalization process? It is true that globalization can enable poorer countries to participate more effectively in the multilateral trading system. However, it is not true that these opportunities are within the reach of all countries. In fact, only a handful of developing countries are really in a position to participate in the process and benefit from the new opportunities. Only about twelve developing countries account for some 70% of exports from the developing world and they receive more than 90% of the investment flowing from developed to developing countries. These countries are mainly located in Latin America and Asia - none of them in Africa. There is a real risk of exclusion and further marginalization of countries and people. This is cause for real concern within the humanitarian agencies and this particular concern is currently being addressed at the UN Conference on Least Developed Countries (LDCs).
- ❖ Humanitarian players need to advocate forcefully in favour of inclusion for these least developed countries. The International Federation believes that more countries can take advantage of globalization if the international trading system is based on equitable trade rules, transparency and reduced trade barriers. The new WTO Round has planned to address any further inequities in international trade regime. It is vital that all countries have a say in setting the agenda for the new Round and its implementation. The poorer countries should seize that opportunity to influence the terms of international trade. And we must be ready to facilitate their participation, to enable them to make necessary adaptations and take advantage of new trade opportunities.
- ❖ We need to place increased emphasis on capacity building and the transfer of know-how to poorer countries. It is not only the countries which need better access. Vulnerable people need a stronger voice within the international system in order to make their concerns heard by governments and the institutions that manage the multilateral economic system. Over the last years, we have often seen vulnerable people and their advocates show their resistance to economic globalization. This debate is legitimate but our objective should be to get it off the streets and into the boardrooms and assembly halls where it belongs. Civil society should be included more consistently in the globalization processes. Humanitarian Agencies can - and should - contribute to the strengthening of local civil society. For the Red Cross Red Crescent Movement, the strengthening of local capacities and local civil society is a necessary and important feature of our operations. Here is another question which could be examined together: How can we encourage a better balance between economic growth and social progress? Increased export income does not necessarily improve the situation of vulnerable people.

The distribution of new wealth and opportunities is often less than equitable, and can create new vulnerability and exclusion on the contrary. We need to seek an improved balance between economic efficiency and economic equity.

The UN Millennium Summit agreed to reduce by 50% the proportion of people who live in extreme poverty by 2015. It is supporting world governments through the UNDP in their fight against poverty and through strengthening governments' poverty reduction strategies (PRSP). A deeper consultation with civil society can help adjust strategies to better meet the challenges of ensuring that poverty reduction becomes a reality. Structural adjustment is often necessary for poorer countries if they are to take advantage of globalization. There is, however, often a lack of consistency between macro-economic objectives and the national poverty reduction goals. It is a challenge to help governments carry out the needed liberalisation of their economies in a manner that does not create or enhance vulnerability. The humanitarian actors have already seen the emergence of new vulnerability in this context in Asia and in Eastern Europe. The International Federation's programme for helping people survive the winter in Russia is now a sad and regular feature of our annual appeal. When new needs occur, humanitarian actors must adapt their programmes and activities. But we also possess extensive knowledge on how, and why, vulnerability increases and would be pleased to advise concerned governments and institutions. The next question is how to include the countries engaged in a constant fight against disaster and disease? Health problems are a major impediment to development and to globalization. The detrimental effects of poor health on school attendance and productivity are well known. A London School of Economics study estimates that controlling malaria in parts of Africa would lead to a 20% increase in GDP over 15 years. The economic effect of the HIV/AIDS pandemic is devastating. In the most affected African countries, new problems are emerging - a smaller workforce, a lack of teachers, a large number of orphans and impoverishment in order to pay for the indispensable treatments. Increased market access will not benefit these countries unless we first help them fight HIV/AIDS. In addition to maintaining a consistent focus on HIV/AIDS, which is one of our priorities, the International Federation advocates strongly for improving vulnerable people's access to affordable drugs. When natural disasters strike, decades of development are destroyed. The countries most prone to natural disasters need assistance in order to strengthen their disaster preparedness. The International Federation assists governments in responding to disasters, and reduces vulnerability by building local capacity for preparedness. A major challenge remains to

be addressed. What does globalization mean to countries in almost permanent crisis, conflict, civil war, or for failed states? It is difficult to preach the advantages of globalization to the citizens of countries like the Sudan, the Democratic Republic of Congo, Somalia, Afghanistan, and Tajikistan. We all know that peace, security and political stability are prerequisites for a sound economy. No strategies have yet emerged to help these countries reap any benefits from globalization. A stronger global commitment to conflict prevention, conflict resolution and peace building is needed.

There is huge encouragement by the Brahimi report, that sets out how the UN's contribution in this area can be strengthened. Humanitarian actors should promote sustainable peace through a strong focus on post-conflict reconstruction, and programmes to facilitate demobilization and reintegration.

- Play a key role in rebuilding local economies after civil conflict (in the form of small enterprise and cooperatives).
- Local-level mechanism to tackle threats and exploit the economic opportunities.
- Reconstruction and rehabilitation of local infrastructure.
- Reintegrating returnees.
- Restoring essential services in such areas as health and education.
- Build capacity among stakeholders in the local economy-articulate their interests, organize themselves, plan, implement and supervise economic initiatives.

The Impact of Other Development Partners: Recent Experiences of BMZ and GTZ with Country Studies on Conflict Transformation and Peace Building

Since November 2000, the German Ministry for Economic Cooperation and Development (BMZ) has established a sector programme on “Crisis Prevention and Conflict Transformation in German Development Cooperation” at the German Agencies for Technical Cooperation (GTZ). The programme has the task to **mainstream peace and conflict know-how** to the major German governmental and non-governmental institutions of development cooperation. The task includes knowledge management and distribution, the development of methodological know-how –with regard to conflict analysis, peace and conflict impact assessment, portfolio analysis and related methods – as well as **exemplary work in a number of conflict-ridden countries world-wide**. It is in this context that conflict studies are being carried out for 16 countries in all regions of the world.

Elements of the Country Studies

All of the studies were mandated by the Ministry or GIZ, and coordinated with other key German development organizations active in the particular region. This means that all of the

studies have a specific focus and partly different tasks. Nevertheless, due to the fact that they also serve as case examples for conflict transformation and peace building approaches by

German development cooperation as testing grounds for the developed methodologies, all of them have a few key features in common. Each study is based on a thorough conflict analysis which includes elements such as an in-depth political analysis, assessment of root causes, and stakeholder analysis of impacts, dynamics and scenarios. Each study also includes an analysis of the present portfolio of Technical Cooperation projects and programmes with regard to its impact on the conflict as well as the impact of the conflict on them (PCIA). It also tries to strive for greater complementarities and coherence among donor efforts by linking up German efforts with the activities of other donors. Box 1 gives an overview of methodological elements of the studies.

Finally, each study contains strategic and political recommendations directed at the Ministry for Economic Cooperation and Development as well as the German development organizations and proposals for steps with which projects and programmes can more professionally contribute to peace and development in the respective country.

Implementation of Country Studies

The country studies were commissioned by different institutions: while in the first round, the BMZ sector desk dealing with peace building chose six countries as a test and focus for crisis prevention and peace building.

All studies were carried out by **mixed teams**, mostly composed of GIZ team members of the crisis prevention and peace building team, an external consultant with regional or additional subject-matter know-how and a local consultant. Usually, GIZ personnel in the respective country was intensively involved; personnel of other German development agencies (e.g. KFW, DED, ZFD, the political foundations) was in many cases also involved, as were other international development agencies. The involvement of human rights experts in a few cases, particularly in Latin America, proved to be very helpful. In some cases, studies were carried out in close international alliance and exchange (e.g. the two conflict assessments for Nepal carried out by BMZ/GIZ and the Swiss DEZA).

In all cases, the assessments followed a four-phase design:

- a) analysis of background material (documents by peace researchers, project files etc.) – usually of several weeks' duration;
- b) discussions with staff of different institutions involved in the respective country – individually and partly in a round table context;

- c) in-depth country analysis of mostly three-week length, usually in combination of staff workshops, informant interviews and regional assessments;
- d) final round tables with German institutions on the basis of draft studies.

Many of the studies were published and offered to a larger audience, while some others were used as internal documents for the institutions involved.

Most of the conflict assessment had significant results on either one or several of the following levels: the development policy level – the conceptual and strategic level of Technical Cooperation – and the operational project level. They thus attempted to provide a guideline and road map for further decisions by the German government and its diverse institutional landscape with regard to the integration of the conflict prevention and peace building issue into existing development policies and programmes. In a few cases, such studies were also aimed at giving guidelines towards new programmes to be developed (e.g. Caucasus, Afghanistan).

Conflict assessments have been instrumental in shaping German development policies – especially for Technical Cooperation – towards the respective partner country. In Nepal and Guatemala, for example, some of the key issues of the studies were taken up in the bilateral negotiations and became part of the official German policy towards the country. In the Zimbabwe case, the study became a key input in the government's policy towards support of international and national NGO's.

Such assessments have also supported policy makers in taking up key issues of conflict prevention and conflict impact assessment. For example, in the case of Nepal the study had indicated a clear need to make a sound assessment of one major investment in the context of Financial Cooperation. As a consequence, KfW, the German Bank, commissioned a major impact assessment of their project in the power sector, as a result of which some policies were changed.

Conceptual and strategic level (Technical Cooperation)

Conflict assessments have in some cases served useful purposes in practical donor coordination and coherence. For example, the Nepal country study was instrumental in furthering practical cooperation between GIZ and the Swiss Development Cooperation DEZA (sharing of results of assessments, shaping common policies), the British DFID (establishment of a common security office) and UNDP (contribution of GIZ towards a UN-managed peace fund). In the case of the Colombia assessment, substantive round table efforts by the German Government before and after the study significantly furthered the cooperation among the many German governmental and NGO actors.

Furthermore, conflict assessments have been supportive in redrawing the project portfolio of German Development Aid in the respective partner country. This has been most prominently the case with regard to Technical Cooperation projects. In Sri Lanka, for example, the assessment and planning work was helpful in focusing the German contribution on a new sector “conflict transformation and peacebuilding”, and refocusing work in the traditional sectors of education (e.g. curriculum development of education for peace) and economic promotion (strengthening business contributions for peace). In Guatemala, a sector programme “conflict transformation and peacebuilding” was developed with a strong focus on reconciliation work, strengthening mediation capacities and peace alliances, and supporting institutional development and police reform in the context of gender-related work – all of these aspects related to the peace building efforts under the UN MINUGUA assignment.

Operational project level

On an operational level, the involvement of in-country staff in conflict assessments was a major sensitization and capacity building effort in itself. It became very obvious that after such studies had been carried out, German expatriates in general started to deal more seriously and professionally with the complex issues of crisis prevention, conflict transformation and peace building and intensified their networking efforts with other development partners.

Besides, these studies were instrumental in a number of cases in refocusing project-specific approaches or components so that their impact on crisis prevention or peace building efforts became more significant. In general, it showed, however, that the studies were more policy-oriented and thus were not the means to deal with detailed operational issues.

Self-Assessment Exercises 1

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

1. Since the end of _____, internal conflicts flourish in weak and failed states. a. September, 11 attack; b. the cold war; c. Covid 19; d. None of the above.
2. _____ is rampant in a failed state. a. development; b. rent-seeking; c. justice; d. none of the above



1.4 Summary

Till now, conflict assessments were carried out in 16 countries within the past two years, with a particular focus on Africa and Asia. Further studies on East Timor, Nigeria or Angola are under preparation. While systematic efforts to extract and consolidate the major lessons learned have only begun, a few major conclusions have already been drawn. The instrument of country studies has overall served extremely useful purposes both with regard to the generation of knowledge and experience in crisis prevention and peacebuilding in general and with regard to support for the German programme portfolio in the respective country itself. It has become a means to develop a thorough and systematic insight into the dynamics and perspectives of conflicts and the positioning of GIZ within this constellation of conflict and economic development. Even more than that, conflict assessments on a country level have been a decisive methodological means to influence country policies and have helped to make project.

Conflict assessments can become important means to further the coherence among different actors in development cooperation. There is potential to do so on two levels:

(a) Nationally between different institutions such as different ministries: Technical and Financial Cooperation, and the NGO sector; b) internationally between different bilateral or multilateral donors. In practice, however, it has shown that the strife for cooperation and coherence demands intensive and persistent efforts on both levels. The political as well as institutional interests of different actors in many cases work against cooperation. Nevertheless, there have been encouraging signs of greater cooperation, synergy and coherence between actors such as – nationally – GTZ and the political foundations (such as in the case of Afghanistan), Technical, Financial and Personnel Cooperation (such as in the case of Yemen) or – internationally Germany and Switzerland (such as in the case of Nepal). International cooperation in major evaluation studies such as the ongoing DFID-led review of peace operations or the co-evaluation of the last five years of peacebuilding efforts between the countries are an encouraging sign and foundation for more coherence in the future.

It has become evident in the context of the country studies that the respective government or state in many cases is a conflict actor. The state can be a conflict actor either through creating the root causes of conflict (political and economic marginalization, instrumental sing ethnicity and regionalism, denying access to or abusing conflict resolution mechanisms like democracy,

etc.) or by being a combatant through the instruments of the army, police or paramilitary (although one must be careful not to conflate the government with the army, since they may have different interests). Saying that the state is a conflict actor is not a value judgment in itself, since the state is defined by being the only actor which can legitimately use violence and which may protect its monopoly over violence against internal or external aggressors. The governments of Sri Lanka, Georgia and Azerbaijan argue that they must prevent secessionist movements from breaking up the sovereign state. The governments of Uganda, Nepal, and Chad argue that they must protect their populations from violent rebels. It is not within the mandate of development organizations to place a value judgment on these arguments, i.e. to judge whether the choice to use violence in these cases is legitimate or not.



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1.6 Possible Answers to SAEs

1. b. the cold war.
2. b. rent-seeking

MODULE 5 (Unit 2)

Unit 2 The Role of National Governments in the Promotion of Peaceful Globalization

Unit 2 Structure

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 The Role of National Governments in the Promotion of Peaceful Globalization
- 2.4 Summary
- 2.5 References, Further Readings, Web Sources
- 2.6 Possible Answers to Self-assessment exercise



2.1 Introduction

The very purpose of globalization is to evolve networks for global capacity-building in trade, institutions and resource-sharing among countries and for the benefit of all. But while the networks for increasing interdependence are expanding the benefits that accrue to weak countries by it leaves much to be desired. Globalization is something that takes place within and across countries. For example, the way MNCs operates in particular country can be influenced or regulated to respond to corporate social responsibility (CRS). It can also encourage or compel them to implement good labour practice that meets international best standards or the international labour organization (ILO).

In this unit, we shall examine what the role of government should be in globalization and quest for peace.



2.2 Learning Outcomes

The purpose of this unit, therefore, is to:

1. introduce students to the idea that national governments have roles to play in the promotion of global peace; and
2. help student appreciate the role of national governments must play in crafting peaceful globalization process; and



2.3 The Role of Governments in Peaceful Globalization

Rapid integration of the world economy through increased trade and investment has been fuelled by new technologies, the spread of information and the growing importance of knowledge-based industries. This also provides the potential for opening up new avenues for human development. The development of vast markets for the exchange of goods, allowing countries' growth to no longer be limited to domestic demand, and the possibilities of flows of international capital to complement domestic resources, have provided great opportunities for many nations. Yet, despite the fact that these changes have brought unprecedented improvements in human living conditions, they have also brought in or wake up new challenges and uncertainties. Increasing dependence on the exports of goods or import of capital to finance national development makes a country vulnerable to the uncertainties of markets. For poor countries, the consequences can be disastrous.

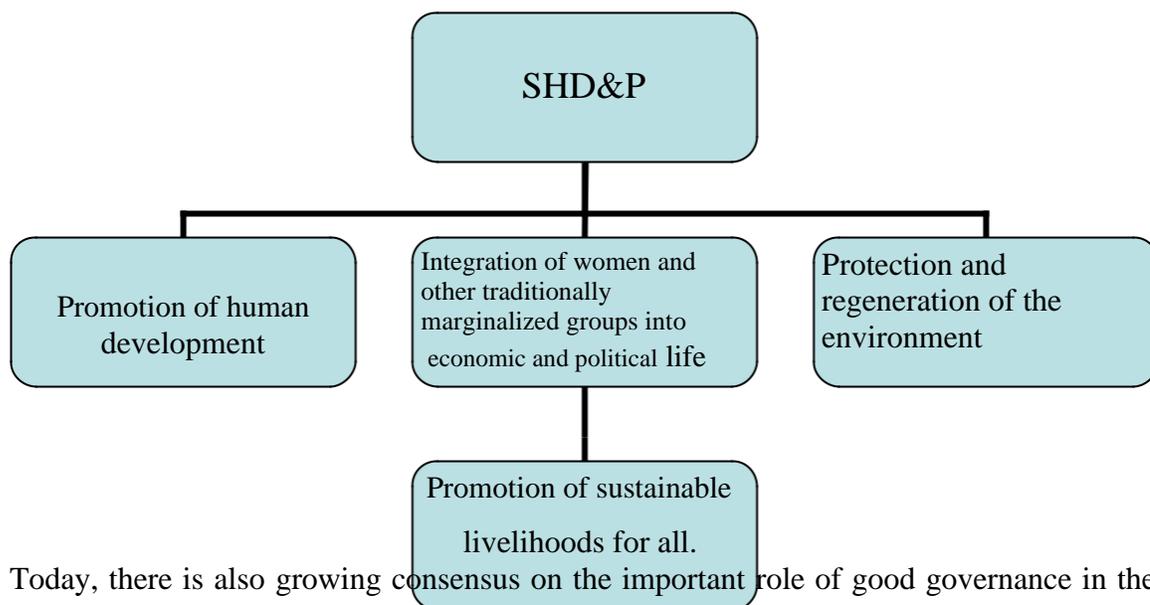
Consider for a moment South East Asia, where after decades of growth coupled with poverty reduction, but witnessed a crisis of epidemic proportions; a crisis which has momentarily reversed the significant social and economic gains made by many countries in the last half of 20th century. Therefore, an essential part of the UNDP strategy is to assist nations and governments to take advantage of the new global environment while at the same time reduce their vulnerability to external shocks and provide a secure environment for the most vulnerable members of society. The challenges arising from global economic integration facing nations today are further compounded by an increased globalization of social problems.

Firstly, the rise in organized crime, international trade in illicit drugs, the spread of infectious diseases and the migration of labour are all social problems that today touch most every community in the world, from mountainous villages in Afghanistan, to pastoral communities in southern Africa, to the cities of North America. As such they pose formidable challenges to nation states.

And, in yet another challenge, it has become clear that the very same revolution in information and communication technology that has fuelled global economic and social integration may also lead to greater marginalization among large segments of the world's

population. Millions today lack the knowledge necessary to join a global economy requiring advanced technological know-how and capabilities. But the state has a critical role to play. It is the role of the state to dedicate the financial and human resources to ensure that the poor will have equal access to the technological know-how needed to join a knowledge-based economy and thus integrate effectively into the global economy. It is also the role of governments to shape the process before them. As driven by technology and market processes, globalization is in itself indifferent to human, cultural and environmental values, not to mention equity and fairness. As these values are beyond the caring of markets and technologies, it then becomes the role of people organized as governments, in civil society organizations and in their commercial enterprises to inject these values into the globalization process. Thus, the role of governments, acting alone or in concert with other governments, is indeed more important in a world moving towards global economic integration than it was in the past. It is now up to governments, and to civil society, to make the rules for the road ahead; to ensure that globalization lessens poverty rather than deepens it; that it regenerates the environment rather than destroys it; that it empowers people rather than marginalizes them; and that it protects the weak rather than discard them. And at the international level, it must be the role of the United Nations to lead this process and to provide avenues for nations to find the solutions on how best to meet the opportunities and challenges of globalization and to ensure that the road ahead incorporates those values we would wish it to manifest. Only then are we assured that globalization will bring benefit to us all.

The work at the international level to reshape the global financial architecture and make it more responsive and accountable to new and emerging needs must be accompanied by the development of strong national policies to eradicate poverty. As you know, at UNDP, the primary goal is to provide support to developing countries and transition countries in their efforts to eradicate poverty and effectively promote sustainable human development and peace. There is today widespread agreement that in order to successfully meet these goals, governments of nations must respectively address a number of social and economic development concerns, which, when met, all converge to form a foundation for sustainable human development (SHD&P). These include, among others: (i) promotion of human development; (ii) integration of women and other traditionally marginalized groups into economic and political life; (iii) protection and regeneration of the environment; and (iv) promotion of sustainable livelihoods for all.



Today, there is also growing consensus on the important role of good governance in the promotion of sustainable human development. No single individual can achieve good governance in a country. Similarly, national governments alone can achieve good governance and in collaboration with others. Increasingly, development practitioners, political leaders and economists agree that it is, to a large degree, the political environment that determines whether development can be effectively promoted and sustained over time. As a consequence, country requests for UNDP development assistance increasingly involve activities aimed at promoting good governance and, thus, the creation of an enabling environment for sustainable human development.

It has become increasingly clear that some of the major fault-lines of globalization that led to the current economic crisis lay in a failure of governance at both the national and international levels. Therefore, requests for assistance from UNDP involves public sector reform efforts which have as their explicit goal better access to global markets through the reorientation and restructuring of both civil services and public sector organizations. Furthermore, to ensure competitiveness in a global economy, governments have realized the need for more flexible, dynamic and responsive public and private sector organizations. More complex structures require improved management systems, strategic human resource development, better economic and policy management, and stronger financial control.

A crucial element of public sector reform in many developing countries involves the strengthening of macroeconomic management. To support these efforts, UNDP has provided assistance for projects in economic policy analysis and management, budgeting, customs administration, national accounting systems and the preparation of regulatory frameworks conducive to trade and private sector investment.

Too often in the past in this area, means were confused with ends: budgetary techniques or public sector reform was conceived as ends in themselves rather than as means to more sustainable, equitable and democratic growth. We failed too often to recognize that strengthening institutional infrastructure is of paramount importance to the promotion of sustainable development. In supporting public sector reform in developing and transition countries, UNDP seeks to ensure that issues of poverty are not left by the wayside as reform measures are implemented. This was the case in Guyana in the early 1990s, where it was requested that UNDP provide macroeconomic management support in the formulation of an economic recovery programme. UNDP assistance led to the finalization of a comprehensive reform programme that attracted nearly \$20 million in donor financing. The reform programme was innovative for its time, laying out a coherent set of cross-sectoral proposals for strategic public sector reforms accompanied by analysis and policy advice to address the social impact of reform measures.

Likewise, UNDP is providing support to developing countries to prepare the terms of their accession to the World Trade Organization, analyse the potential impact on their economies and reform their legal and regulatory frameworks. We are also providing assistance to help strengthen the negotiating capabilities of developing countries in order to enable them to participate effectively in future international negotiations on trade, investment and capital flows.

The debt crisis of the 1980s left numerous developing countries severely weakened and many were unable to seize the opportunities that emerged as the movement towards global economic integration hastened in the early 1990s. The consequences of the debt crisis are still felt in a number of countries where governments are forced to devote far greater resources to debt payments than to the social and economic development needs of its countries. And yet, some are still not able to fulfil their debt obligations. UNDP has worked closely with UNCTAD and the World Bank on efforts to improve debt management in developing countries. In so doing, we have found that better debt management not only strengthened macroeconomic management capabilities, but also often made available to governments the data necessary for effective negotiations for debt rescheduling and relief. Strengthened debt management has also facilitated the formulation of sustainable strategies for domestic and external borrowing, both essential factors in enhancing developing countries' access to international markets and finance.

The need for transparency and accountability in political and economic decision-making has been reinforced by the current global economic crisis. Indeed, this crisis has taught us that transparency in political and economic affairs is an absolute necessity in a global economy. In many Asian countries, efforts are currently under way to ensure greater openness in decision-making processes in order to prevent the emergence of future imbalances and instabilities in national capital accounts and private finance. The UNDP Programme for Accountability and Transparency (PACT) is an initiative that supports the establishment and improvement of financial accountability and management systems. The programme provides support to projects aimed at building and strengthening national capacities to develop and implement comprehensive anti-corruption reform strategies in developing and transition countries.

The UNDP governance programmes aim not only to strengthen governance institutions and processes at the national level, but also to enhance local governance, private sector management and civil society participation in decision-making processes. In fact, the holistic view of governance has been reinforced by the forces of globalization as they have illuminated the needs not only for stronger governance at the national level in many developing countries, but also for strengthened governance at the local level and among civil society organizations.

Also, an important part of UNDP efforts to help strengthen governance in the development process has involved efforts to encourage close synergy between the private sector and the government. An example is the UNDP initiative in Morocco that provided support to a government project to encourage small and medium size enterprise development as a means of decreasing regional disparities and high unemployment. The project instituted local support and training facilities, new investment regulations and resulted in significant increases in investments.

Many of the UNDP governance programmes specifically support capacity building efforts aimed at strengthening developing nations' abilities to operate within the context of globalization. Recently, we joined forces with UNCTAD to launch a technical cooperation programme to enable low-income and least-developed countries to benefit from globalization while avoiding its negative consequences. The main objective of the programme is to strengthen national capacities to formulate and implement macro-economic, trade and enterprise development policies while keeping in mind broader sustainable human development policy objectives. The programme also provides a financial window for ensuring the follow-up to the high-level meeting on Trade and Trade Related Issues for the Least Developed Countries, organized last October by the World Trade Organization in cooperation with other partners.

Over the past two decades, globalization has brought tremendous opportunities along with serious challenges to many countries around the world. Many developing countries were able to benefit greatly, experiencing high economic growth rates and significant reductions in poverty among its people. Other countries, however, saw their economic opportunities diminish.

Self-Assessment Exercises 2

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

3. Rise in organized crime, international trade in illicit drugs, the spread of infectious diseases and the migration of labour are all social problems that have been fuelled by globalization. a. True; b. False.
4. A crucial element of public sector reform in many developing countries involves the strengthening of _____ sector. a. macroeconomic; b. non-economic; c. agricultural; d. manufacturing



2.4 Summary

Globalization has now come to a close with an economic crisis spreading rapidly from one country to another, leaving in its wake economic turmoil and social despair. There are, however, some signs of recovery in Asia. These signs are still vague and much can happen, for the good or bad, in the coming months. But as we look towards the next chapter of globalization, we must incorporate the lessons learned from this crisis and from our experiences over the past few years.

Globalization in the future must contain a commitment to equity, ensuring that all developing countries, including LDCs, may participate and benefit from global economic integration. The following priorities must be fulfilled: (i) debt relief and stability of financial systems must be realized for the poorest nations; (ii) better market access for the products and commodities produced by the least developed countries must be ensured; (iii) measures to realize full transparency and accountability in international economic and financial affairs should be vigorously pursued; and (iv) the commitment of developed countries to international development cooperation must be renewed and ODA increased for the least developed countries.

Above all, every effort must be made to support developing countries and transition countries around the world to strengthen good governance and build enabling environments for sustainable human development. The phenomenon of globalization is a closer integration of the countries and peoples of the world which has been brought about by enormous reduction of costs

of transportation and communication, and breaking down artificial barriers to the flows of goods, services, capital, knowledge, and to lesser extent, people across borders (Stiglitz 2003).

If breaking down barriers for the flow of goods and services is the case, to what extent have goods and services from developing countries penetrated the advanced industrialized world? It has certainly not penetrated much as done the advanced economies to weak states. The developing world has often criticized the advanced economies for closing their ports and instituting tough tariffs on the goods coming from developing economies. The excuses from the developing states have always been that apart from the fact that its qualitative goods are more satisfying in value than those of their counterparts, some cases of not wanting to do business with developing states is borne out of rigorous transaction costs and complicated procedures at the ports. Trade imbalance lowers the Growth GDP of developing states as much as increase poverty and instability in their regions.

In the recent past, however, the World Bank and the IFC are working with national governments to build capacities in trade facilitation for countries through efficient customs reform to benefit both ends. The trade facilitation through customs reforms believes that clearer openness at the multilateral and bilateral levels are important to equity and peace in the globalization process. In specific terms, the World Bank/IFC concerns are that there should be internationalized practices that would provide uniform practices, especially in the areas of

- collection of revenue
- availability of national Trade Data that is easily accessible.
- frontline philosophy of protecting the society from dangerous goods, and arms deal.
- guaranteeing a “level playing field” for trade and commerce by preventing economic distortions
- Facilitate legitimate trade, and
- Providing cornerstone for civil society and good governance.

The methodology involves an overall assessment of the “ease of doing business” across countries and building capacities in places where it is relatively difficult in terms of tough regulatory and process regulatory regimes respectively. For peace and stability to be enthroned in developing countries, globalization processes must have to be reformed through trade practices between advanced and weak economies. Government must also build initiatives that establish integrity into customs to curb corrupt practices such as misclassification of goods, over-invoicing, smuggling, concessionary rates in tariffs due to their origin, appropriate routes of origin etc. However, geography and level of infrastructure development including the frequency of transport are the limiting factors to the rate at which trade customs regime can be reformed.

Globalization is intended to benefit the world by sharing global resources and opportunities. Instead, it has created and increased inequality between the advanced and developing economies. Trade imbalances of unequal dimensions are raging on. Meaningful technology transfer on trade is not taking place from developed to developing economies, except those developing countries are dumping grounds for its goods and services. But the way goods and services enter and leave a country matter in terms of GDP and growth rate including poverty reduction, then, peace and prosperity.

For that purpose, Governments must build capacities in import/export regulatory regimes for countries so as to provide fair level playing field through customs reform strategies inclusive of fair revenue collection, accessibility of informatorily ICT, anti-smuggling procedures and values that protect society from undue exploitation and dangers of consuming goods and services. However, the extent these can be done depends on the level of infrastructure and government's willingness to curb corruption.



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2.6 Possible Answers to SAEs

1. b. the cold war.
2. b. rent-seeking

MODULE 5 (UNIT 3)

Unit 3 The Role of Africa’s Regional Organizations in the Promotion Peace and globalisation in Africa: The Experiences of Economic Commission of West Africa States (ECOWAS) and South Africa Development Commission (SADC)

Unit 3 Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 The Role of Africa’s Regional Organizations in the Promotion Peace and globalisation in Africa: The Experiences of Economic Commission of West Africa States (ECOWAS) and South Africa Development Commission (SADC) Examined.
- 3.4 Summary
- 3.5 References, Further Readings, Web Sources
- 3.6 Possible Answers to Self-assessment exercise



3.1 Introduction

Globalization and Peace has to do with pursuing global regulations and global justice (Falk 2000). It is about redressing and redesigning the imbalances that international bureaucrats have caused in the new phase of globalization process, especially in developing countries through their policies at the levels of World trade Organization (WTO). As Stights (2003) observed, virtually every major meeting of the international monetary fund (IMF), the World Bank (IBRD) and WTO is the scene of conflict and turmoil, arising from protests and demonstrations of some sort. To address these conditions, both multi-laterals, regional-multi-lateral and bilateral initiatives are important. Regionalism, cross-border movement and trade are important faces of the same coin in the new globalization process. For globalization process to engender peace, regional integration constitutes an initiative that must not be ignored. In this unit, we examined the importance of regional integration as an entry-point for globalization and peace.



3.2 Learning Outcomes

The purposes of this unit are:

1. to underscore the theoretical paradigm of regionalism in globalization process;
2. to examine the importance of regional integration in globalization process; and
3. to show the ECOWAS and SADC experiences in utilizing regional integration to mitigate the ills of globalization and thus enthrone peace in the West Africa sub-region.



3.3 Globalization and Peace: The ECOWAS and SADC Experiences

Globalization is about opening up, and for economies to interact and interface. But fear exist that opening up may swallow existing structures in recipient countries. The drastic changes and the often-shocking effects of opening up have been addressed by trade agreements (e.g. GATT)

among nations. These agreements have established significant guidelines and regulations intended for fairer trade. However, problems arise when powerful transnational companies and rich countries ignore the established rules. In addition to the problems, fair trade seems impossible because the institutions (e.g. WTO) established to advocate for fairer trade are instead biased in favour of the self-interest of rich countries and powerful corporations. The problem with globalization is not however to be blamed exclusively on those external factors that have been mentioned.

The lure of regionalism is a measure of co-operation and integration as well as a method of advancing a region's shared political, economic, peace and security interests. This has had profound effects on the foreign policies of African countries. The idea is not entirely different from the ideas of the European Union (EU), the Association of the South East Asian Nations (ASEAN) etc. The wisdom is that such collaborative efforts will serve as the building blocks of a future African Economic Community, as well as an African Union.

This unit explores the experiences of SADC and ECOWAS, prominent African sub regional organizations with a view to assessing efforts at promoting economic development, peace and security. Globalization erodes the capacity of the state to pursue broad-based projects and undermines and transforms international relations. This leads to the 'new security dilemma' with the state system becoming the key source of insecurity in the contemporary world. The search for security increasingly involves the resort to different forms of exit from the system. State-centric regional co-operation thus becomes critical. The experiences in Africa suggest a call for a more modest expectation of what regional integration can realistically achieve.

Even if this is true, some questions remain:

- Are such arrangements effective in today's climate of globalization and the concomitant marginalization and exclusion from development prospects?
- How well prepared and appropriate are economic co-operation projects in managing security threats inside and across borders?
- When disagreement turns into violent conflict, can such regional institutions intervene to bring peace and repair the damage.

Co-operation between countries in specific geographic areas, whether in economic or security and peace matters, is an ambition that resonates strongly in the minds of policymakers.

The arguments in favour of regional co-operation are simple and elegant: it can strengthen the efforts of countries to manage relations with powerful external actors and can facilitate the expansion of markets that will aid industrialization in turn. The ruling élite continue to believe in the fruits of such co-operation, despite the patent inability of many such experiments to deliver tangible results. Their belief has been strengthened by the post-Cold War (and post-new international economic order) academic ‘discovery’ of a new form of regionalism — a multidimensional form of integration that includes economic, political, social and cultural aspects, thus going beyond the goal of creating region-based free trade regimes or security alliances.

The focus now appears to be on the political ambition of establishing regional coherence and identity. As Hettne and others argue, several features distinguish the ‘new regionalism’ from the old: current processes of regionalization occur more from ‘below’ and ‘within’ than before. Not only economic, but also ecological and security imperatives push countries and communities towards co-operation within new types of regional frameworks. The ECOWAS AND SADC have achieved these. More than anything cross-border movement of people, trade, It is also a belief that such interaction can foster relationship between/among countries, thereby absorbing the threats to peace and stability.

Public Policy is increasing approached at the regional level, where, despite different national norms and traditions, historical ties of cooperation have developed. The European Union (EU), for example, is built on the principle of delegating national sovereignty and pooling resources to pursue common objectives and interest that are relevant to the goals of globalization. Gareth Evans (2002) argued that regional institutions, despite the faith that has been invested in them as source of peace and security problems, have not been able to play significant role in addressing those problems. However, he noted that there are positive reports from the experiences of the EU and Association of South East Asian Nations (ASEAN). The same can be said of OSCE in finding political and structural solutions for ethnic-based grievances in the post-Cold War Europe, the organization of American States (OAS) and the Africa Union (AU). The ECOWAS in particular and the SADC in general have given account of themselves in resolving regional conflict and establishing critical frameworks for peace. There cannot be economic prosperity without peace and stability.

Self-Assessment Exercises 3

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

5. Stights (2003) has observed that almost every major meeting of the International Monetary Fund (IMF), the World Bank and WTO is the scene of conflict _____. a. protests; b. demonstrations; c. turmoil; d. all of the above.
6. There is need for cooperation between countries in specific geographic areas, whether in economic or security and peace matters. a. True. b. False



5.4 Summary

Not only has the continental body, AU, been evolving solutions to security problems around the continent, the regional bodies, such as the South Africa Development Commission (SADC), ECOWAS etc have played significant roles in Economic & Political peace building in the age of globalization. Economic globalization is not a cause of continued poverty in Africa but rather an important part of the solution to it (Gondwe 2001). If properly conceived, regionalism offers many advantages for helping African countries overcome the obstacles they face.

Closer trading links among the ECOWAS has helped in no small measures strengthening their capacity to participate in world trade. Not only are national policies harmonized, larger markets, lower transaction costs, production and distribution are made possible. In addition, common currency regime, infrastructure, legal and regulatory reforms can create conditions of wealth and prosperity for regional blocks. Such benefits automatically become pre-requisite capacities to take part in global competitive arenas. The ECOWAS regional block has gone deep

in enjoying such opportunities; for example, It has a common Bank – the Ecobank, common passport and trade access. It is building a link-road that connects all ECOWAS via major cities. However, it is yet to accomplish common currency regime. The real challenge lies in the absence of political will and suspicion among the governments of such states, such as Nigeria will enjoy over-bearing dominance and influence for more than other states in the subregion.

Regionalism or regional integration has become an important part of globalization process. Regionalism has the capacity to provide entry-points for countries that seeks to benefit from globalization. Through regionalism, a group of countries can enjoy market access, harmonization of export/import opportunities, removal of barriers that relates to trade, licensing procedures, customs procedures, tax, movement of persons and goods etc. The cases of EU and ASEAN have shown significant success in the face of monitoring scepticisms of regional integration.

The ECOWAS has made significant achievements in the areas listed above, especially in the areas of migration – which comes in the centre of disagreements among countries. Information, commodities and money now flow rapidly across national boundaries in the West Africa sub-region – a phenomenon often referred to as globalization. Such opportunities are dangerous if not reasonably regulated to exterminate illicit drug, arms and human trafficking. It has potential to enhance peace and stability when people are given access, opportunities to trade and enjoy profits and property rights. Many experiences during those 25 years have demonstrated the importance of regional integration in different parts of the world. It is indeed vital that the States and peoples of each region should help each other, as they face the multiple challenges of exercising sovereignty and defending their interests in an age of globalization. In a region as large and diverse as Africa it is clear that subregional integration, achieved through such groupings as ECOWAS and the Southern African Development Conference, is a crucial first step.

Among the challenges that we West Africans face, none is more urgent than that of establishing and maintaining peace and security throughout the subregion. If we need to reminding of this, recent events in Sierra Leone have come as an all too cruel reminder. The achievement of ECOWAS in restoring democratic government to that country, through its military arm ECOMOG, is currently threatened by the non-cooperation of one of the parties to the Lomé Agreement and by its wholly unacceptable detention of United Nations peacekeepers.

Our most urgent task in these circumstances is to obtain the immediate and unconditional release of those detainees, and to prevent further threats to the security of the population and the authority of the Sierra Leone Government. Thereafter we must resume with all possible energy

the quest for a peaceful and lasting solution based on universal principles of democracy and justice. In that quest, ECOWAS will continue to play an indispensable role.



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5.6 Possible Answers to SAEs

- 5. d. all of the above
- 6. a. True

MODULE 5 (UNIT 4)

Unit 4 Globalization and Peace: The African Union (AU) Experience.

Unit 4 Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 **Globalization and Peace: The African Union (AU) Experience.**
- 4.4 Summary
- 4.5 References, Further Readings, Web Sources
- 4.6 Possible Answers to Self-assessment exercise



4.1 Introduction

Globalization is multi-faceted, affecting all aspects of a country's and then people's lives, economic, cultural, environmental and social. Although globalization has contributed to growth and wealth in recent years, it has not done so for all continents and all countries. Africa is believed to be the poorest continent in the world. Yet it has the potential to escape poverty. But development is for a country that seeks it. No other country can wholeheartedly develop another. "Man is the architect of his own future" For that reason, ownership is imperative in the age of partnership for development. Within the scope of ownership and self-motivated initiatives, the Africa Union (AU) is currently undertaking policy priorities that engender Africa's integration in the globalization process through the New Partnership on Africa's Development (NEPAD). In this unit, we examined these policy priorities and how Africa is gradually becoming a "continent of hope".



4.2 Learning Outcomes

The purpose of this unit is to:

1. underscore the importance of continental initiative in promoting development for peace and stability.
2. examine specific initiatives being undertaken by the AU in Peace-building and stability in Africa, and
3. understand how various countries are adapting these into their national development plans initiatives.



4.3: Globalization and Peace: The African Union (AU) Experience

There is no simple answer to building effective states that are accountable to the needs of their population in a competitive world that globalization has imposed on us in recent years. Continent, regions and states, more than ever, are challenged to move with it or face the dangers of insecurity, instability and poverty that generates from it. The European Union (EU) provides a critical example of a continent that has brought hope to its member nations by adopting common policy priorities, processes, procedures and programmes that transforms lives. And the role of continental efforts in promoting peace and stability in the age of globalization is now well accepted. The EU experience is believed to be successful and can be replicated elsewhere.

The defunct organization of Africa Unity (OAU) was particularly focused at achieving the independence of African States than socio-economic development in the foundation years. Thirty-eight years (38yrs) after (1963 – 2001), the leaders realized that no simple answer or effort can build effective and efficient states. That economic development is rather a complex choice of hard work, smart economics, sound policies and political will to implement them.

In 2001, the new partnership on Africa's development was inaugurated as new development framework with the support of Japan based on five regional economic communities.

NEPAD policy priorities include:

- Peace and stability, security,
- democracy and political good governance
- Improved economic and corporate governance
- Regional cooperation and integration
- Physical Infrastructure in roads, railways, ports, power, etc
- Information and communication technology
- Human development, focusing on health, education and skills development
- Agriculture
- Macro-economic policy, Growth and Diversification of Production and Exports

To achieve these policy priorities, various African countries have agreed to implement reforms of public sector to create sound and conducive environment for private sector activities as specified by NEPAD protocols. In Zambia to Algeria, Tanzania to Ghana, Cote'de viore to Central Africa Republic (CAR), including Nigeria, reforms of public sector are currently being

implemented in a way that it is pro-business and growth-oriented. Growth and business can bring about an improved productive capacity and the use of technology. This can engender opportunity to enter the mainstreams of the globalization process.

Growth implies not only an improved sectoral productive capacity, it also entails social sector such as health, education, empowerment and political space. Peace is an offshoot of the above variables.

NEPAD is not only enforcing the implementation of public sector reforms; it is also encouraging African leaderships to move close to the “Peer Review Mechanism (PRM)” a system of voluntary self-monitoring and evaluation mechanism in democracy, human rights and political good governance. Good governance is a framework that is intended to strengthen various public bureaucracies and institutions to perform comparatively with international standards. Attention to human rights issue in good governance can evolve peace as well as address the ills of globalization.

First, globalization is multi-faceted, with many important dimensions - economic and social, political and environmental, cultural and religious - which affects everyone in some way. Its implications range from the trade and investment flows that interest economists, to changes that we see in our everyday lives. The ease with which we can talk to people all over the world, the ease and speed with which data can be transmitted around the world, the ease of travel; the ease with which we can see and hear news and cultural events around the world; and most extraordinarily, the internet, which gives us the ability to access the stores of knowledge in virtually all the world's computers are remarkable outcomes of globalization.

Second, globalization is not new. Economic globalization is as old as history, a reflection of the human drive to seek new horizons; globalization has usually advanced, though it has sometimes receded - most importantly, during the 1930s, the prelude to World War II. The pace seems to have picked up in recent decades, thanks to three driving forces: improvements in technology; the lowering of barriers to trade and capital flows - reflecting the acceptance by economists, citizens and policymakers that this is the way to greater prosperity; and the questing human spirit. We are indeed moving towards becoming one world - but thankfully we shall never get there, for all humans and societies like also to retain their particularity.

Third, the past half century has seen not only intensifying globalization, but also historically spectacular growth. This relationship validates the vision of the founders of the post - World War II economic system built around the IMF, the World Bank, and what eventually became the WTO. But many of the world's poorest countries - many of them in Africa - have not seemed to benefit.

Even so, fourth, there is no point in asking whether we should be for or against globalization. The problem is summarized in one of the signs seen at last year's demonstrations against the Bretton Woods institutions: "Worldwide coalition against globalization". Globalization is here to stay: the reality is that we already live in a global economy - where flows of trade, capital and knowledge across national borders are not only large, but also are increasing every year. Countries unwilling to engage with other nations risk falling farther behind the rest of the world in terms of both income and human development. That way lays the very real threat of marginalization.

Rather, the right set of issues to raise is how best to take advantage of the opportunities presented by the growth and growing openness of the world economy; how best to live with the unavoidable difficulties that globalization may bring; and how to modify the system to make it operate better. I shall concentrate on economics, even though I suspect that much of the emotional reaction to globalization derives from its non-economic aspects. And I shall concentrate on Africa.

Global Economic Policies that are Influencing Policy Change

What should policymakers, especially African policymakers, do to reap the benefits of economic globalization? African countries should, first and foremost, implement sound macroeconomic policies, better governance, legal and financial reform, privatization, price liberalization and investment in infrastructure. These are all critically important. Trade liberalization and effective social spending helps to open economies up to competition and deepens their integration into the world economy. Sub-Saharan Africa is less open to international trade than other developing regions. Several studies have shown that liberalization should improve the region's trade performance significantly and thereby spur the growth of productivity and incomes.

Some African countries have made major progress in liberalizing trade over the past several years. For example, in recent years there has been important progress in adopting a common trade policy and a relatively open customs union in CEMAC. This will contribute not only to trade liberalization within the region but also to a considerable reduction and simplification of the region's external tariff structure. Such progress could now be strengthened and extended to other parts of sub-Saharan Africa - and the recent decisions in ECOWAS, as well as the revival of the East African trade bloc are also promising. Given the number of overlapping trade blocs in Africa, rationalization of their structure would be desirable. In light of the small size of many African economies, the impulse to regional integration is extremely

important - but regional integration will help increase long-term growth only where it is truly trade increasing and not an attempt to erect new protectionist blocs.

Progress on trade liberalization in Africa should be matched by the opening of advanced country markets to the exports of African producers. Therefore, as African states attempt to solve poverty problem, the economies of the west must be less frugal in creating markets for African goods and services. In particular, the advanced economies should lower the effective protection on goods of interest to sub-Saharan African countries, such as clothing, fish, processed foods, leather products, and agricultural products more generally. The IMF will continue to make this case vigorously whenever and wherever it can.

The second point is to make globalization delivers its economic benefits in part by promoting change, the rise and fall of different industries and economic activities. The process is not a painless one. Economists talk in the abstract about labour moving from low productivity to high productivity uses. But it is individuals and families who need to accomplish that. If they feel threatened and unable to cope with the process of change, they will resist it and the economic benefits will be lost.

The third is to invest in the human capital of the poor - increasing their access to health, education and economic opportunity - as well as to provide a cushion during the process of adjustment, in the form of efficient social safety nets. In the past the IMF perhaps paid too little attention to this need, but this is being redressed, sustaining the growth on which long-term poverty reduction depends, we take very seriously indeed the need to protect productive social spending from budget cuts.

In fact, among the low-income countries that have received IMF support since 1985, per capita spending on both health and education has risen by more than 4 per cent a year on average. But this masks big variations by country and for much of that period gains in education spending in Africa were much smaller. We are doing more, and we intend to do more yet, for there is still more to be done. In this globalizing, rapidly changing world economy, investment in education takes on special significance. The new technologies are knowledge and skill intensive, and there is a need to train people to work with those technologies. But the training cannot be too narrow, for adaptability to change is another key to success in the modern world. The generation gap in dealing with computers is obvious to every parent, and the benefits of starting where possible with young schoolchildren are obvious. Of course, this requires money, and here there is a special role for donors.

The HIV/AIDS pandemic is exacting a heavy toll in human lives. It is not only a humanitarian tragedy on an extraordinary scale, but it is also a potentially massive economic

disaster for the continent. As important as the amount of money spent is the way it is spent. This underlines the importance of good expenditure management, so that poverty reduction priorities are addressed within a well-run overall budget. Uganda's Poverty Action Fund has been one successful approach, channelling extra resources into primary education, primary healthcare and tackling AIDS. In Cameroon, public spending on education and health are to be increased steadily in coming years, with the proceeds of debt relief under the HIPC initiative being targeted to six poverty reduction priorities. But the authorities have wisely chosen to use the windfall from higher oil prices to repay debt and build reserves, in effect saving for social spending in the future as greater administrative capacity is put in place and the money can be used more productively.

There are useful lessons here for the beneficiaries of the HIPC initiative. Twenty-two countries - 18 of them in Sub-Saharan Africa - are already at the point at which they are beginning to receive debt relief under the initiative. On average it is reducing their debt service obligations by half. It is essential that these resources be used effectively for poverty reduction, both for its own sake, but also because waste will play into the hands of those who argue that aid flows are squandered and should be reduced.

What Role Should the Industrial Nations Play in Globalisation and Peace?

Turning now to how to make globalization work better in Africa and other developing states, the international community has a responsibility to provide an external environment that will allow Africa and others to fulfil their potentials. The industrial countries bear a particular responsibility in four areas:

- First, as already mentioned, by guaranteeing African exporters unfettered and tariff-free access to their markets, especially for agricultural products.
- Second, to support countries that are trying to boost growth and tackle poverty by increasing aid flows and guaranteeing them over longer periods.
- Third, by doing more to help Africa bring peace to its conflict and war-torn regions. This means restraining arms sales and countering the smuggling of raw materials and natural resources to finance wars.
- Fourth, by helping the continent fight the spread of the HIV/AIDS epidemic.
- The fifth is to maintain steady, low-inflation, growth in the industrialized countries and thus in the world economy, and to seek to avoid major economic disturbances that would damage the developing countries. But this is a responsibility that all countries

need to do their best to fulfil, as there seems to be no case for listing it as a separate responsibility related to developed countries alone.

What Role Should the International Institutions/Organizations Play?

The IMF, the World Bank, and the GATT and WTO, were set up as part of an implicit bargain: that countries that elected to play by the rules of the international system, would be helped both by the basic pro-growth design of the system, and by loans and other assistance when in special need. That is one of the reasons why the IMF reaffirmed the role of the IMF in its poorest member countries through the PRGF shortly after he took office last May. It is also why we have worked so resolutely with our World Bank colleagues in trying to ensure eligible countries gain access to debt relief under the enhanced HIPC initiative as soon as possible, provided of course we can give assurances to our Executive Board that the debt relief will be used to fight poverty.

Self-Assessment Exercises 4

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

7. What do you understand by the term NEPAD and APRM?
8. HIV/AIDS and other global pandemic do not exact a heavy toll in human lives. a. True; b. False



4.4 Summary

IMF has been so intensively engaged in seeking to improve the ability of the Fund and the international economic system to prevent massive crises of the types seen in the last decade, and to mitigate them when they occur. The issue of the representation of developing countries in the international institutions has been raised. With regard to the IMF, let me note first that, given that the Executive Board prefers to work by consensus, the quality of the representation and the number of voices, as well as the share of votes, is important. With regard to the quality of African representation, the Executive Directors from sub-Saharan Africa are first rate representatives of their constituencies. However, their constituencies have many members, and consideration could be given to providing each of them with extra resources to deal with the exceptionally heavy workload

Promoting growth and reducing poverty are best achieved by embracing the global economy, improving policies and strengthening institutions. This will be a difficult task, but one that can be accomplished, provided that policymakers in Africa and the international community alike are ready to do their part.

That is what the IMF believes. But some ask whether Africa is different. Pessimists claim that the continent is predestined to endure low growth, in part because it is tropical and suffers from systemic diseases such as malaria; because the quality of its soil is poor; and because many of its countries are landlocked. We do not share this pessimism. The success of countries around the world that have managed to make serious inroads into poverty - in Asia and elsewhere - suggests that others, including African countries, can do likewise. Indeed, some countries in Africa have already shown that it is possible to sustain rapid growth, notwithstanding seemingly unfavourable conditions. In recent years, we have seen more and more countries adopt prudent, market-based economic policies, seeking integration into the world economy, and thus conducive to growth and poverty reduction many of them with IMF and World Bank advice and support. This strategy is beginning to show encouraging results; and we in the IMF, working closely with our colleagues in the World Bank, are committed to doing everything we can to help you strengthen and deepen these results.

Globalization is intended to share world resources and access, but it has created inequalities among nations and individuals more than it met it. The consequences include poverty, instabilities and ethnic fragmentations. To that extent, the peace of societies has been breached. To promote peace within the fulcrums of globalization, a wide range of means needs to be put into action. To promote peace is an international responsibility that entails collaborative efforts that is either continental or regional. It could entail others that are National or community led. We need alliances and partnerships that play our reinforcing roles to reach common goals.

Africa Union (AU), like the EU, implementing various policy programmes within the NEPAD protocols to empower institutions and individuals across Africa on regional basis. To very essence is to diminish threats to peace and instability and help African states enter the mainstreams of globalization. The policy programmes include reform of public sectors, microeconomic policy, liberalization regulatory environment, property rights, and good governance. The international institutions are also making frantic efforts to assist Africa come out from the woods.

It is believed that such policy programmes are capable of evolving empowerment, access and peace in the society. Ignoring the prosperity of Africa is potentially a threat to world peace

with Capacities for economies and individuals and then the state; every country can reasonably be capable to play in the field of globalization.



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4.6 Possible Answers to SAEs

7. New Partnership for African Development and African Peer Review Mechanism.
8. b. False

Module 5 (unit 5)

Unit 5 Concluding General Remarks and the Future of Globalization

Unit 5 Structure

- 5.1 Introduction
- 5.2 Learning Outcomes

- 5.3 Concluding Remarks on the Future of Globalization
- 5.4 Summary
- 5.5 References, Further Readings, Web Sources
- 5.6 Possible Answers to Self-assessment exercise



5.1 Introduction

So much has been discussed in the preceding module and units on globalization, its benefits to the gainers and the harm it can cause to those who do not have the technological advancement and means to harness its benefits. In other words, like we have agreed, there must be winners and losers, even in the continuous globalization process. The purpose of this unit therefore, is to give a general concluding and look at what the future of globalization holds for particularly Africa.



5.2 Learning Outcomes

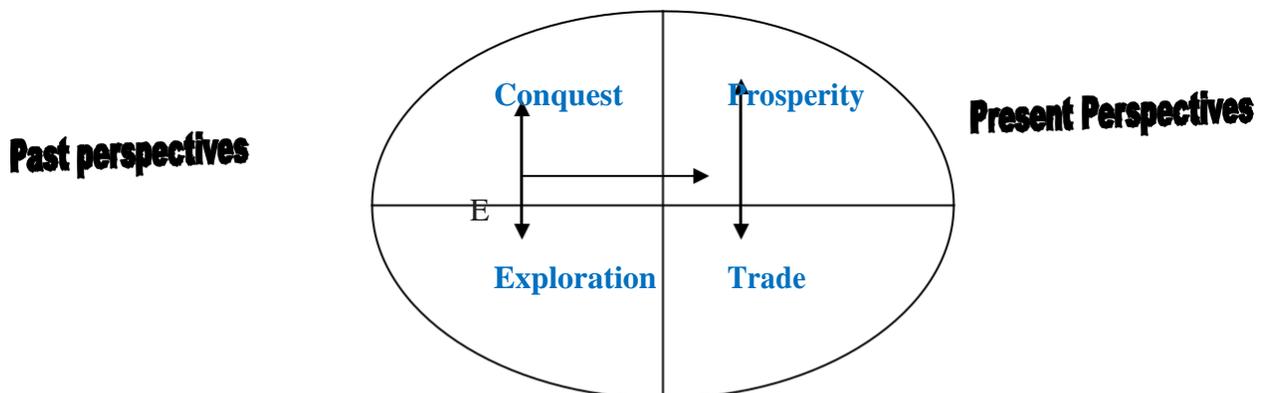
The purpose of this unit is to:

1. present general concluding remarks; and
2. discuss the future of globalization



5.3 Concluding General Remarks and the Future of Globalization

Globalization is not new. Historically, people have left their immediate environments and travelled to distant lands for four main reasons: *conquest* (the desire to control other countries); *prosperity* (the search for a better life); *exploration* (the desire to discover new lands); and *trade* (the desire to sell goods profitably). The primary agents of globalization in the past were soldiers, sailors, traders and explorers.



For thousands of years, traders carried their goods across oceans and continents and armies launched invasions on their rulers' orders. Powerful nations have brought new lands under their authority through conquest, integrating disparate nations, peoples and cultures into empires. These represent the past perspectives of globalization, which has now moved to present or new perspectives. Earlier forms of globalization existed in the Egyptian, Medo-Persian, Babylonian, Greek and Roman empires. During the time of the Mongol empire in the Middle Age, the famed "Silk Road" connected Central Asia and Europe, linking several civilizations.

The first steps toward globalizing as we know it today were taken in the 16th and 17th centuries when the Portuguese and Spanish empires spread into Africa, the Americas and Asia seeking gold, silver and spices. The Dutch, French and British empires soon followed, with the Dutch East India Company becoming the world's first multinational (MNC). This first wave of globalization was characterized by rapid growth in trade and investment between the European powers and their colonies, including the American colonies.

The first era of globalization began to break down with the advent of the First World War, and later collapsed between the two world wars, in part due to the raising of tariffs and increased immigration restrictions. To put it very simply globalization brings many companies and products to very different parts of the world and this is changing the global community that we live in today. It is said that globalization has many facets, the main two being the Globalization of markets and production. The globalization of markets refers to the merging of historically distinct and separate national markets into one huge global marketplace. Falling barriers to cross trade have made it far easier to sell on an international scale. Tastes and preferences are converging on some global norm which is helping to create a global market. Firms are utilizing the trend by offering standardized and uniform products worldwide and thus creating a global market. (Hill, 2007) Products such as Coca Cola, Kleenex tissues, Disney toys, IKEA furniture and Sony Play stations are examples.

Have you noticed that the nations of the world have become increasingly interconnected? Think about it. At the supermarket you can buy products from all over the earth—oranges from South Africa, olive oil from Greece, wine from Italy. You can purchase clothes made in Indonesia, Sri Lanka, or Malaysia. In the evening you turn on your Asian-made television set to watch your favourite program. Every day you drive your American, Japanese, South Korean or German-made car to work. Call customer service to discuss your telephone bill and you may well be speaking to someone in India.

If you live in a big city, you have likely encountered people who have immigrated to your country. Surfing the Internet on your computer or watching through the Cable News Networks (CNN), you can keep an update of news anywhere in the world, 24 hours a day, 7 days a week. Drought on the American and Canadian prairies affect the price of bread. Political unrest in the Ivory Coast can affect the whole of West Africa. Nigeria can influence the price of chocolate or oil respectively around the world. Bad weather in Brazil affects the price of coffee. Acts of terrorism against the U.S. impact the New York stock markets. And political disputes between major oil-producing nations and their customers increase the price of gas. This is the uniqueness of globalization at play. Therefore, we should embrace the temptation of working together for the benefit of the global community, rather than create disparities for the poor to exist and the rich that frustrates the poor. This should be the focus of globalization for peace.

Since the latter half of the 20th century, the international community has become more interconnected and interdependent in economic, cultural and environmental matters than ever. It seems the world is rapidly becoming a single community, a global village. Some see this as a good thing; others are not so sure. This is primarily due to advances in technology that have enabled people, goods, money, data and ideas to travel the world much faster than before; and the reduction of trade and economic barriers, which has greatly increased trade between countries. Then there are those who believe integration is the first step toward a “new world order,” one in which sovereign nation-states will be dissolved in favour of large trading blocs led by a super world government.

Likewise, the great effort countries of the Third World make to prepare hundreds of thousands of professionals and scientists are lost when they immigrate to developed countries on the basis of the discriminatory migration policies being applied by the latter. All this represents a loss of no less than \$50 billion a year. As a result of growing concern by international public opinion about these problems, international commitments to benefit some of the most urgent issues have been promoted in meetings like the Summit on Childhood (1990), the Earth Summit (1992), the World Summit on Social Development (1995), the World Summit on Food (1996), and the Millennium Summit (2000).

Perhaps the goals adopted by the countries at the United Nation's Millennium Summit constitute the most complete expression of this renewed consciousness about the contradictions the process of globalization engenders, and the need for a new period of international co-operation for development. In the Millennium Declaration the commitment was made to reduce the level of poverty by 50% by 2015, together with other goals no less just, although difficult to achieve in today's world. For their part, the rich countries made commitments to increase official

aid for development, broaden access to their markets and ease the strangulation caused by the foreign debt.

As such, it is not surprising that the International Conference on Financing for Development held in Monterrey, Mexico in March 2002 raised so many expectations. Among other questions, it should have served to concretize the commitments of the developed countries with respect to the agreed upon goals. However, the commitments made were disappointing with respect to aid, and other themes were absent since there were very few effective statements, while conditions harmful to the countries' national sovereignty were placed on aid. To sum this up, as occurred with previous forums, the promised funds do not cover minimum expectations and threaten to eliminate the possibilities of achieving the goals agreed upon in the Millennium Declaration. As it is therefore, globalization will thrive during its reign to levels unseen in human history. Prosperity will flourish, but not for all.

There is substantial evidence, from countries of different sizes and different regions that as countries "globalize" their citizens' benefit, in the form of access to a wider variety of goods and services, lower prices, more and better-paying jobs, improved health, and higher overall living standards. It is probably no mere coincidence that over the past 20 years, as a number of countries has become more open to global economic forces, the percentage of the developing world living in extreme poverty—defined as living on less than \$1 per day—has been cut in half. Be that as it may, there is much more to be done. Regional disparities persist. While poverty fell in East and South Asia, it actually rose in sub-Saharan Africa. The UN's *Human Development Report* notes there are still around 1 billion people surviving on less than \$1 per day—with 2.6 billion living on less than \$2 per day. It is the people of developing economies who have the greatest need for globalization, as it provides them with the opportunities that come with being part of the world economy.

These opportunities are not without risks—such as those arising from volatile capital movements. The International Monetary Fund works to help economies manage or reduce these risks, through economic analysis and policy advice and through technical assistance in areas such as macroeconomic policy, financial sector sustainability, and the exchange-rate system. The risks are not a reason to reverse direction, but for all concerned in developing and advanced countries, among both investors and recipients to embrace policy changes to build strong economies and a stronger world financial system that will produce more rapid growth and ensure that poverty is reduced. Otherwise, the world and indeed developing countries face the danger of degenerating into worse poverty scenario. This is the prospect of globalization.

Developing countries can benefit from an expansion in international trade. Ernesto Zedillo, the former president of Mexico, has observed that, "In every case where a poor nation has significantly overcome its poverty, this has been achieved while engaging in production for export markets and opening itself to the influx of foreign goods, investment, and technology. Overall, while the average tariff rate applied by developing countries is higher than that applied by advanced countries, it has declined significantly over the last several decades.

In developing countries, certain factors are likely to influence the effect of financial globalization on economic volatility and growth: countries with well-developed financial sectors, strong institutions, sound macroeconomic policies, and substantial trade openness are more likely to gain from financial liberalization and less likely to risk increased macroeconomic volatility and to experience financial crises. For example, well-developed financial markets help moderate boom-bust cycles that can be triggered by surges and sudden stops in international capital flows, while strong domestic institutions and sound macroeconomic policies help attract "good" capital, such as portfolio equity flows and FDI.

The second lesson to be drawn from the study is that there are also costs associated with being overly cautious about opening to capital flows. These costs include lower international trade, higher investment costs for firms, poorer economic incentives, and additional administrative/monitoring costs. Opening up to foreign investment may encourage changes in the domestic economy that eliminate these distortions and help foster growth.

Globalization, income inequality, and poverty

As some countries have embraced globalization, and experienced significant income increases, other countries that have rejected globalization, or embraced it only tepidly, have fallen behind. A similar phenomenon is at work within countries—some people have, inevitably, been bigger beneficiaries of globalization than others.

Over the past two decades, income inequality has risen in most regions and countries. At the same time, per capita incomes have risen across virtually all regions for even the poorest segments of population, indicating that the poor are better off in an absolute sense during this phase of globalization, although incomes for the relatively better placed off have increased at a faster pace. Consumption data from groups of developing countries reveal the striking inequality that exists between the richest and the poorest in populations across different regions.

It is important to ensure that the gains from globalization are more broadly shared across the population. To this effect, reforms to strengthen education and training would help ensure that workers and citizens have the appropriate skills for the evolving global economy. Policies

that broaden the access of finance to the poor would also help, as would further trade liberalization that boosts agricultural exports from developing countries. Additional programs may include providing adequate income support to cushion, but not obstruct, the process of change, and also making health care less dependent on continued employment and increasing the portability of pension benefits in some countries.

Equally important, globalization should not be rejected because its impact has left some people unemployed. The dislocation may be a function of forces that have little to do with globalization and more to do with inevitable technological progress. And, the number of people who "lose" under globalization is likely to be outweighed by the number of people who "win."

The Financial Times columnist, highlights one of the fundamental contradictions inherent in those who bemoan inequality, pointing out that this charge amounts to arguing "that it would be better for everybody to be equally poor than for some to become significantly better off, even if, in the long run, this will almost certainly lead to advances for everybody. Indeed, globalization has helped to deliver extraordinary progress for people living in developing nations. One of the most authoritative studies of the subject has been carried out by World Bank economists David Dollar and Aart Kraay. They concluded that since 1980, globalization has contributed to a reduction in poverty as well as a reduction in global income inequality. They found that in "globalizing" countries in the developing world, income per person grew three-and-a-half times faster than in "non-globalizing" countries, during the 1990s. In general, they noted, "higher growth rates in globalizing developing countries have translated into higher incomes for the poor." Dollar and Kraay also found that in virtually all events in which a country experienced growth at a rate of two percent or more, the income of the poor rose.

Critics point to those parts of the world that have achieved few gains during this period and highlight it as a failure of globalization. But that is to misdiagnose the problem. While serving as Secretary-General of the United Nations pointed out that "the main losers in today's very unequal world are not those who are too much exposed to globalization. They are those who have been left out." A recent study found that on average 64% of those polled in 27 out of 34 countries held the view that the benefits and burdens of "the economic developments of the last few years" have not been shared fairly. In developed countries, those who have this view of unfairness are more likely to say that globalization is growing too quickly. In contrast, in some developing countries, those who perceive such unfairness are more likely to say globalization is proceeding too *slowly*.

As individuals and institutions work to raise living standards throughout the world, it will be critically important to create a climate that enables these countries to realize maximum benefits from globalization. That means focusing on macroeconomic stability, transparency in government, a sound legal system, modern infrastructure, quality education, and a deregulated economy. The prospect of globalization is bright when people, countries and business have consensus on regulations on the process.

Self-Assessment Exercises 5

Attempt these exercises to measure what you have learnt so far. This should not take you more than 5 minutes.

9. It can be argued that the first steps toward globalizing as we know it today were taken in the 16th and 17th centuries when the Portuguese and Spanish empires spread into Africa. a. True; b. False.
10. Since the latter half of the 20th century, the international community has become more interconnected and interdependent in economic, cultural and ____ matters than ever. a. language; b. dressing; c. environmental; d. local



5.4 Summary

Looking forward, the main policy lesson that can be drawn from these results is that capital account liberalization should be pursued as part of a broader reform package encompassing a country's macroeconomic policy framework, domestic financial system, and prudential regulation. Moreover, long-term, non-debt-creating flows, such as FDI, should be liberalized before short-term, debt-creating inflows. Countries should still weigh the possible risks involved in opening up to capital flows against the efficiency costs associated with controls, but under certain conditions (such as good institutions, sound domestic and foreign policies, and developed financial markets) the benefits from financial globalization are likely to outweigh the risks.

The process of globalization is irreversible unless some apocalyptic event occurs. Even at that, it is doubtful that current technology can be lost. In the long run, globalization is likely to be an unrelenting phenomenon. But for significant periods of time, its momentum can be hindered by a variety of factors, ranging from political will to availability of infrastructure. Indeed, the world was thought to be on an irreversible path toward peace and prosperity early in the early 20th century, until the outbreak of World War I. That war, coupled with the Great Depression,

and then World War II, dramatically set back global economic integration. And in many ways, the world is still trying to recover the momentum we lost over the past 90 years or so.

That fragility of nearly a century ago still exists today, as we saw in the aftermath of September 11th, when U.S. air travel came to a halt, financial markets shut down, and the economy weakened. *Openness to globalization will, on its own, deliver economic growth:* Integrating with the global economy is, as economists like to say, a *necessary*, but not *sufficient*, condition for economic growth. For globalization to be able to work for peace, a country cannot be saddled with problems endemic to many developing countries, from a corrupt political class, to poor infrastructure, and macroeconomic instability.

The shrinking state: Technologies that facilitate communication and commerce have curbed the power of some despots throughout the world, but in globalized world governments take on new importance in one critical respect, namely, setting, and enforcing, rules with respect to contracts and property rights. The potential of globalization can never be realized unless there are rules and regulations in place, and individuals to enforce them. This gives economic actors' confidence to engage in business transactions.

Further undermining the idea of globalization or shrinking states is not, in fact, shrinking. Public expenditures are, on average, as high or higher today as they have been at any point in recent memory. And among OECD countries, government tax revenue as a percentage of GDP increased from 25.5% in 1965 to 36.6% in 2006. Like a snowball rolling down a steep mountain, globalization seems to be gathering more and more momentum. And the question frequently asked about globalization is not whether it will continue, but at what pace. A disparate set of factors will dictate the future direction of globalization, but one important entity, sovereign governments, should not be overlooked in the unfolding process. They still have the power to erect significant obstacles or possibilities to globalization, ranging from tariffs to immigration restrictions to military hostilities. Nearly a century ago, the global economy operated in a very open environment, with goods, services, and people able to move across borders with little if any difficulty. That openness began to wither away with the onset of World War I in 1914, and recovering what was lost is a process that is still underway. Along the process, governments recognized the importance of international cooperation and coordination, which led to the emergence of numerous international organizations and financial institutions (among which the IMF and the World Bank, in 1944).

Indeed, the lessons included avoiding fragmentation and the breakdown of cooperation among nations. The world is still made up of nations and nation-states and a global marketplace. We need to get the right rules in place so the global system can be more resilient, more

beneficial, and more legitimate. International institutions have a difficult but indispensable role in helping to bring more of globalization's benefits to more people throughout the world. By helping to break down barriers ranging from the regulatory to the cultural more countries can be integrated into the global economy. That is the only way peace can be crafted into the framework and more people can seize more of the benefits of globalization from that framework.



5.5 References, Further Readings, Web Sources

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5.6 Possible Answers to SAEs

1. a. true
2. c. environmental

End of the Module Questions

1. Political conditionalities imposed by the international organizations and the donor countries, are often considered as a new form of _____ in the internal affair of the recipient countries. a. intervention; b. non-intervention; c. indifference; d. non-indifference.
2. Rapid integration of the world economy through increased trade and investment has been fuelled? a. new technologies; b. spread of information; c. growing importance of knowledge-based industries; d. all of the above.
3. Outline NEPAD policy priorities Areas.

End of Module Answers

1. Since the end of _____ , internal conflicts flourish in weak and failed states. a. September, 11 attack; b. the cold war; c. Covid 19; d. None of the above.
2. _____ is rampant in a failed state. a. development; b. rent-seeking; c. justice; d. none of the above