



The Contemporary World

COURSE GUIDE

**RYAN CARDINES
ANNELLI D. LLAMES
ANGELIE LAWRENCE N. OCLARES
RONALD DAN TAMONDONG**



**GENERAL EDUCATION DEPARTMENT
SOCIAL SCIENCE**

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Vision

A vibrant, flourishing academic institution that provides its present and target programs with exemplary educational experiences, prioritizing community needs through quality instruction, research, and extension services.

Mission

To empower communities through academic programs that provide dynamic and inclusive learning environment, innovative instruction, impactful research, and relevant extension service grounded in promoting lifelong learning, ethical values, and social responsibility.

Course Guide in

**THE CONTEMPORARY
WORLD**

Foreword

Our world is a complex tapestry woven from the threads of globalization, culture, politics, and technology. To comprehend the challenges and opportunities of this interconnected age, we must develop a deep understanding of the forces shaping it. The Contemporary World is a course designed to equip students with the knowledge and critical thinking skills necessary to become informed and engaged global citizens.

As Diversified Basic Education (2015) underscores, this course delves into the pressing issues of our time: environmental sustainability, population dynamics, economic inequality, power structures, and conflict resolution. It invites students to explore how these factors intersect to create a global landscape marked by both promise and peril.

By examining the intricacies of globalization, social, political, and technological transformations, students will develop a keen awareness of the interconnectedness of our world. They will learn to analyze complex issues from multiple perspectives, fostering empathy and intercultural understanding. In the spirit of Rink's (n.d.) observation, this course aims to cultivate a profound sense of global citizenship and ethical responsibility.

Ultimately, this module seeks to empower students to become active participants in shaping a better future. Through an exploration of governance, economics, human rights, sustainability, and development, students will gain the tools to address global challenges and contribute to positive change.

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COURSE OVERVIEW

Course Code	GE 004
Descriptive Title	The Contemporary World
Credit Units	3
School Year/Term	2024-2025
Mode of Delivery	Face-to-Face Classes and Module Support with Blended Learning
Name of Instructor/Professor	Ryan Cardines Anelli D. Llames Angelie Lawrence N. Oclares Ronald Dan Tamondong
Course Description	<p>This course introduces students to the contemporary world by examining the multifaceted phenomenon of globalization. Using the various disciplines of the social sciences, it examines the economic, social, political, technological, and other transformations that have created an increasing awareness of the interconnectedness of peoples and places around the globe. To this end, the course provides an overview of the various debates in global governance, development, and sustainability. Beyond exposing the student to the world outside the Philippines, it seeks to inculcate a sense of global citizenship and global ethical responsibility.</p>

Course Outcomes	<p>Students are expected to:</p> <ol style="list-style-type: none">To develop a holistic understanding of globalization as a dynamic and evolving process, capable of anticipating and responding to future trends and challenges;To analyze the complex interplay between global economic and political forces, identifying their interdependencies, tensions, and implications for global development and security;To analyze factors driving regional integration, the challenges and opportunities it presents, and its impact on global politics, economics, and culture;
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MODULE GUIDE

This learning module is specifically designed for students at Burauen Community College (BCC). It is divided into two parts, consisting of five modules that cover various aspects of The Contemporary World. The module aims to provide students with a foundational understanding of the complex phenomenon of globalization. It seeks to develop students' ability to define and differentiate globalization from other related concepts, such as internationalization and regionalization. Furthermore, the module explores the various dimensions of globalization—economic, political, cultural, and social—and analyzes its historical development. By the end of this module, students should be able to articulate the multifaceted nature of globalization and its profound impact on individuals, societies, and the planet.

Part I: MIDTERM MODULES	Part II: FINALS MODULES
<p>Module 1: Introduction to the Study of Globalization</p> <p>Module 2: The Structures of Globalization</p> <p>Module 3: A World of Regions</p>	<p>Module 4: Population and Mobility</p> <p>Module 5: Towards Sustainability</p>



MODULE OVERVIEW SECTION

A brief outline of what the module will cover, including key topics, objectives, and the overall focus.



PRE-TEST SECTION

This section assesses learners' prior knowledge and readiness for the lesson content, helping to identify areas that may need more focus. Do answer the pre-test honestly before turning to the next pages of this module.



LESSON SUMMARY

A concise overview of the main points of the lesson.



LESSON OBJECTIVES SECTION

This section outlines the specific, measurable goals that learners are expected to achieve by the end of the lesson.



LET'S LOOK BACK SECTION

This section stimulates prior knowledge in preparation for the upcoming lesson.



MOTIVATION QUESTION

Aims to engage learners, highlight the relevance of the content, and prompt them to reflect on their existing knowledge and learning goals.



LET'S LEARN!

This section presents the lesson at hand.



LET'S TRY THIS!

This involves you doing enabling activities to wrap up learnings.



LET'S DO THIS!

After every lesson, you need to make practical activities as application to your learnings.



POST-TEST SECTION

Evaluates learners' understanding and retention of the lesson content through various assessment questions or activities.

MODULE 1: INTRODUCTION TO GLOBALIZATION



INTRODUCTION TO GLOBALIZATION



Module Overview

Why do you need to study the world? At first glance, the world, as a concept, is abstract. After all, your daily experiences are considered interactions with your country. When you open the television, you watch news about the Philippines, when you pay your electric bill, you engage in Philippine government. Your classmates and teachers, family members and friends are all Filipino. However, if you step back and open your eyes a little bit wider, you will see that “the world out there” is already here. From the balikbayan boxes, to the exchange of messages from a foreign friend, to the international brands like Samsung and Balenciaga, to K-pop, McDonald’s, you are already a citizen of the world whether you are aware or not.

This module will not take you on a country-to-country tour of the world. Instead, this module 1, will focus (1) Globalization: Definition; Origins and History; Process, Condition and Ideology; and its Misconception, (2) Futures Thinking: Purpose; Pillars; Principles; and Guide on how to develop Futures Thinking.

As we navigate the globe around us, let’s dig deeper on the varying lessons that influences our lives, our country, and the world!



PRE-TEST

1. Which of the following statements is/are correct about globalization?
Statement 1: Globalization is a very important change, if not, the "most important". (Bauman, 2003)
Statement 2: It cannot be contained within a specific time frame, all people, and all situation. (Al-Rhodan, 2006)
Statement 3: Globalization is the 'process of world-shrinkage, of distances getting shorter, things moving closer. (Thomas Larsson, 2001)
 - a. Statement 1 and 2
 - b. None of the statements are correct
 - c. Statement 3
 - d. All statements are correct

2. The best scholarly description of globalization is provided by Manfred Steger who described the process as 'the expansion and intensification of social relations and consciousness across world-time and across world-space'. Which of the following best describes the given statement of the author?
 - a. Globalization creates new social networks
 - b. It divides the existing connections that cut across traditional political, economic, cultural, and geographic.
 - c. Globalization creates new social networks and the multiplication of the existing connections that cut across traditional political, economic, cultural, and geographic.
 - d. Global connections are dividing and also closing the reach.

3. Below is the relevance of studying the subject, The Contemporary World, except;
 - a. Studying the world is a cure to parochialism or an outlook that is limited to one's immediate community
 - b. It teaches you more about yourself.
 - c. You need to study the world because you will be interacting with it.
 - d. It helps us accept the culture of others.

4. It is defined as the process of world shrinkage, of distances getting shorter, things moving closer. It is also defined as occurring through and with regression, colonialism and destabilization.
 - a. Global Age
 - b. Globalization
 - c. New World
 - d. Industrialization

5. Refers to the increasing sameness in the world as cultural inputs, economic factors, and political orientations of societies.
- a. Cultural Convergence
 - b. Cultural Hybridization
 - c. Homogeneity
 - d. Heterogeneity
6. Which of the following is NOT a key characteristic of globalization?
- a. Increased interconnectedness of economies
 - b. Free flow of goods and services
 - c. Isolationist policies
 - d. Cultural exchange
7. The term "globalization" refers to:
- a. A purely economic phenomenon
 - b. The increasing interconnectedness of the world
 - c. A recent development
 - d. A negative trend
8. Which of the following is NOT a potential benefit of globalization?
- a. Increased job opportunities
 - b. Cultural homogenization
 - c. Lower prices for goods and services
 - d. Technological advancements
9. A key challenge of globalization is:
- a. Increased cultural exchange
 - b. Economic growth in developing countries
 - c. Growing income inequality
 - d. Technological advancement
10. Futures thinking involves:
- a. Predicting the future with certainty
 - b. Ignoring current trends
 - c. Analyzing current trends to anticipate future possibilities
 - d. Focusing solely on past events

LESSON 1: WHAT IS GLOBALIZATION?



LESSON SUMMARY

What is *globalization*? This question is probably an easy one to answer. However, many scholars gave and tried to formulate its definitions. This resulted in different, sometimes contradicting views about the concept. According to Al Rhodan, it cannot be contained within a specific time frame, people, and situation. In relation to this, the chapter we are about to discuss is the (1) definition of Globalization; (2) Origins and History; (3) Globalization as a process, condition, and ideology; and (4) Misconceptions about globalization.



LESSON OBJECTIVES:

- a. Understand the definition and key concepts of globalization;
- b. Differentiate the competing conceptions of globalization; and
- c. Analyze the underlying paradigms associated with globalization.



LET'S LOOK BACK!

Instructions: Write True if the statement is correct, and False if it is incorrect.

- _____1. Globalization refers solely to the economic interdependence of countries.
- _____2. The process of globalization has been steadily increasing since the Industrial Revolution.
- _____3. Cultural globalization refers to the worldwide spread of ideas and values.
- _____4. Political globalization is characterized by the increased influence of non-governmental organizations.
- _____5. Technology has played a minimal role in the acceleration of globalization.
- _____6. Globalization has led to a decrease in global inequality.
- _____7. Anti-globalization movements argue that globalization benefits multinational corporations at the expense of local economies.
- _____8. The concept of "global village" implies a shrinking world due to increased interconnectedness.
- _____9. Economic globalization primarily focuses on the free movement

of goods and services across borders.

_____10. Globalization has had a positive impact on environmental sustainability.

KEYWORDS

List the keywords that you found relevant in **Lesson 1**.



Motivation Question

"It has been said that arguing against Globalization is like arguing against the laws of gravity" -Kofi Annan

With that being said, what do we really mean by globalization?



LET'S LEARN!

A. What is Globalization?

Countries are now more interdependent, interrelated, and interwoven due to globalization. As a result, any steps or choices made by one nation may affect other nations. As a result, to achieve sustainable development, all nations must coordinate their efforts and take collective action on challenge like climate change, food security, and biodiversity. But what is really globalization?

"Change" has been said to be the constant theory that existed in our lives, most probably, to the world. The impact of change in the different aspects such as in economy, politics, religion, migration, media, social cultures and other social issues that gives rise to different matters that concerns our world. At the back of those changes is what we know as *globalization*. It is important for us to know and be able to understand the in-depth relations having been affected by the movement of globalization.

So, what is globalization? An easy question but with complex answers. With many scholars trying to formulate its definition, this resulted in different and contradicting views. Al-Rhodan (2006) argued that globalization as a phenomenon cannot be contained within a specific time frame, all people,

and all situations. With the opposing views about the concept of globalization, let's explore the two sides: as a positive phenomenon and as a negative one.

As discussed by Aldama (2018), over the years, globalization has gained many connotations pertaining to progress, development, and integration. On the other hand, some view globalization as a positive phenomenon. For instance:

- According to Swedish journalist, **Thomas Larsson** (2001), as discussed by Aldama, he saw globalization as the "**process of world shrinkage, of distances getting shorter, things moving closer**. It pertains to the increasing ease which somebody on one side of the world can interact, to mutual benefit with somebody on the other side of the world". (P.9).
- **Ritzer (2015)**, according to him; "globalization is a transplanetary process or a set of processes involving increasing liquidity and the growing multidirectional flows of people, objects, places, and information as well as the structures they encounter and create that are barriers to, or expedite, those flows..." (p.2) Aldama (2018).
- **OECD, Intra-Firm Trade (Paris: OECD, 1993)** argued that globalization is "...understood as the phenomenon by which markets and production in different countries are becoming increasingly interdependent due to the dynamics of trade in goods and services and the flows of capital and technology."

On the other hand, some see it as occurring through and with regression, colonialism, and destabilization. For instance:

- In the mid-1990's, **Martin Khor**, the former president of Third World Network (TWN) in Malaysia, once regarded globalization as **colonization**;
- Some scholars argue that internationalization and Multinationalization are phases that precede globalization because the latter heralds the end of the state system as the nucleus of human activities (**Grupo de Lisboa, 1994, quoted in DeSoussa Santos, 2002:68**).
- Others explain globalization from the economic viewpoint; they think that the phenomenon is dominated by global economic activities like the neoliberal the reduction of tariffs, the creation of transnational corporations, and improvement of multilateral trade organizations.

With the existence of these several definitions of globalization, it clearly points out that there can be as many definitions as there are scholars studying it.

- **Mark Ritchie, "Globalization vs. Globalism", International Forum on Globalization, 1996** "I will define globalization as the process of corporations moving their money, factories and products around the planet at ever more rapid rates of speed in search of cheaper labor and raw materials and governments willing to ignore or abandon consumer, labor and environmental protection laws. As an ideology, it is largely unfettered by ethical or moral considerations."

There are different definitions of Globalization which the different authors have shared to us, but we can only sum it up to its main point, it is the **"influence"** among nations in their cultures and progress. Globalization has brought about numerous economic benefits, that includes increased trade, investment, and job opportunities, as well as access to new markets and technologies. On the other side of the coin, it has also led to the increasing economic inequality, environmental degradation, and cultural homogenization. Additionally, globalization has enabled the spread of ideas, values, and cultural practices across borders, resulting in both cultural diversity and the erosion of traditional cultures. On the environmental aspect, globalization has contributed to the depletion of natural resources, pollution, and climate change. Thus, it is important to the students of The Contemporary World to recognize the various impacts of globalization and to work towards creating a more equitable, sustainable, and culturally diverse global system.

B. Origins and History

"Globalization is not a monolithic force but an evolving set of consequences – some good, some bad, and some unintended. It is a new reality" -John B. Larson, US Representative

Globalization is a multifaceted, dynamic process having both positive and bad results rather than a single, static phenomenon. Additionally, it implies that globalization is now a fact of life in the present era.

As we are entering a new, digital-driven era of globalization – we call it "Globalization 4.0" – it is worthwhile that we do the same. When did globalization start? What were its major phases? And where is it headed tomorrow?

In 2019 World Economic Forum Annual Conference, as illustrated in the figure, Vanham (2019) highlighted the key points in the history of globalization.

Globalization Era	Age of Discovery (15 th -18 th century)	Globalization 1.0 (19 th century – 1914)	Globalization 2.0 (1945-1989)	Globalization 3.0 (1989-2008)	Globalization 4.0
Leading Exports	Raw Material / Basic Goods	Textiles / Industrial Goods	Factories	Global Supply Chain	Digital Goods / Services
Leading Nations					
Exports as % World GDP	<5%	6 → 14%	5 → 15%	15 → >20%	?
Enabling Era	Scientific Revolution (15 th -17 th century)	1 st Industrial Revolution (1780s–mid 19 th century)	2 nd Industrial Revolution (1870s-1910s)	3 rd Industrial Revolution (1960s-1990s)	4 th Industrial Revolution (2000s-2010s)
Enabling Innovations					
Characterizing GDP Trend	Europe ↗	Britain ↗↗	World ↗	United States ↗↗↗	China ↗↗↗↗

History of Globalization and Industrial Revolutions – by Peter Vanham, World Economic Forum

Now we look back at its history. So, when did international trade start and how did it lead to globalization?



The Silk Road: A Global Marketplace

For centuries, people traded locally. But around 100 BC, something amazing happened: Chinese luxury goods like silk started showing up in distant Rome. This marked the beginning of global trade. While mostly limited to high-value items like silk and spices, the Silk Road created a rich

network connecting Asia and Europe. Powerful empires like Rome and China helped protect this trade and made it very profitable. However, when these empires weakened, so did the Silk Road. It wasn't until the rise of another powerful empire, the Mongols, that trade routes reopened.

Spice Trade: A Muslim-Dominated Market

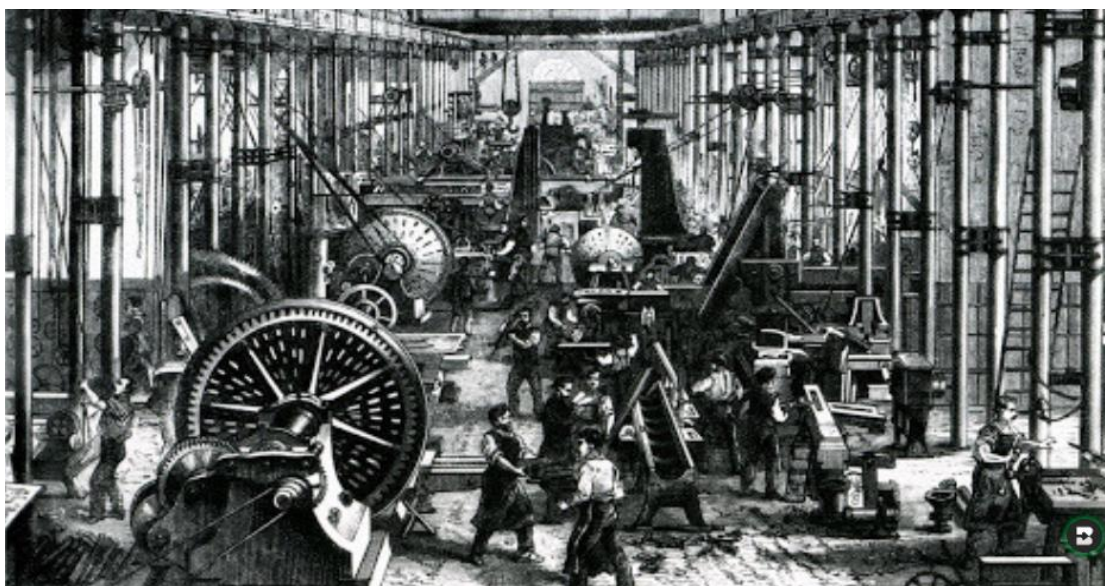


Image: BLR

Muslim merchants became the driving force behind trade from the 7th century onwards. With their strong trading background, they quickly dominated sea routes in the Mediterranean and Indian Ocean. Their reach extended from Spain to Indonesia.

Spices, especially cloves, nutmeg, and mace from the Spice Islands, became highly sought-after luxury goods. While trade was growing, it was still limited to expensive items, and global trade was not fully developed yet. However, these spice routes, together with the Silk Road, formed the early foundations of global trade.

The Age of Discovery: A New World Order



The Industrial Revolution in Britain propelled the first wave of globalization

Starting around 1500, European explorers set sail to find new lands and trade routes. With improved ships and knowledge, they discovered the Americas and found new ways to reach Asia.

This period dramatically changed the world. While Columbus's discovery led to the decline of Native American civilizations, Magellan's voyage opened direct trade routes to the Spice Islands, bypassing middlemen. New foods like potatoes, tomatoes, and chocolate spread worldwide, and spice prices dropped.

However, this wasn't true globalization. European countries mainly focused on controlling colonies and exploiting their resources. They built trade networks but primarily for their own benefit, often using slave labor. So, while trade expanded globally, it was an unequal system.

First Wave of Globalization

The late 19th century marked the beginning of the first wave of globalization. Britain, a dominant imperial and industrial power, led this era. Steam-powered transportation and mass production combined to create a global market for British goods like iron, textiles, and manufactured products.

Trade exploded in the 19th century. Exports skyrocketed from 6% to 14% of the global economy. Goods from around the world became easily accessible. People could invest in businesses across continents. Britain led the way with its industrial might and vast empire.

However, this growth was uneven. While some countries thrived, others suffered. European powers colonized Africa and exploited its resources. Countries like India and China were unable to compete. Many workers in industrialized nations faced harsh conditions. Overall, the first wave of globalization created both wealth and inequality.

World Wars and Their Impact

World War I halted the first wave of globalization, causing widespread destruction and economic collapse. The Great Depression further deepened the crisis. World War II amplified these effects, reducing global trade to its lowest point in over a century.

Following WWII, globalization began to recover, led by the US. Initially divided by the Cold War, the world reconnected after the fall of the Berlin Wall. Trade surged, and the global middle class expanded.

Globalization Takes Off

The fall of the Berlin Wall and the Soviet Union unleashed a new era of globalization. Countries formed trade agreements, led by the US and the WTO. China joined the global economy, becoming a major manufacturing hub.

The internet revolutionized trade, connecting people and businesses worldwide. This led to a massive increase in global trade and economic growth. Millions of people joined the middle class as a result.

Globalization 4.0

The digital age has ushered in a new era of globalization, driven by technology and dominated by the US and China. E-commerce, AI, and 3D printing are reshaping global trade. However, this new era is also marked by challenges like cyber threats and climate change. While globalization has expanded rapidly, it faces growing opposition. Many people, especially in Western countries, criticize it for causing inequality, job loss, and social unrest. This backlash has led to protectionism, trade wars, and reduced global trade.

Technological progress, like globalization, is something you can't run away from, it seems. But it is ever changing. So how will Globalization 4.0 evolve? We will have to answer that question in the coming years.

C. Globalization: process, condition, or ideology?

Globalization, a ubiquitous term in contemporary discourse, defies simple categorization. It is often presented as an inexorable process, an inevitable

outcome of technological advancement and economic liberalization. Yet, such a view oversimplifies a complex phenomenon. To fully comprehend globalization, it is essential to consider it as a multifaceted construct encompassing elements of process, condition, and ideology.

As a process, globalization refers to the intensification of global interconnectedness. It is characterized by the accelerated flow of goods, capital, information, and people across borders. This dynamic aspect of globalization is evident in the expansion of global trade, the rise of multinational corporations, and the proliferation of digital communication networks. However, while globalization is undoubtedly a process in motion, it is also a condition of the contemporary world.

As a condition, globalization signifies a new state of being marked by interdependence and complexity. It is the environment in which individuals, societies, and nations operate, shaped by the intricate web of global connections. This condition is characterized by the erosion of traditional boundaries, the rise of global culture, and the challenges of managing interconnected risks. It is within this context that globalization is experienced as a reality, shaping opportunities and constraints for individuals and societies alike.

While globalization as a process and condition is often emphasized, the ideological dimension is equally crucial. Globalism, as an ideology, promotes a specific vision of globalization centered on free markets, deregulation, and Western-style democracy. This ideological framework has been instrumental in shaping policies, institutions, and public discourse. However, it is essential to recognize that globalism is not the only interpretation of globalization. Alternative perspectives and counter-narratives offer different visions of a globalized future.

Steger (2005) argues that globalization as an ideology is defined by six (6) core claims:

1. Globalization is about the liberalization and global integration of markets. "Globalization is about the triumph of markets over governments" (quoted in Steger 2005).
2. Globalization is inevitable and irreversible.
3. Nobody is in charge of globalization.
4. Globalization benefits everyone in the long run.
5. Globalization further the spread of democracy in the world.
6. Globalization requires a global war on terror.

Ultimately, understanding globalization requires a nuanced approach that acknowledges its multifaceted nature. It is neither solely a process nor a

condition but a complex interplay of both. Moreover, the ideological dimensions of globalization cannot be ignored, as they shape how we perceive, interpret, and respond to this globalizing world. By recognizing the interconnectedness of these elements, we can develop a more comprehensive and critical understanding of globalization and its implications for societies worldwide.

D. Misconception about Globalization

Misconception 1: Globalization is Inevitable

- Reality: Globalization is a result of deliberate policies and institutions created by humans, not an uncontrollable force of nature.
- Key point: It is a system designed to benefit corporations, not a natural process.

Misconception 2: Globalization Will End Hunger

- Reality: Globalization has worsened hunger by displacing small farmers and promoting corporate agriculture focused on export crops rather than local food production.
- Key point: The system prioritizes profits over people, leading to food insecurity and malnutrition.

Misconception 3: Globalization Reduces Poverty

- Reality: Globalization has increased wealth inequality, with benefits concentrated among the elite. It has led to job losses and wage stagnation for many.
- Key point: The system enriches the few while impoverishing the many.

Misconception 4: Globalization Increases Choice

- Reality: Globalization often reduces consumer choice by promoting homogenized products and undermining local businesses. It also erodes cultural diversity.
- Key point: It limits options and promotes a global monoculture.

Misconception 5: Globalization Improves the Environment

- Reality: Globalization has accelerated environmental degradation through increased resource consumption, pollution, and the destruction of ecosystems.
- Key point: The pursuit of profits often overrides environmental protection.

Misconception 6: Opposition to Globalization is Protectionism

- Reality: Protecting local economies, jobs, and the environment is not protectionism but a necessary counterbalance to corporate-driven globalization.
- Key point: It's about ensuring a fair and equitable global system.

Misconception 7: Developing Countries Benefit from Globalization

- Reality: Many developing countries have become increasingly dependent on wealthy nations and corporations, leading to economic instability and inequality.
- Key point: Globalization has often widened the gap between rich and poor countries.

Misconception 8: There is No Alternative to Globalization

- Reality: There are numerous alternatives that prioritize local economies, sustainability, and social justice.
- Key point: A different economic model is possible and necessary.

In conclusion, these misconceptions about globalization obscure its true impacts. It's essential to critically examine the claims made by globalization proponents and to advocate for policies that prioritize people and the planet over corporate profits.



LET'S TRY THIS!

Before delving deeper to our new lesson, let us first have a short activity. When you hear the word globalization, what comes to your mind? What are the things you associate with globalization? In the blank space provided below, draw or illustrate how you perceive globalization. You may discuss or give interpretations to your drawing with classmates.



LET'S DO THIS!

Mapping the Impact of Globalization: Investigate the impact of globalization of cultural identity, social norms, economic systems, political systems, and the educational system.

AREAS	IMPACT OF GLOBALIZATION		
	CHALLENGES	OPPORTUNITIES	WAYS FORWARD
Cultural Identity			
Social Norms			
Economic System			
Political System			
Educational System			

Learning Task: Hash-tag This!

Below are photos that depict the various negative facets associated with Globalization. Each group must present a hast tag for each of the assigned photos. Each group is also required to present an output in the class. The group must focus on the following key questions.

1. How is Globalization depicted in the photos; how does this apply to the Philippines?
2. If this is a perceived issue or problem, what do you think should be done to address or solve them?

Using the photo assigned to your respective group; be able to craft/ draw an illustration of your own depicting a more constructive/ positive version of the picture assigned to you and explain why you came up with that illustration. Hash-tag your new picture/illustration.

<https://www.boredpanda.com/modern-world-caricature-illustrations-steve-cutts>



LESSON 2: FUTURES THINKING IN CONTEMPORARY WORLD



LESSON SUMMARY

Future Thinking is a discipline focused on exploring and envisioning potential futures. It involves a systematic process of scanning for trends, forecasting future scenarios, imagining different possibilities, and planning for desired outcomes. This module will equip students with the tools and mindset to anticipate change, identify opportunities, and actively shape the future.

By understanding the pillars of creativity, critical thinking, and systems thinking, students will develop the ability to think critically, generate innovative ideas, and comprehend the interconnectedness of global systems. This module will emphasize the importance of open-mindedness, collaboration, ethical considerations, and action orientation in shaping the future. Ultimately, future thinking empowers students to become informed, engaged citizens capable of addressing complex challenges and creating a positive impact on the world.



LESSON OBJECTIVES:

- a. Demonstrate an understanding of the key concepts and methodologies of futures thinking; and
- b. Apply futures thinking to analyze contemporary global challenges and develop potential solutions or strategies for a more desirable future



LET'S LOOK BACK!

Answer the following exercises before we proceed. Write C if the statement is true, otherwise write W if the statement is false.

- _____ 1. Future thinking is solely focused on predicting the future.
- _____ 2. Creativity is a crucial component of the future thinking process.
- _____ 3. Understanding the interconnectedness of systems is irrelevant to future thinking.
- _____ 4. Future thinking is primarily beneficial for professionals and has

limited value for students.

____ 5. Developing action plans is a final step in the future thinking process.

KEYWORDS

List the keywords that you found relevant in **Lesson 2**.



Motivation Question

How do you stay motivated to align training strategies with the organization's strategic plan, organize the training department effectively, and conduct a comprehensive SWOT analysis for enhanced training outcomes?



LET'S LEARN!

A. Futures Thinking

future^s thinking

Futures thinking is a proactive approach to envisioning and shaping the future. It involves exploring potential trends, uncertainties, and drivers of change to construct plausible future scenarios. Rather than predicting specific outcomes, futures thinking equips individuals and organizations to make informed decisions in the present by considering a range of possibilities.

By examining potential developments over the next five, ten, or even twenty years across various domains—from technology and society to economics and environment—futures thinking fosters a forward-looking perspective. It empowers stakeholders to identify opportunities, mitigate risks, and develop strategies to navigate an uncertain future. Essentially, it's about cultivating a strategic mindset that enables proactive shaping of the world to come.

Futures thinking equips us with imaginative tools to explore futures, much like strategizing in a video game. Instead of merely reacting, you plan for various future scenarios, actively shaping your path forward.

Realizing that our current decisions influence the future empowers us to make smarter choices. Futures thinking is key because it enables us to envision and work towards the future we desire, actively shaping both our own lives and the broader world for the better.

Futures thinking is like being smart detectives, using creativity and knowledge to explore futures and prepare for them. It's not about predicting exactly what will happen, but about anticipating possibilities to shape a better future or tackle upcoming challenge.

The Imperative of Futures Thinking

Futures thinking is essential for navigating an increasingly complex and uncertain world. By transcending short-term perspectives often dominated by immediate gains, it fosters a long-term vision that prioritizes sustainability, equity, and resilience.

A future shaped solely by short-term interests risks neglecting critical challenges such as climate change, inequality, and technological disruption. Futures thinking counteracts this myopia by encouraging a holistic approach that considers the interconnectedness of global systems. Moreover, it empowers individuals and organizations to anticipate challenges and seize opportunities, thereby enhancing adaptability and resilience.

While sectors such as technology, energy, and environment have embraced futures thinking, its application in fields like education is still emerging. Recognizing the profound impact of rapid societal change on education, organizations like the OECD are at the forefront of exploring how to equip future generations with the skills and knowledge necessary to thrive in an uncertain world. By incorporating futures thinking into educational practices, societies can cultivate a generation of problem-solvers, innovators, and critical thinkers capable of shaping a desirable future.

Box 1: Tomorrowland



By reimagining the future, we can drive the change we want to see. We cannot change the past, but everything we do now changes the future.

Most national development strategies start by analyzing the current problems and challenges a country faces, and end with approaches to address them. They are based on experience, which comes from the past and we use it—combined with data—to extrapolate our understanding of the present to improve in the future.

It is a good method to understand gradual change, but it can be a “used future”—we create a strategy for the future from what we know from the past.

But if we look back to the past, we start to see that certain aspects of our lives are rapidly changing. For example, look at how we use our mobile phones today: they are now used as computers, cameras, and networking tools! (Excerpt)

The past is not always a good guide to the future.

Source: [Read the complete blog post by Susann Roth.](#)

Image taken from Google:

<https://www.adb.org/sites/default/files/publication/579491/futures-thinking-asia-pacific-policy-makers.pdf>

B. Purpose of Futures Thinking

Futures Thinking helps us:

- Spot patterns of change, emerging trends, surprises, and disruptors earlier, giving us more time to respond.
- Focus on the external context within which we deliver policy, taking account of the ‘big picture.’
- Bring in alternative points of view, as futures is a collaborative process.
- Create a narrative of the future, based on structured frameworks and evidence.
- Explore multiple versions of the future. The cone of uncertainty below is used to show how there is no one version of the future but multiple

possibilities. Foresight methods help us to explore and make sense of this range of future possibilities.

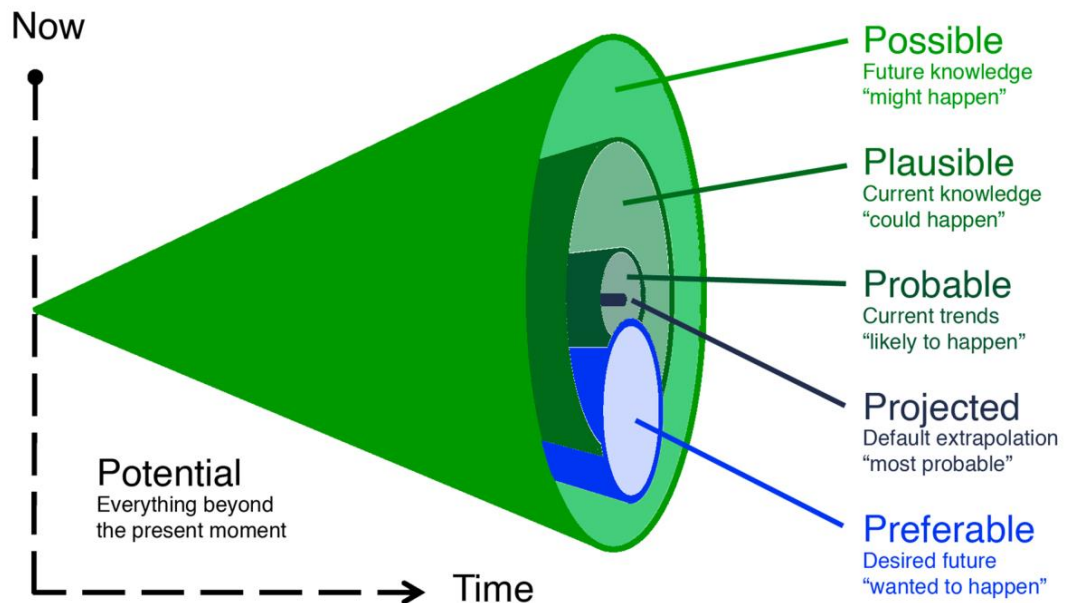


Image taken from Google: *Embracing the Cone of Uncertainty for Strategic Product Planning.*, Mac, Johnston

Futures thinking provides a range of techniques to help you think about the drivers of change that are shaping the future and explore the implications of these for making decisions today – not only about what to do, but how and when to do it.

By its nature, it does not attempt to predict the future, nor does it purport that there is only one correct future or that the future is pre-determined. There are a range of possible futures and the future can be actively shaped by the decisions we take today.

In addition, it is a creative and exploratory process that uses divergent thinking, seeking many possible answers and acknowledging uncertainty. It's a different mind-set to analytical thinking which uses convergent thinking to seek the right answer and reduce uncertainty.

Futures thinking is a discipline in its own right. It's used in strategy development and in design and planning, as well as to inform policy development.

C. Pillars of Futures Thinking

The six pillars of futures studies offer a framework for understanding and shaping the future. These pillars – *mapping, anticipation, timing,*

deepening, creating alternatives, and transforming – provide a theoretical foundation for various methods and tools. They can be applied both in academic settings and practical workshops.

Mapping

Mapping involves examining the past and present to inform future directions. The "shared history" method encourages participants to identify key trends and events leading to the present, revealing patterns of continuity and discontinuity. The "futures triangle" offers a visual representation of potential future scenarios, categorizing them into archetypes: evolution and progress, collapse, Gaia, and globalism. These archetypes capture different perspectives on the future and serve as a starting point for further exploration.

Some people believe we should go back to simpler times. They think the world was better when things were more traditional, with clear leaders and less technology. They feel overwhelmed by change and want to return to a more familiar way of life.

However, there are strong forces pushing us forward. For example, people are living longer, and there are fewer children being born. This affects how we plan for the future. Also, countries are spending more on military power, making the world less safe.

But there are also challenges that hold us back. For instance, while some people want a world where everyone works together, others want to protect their own countries. Ideas about equality and fairness also face obstacles, as traditional power structures often favor certain groups.

To understand all these factors, we can use tools like the "futures triangle." This helps us see how different ideas about the future interact. Another tool is the "futures landscape," which shows where an organization or society stands in relation to its goals and vision. Essentially, these tools help us think about where we are now, where we could be going, and what obstacles we need to overcome.

Anticipating the Future

The second step in thinking about the future is trying to predict what might happen. This is called *anticipation*. One way to do this is by looking for new and important things that are just starting to happen. These are called *emerging issues*. For example, we might ask: Will robots have rights like humans? Will schools teach meditation? Can we create tiny pharmacies

inside our bodies? By spotting these early signs of change, we can try to figure out what might happen next and how it might affect our lives.

Even though it's harder to get elected if you promise to solve problems that won't happen for a long time, it's still important to think about the future. By spotting problems early, we can avoid bigger problems later on and be ready for what's coming.

One way to think about the future is by using a "futures wheel."

This tool helps us see how one thing can lead to many other things. For example, building a new highway might bring jobs and money to a town, but it could also cause traffic jams, pollution, and bigger gaps between rich and poor people. By thinking about all these possible outcomes, we can make better decisions today.

Figure 1 The futures triangle

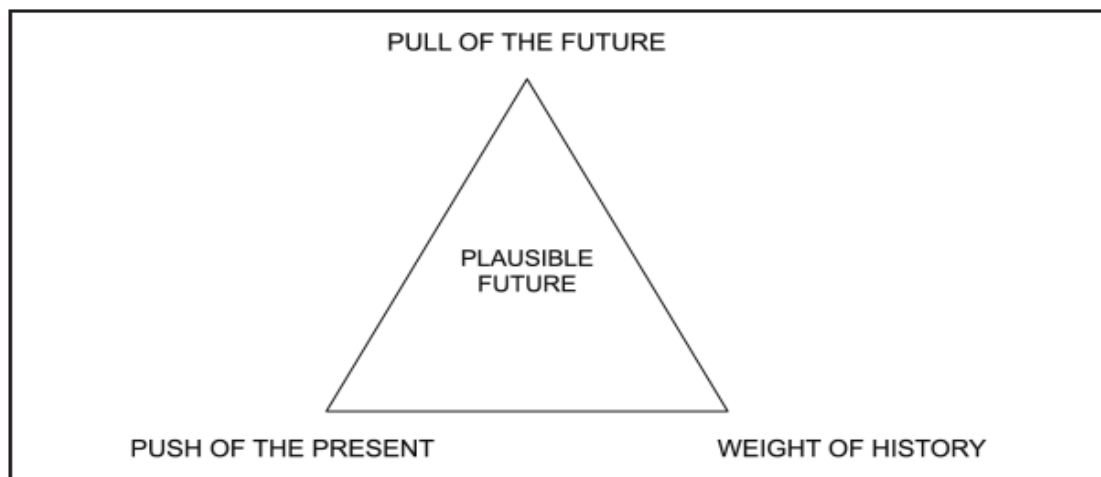


Figure 2 The futures landscape

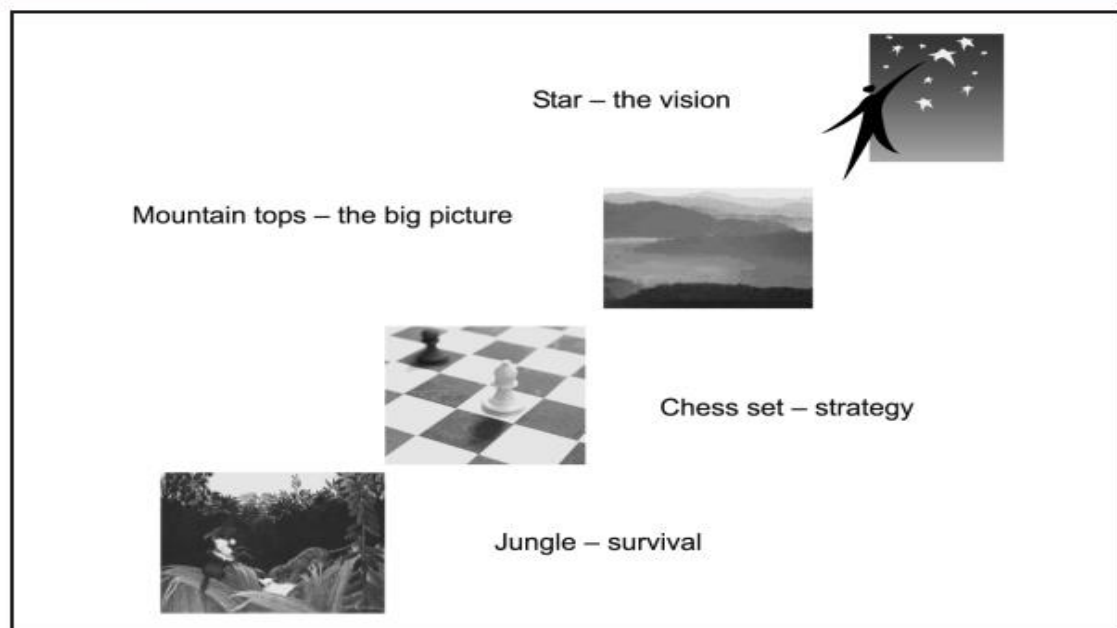


Figure 3 Emerging issues analysis

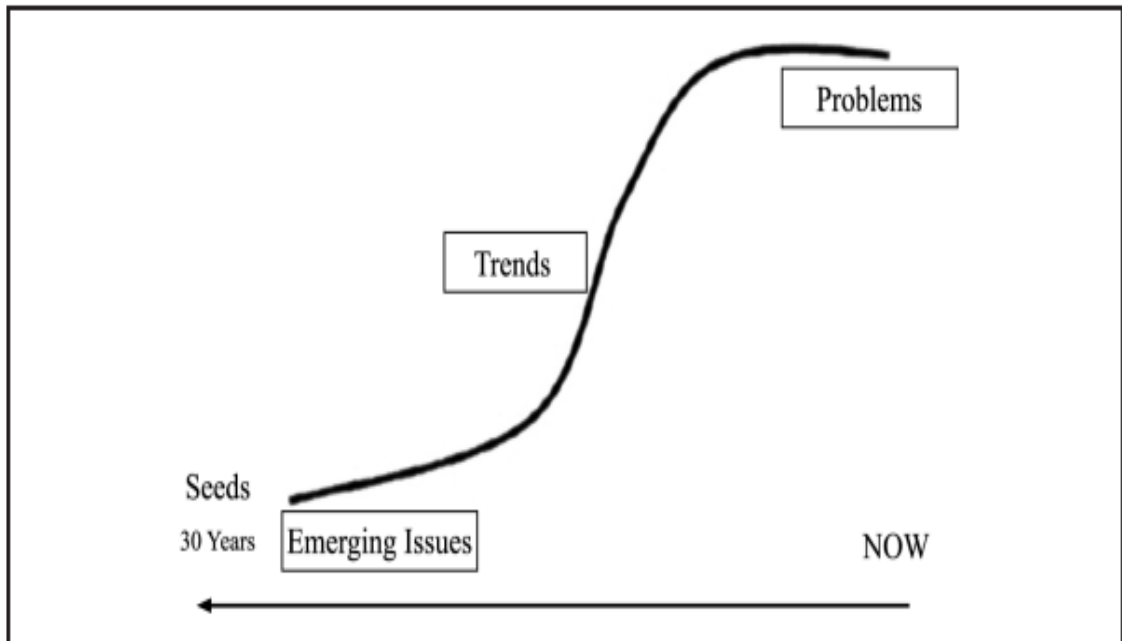
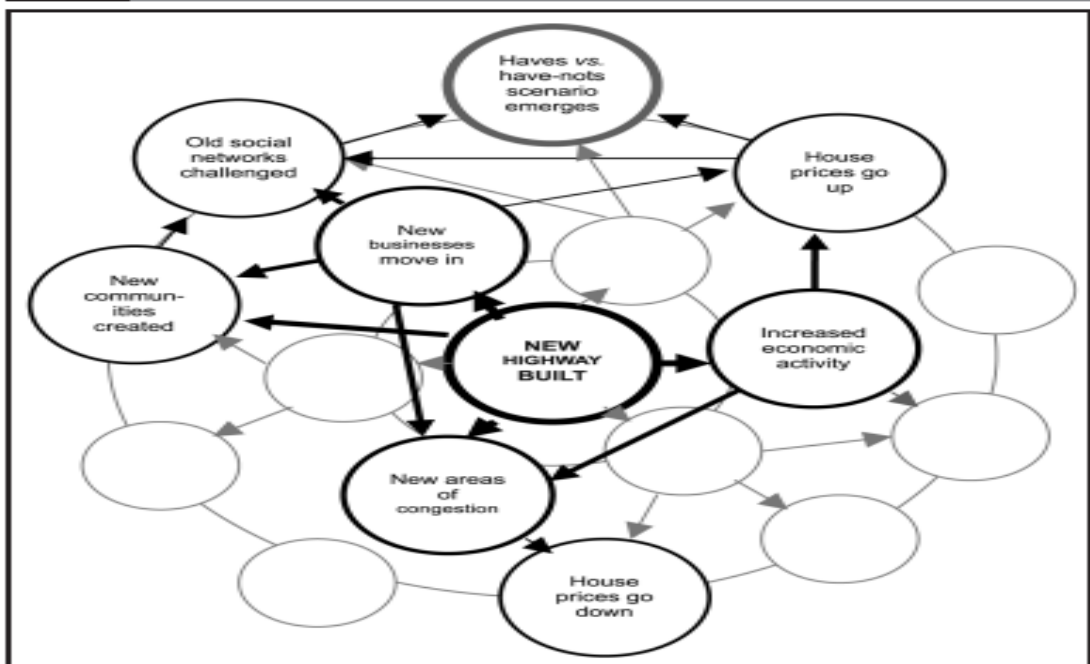


Figure 4 The futures wheel



Timing the Future

The third part of thinking about the future is figuring out *when* things will happen. This means looking at big historical patterns and understanding different ideas about how change occurs.

Some people think that only a few creative people can make big changes. Others believe that people are basically selfish or lazy, so real change is

impossible. Another group thinks that changing our minds can change the world. And then there are those who believe that changing laws and systems is the key to making things better.

Lastly, some people think that technology is the most important force shaping our future. So, which one is right? It's probably a mix of all of these. The point is to understand different perspectives on how and when change happens.

Technology creates new opportunities and jobs, but it can also cause problems when society isn't ready for it. It's like when new rules aren't written for a new game.

Thinking about the future involves considering different metaphors. Some people see it as random chance, others as something we can control. Still others believe it's a mix of both, with ups and downs like a rollercoaster.

Big thinkers have explored different ideas about the future:

- **Linear progress:** We work hard and things get better over time.
- **Cycles:** There are good times and bad times.
- **Spiral:** We can learn from the past (the good and bad) to build a better future.
- **Creative minorities:** A small group of people can spark big changes by imagining a different future.

These ideas help us understand that:

- **Change can be fast:** We might be in a time where old ways of doing things no longer work.
- **Cooperation is key:** We can't solve problems like climate change by competing against each other.
- **New systems are needed:** We might need new ways of governing and thinking to face future challenges.

The bottom line is that technology and change are inevitable. By understanding different perspectives on the future, we can be better prepared to address the challenges and opportunities that lie ahead.

Deepening the Future

The fourth pillar, *deepening the future*, delves into the underlying structures that shape our world. This involves a more profound

understanding of the forces driving change. Two key methods for this are Causal Layered Analysis (CLA) and four-quadrant mapping.

CLA is a powerful tool for unpacking complex issues. It involves examining a problem or trend at four interconnected levels:

- The Litany: This is the surface level, encompassing the daily news and commonly accepted narratives. Solutions at this level tend to be short-term and reactive.
- The Systems Level: Delving deeper, this layer focuses on the social, economic, and political structures that underpin the issue. Understanding these systems is crucial for identifying root causes.
- The Worldview or Cultural Level: This layer explores the shared beliefs, values, and assumptions that shape our understanding of the world. These deep-seated cultural frameworks influence how we perceive and respond to challenges.
- The Mythological Level: This is the most profound level, tapping into the collective unconscious and the underlying stories that give meaning to our lives. Myths provide a foundation for our worldview and shape our actions.

Creating Alternatives

The fifth pillar of future thinking is about creating alternative futures. This means exploring possibilities beyond the "business as usual" scenario. There are two key methods to achieve this:

1. Nuts and Bolts: This method involves examining how things are currently done and then brainstorming new ways of achieving the same goals. Imagine you're analyzing a school. We could ask: Who teaches? Do they need to be humans, or could robots or AI play a role? Where does learning happen? Must it be in a physical classroom, or could it be online or in remote locations? By questioning traditional structures, we can envision different ways of providing education.

2. Scenarios: This is a core tool in future thinking. Scenarios are like stories about how the future might unfold based on different assumptions. These stories help us understand the potential impact of various trends and uncertainties.

There are different ways to create scenarios:

- Single Variable Scenarios: These build on the "futures triangle" discussed earlier. Based on the different trends or images of the future (collapse, evolution, etc.), we can create stories about what the future might look like in each scenario.

- **Double Variable Scenarios:** Here, we identify two major uncertainties that could significantly affect the future. For example, in a scenario about disability, the uncertainties might be "the nature of change" (e.g., technological advancements vs. social changes) and "the change agents" (e.g., governments vs. people with disabilities themselves). By combining these uncertainties, we can create different scenarios about how the future of disability might develop.

By exploring different futures, we can be more prepared for whatever challenges and opportunities lie ahead. We can also use this approach to identify preferred futures and work towards making them a reality.

Transforming the Future

The final step is turning our imagined future into a reality. This involves deciding which future we want and then figuring out how to get there.

We can create our desired future in several ways:

- **Dreaming it up:** Imagine your perfect day in the future. What does it look like? What are you doing? This helps us visualize what we want.
- **Visualizing it:** Close your eyes and picture yourself in the future. What do you see, hear, and feel? This helps us connect with our desired future on an emotional level.
- **Working backward:** Start with your ideal future and then figure out the steps needed to get there. This is like planning a journey backward from your destination.
- **Avoiding the bad:** Identify potential negative outcomes and create strategies to prevent them.

By combining these methods, we can create a clear vision of the future and develop a roadmap to achieve it. This involves setting goals, making plans, and taking action.

Remember, creating the future is not just about dreaming; it's about doing.

D. Principles of Futures Thinking

1. Forget about Predictions

Predicting the exact future is impossible. While we can make educated guesses about specific events, like elections or product launches,

understanding the big, sweeping changes that shape our world is much harder. Think of it like trying to predict every wave on a beach. It's nearly impossible. But if you understand the tides, you can get a better idea of when and where the big waves will hit.

So, why bother thinking about the future? Because it helps us prepare for what's coming. Just like getting a vaccine protects you from getting sick, thinking about different possible futures helps us be ready for whatever happens.

Imagining the future is also about creating it. We have the power to shape the world around us. By thinking about what we want the future to look like, we can start taking steps to make it happen. We focus on big picture ideas, like how technology will change the way we learn and work, and then figure out how to make the most of those changes.

The key is to look ahead but act now. We focus on looking about ten years into the future because it's far enough out to think big without getting bogged down in short-term details. Then, we figure out what we need to do today to get ready for that future.

It's like planning a trip. You don't need to know the exact weather on every day, but you do need to know if you'll need a warm coat or a swimsuit. Essentially, thinking about the future isn't about predicting the impossible,



but about making smart choices for today.

2. Focus on Signals

Predicting the future is impossible, but identifying emerging trends, or "signals," can help organizations anticipate change. Unlike historical data, signals point to potential disruptions. By observing these anomalies and understanding their implications, organizations can develop foresight and adapt accordingly.

Examples of signals include technological advancements, societal shifts, and unexpected market behaviors. To effectively leverage signals, organizations should foster a culture of curiosity and create systems for collecting, analyzing, and sharing observations.

3. Look Back to See Forward

While the future is uncertain, historical patterns can offer valuable insights. We're experiencing a transformative era akin to the advent of the printing press, where information dissemination radically reshapes society.

Just as Gutenberg's invention disrupted power structures and birthed new forms of communication, today's digital revolution is altering how information is created, consumed, and controlled. Understanding these historical parallels helps us navigate the complexities of our current information landscape and anticipate future challenges and opportunities.

4. Uncover Patterns

To predict the future, we must study the past. By identifying recurring patterns, we can anticipate how current trends might unfold. We're moving from an era dominated by large institutions to one driven by collaboration and individual contributions. Think of it as shifting from a world of industrial giants to a network of interconnected individuals. To thrive in this new landscape, we must embrace change and be open to new ways of thinking and working, just as an immigrant adapts to a new culture.

5. Create a Community

Predicting the future isn't a one-person job. It requires diverse perspectives and collaboration. Bringing together people from different backgrounds and expertise is crucial for creating a comprehensive and accurate forecast.

Imagine a team of experts working together to envision the future of education. They might include educators, technologists, economists, and students. By combining their knowledge, they can identify potential challenges and opportunities, leading to innovative solutions.

This collaborative approach, as demonstrated in our "Learning Is Earning" project, can spark important conversations and inspire future initiatives.

The Core Principles of Futures Thinking

- **The Future is Plural**

*Not Singular- there is no single future out there

- **The Future is Preferable, Possible, Plausible, and Probable**
 - ***Preferable Futures**- are futures we want to happen
 - ***Probable Futures**- are based on a continuation of *current trends*, if things remain the same.
i.e. Traffic in Manila
 - ***Plausible Futures**- which most people would consider believable and are consistent with our current understanding of science, technology, socioeconomic system.
i.e. Renewable Energy Dominance in the year 2050
 - ***Possible Futures**- are futures which seem highly unlikely or too far out because they may involved technology or knowledge that does not currently exist.
i.e Dubai Autonomous Air Taxi 2017
- **The Future is Open**- The future is not fix and we have opportunities and freedom to influenced the future on a positive direction.
- **The Future is Fuzzy**- Knowledge about the future is always imperfect and severely limited.
- **The Future is Surprising**
i.e. Loss of Privacy, The Rise of Surveillance Capitalism
- **The Future is Fast**- "too much change in a short time"
- **The Future is Slow**
i.e. Development of Countries, Climate Change
- **The Future is Values Oriented**- values and ethical considerations play a crucial role in shaping the future.
- **The Future is Inbound and Outbound**- The study of the future is the study of change can be inbound and outbound: our personal and organizational futures are shaped by two set of forces: change that happens to us (from the external world beyond our control, which we call 'inbound' change) and that we create ourselves (based on our decisions and actions, which we call (outbound' change).

D. Guide on How to Develop Futures Thinking

To effectively integrate future thinking into your daily life, consistent practice is key. Start small and gradually incorporate these practices into your routine. Remember, small steps lead to big changes.

Learn Continuously: Regular reflection and lifelong learning are essential for understanding the world. Stay curious, explore diverse perspectives, and challenge your assumptions.

Embrace Diversity: Connect with people from different backgrounds to gain a broader understanding of the world. This expands your perspective and enhances your ability to anticipate future trends.

Develop Empathy and Resilience: Understand the feelings and motivations of others to better anticipate future needs. Embrace uncertainty as an opportunity for growth and innovation.

Build a Future-Focused Community: Collaborate with like-minded individuals to share knowledge and inspire each other. A strong network enhances your ability to think critically about the future.

Summary

Globalization, a complex interplay of economic, social, and technological forces, has reshaped the world. While offering opportunities for economic growth and cultural exchange, it has also generated inequalities and challenges. To navigate this complex landscape, a future-oriented perspective is essential.

Futures thinking involves anticipating potential futures, evaluating their implications, and developing strategies to shape desired outcomes. By examining trends, identifying patterns, and considering multiple possibilities, individuals and organizations can better prepare for uncertainties and capitalize on emerging opportunities.

Key to futures thinking is understanding that the world is interconnected and constantly evolving. Globalization has accelerated this process, making it imperative to consider global trends and their potential impacts. Moreover, by adopting a systems perspective, we can better appreciate how different elements of globalization interact and influence one another.

Ultimately, globalization is a double-edged sword. Its benefits must be maximized while its negative consequences mitigated. Through the application of futures thinking, we can work towards a more equitable, sustainable, and prosperous globalized world.



LET'S TRY THIS!

Case in Point: A World Connected

Maya woke up to the soft jingle of her phone. A notification from her favorite app informed her of a new post from her friend in Tokyo. As she scrolled through the images of bustling city life, she noticed a familiar brand of coffee in the background. It was the same brand she'd enjoyed just yesterday, brewed from beans sourced from a small farm in her home country.

Later that day, Maya needed a new pair of shoes. Instead of visiting the local mall, she turned to her computer. With a few clicks, she ordered a pair from a designer in Italy. The shoes arrived within a week, shipped across oceans by a global logistics network.

In the evening, Maya joined an online video conference with her colleagues, scattered across different continents. They collaborated on a project, sharing ideas and data seamlessly through cloud technology. As the meeting ended, she felt a sense of connection to people from diverse cultures, working towards a common goal.

Maya's day was a microcosm of globalization. It showcased the interconnectedness of the world, where goods, information, and people move freely across borders. Technology has been the catalyst, shrinking distances and breaking down barriers. Yet, as Maya drifted off to sleep, she couldn't shake the thought that while this interconnectedness brought many benefits, it also raised complex questions about inequality, cultural homogenization, and environmental impact. The world was smaller, but its complexities had grown exponentially.

Inquiry-Based Learning Guide Questions:

1. How does the story illustrate the interconnectedness of global supply chains, from coffee bean production to the consumer's cup?
2. What role does technology play in facilitating Maya's global interactions, and how has it transformed the way people communicate and conduct business?
3. Based on the story, what are some potential benefits and drawbacks of increased globalization, as experienced by individuals and societies?



Trend Analysis Exercise: Globalization

Students will conduct in-depth research on current globalization trends. They will select three to five trends and analyze their implications for various stakeholders (individuals, businesses, governments, etc.). Based on their analysis, students will forecast how these trends might evolve over the next 20 years, considering potential challenges and opportunities.

Steps:

1. Find Trends: Look for big changes happening in the world.
2. Pick Important Trends: Choose three to five important changes.
3. Understand the Impact: Explain how these changes affect people, businesses, and countries.
4. Predict the Future: Guess what might happen with these changes in the next 20 years.
5. Show Your Work: Make a picture or chart to explain your ideas.

Focus on: Big changes, why they matter, and what could happen next.

Criteria	Exemplary	Proficient	Developing	Needs Improvement
Trend Selection	Identifies highly relevant and impactful trends	Identifies relevant trends with some depth	Identifies trends but lacks depth or relevance	Trends are superficial or irrelevant
Trend Analysis	Provides in-depth analysis of trend implications	Provides adequate analysis of trend implications	Offers basic analysis of trend implications	Lacks depth in trend analysis
Future Forecasting	Develops comprehensive and creative future scenarios	Develops plausible future scenarios	Offers some future projections but lacks detail	Future projections are vague or unrealistic
Visual Representation	Creates a clear, informative, and visually appealing representation	Creates a clear and informative representation	Creates a basic representation	Representation is unclear or incomplete
Overall Quality	Demonstrates exceptional understanding of globalization and futures thinking	Demonstrates strong understanding of globalization and futures thinking	Demonstrates basic understanding of globalization and futures thinking	Demonstrates limited understanding of globalization and futures thinking



1. Which of the following statements is/are correct about globalization?

Statement 1: Globalization is a very important change, if not, the “most important”. (Bauman, 2003)

Statement 2: It cannot be contained within a specific time frame, all people, and all situation. (Al-Rhodan, 2006)

Statement 3: Globalization is the ‘process of world-shrinkage, of distances getting shorter, things moving closer. (Thomas Larsson, 2001)

- a. Statement 1 and 2
 - b. None of the statements are correct
 - c. Statement 3
 - d. All statements are correct
2. The best scholarly description of globalization is provided by Manfred Steger who described the process as 'the expansion and intensification of social relations and consciousness across world-time and across world-space'. Which of the following best describes the given statement of the author?
- a. Globalization creates new social networks
 - b. It divides the existing connections that cut across traditional political, economic, cultural, and geographic.
 - c. Globalization creates new social networks and the multiplication of the existing connections that cut across traditional political, economic, cultural, and geographic.
 - d. Global connections are dividing and also closing the reach.
3. Below is the relevance of studying the subject, The Contemporary World, except;
- a. Studying the world is a cure to parochialism or an outlook that is limited to one's immediate community
 - b. It teaches you more about yourself.
 - c. You need to study the world because you will be interacting with it.
 - d. It helps us accept the culture of others.
4. It is defined as the process of world shrinkage, of distances getting shorter, things moving closer. It is also defined as occurring through and with regression, colonialism and destabilization.
- a. Global Age
 - b. Globalization
 - c. New World
 - d. Industrialization
5. Refers to the increasing sameness in the world as cultural inputs, economic factors, and political orientations of societies.
- a. Cultural Convergence
 - b. Cultural Hybridization
 - c. Homogeneity
 - d. Heterogeneity
6. Which of the following is NOT a key characteristic of globalization?
- a. Increased interconnectedness of economies
 - b. Free flow of goods and services
 - c. Isolationist policies
 - d. Cultural exchange
7. The term "globalization" refers to:
- a. A purely economic phenomenon
 - b. The increasing interconnectedness of the world
 - c. A recent development
 - d. A negative trend
8. Which of the following is NOT a potential benefit of globalization?
- a. Increased job opportunities
 - b. Cultural homogenization

- c. Lower prices for goods and services
 - d. Technological advancements
9. A key challenge of globalization is:
- a. Increased cultural exchange
 - b. Economic growth in developing countries
 - c. Growing income inequality
 - d. Technological advancement
10. Futures thinking involves:
- a. Predicting the future with certainty
 - b. Ignoring current trends
 - c. Analyzing current trends to anticipate future possibilities
 - d. Focusing solely on past events
11. The process of identifying emerging trends and understanding their potential impacts is known as:
- a. Globalization
 - b. Trend analysis
 - c. Economic forecasting
 - d. Market research
12. A global supply chain refers to:
- a. A local network of businesses
 - b. A domestic production process
 - c. An interconnected network of businesses involved in producing a product or service
 - d. A government-controlled production system
13. Which of the following is NOT a potential impact of globalization on culture?
- a. Cultural diffusion
 - b. Preservation of local traditions
 - c. Homogenization of cultures
 - d. Increased intercultural exchange
14. To effectively address the challenges of globalization, it is essential to:
- a. Adopt a protectionist stance
 - b. Ignore global trends
 - c. Foster international cooperation
 - d. Promote isolationism
15. Futures thinking can help individuals and organizations to:
- a. React to unexpected events
 - b. Anticipate future challenges and opportunities
 - c. Ignore long-term trends
 - d. Maintain the status quo

ANSWERS TO THE PRE-TEST

1. d. All statements are correct
2. c. Globalization creates new social networks and the multiplication of the existing connections that cut across traditional political, economic, cultural, and geographic.
3. It helps us accept the culture of others.
4. b. Globalization
5. c. Homogeneity
6. c. Isolationist policies
7. b. The increasing interconnectedness of the world
8. b. Cultural homogenization
9. c. Growing income inequality
10. c. Analyzing current trends to anticipate future possibilities

ANSWERS TO THE POST-TEST

1. d. All statements are correct
2. c. Globalization creates new social networks and the multiplication of the existing connections that cut across traditional political, economic, cultural, and geographic.
3. It helps us accept the culture of others.
4. b. Globalization
5. c. Homogeneity
6. c. Isolationist policies
7. b. The increasing interconnectedness of the world
8. b. Cultural homogenization
9. c. Growing income inequality
10. c. Analyzing current trends to anticipate future possibilities
11. b. Trend analysis
12. c. An interconnected network of businesses involved in producing a product or service
13. b. Preservation of local traditions
14. c. Foster international cooperation
15. b. Anticipate future challenges and opportunities

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MODULE 2: Structures of Globalization



STRUCTURES OF GLOBALIZATION



Module Overview

In this module, students are introduced to both the political and economic facets of globalization. In the Global Economy and Market Integration discussion, the focus is on how to make the global economy an integral part of the global economy, as well as the role that multinational corporations and international financial institutions play in this process. In the Global Interstate System and Contemporary Global Governance discussion, the political aspect of capitalism is examined because the survival of states depends on the functioning of international partnerships and institutions that are linked to the process of capital accumulation.



1. What does the term “globalization” most commonly refer to?

- A) The spread of local cultures worldwide
- B) The increasing interconnectedness of economies and societies
- C) The isolation of national economies
- D) The decline of international cooperation

2. What is the primary purpose of market integration in the context of the global economy?

- A) To increase tariffs
- B) To enhance trade efficiency
- C) To promote isolationism
- D) To limit foreign investment

3. Which of the following is NOT a characteristic of contemporary global governance?

- A) Multilateral cooperation among states
- B) Dominance of a single superpower
- C) Involvement of non-state actors like NGOs and corporations
- D) Creation of international legal frameworks

4. What role do multinational corporations play in market integration?

- A) They hinder economic growth by monopolizing markets.
- B) They facilitate cross-border investments and trade.
- C) They are primarily focused on local markets.
- D) They have no significant impact on market dynamics.

5. Which organization is primarily responsible for regulating international trade?

- A) World Health Organization (WHO)
- B) International Monetary Fund (IMF)
- C) World Trade Organization (WTO)
- D) United Nations (UN)

6. In terms of global governance, what does “regime complexity” refer to?

- A) A single governing body that oversees all international relations.
- B) Multiple overlapping institutions that govern different aspects of global issues.

- C) A lack of any governing structures at the international level.
- D) A unified approach to global problems by all nations involved.

7. What is one potential downside to increased market integration?

- A) Greater access to goods for consumers
- B) Economic dependency on other nations
- C) Enhanced competition leading to innovation
- D) Improved diplomatic relations

8. Which statement best describes the relationship between globalization and inequality?

- A) Globalization reduces inequality across all regions.
- B) Globalization has no effect on inequality.
- C) Globalization can exacerbate inequality within and between countries.
- D) Globalization eliminates poverty entirely.

9. How does climate change challenge contemporary global governance?

- A) It has no significant impact on governance structures.
- B) It requires coordinated action across borders due to its transnational nature.
- C) It only affects developing countries, not developed ones.
- D) It simplifies decision-making processes for governments.

10. In what way has digital technology impacted global markets?

- A) It has decreased competition among businesses globally.
- B) It has made it easier for consumers to access information about products worldwide.
- C) It has limited cross-border transactions significantly.
- D) It has reduced the importance of supply chains in production processes.

LESSON 1: THE GLOBAL ECONOMY & MARKET INTEGRATION



LESSON SUMMARY

The current era of globalization has primarily focused on economic growth and development. Most people's daily activities, from trade to travel, are driven by economic motivations. Even infrastructure development and government policies are shaped by economic considerations. As a result, we're experiencing a rapid and widespread integration into the global economy, which is hard to avoid. However, as this wave of globalization reaches our shores, many people are becoming disillusioned with the economic and political systems that have led to growing inequality, social unrest, and mass migration in some cases. While globalization may bring economic benefits and cheaper products, it's also creating widespread discontent.

According to the 2019 World Economic Forum, worldwide exports hit a significant milestone in the 2000s when they increased to about 25% of the world's gross domestic product. As a result, trade—the total of imports and exports—grew to account for about half of global GDP. Trade accounts for far more than 100% of GDP in a number of nations, including Belgium, Singapore, and others. The majority of people on the planet have profited from this; hundreds of millions of them have joined the global middle class as a result of their participation in the global economy.

On the other side, because of the global impact of environmental degradation and climate change, the negative effects of the current globalization setup are also growing.

The following are some of the quotable quotes on economic globalization by some of the prominent individuals.

“No generation has had the opportunity, as we now have, to build a global economy that leaves no-one behind. It is a wonderful opportunity, but also a profound responsibility.” - Former U.S. President Bill Clinton.

The whole of the global economy is based on supplying the cravings of two percent of the world's population.” - Bill Bryson, Best-selling Author.

"I think there's a lot of merit in an international economy and global markets, but they're not sufficient because markets don't look after social needs." - George Soros, Chairman, Soros Fund Management.

"Henry Ford was right. A prosperous economy requires that workers be able to buy the product that they produce. This is as true in a global economy as a national one." - John J. Sweeney, Former President of the AFL-CI.



LESSON OBJECTIVES:

- a. Define economic globalization;
- b. Evaluate how changes in these structures could impact the future of globalization; and
- c. Articulate a stance on global economic integration



LET'S LOOK BACK!

Direction: Fill in the blanks below using the words inside the box. Write the words or answers that is described in each statement:

<i>Market Integration</i>	<i>Global corporation</i>	<i>Lender of last resort</i>
<i>Cultural globalization</i>	<i>Capitalism</i>	<i>Glocalization</i>
<i>Mercantilism</i>	<i>neoliberalism</i>	<i>Malthusian</i>

1. Process of economic transformation within a region, bloc or group of countries, aimed at pegging one price for the same product, thereby directly or indirectly merging previously separate markets or economic communities into one single market or economic community. _____.

2. A company that operates in a number of countries, in contrast with companies that operate only in one or few countries. _____.

3. A financial institution that offers loans to countries, resort banks, or other financial institutions in times of crisis or that are in some sort of financial difficulty and hence considered highly risky to be served by typical lenders. _____.

4. Cultural globalization refers to the transmission of ideas, meanings, and values across national borders, with food being a prominent example. Fast-

food giants like McDonald's and Coca-Cola are key players in this process, leading to a phenomenon known as _____.

5. The term ___ describes the economic system where private individuals or businesses own capital goods rather than the state.
_____.

6. The phenomenon where local businesses adapt their products or services to meet local tastes while still being part of a global market is referred to as _____.

7. Is an economic theory and practice that was prevalent in Europe from the 16th to the 18th centuries. It emphasizes the role of government in regulating the economy to enhance national power, primarily through a favorable balance of trade _____.

8. Economic policies that favor free-market capitalism over state intervention are often described using the term _____.

9. It relates to the theory that population growth tends to outpace the growth of resources necessary for survival, particularly food supply. This imbalance can lead to crises such as famine, disease, and war, which Malthus termed "positive checks" on population growth.
_____.

KEYWORDS

List of Keywords that you found relevant in this Module.



Motivation Question

In today's rapidly evolving world, how can understanding the dynamics of **The Global Economy** and **Market Integration**, **The Global Interstate System**, and **Contemporary Global Governance** empower you as future leaders to address global challenges and contribute positively to society.



LET'S LEARN!

A. THE GLOBAL ECONOMY AND MARKET INTEGRATION

The global economy refers to the exchange of goods and services integrated into a huge single global market. It is virtually a world without borders, inhabited by marketing individuals and/or companies who have joined the geographical world with the intent of conducting research and development and making sales. International trade permits countries to specialize in the resources they have. Countries benefit by producing goods and services they can provide most cheaply. International trade makes it possible for more goods to be produced and for more human wants to be satisfied than if every country tries by itself to produce everything it needs.

The global economy comprises several characteristics, such as:

- **Globalization:** Globalization describes a process by which national and regional economies, societies, and cultures have become integrated through the global network of trade, communication, immigration, and transportation. These developments led to the advent of the global economy. Due to the global economy and globalization, domestic economies have become cohesive, leading to an improvement in their performances.
- **International trade/ Free Trade:** International trade is an impact of globalization. It refers to the exchange of goods and services between different countries, and it has also helped countries to specialize in products which they have a comparative advantage in. This is an economic theory that refers to an economy's ability to produce goods and services at a lower opportunity cost than its trade partners.
- **International finance:** Money can be transferred at a faster rate between countries compared to goods, services, and people; making international finance one of the primary features of a global economy. International finance consists of topics like currency exchange rates and monetary policy.
- **Global investment:** This refers to an investment strategy that is not constrained by geographical boundaries. Global investment mainly takes place via foreign direct investment (FDI).

Moreover, the global economy's operation is shaped and influenced by governments, global or multi-national corporations (MNCs) and global institutions.

The government functions as the leading policymakers and implementers of the globalization. Some of the basic economic functions of the government is to protect the state private property and maintaining law and order / national defense, raising taxes, providing public services not provided in a free market (e.g. health care, education, street lighting), limit market failure through the regulation of markets, e.g. regulation some environment/labor markets/monopoly, macro-economic management, e.g. use of fiscal and monetary policy to control business cycle – recession and inflation and reducing inequality/poverty.

1. Protection of private property / national security. If a country has a problem with crime, then it will discourage investment and the quality of life. The role of the government is to ensure basic law and order, through ensuring the rule of law. This involves protecting the rights to private property. In a free market, there is an incentive to free ride on the provision of law and order, therefore it tends to be under-provided. A government can pay for policing through general taxation. A similar function of the government is to provide for national defense – paying for an army. It is military spending which often was the primary cause of the first taxes. Kings raising taxes to pay for his army. Policing and courts are an example of a public good – which usually require government provision.

2. Raising taxes. To provide public goods and public services, the government needs to raise tax. They can do this in a variety of ways – taxes on goods (customs duties), taxes on income, taxes on people (poll tax) and tax on property and land. The government must consider the best way of raising taxes. A good tax is efficient (doesn't distort economic activity); easy to collect (hard to avoid); fair (may involve taking a higher proportion of high earners). If the government run a budget deficit, they will need to raise the shortfall through borrowing and selling government bonds.

3. Providing public services. Public goods tend to be not provided in a free market because of the free rider problem. Therefore, these goods and services need to be provided by the government. Examples of public goods include street lighting, roads and law and order. There are also public services which are provided piecemeal in a free market, like education and health care. However, the government may feel that these merit goods are important for equality and improving labor productivity. Therefore, most governments provide some form of state provided education and health care.

4. Regulation of markets. Adam Smith in 'Wealth of Nations' noted that in a free market, firms were often able to create monopoly power. This enables them to charge excessive prices to consumers. The government may need to regulate monopoly power, e.g. prohibiting mergers or setting price limits in natural monopolies (industries like tap water and railways). Also, firms may develop monopsony power, where they are able to pay low wages and provide poor working conditions for workers. In this case, the government may need certain regulations on labor markets, such as minimum wages, minimum age of working and provide basic levels of health and safety.

5. Macroeconomic management. Capitalist economies can be subject to economic cycles – economic booms and recession. Recessions can lead to lost output and higher unemployment. In this case, the government may use fiscal policy to influence aggregate demand. The government may also use monetary policy, though, in recent years, many governments have delegated monetary policy to an independent Central Bank. In addition to trying to solve recessions, the government will also try to avoid inflation. This can involve higher taxes and higher interest rates.

6. Reducing inequality/poverty. In a capitalist economy, we may see a growth in inequality and poverty. This can be due to inherited wealth and opportunity. It can also be due to monopoly power. The government may feel the need to ensure everyone has an equal opportunity, for example providing education so even those from poor family have the opportunity to get qualifications. It may also involve redistributing income from high earners to low-income earners, e.g. progressive taxes such as higher rate of income tax and providing means-tested benefits such as income support/housing benefit and state pension.

B. ROLE OF GLOBAL INSTITUTIONS IN THE ECONOMIC GLOBALIZATION

The Global Institutions are partly managed and funded by the governments and their representative's functions. They aim to provide a level playing field for all the countries and develop economic cooperation. These institutions also help in solving the currency issues among countries related to stabilizing the exchange rates. There are four major international economic institutions, namely, WTO, WB, IMF, and UNCTAD.

World Trade Organization (WTO)

WTO was formed in 1995 to replace the General Agreement on Tariffs and Trade (GATT), which was started in 1948. GATT was replaced by WTO to form as a global international organization dealing with the rules of international trade among countries.

The main objective of WTO is to help the global organizations to conduct their businesses. WTO, headquartered at Geneva, Switzerland, consists of 153 members and represents more than 97% of world's trade.

The main objectives of WTO are as follows:

- a. Raising the standard of living of people, promoting full employment, expanding production and trade, and utilizing the world's resources optimally
- b. Ensuring that developing and less developed countries have better share of growth in the world trade
- c. Introducing sustainable development in which balanced growth of trade and environment goes together.

The main functions of WTO are as follows:

- a. Setting the framework for trade policies
- b. Reviewing the trade policies of different countries
- c. Providing technical cooperation to less developed and developing countries
- d. Setting a forum for addressing trade-related disputes among different countries
- e. Reducing the barriers to international trade
- f. Facilitating the implementation, administration, and operation of agreements
- g. Setting a negotiation forum for multilateral trade agreements
- h. Cooperating with the international institutions, such as IMF and World Bank for making global economic policies.
- i. Ensuring the transparency of trade policies
- j. Conducting economic research and analysis

WTO has the following advantages:

a) Promoting peace within nations:

Leads to less trade disputes. WTO helps in creating international cooperation, peace, and prosperity among nations.

b) Handling the disputes constructive:

Helps in lesser trade conflicts. When the international trade expands, the chances of disputes also increase. WTO helps in reducing these trade disputes and tensions among nations.

c) *Helping consumers by providing choices:* Implies that by promoting international trade, WTO helps consumers in gaining access to many products.

d) *Encouraging good governance:*

Accelerates the growth of a country. The rules formulated by WTO encourage good governance and discourage the unwise policies that lead to corruption in a country.

e) *Stimulating economic growth:*

Leads to more jobs and increase in income. The policies of WTO focus on reducing trade barriers among nations to increase the quantum of import and export.

World Bank (WB)

The World Bank was established in July 1944 at the Breton Woods Conference which was pursuing three goals: facilitate reconstruction, which led to the creation of International Bank for Reconstruction and Development (IBRD), ensure financial and monetary stability, which led to the creation of IMF restore and expand trade, it started with the GATT and it is only in 1995 that the WTO was created.

The IBRD initial mission was to rebuild Europe after World War II. Its first loan was extended in May 1947, to France for an amount of \$250 million to finance post-war reconstruction. It was one of the largest loans in real terms made by the Bank in its first 50 years of operation. Many developed nations who are now donors, were also borrowers, such as Austria, Belgium, Denmark, Japan, Italy etc. Belgium received four loans between '49 -'57, the last three for the development of Congo.

Today, the World Bank Group is one of the world's largest sources of development assistance. In fiscal year 2006, it provided about \$23.6 billion in loans to developing countries and it works in more than 100 developing economies. Today's primary focus is helping the poorest people and the poorest countries. World Bank Group is a close association of five institutions: the IBRD, IDA, IFC, MIGA and ICSID.

The first institution created in 1944 is the IBRD. It has 184 member countries. Almost all UN members are members of the World Bank with two exceptions: Cuba and North Korea. It provides loans and guarantees at market rates that remain nevertheless lower than those of commercial banks because IBRD has AAA bond rating which enables it to borrow in capital markets at low cost and, therefore, to offer its clients good borrowing terms. The bank earns enough income to ensure its financial strength and sustain its development activities and to support other institutions like IDA.

The second institution is the IDA, the International Development Association, which was created in 1960. It is the largest source of concessional financial assistance for the poorest countries. It gives loans

without charging interest. It is financed by its own resources and by donor governments, including some emerging countries. Donors meet every three years to replenish IDA. Given the increased level of its operations, IDA needs fresh contributions on a regular basis.

The third institution is the IFC, International Finance Corporation, established in 1956. IBRD and IDA are lending to sovereign governments or with government guarantees. In the late fifties, it was felt that this was not sufficient to ensure the development of the private sector. IFC was therefore created. It requires no government guarantees. It promotes sustainable private sector investment in developing countries to reduce poverty.

The fourth institution is MIGA, Multilateral Investment Guarantee Agency, established in 1988. It helps encourage foreign investment in developing countries by providing guarantees to foreign investors against losses caused by non-commercial risks, such as expropriation, currency inconvertibility and transfer restriction, breach of contract, war, and civil disturbance. It provides advisory services to help countries attract and retain foreign investment. It works in close cooperation with IFC.

The fifth institution is the ICSID, International Centre for Settlement of Investment Disputes, created in 1966. It helps in mediating, conciliating disputes between foreign investors and host countries. It conducts research and published activities in the areas of arbitration law and foreign investment law.

The Role of World Bank in the Global Development:

1. The changing Bank: priorities and approach
2. The overarching goal in poverty reduction
3. Good governance and fight against corruption
4. Debt relief
5. Inclusion of the poor
6. Stabilizing assistance

International Monetary Fund (IMF):

IMF, established in 1945, consists of 187 member countries. It works to secure financial stability, develop global monetary cooperation, facilitate international trade, and reduce poverty and maintain sustainable economic growth around the world. Its headquarters are in Washington, D.C., United States.

The objectives of IMF are as follows:

- a. Helping in increasing employment and real income of people.

- b. Solving the international monetary problems that distort the economic development of different nations
 - c. Maintaining stability in the international exchange rates.
 - d. Strengthening the economic integrity of the nations.
 - e. Providing funds to the member nations as and when required.
 - f. Monitoring the financial and economic policies of member nations.
 - g. Assisting low developed countries in effectively managing their economies
- WTO and IMF have total 150 common members. Thus, they both work together where the central focus of WTO is on the international trade and of IMF is on the international monetary and financial system. These organizations together ensure a sound system of global trade and financial stability in the world.

United Nations Conference on Trade and Development (UNCTAD)

UNCTAD, established in 1964, is the principal organ of United Nations General Assembly. It provides a forum where the developing countries can discuss the problems related to economic development. UNCTAD is headquartered in Geneva, Switzerland and has 193 member countries.

The conference of these member countries is held after every four years. UNCTAD was created because the existing institutions, such as GATT, IMF, and World Bank were not concerned with the problem of developing countries. UNCTAD's main objective is to formulate the policies related to areas of development, such as trade, finance, transport, and technology.

The main objectives of UNCTAD are as follows:

- a. Eliminating trade barriers that act as constraints for developing countries
- b. Promoting international trade for speeding up the economic development
- c. Formulating principles and policies related to international trade
- d. Negotiating the multinational trade agreements.
- e. Providing technical assistance to developing countries especially low developed countries.

It is important to note that UNCTAD is a strategic partner of WTO. Both the organizations ensure that international trade helps the low developed and developing countries in accelerating their pace of growth. On 16th April 2003, WTO and UNCTAD also signed a Memorandum of

Understanding (MoU), which identifies the fields for cooperation to facilitate the joint activities between them.

C. ROLE OF THE GLOBAL CORPORATIONS IN THE GLOBAL ECONOMY

The ***Global Corporation and Multinational Corporations*** are large firms which are incorporated in one country which own, control, or manage production and distribution facilities in several countries. Therefore, these multinational corporations are also known as transnational corporations. They transact business in many countries and often operate in diversified business activities. The movements of foreign capital take place through the medium of these multinational corporations. In this sense, the multinational corporations are important source of foreign direct investment(FDI). Besides, it is through multinational. The efficiencies of the multinational corporations in production and distribution of goods and services arise from internalizing certain activities rather than contracting them out to other firms. Managing a firm involves which production and distribution activities it will perform and which activities it will contract out to other firms and individuals. In addition, a big firm may decide to set up and operate business units in other countries and/ or set up production units in developing countries to benefit from advantages of location. For examples, it has been found that giant American and European firms set up production units to explore and refine oil in Middle East countries because oil is found there. Similarly, to take advantages of lower labor costs, and not strict environmental standards.

Alternative Methods of Foreign Investment by Multinational Companies:

To increase their profitability many giant firms find it necessary to go in for horizontal and vertical integration. For this purpose, they find it profitable to set up their production or distribution units outside their home country. The firms that sell abroad the products produced in the home country or the products produced abroad to sell in the home country must decide how to manage and control their assets in other countries. In this regard, multinational firms must choose which mode of control over their assets they should adopt.

There are four main modes of foreign investment:

1. Agreement with Local Firms for Sale of MNCs Products:

A multinational firm can enter into an agreement with local firms for exporting the product produced by it in the home country to them for sale

in their countries. In this case, a multinational firm allows the foreign firms to sell its product in the foreign markets and control all aspects of sale operations.

2. Setting Up of Subsidiaries:

The second mode for investment abroad by a multinational firm is to set up a wholly owned subsidiary to operate in the foreign country. In this case, a multinational firm has complete control over its business operations ranging from the production of its product or service to its sale to the ultimate use or consumers. A subsidiary of a multinational corporation in a particular country is set up under the Companies Act of that country. Such subsidiary firm benefits from the managerial skills, financial resources, and international reputation of their parent company. However, it enjoys some independence from the parent company.

3. Branches of Multinational Corporation:

Instead of establishing its subsidiaries, multinational corporations can set up their branches in other countries. Being branches they are not legally independent business unit but are linked with their parent company.

4. Foreign Collaboration or Joint Ventures:

The multinational corporations set up joint ventures with foreign firms to either produce its product jointly with local companies of foreign countries for sale of the product in the foreign markets. A multinational firm may set up its business operation in collaboration with foreign.

Some of the world's largest Multinational corporations are given below:

World's Some Important Non-Financial Multinational Corporations

<i>S.No.</i>	<i>International Corporation</i>	<i>Parent Country</i>	<i>Industry of operation</i>
1.	General Electric	United States	Electronics
2.	Exxon Mobil Corporation	United States	Petroleum (exploring, refining and distributing)
3.	Royal Dutch Shell Group	Netherland/UK	-do-
4.	General Motors	United States	Motor Vehicles
5.	Ford Motor Co.	United States	Motor Vehicles
6.	Toyata Motor Co.	Japan	Motor Vehicles
7.	IBM	United States	Computers
8.	BP	United Kingdom	Petroleum (Exp/Ref./Distt.)
9.	Nesle SA	Switzerland	Food/Beverages
10.	Nippon Oil Co.	Japan	Petroleum/Expl., Ref./Distt.
11.	Sieman AG	Germany	Electronics
12.	BMW AG	Germany	Motors Vehicles
13.	ABB	Switzerland	Electrical equipment
14.	Sony Corporation	Japan	Electronics
15.	Seagram	Canada	Food/Beverages
16.	Aventis	France	Pharmaceuticals/Chemicals
17.	Roche Group	Switzerland	Pharmaceuticals
18.	Honda Motor Co.	Japan	Motor Vehicles
19.	Phillips Electronics	Netherland	Electronics
20.	Hewlett-Packard	United States	Electronics/Computers

Market Integration:

An economic integration process brings together a region, bloc, or group of countries to set a common price for a product, effectively merging distinct markets or economic communities into a single, unified market or economic community. This process of market integration increases economic interdependence among countries, regions, or industries, resulting in economic benefits such as increased efficiency and growth. However, it also poses challenges like adjustment costs and income inequality. To achieve effective integration, careful planning, coordination, and regulation are required to minimize negative impacts and maximize benefits for all stakeholders.

This can occur through various means, such as:

1. **Trade liberalization:** Reducing or eliminating tariffs, quotas, and other trade barriers to facilitate the flow of goods and services across border.

Example:

Free Trade Agreements (FTAs): The Philippines has signed several FTAs with other countries, such as:

1. ASEAN Free Trade Area (AFTA) agreement, which aims to reduce tariffs and other trade barriers among ASEAN member states.
2. Philippines-US Free Trade Agreement (PH-US FTA), which aims to reduce tariffs and other trade barriers between the Philippines and the United States.

Note: In 2019, the Philippine government eliminated quotas on rice importation, allowing for a more open market for rice imports. This move was aimed at reducing rice prices and increasing supply to meet the growing demand of Filipino consumers.

2. **Investment liberalization:** Encouraging foreign investment and reducing restrictions on foreign ownership and control of assets.

Example:

Call Center Industry

Prior to 2006, the Philippine government had restrictions on foreign ownership and control of call centers, which limited foreign investment in the sector. However, in 2006, the Philippine government liberalized the call center industry by allowing foreign companies to own and operate 100% of call center businesses in the Philippines.

3. Financial integration: Increasing the flow of capital across borders, facilitating the movement of goods, services, and ideas.

Example:

A Filipino entrepreneur, Juan, wants to start a small business in the Philippines that imports goods from China. To do this, Juan needs to access foreign capital to finance the importation of goods. With financial integration, Juan can easily access foreign capital through international banks, financial institutions, or even online platforms.

4. Regulatory harmonization: is the process of making laws and regulations consistent across countries or regions to make it easier for businesses and individuals to operate internationally. This reduces barriers to entry, increases competition, and promotes economic growth.

Example:

Lazada Philippines and Shopee a popular e-commerce platform in the Philippines, has expanded its services to other ASEAN countries and China.

The Philippines has a new e-commerce law that requires online sellers to register with the government and pay taxes. To simplify the process, the government decides to harmonize the regulatory framework with other countries in the Association of Southeast Asian Nations (ASEAN) region.

5. Increased economic efficiency: Specialization and competition lead to increased productivity and lower prices.

Example:

The Philippine company, World Balance, which is a leading manufacturer of rice and other food products, partners with a Singapore-based company, Food Connection, to export its products to the European market. Improved resource allocation: Resources are allocated more efficiently across borders, leading to increased economic growth and development.

Benefits of Market Integration:

1. Increased economic growth: Market integration can lead to increased trade and investment, which can stimulate economic growth.
2. Increased consumer choice: Consumers have access to a wider range of products and services at competitive prices.

Challenges of Market Integration:

1. Adjustment costs: Workers and industries may face difficulties adapting to new market conditions, leading to job losses and social unrest.
2. Income inequality: Market integration can widen income inequality as some individuals or groups benefit more than others.

3. Cultural homogenization: Market integration can lead to the loss of cultural diversity and unique traditions.
4. Environmental concerns: Market integration can lead to increased environmental degradation if not managed effectively.

Examples of Market Integration:

1. European Union (EU): The EU has a single market with a common currency (Euro), allowing for the free movement of goods, services, and labor.
2. North American Free Trade Agreement (NAFTA): NAFTA created a free trade zone between the United States, Canada, and Mexico, reducing trade barriers and increasing economic cooperation.
3. Association of Southeast Asian Nations (ASEAN): ASEAN is a regional organization that promotes economic integration and cooperation among its member states.



Answer the following:

1. What are some potential benefits of market integration?
2. What are some potential challenges of market integration?
3. How can governments balance the need for economic integration with the need to protect local industries and communities?
4. What role do you think multinational corporations play in promoting or hindering market integration?
5. How can market integration be achieved in a way that promotes sustainable development and environmental protection?

LESSON 2: THE GLOBAL INTERSTATE SYSTEM & CONTEMPORARY GLOBAL GOVERNANCE

A. THE GLOBAL INTERSTATE SYSTEM AND CONTEMPORARY GLOBAL GOVERNANCE (Regional Economic Integration)

The Contemporary Governance



Image: PHOTOMORPHIC PTE. LTD.

Why is there a need to discuss Contemporary Governance? What is global governance? When we speak about global governance, what exactly does “global governance” mean?

According to Robert Bailey, global governance refers to governance on a global scale. While the concept seems simple in theory, it can take many forms in practice. National governments come in many shapes and sizes. But global governance, as we shall see, is a different beast altogether.

It is important to note that governance is not the same as government. A government is a formal body that is solely responsible for governance of specific institutions within a jurisdiction. Governance on the other hand typically refers to rules, institutions, and officials that have the power to shape the behavior of actors in a system. For example, the enforcement of laws and regulations as well as the provision of safety and services. It should be clear then, that achieving governance with a global scale or impact doesn't necessitate a single global government. There is a continuum from negotiation between nations to broad-impact treaties and agreements¹ to trade/customs unions to political unions. These exist from a transnational all the way up to a global scale.

On a global scale, this could be achieved the same way as on a national scale: one monolithic, unitary government operating across the entire globe. All people would adhere to the same rules and be answerable to the same final authority, and all people would rely on the same

institutions to provide safety and services. In other words, the whole world could unite as a single country.

Why do we need global governance?

Global governance is necessary because humanity increasingly faces both problems and opportunities that are global in scale. Today, transnational problems such as violence and pandemics routinely reach across borders, affecting us all.

The increasingly integrated global system has also laid the necessary foundations for peace and spectacular prosperity. The most important challenge for humanity to overcome is that of existential risks. One way to look at the danger of an existential risk is to quantify the level of global coordination needed to deal with it. While best-shot risks, at one end of the spectrum only require that a single nation, organization or even individual (i.e., superhero) has the means and the will to save everyone, weakest-link risks, at the other end of the spectrum, are dangers that might require literally every country to take appropriate action to prevent catastrophe, with no room for failure. The risk of natural disaster, but with advances in our level of technology the risk we pose to ourselves as a species becomes ever greater. Nuclear weapons are a well-known risk that we still live with to this day. The progress of technological research exposes us to new dangers such as bioengineered superbugs, nanotechnological menaces, and the risk of an out-of-control artificial intelligence with ill-intent. Increased levels of global coordination are needed to combat many of these risks, as described in our article on the cooperation possibilities frontier.

There are other problems that don't necessarily threaten the species or even civilization as we know it, but which are holding back the development of prosperity and progress. Armed conflict, around since the dawn of history, still haunts us today. Even though wars between great powers appear to be a thing of the past, regional conflicts still account for tremendous human suffering and loss of life in parts of the world without stable governance.

Other problems have emerged precisely because of our successes in the past. The unprecedented advancement of human wellbeing and prosperity over the past century has been based in large part on the use of fossil fuels, thus exposing us to climate change. Widespread automation, already a stressor on society, will put increased pressure on the social and economic fabric of our societies over the next few decades. Global governance can help alleviate these issues in various.

Finally, global governance will increasingly be judged not only by the

extent to which it prevents harm, but also by its demonstrated ability to improve human wellbeing. Progress has let us set our sights higher as a species, both for what we consider to be the right trajectory for humanity and for our own conduct. Major advances in human wellbeing can be accomplished with existing technology and modest improvements in global coordination.

Effective global governance is global governance that tackles these issues better than the regional governments of the world can independently. Global governance is key to solving global problems. Without it, we may not be able to avoid weakest-link existential risks or regulate new and dangerous technologies. With it, we may be able to prosper as we never have before. The next step is to determine how effective global governance can be achieved.

B. THE ROLE OF UNITED NATIONS TO GLOBAL GOVERNANCE



Courtesy: Daily Sabah | United Nations

The United Nations governing body and its institutions constitute a framework that allows for global governance. It fits the definition because it allows for a democratic framework of voting on regulations that apply globally, it provides a safety net to prevent or respond to wars and humanitarian crises, and is funded by nations which are a part of it. This structure allows for an array of institutions and services that provide everything from consulting, advisory, justice, humanitarian aid, education, information, and so on. In theory, it could provide much more, and on a global scale.

In fact, the United Nations (UN) is the closest thing we have to a global government. Today, it contains the closest approximations that the world has to a constitution (the Universal Declaration of Human Rights); a

set of deliberative law-making bodies (the General Assembly and Councils); a police system among nations (the Security Council); and an executive branch (the UN bureaucracies).

Why do we need global governance?

The goal of global governance - is to provide global public goods, particularly peace and security, justice and mediation systems for conflict, functioning markets and unified standards for trade and industry. One crucial global public good is catastrophic risk management – putting appropriate mechanisms in place to maximally reduce the likelihood and impact of any event that could cause the death of 1 billion people across the planet, or damage of equivalent magnitude.

The leading institution in charge of global governance today is the United Nations. It was founded in 1945, in the wake of the Second World War, as a way to prevent future conflicts on that scale. The United Nations does not directly bring together the people of the world, but sovereign nation states, and currently counts 193 members who make recommendations through the UN General Assembly. The UN's main mandate is to preserve global security, which it does particularly through the Security Council. In addition, the UN can settle international legal issues through the International Court of Justice, and implements its key decisions through the Secretariat, led by the Secretary General.



Courtesy: un.org

The United Nations has added a range of areas to its core mandate since 1945. It works through a range of agencies and associated institutions particularly to ensure greater shared prosperity, as a desirable goal in itself, and as an indirect way to increase global stability. As a key initiative in that regard, in 2015, the UN articulated the Sustainable Development Goals, creating common goals for the collective future of the planet.



Courtesy: history.com

Beyond the UN, other institutions with a global mandate play an important role in global governance. Of primary importance are the so-called Bretton Woods institutions: the World Bank and the IMF, whose function is to regulate the global economy and credit markets. Those institutions are not without their critics for this very reason, being often blamed for maintaining economic inequality.

Global governance is more generally affected through a range of organizations acting as intermediary bodies. Those include bodies in charge of regional coordination, such as the EU or ASEAN, which coordinate the policies of their members in a certain geographical zone. Those also include strategic or economic initiatives under the leadership of one country – NATO for the US or China's Belt and Road Initiative for instance – or more generally coordinating defense or economic integration, such as APEC or ANZUS. Finally, global governance relies on looser norm-setting forums, such as the G20, the G7, the World Economic Forum: those do not set up treaties, but offer spaces for gathering, discussing ideas, aligning policy and setting norms. This last category could be extended to multi-stakeholder institutions that aim to align global standards, for instance the Internet Engineering Taskforce (IETF) and the World Wide Web Consortium (W3C).

In summary, global governance is essential but fragmented, complex and little understood. In this context, the key questions raised by the Global Challenges Foundation are, how to reform institutions, how to develop alternative institutions, and how to use the new possibilities of technology to improve governance.

Advantages and Disadvantages of a Global Government

Advantages:

1. Open borders. No need for tariffs, immigration, customs, etc.
2. Military could be downsized to a force large enough to deal with terrorists and local squabbles.

3. Consistent policies worldwide. No more concerns about tax rates vs. health care vs. individual freedoms from one country to the next.
4. Immense tax savings due to the economy of scale. Only fund one complete government as opposed to a hundred.

Disadvantages:

1. No proper way to account for cultural differences. One set of laws will never agree with everyone. Americans like going to the pistol range to shoot targets. Indians prefer traffic laws that are very different from the western world. Developing economies have a relaxed view of corporate and individual liabilities. Thais and Saudis take pride in their kings.
2. Lack of competition between nations. Professionals and skilled workers will leave a country that restricts their progress. If there is only one country, the sole outlet for dissent is revolution.

History of the United Nations

The United Nations is an international organization founded in 1945 after the Second World War by 51 countries committed to maintaining international peace and security, developing friendly relations among nations and promoting social progress, better living standards and human rights.

Due to its unique international character, and the powers vested in its founding Charter, the Organization can take action on a wide range of issues, and provide a forum for its 193 Member States to express their views, through the General Assembly, the Security Council, the Economic and Social Council and other bodies and committees.

The work of the United Nations reaches every corner of the globe. Although best known for peacekeeping, peace building, conflict prevention and humanitarian assistance, there are many other ways the United Nations and its System (specialized agencies, funds and programmes) affect our lives and make the world a better place.

The Organization works on a broad range of fundamental issues, from sustainable development, environment and refugees protection, disaster relief, counter terrorism, disarmament and non-proliferation, to promoting democracy, human rights, gender equality and the advancement of women, governance, economic and social development and international health, clearing landmines, expanding food production, and more, in order to achieve its goals and coordinate efforts for a safer world for this and future generations.

The search for peace culminated in the form of the UNITED NATIONS after World War II. From April 25 to June 26, 1945, delegates from 50

nations met at San Francisco to draft a charter for the United Nations. Later, many other countries joined United Nations. The United Nations officially came into existence on October 24, 1945, when its charter had been ratified by China, France, the USSR, the UK and US, and by a majority of other signatories. This day every year is celebrated as the UN day the world over.

The Principles of United Nation

1. It is based on the sovereign equality of all its members.
2. All members are to fulfil in faith their charter obligations.
3. They are to settle their international disputes by peace.
4. They are to refrain from the threat or use of force against other state.
5. They are to give the United Nations every assistance in every action it takes in accordance with the charter.
6. Nothing in the charter is to Authorized the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state.

The United Nation has 4 main purposes:

- To keep peace throughout the world;
- To develop friendly relations among nations;
- To help nations work together to improve the lives of poor people, to conquer hunger, disease and illiteracy, and to encourage respect for each other's rights and freedoms;
- To be a center for harmonizing the actions of nations to achieve these goals.

The Main Organ of United Nations

1. The general assembly
2. The Security Council
3. The secretariat
4. The trusteeship council
5. The economic and social council
6. The International court of Justice

The General Assembly

- is the main deliberative organ. The general assembly is like the world parliament. It ordinarily meets once a year unless there is some emergency for a special session. Decisions are making by a two-third majority. Composed of all United Nations member states, the assembly meets in regular yearly session under a president elected from among the member states. The first session was convened on 10 January, 1946 in the Westminster central hall in London and included representatives from 51 Nations.

The Security Council

- is in-charged with maintaining peace and security among countries. The Security Council has the power to make binding decisions that member Governments have agreed to carry out, under the terms of charter. The decisions of the council are known as UNITED NATIONS SECURITY COUNCIL RESOLUTIONS. The Security Council comprises five permanent members -United States, Britain, and France, Russia and China and ten non-permanent members, who are elected for two years by general assembly. The permanent members have the power to veto any of the decisions of SC (Security Council).

The Secretariat

- is headed by the secretary-general, assisted by a staff of international civil servants worldwide. It provides studies, information, and facilities needed by United Nations bodies for their meeting. It also carries out tasks as directed by the UN Security Council, The UN bodies. The United Nations charter provides that the staff be chosen by application of the "highest standards of efficiency, competence, and integrity" with due regard for the importance of recruiting on the wide geographical basis. The charter provides that the staff shall not seek or receive instructions from any authority other than the UN member country is enjoined to respect the international character of the secretariat and not seek to influence its staff.

The secretary-general alone is responsible for staff-selection. The secretary general's duties include helping resolve international disputes, administering peacekeeping operations, organizing international conferences, gathering information on the implementation on the security council decisions, and consulting with member Governments regarding various initiatives. The secretary-general may bring to the attention of the Security Council any matter that, in his or her opinion, may threaten international peace and security.

The Trusteeship Council

- aims in helping countries under foreign rule to attain independence. There were eleven such countries that had come under this system after the Second World War. By 1994, all trust territories had attained independence. The last to do was the Palau, which became the 185th member state of the UN

The Economic and Social Council

- assist the general assembly in promoting international economic and social cooperation and development. ECOSOC has 54 members, all of which are elected by the general assembly for a three-year term.

The president is elected for one-year term and chosen among the small or middle powers represented on ECOSOC. ECOSOC meets once a year in July for a four-week session. Since 1998, it has held another meeting each April with finance minister heading key committees of the World Bank and the International Monetary Fund. Viewed separate from the specialized bodies coordinates, ECOSOC's functions include information gathering, advising member nations, and making recommendations. In addition, ECOSOC is well positioned to provide policy coherence and coordinate the overlapping functions of the UN's subsidiary and it is in these roles that it is the most active.

The International Court of Justice

- consist of 15 judges elected by the Security Council and the general assembly for a term of nine years. Each one of them has to be from different country. The court gives advisory opinion on legal matters to the organs and special agencies of the UN when solicited. It also considers legal disputes brought before it by nations.

Specialized Agencies of UN

1. International Labour Organization
2. Food and Agricultural Organization
3. United Nations, Educational, Scientific and Cultural Organization
4. World Health Organization
5. World Bank
6. International Monetary Fund
7. International Civil Aviation Organization
8. Universal Postal Union
9. International Telecommunication Union
10. International Maritime Organisation
11. World Meteorological Organisation
12. World Intellectual Property Organisation
13. International Fund for Agricultural Development
14. UN Industrial Development Organisation
15. International Atomic Energy Agency
16. World Trade Organisation

Specialized Bodies of UN

1. United Nations Children Fund (UNICEF)
2. UN Conference on Trade and Development (UNCTAD)
3. UN Development Programme (UNDP)
4. UN Institute for Training and Research (UNITAR)
5. UN Environment Programme (UNEP)
6. UN University (UNU)

7. World Food Council (WFC)
8. United Nations Volunteers (UNV)
9. United Nations Population Fund (UNFPA)
10. UN Office on Drugs and Crime (UNODC)
11. UN Human Settlement Programme (UN-Habitat)
12. UN Institute for Disarmament Research
13. UN Research Institute for Social Development (UNRISD)
14. UN Inter-Regional Crime and Justice Research Institute (UNICRI)

Some Humanitarian Activities of United Nations

1. Treaty on cybercrime on November 23, 2001 representatives of 30 countries met in the Budapest and signed the first ever international treaty on criminal offences committed in the internet.
2. UN Resolution 1973- effort to nab terrorism following the global demand to act against terrorists and states that support or harbour them, the UN unanimously passed the resolution.
3. Millennium summit at the summit, held at UN Headquarters from 6 to 8 September 2000, world leaders established clear direction for the organization in the new century. The millennium declaration targets for poverty, disease and environment issues.
4. Protecting children in war the general assembly in 2000 adopted a draft to the convention on the right of the child, under which states parties agree to raise the age limit for both compulsory recruitment and participation in combat from 15 to 18.
5. UN secretary General Ban-Ki Moon urges greater efforts to feed world's hungry amid ongoing recession.
6. UN refugee agency calls on Kenya to stop forced return Somali asylum seekers.
7. UN rural development arm to help poor farmers in Tajikistan.

Words to Go by:

Malthusian: A term that refers to the ideas of Thomas Malthus, an 18th-century economist who argued that population growth would eventually outstrip food supplies, leading to poverty, famine, and societal collapse. Malthusian ideas are often associated with concerns about overpopulation, resource depletion, and environmental degradation.

Global Corporation: A large corporation that operates in multiple countries and has a significant presence in the global market. Global corporations often have a global supply chain, global marketing and sales strategies, and a global management structure.

Cultural Globalization: The process of sharing cultural ideas, values, and practices across different societies and cultures. This can occur through globalization, international migration, and the spread of media and technology.

Capitalism: An economic system in which private individuals and businesses own and operate the means of production, such as factories, land, and resources. The goal of capitalism is to maximize profits and to allocate resources efficiently.

Neoliberalism: An economic philosophy that emphasizes the importance of free markets, limited government intervention, and individual freedom. Neoliberals believe that free markets are more efficient and effective than government-controlled economies.

Market Integration: The process of linking different markets or economies together through trade, investment, and other economic activities. This can lead to increased economic efficiency, lower prices, and improved access to goods and services.

Glocalization: A term that combines "globalization" and "localization". It refers to the process of adapting global products or services to local markets and cultures. This can involve customizing products or services to meet local needs and preferences, while also leveraging global resources and expertise.

Mercantilism: An economic system in which the government plays a significant role in the economy, with the goal of increasing national wealth and power. Mercantilist policies often involve protecting domestic industries through tariffs, subsidies, and other forms of government intervention.

Lender of Last Resort: A central bank or financial institution that provides emergency loans to banks or other financial institutions that are experiencing financial difficulties. This is often done to prevent a systemic crisis or to stabilize the financial system.

Choir of different voices: Refers to the diverse range of perspectives, interests, and values that come together in the global economy. This phrase acknowledges that globalization is a complex and multifaceted process that involves many different actors, each with their own agendas and priorities. From multinational corporations to non-governmental organizations, governments to individuals, each player has its own distinct voice and influence in shaping the global economy. This diversity of voices is what makes globalization a rich and dynamic process, but also potentially challenging to navigate and govern.

In a choir, each singer has a unique voice, but together they create a harmonious sound. Similarly, in globalization, different countries, cultures, and interests come together to form a global economy, society, and culture. This means that:

1. *Different voices are heard:* Each country, culture, and interest group has its own unique perspective, values, and concerns.
2. Diverse perspectives are represented: Globalization allows for the representation of different viewpoints, values, and ways of life.
3. *Complex interactions occur:* The interactions between these different voices and perspectives can lead to complex outcomes, such as cultural exchange, economic integration, and technological advancements.

Note: Globalization as a choir of different voices recognizes the complexity and diversity of global interactions, acknowledging that different perspectives, cultures, and interests come together to shape our global economy, society, and culture.



Guide Questions for Discussions:

1. Why is globalization said to be a choir of different voices?
2. What sectors shape and influence the global economy's operation? How do they interact with each other?
3. How did the world transition from the gold standard to the Bretton Woods system? What was its immediate impact?
4. According to Wallerstein's world system analysis, to what group does the Philippine belong? Is his analysis reflective of current Philippine conditions? Explain.
5. Can a core country become peripheral, and vice versa? Explain.
6. Why do critics of capitalist globalization argue that regulation, rather than deregulation, is needed?

Criteria:

Content Clarity and Evidence	- 25 points
Organization and Presentation	- 20 points
Technically (grammar)	- 5 points
Total	- 50 points

Learning Task 4: *Writing a Reflection Paper*

1. Research any current foreign or local government economic program/project. Introduce and provide its background. Discuss the government, global institutions [and global corporations] role in the project development, and the pros and cons on the country's economy.
2. Write a Position Paper supporting or contesting the purported benefits of the project/ program towards economic globalization.
3. Save your work in a document file.
4. Date of submission, TBA



1. Why is globalization said to be a "choir of different voices"?

- A) Because globalization is only about the free movement of goods and services between countries, with no consideration for cultural or social differences.
- B) Because globalization brings together a diverse range of countries, industries, and stakeholders, each with their own unique perspectives and interests.
- C) Because globalization is a top-down process, with powerful corporations and governments imposing their will on local communities.
- D) Because globalization is a zero-sum game, where the gains of some countries or industries are offset by the losses of others.

2. What role do multinational corporations play in shaping the global economy?

- a) They play a minor role in shaping the global economy.
- b) They play a significant role in shaping the global economy.
- c) They play no role in shaping the global economy.
- d) They play a role in shaping the global economy only in certain regions.

3. Which of the following best describes the relationship between the finance sector and other sectors in globalization?

- A) The finance sector drives all other sectors

- B) The finance sector is driven by other sectors
- C) The finance sector interacts with other sectors in a complex way
- D) The finance sector has no impact on other sectors

4. How do the different sectors interact with each other in globalization?

- A) They interact in a linear and predictable way
- B) They interact in a complex and dynamic way
- C) They do not interact at all
- D) They only interact through the finance sector

5. What was the main cause of the collapse of the gold standard?

- A) The rise of globalization
- B) The rise of international trade
- C) The failure of governments to maintain fixed exchange rates
- D) The decline of the gold standard itself

6. What was the main goal of the Bretton Woods system?

- A) To promote free trade and globalization
- B) To regulate international trade and prevent protectionism
- C) To create a new international monetary system based on fixed exchange rates
- D) To promote economic development in poor countries

7. What was the immediate impact of the transition from the gold standard to Bretton Woods?

- A) Global trade and investment increased significantly
- B) Global trade and investment decreased significantly
- C) The value of currencies fluctuated widely
- D) The international monetary system became more stable

8. According to Wallerstein's world system analysis, which group does the Philippine belong to?

- A) Core country
- B) Semi-periphery country
- C) Peripheral country
- D) Super-peripheral country

9. Is Wallerstein's analysis reflective of current Philippine conditions?

- A) Yes, it is still accurate today
- B) No, it is not accurate today due to changes in the global economy
- C) It is partially accurate today due to changes in the global economy
- D) It is not applicable to the Philippines today

10. Can a peripheral country become core?

- a) Yes, it can become core due to various factors such as changes in global economic conditions or technological advancements.
- b) No, it cannot become core because it is already economically underdeveloped.
- c) Yes, it can become core due to its own internal strengths or policies.
- d) No, it cannot become core because it lacks strong institutions and governance.

11. Can a core country become peripheral?

- a) Yes, it can become peripheral due to various factors such as changes in global economic conditions or technological advancements.
- b) No, it cannot become peripheral because it is already economically developed.
- c) Yes, it can become peripheral due to its own internal weaknesses or policies.
- d) No, it cannot become peripheral because it has strong institutions and governance.

12. Why do critics of capitalist globalization argue that regulation is needed rather than deregulation?

- a] Because regulation allows for more flexibility and adaptability in response to changing market conditions.
- b] Because regulation helps to address social and environmental issues associated with capitalist globalization such as income inequality, labor exploitation, and environmental degradation.
- c] Because regulation reduces competition and innovation in markets.
- d] Because regulation increases costs and reduces efficiency in markets.

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ANSWERS TO THE PRE-TEST:

1. B) The increasing interconnectedness of economies and societies
2. B) To enhance trade efficiency
3. B) Dominance of a single superpower
4. B) They facilitate cross-border investments and trade.
5. C) World Trade Organization (WTO)
6. B) Multiple overlapping institutions that govern different aspects of global issues.
7. B) Economic dependency on other nations
8. C) Globalization can exacerbate inequality within and between countries.
9. B.) It requires coordinated action across borders due to its transnational nature.
10. B.) It has made it easier for consumers to access information about products worldwide.

ANSWERS TO THE POST-TEST:

1. B) Because globalization brings together a diverse range of countries, industries, and stakeholders, each with their own unique perspectives
2. B) They play a significant role in shaping the global economy.
3. C) The finance sector interacts with other sectors in a complex way
4. B) They interact in a complex and dynamic way
5. C) The failure of governments to maintain fixed exchange rates
6. C) To create a new international monetary system based on fixed exchange rates
7. D) The international monetary system became more stable
8. C) Peripheral country
9. C) It is partially accurate today due to changes in the global economy
10. C) Yes, it can become core due to its own internal strengths or policies.
11. A) Yes, it can become peripheral due to various factors such as changes in global economic conditions or technological advancements.
12. B) Because regulation helps to address social and environmental issues associated with capitalist globalization such as income inequality, labor exploitation, and environmental degradation.

MODULE 3: A WORLD OF REGIONS



Module Overview

Governments, associations, societies, and groups form regional organizations and/or networks to address the challenges of globalization. Globalization has increased people's awareness of the world as a whole, but it has also made Filipinos more aware of specific regions such as Southeast Asia. How, for example, did the Philippines come to identify with Southeast Asia? Why is it part of the Association of Southeast Asian Nations (ASEAN)?

While regionalism is commonly associated with politics and economics, the term actually refers to a broader range of issues. It can be examined in terms of identity, ethics, religion, environmental sustainability, and health. Regionalism is also a process that must be viewed as an "emergent, socially constituted phenomenon." This means that regions are not natural or given; rather, they are created and defined by policymakers, economic actors, and even social movements.

This lesson will look at regions as political entities and what connects them as they interact with globalization. The other aspects of regionalism will then be examined, particularly those concerning identities, ethics, religion, environmental sustainability, and health. The lesson will conclude by asking where all of these regionalisms are leading us as national and global citizens.



- 1. North America, Western Europe, Japan, and Australia are examples of so-called developed, capitalist, industrial countries, which are roughly a bloc of countries that allied with the United States after World War II and share more or less common political and economic interests. What are they known as?**
 - a. Global South
 - b. Second World
 - c. Third World
 - d. First World
- 2. It broadly encompasses the geographic regions of Latin America, Asia, Africa, and Oceania. It is one of several terms, including "Third World" and "Periphery," that refer to areas outside of Europe and North America that are mostly (but not always) low-income and frequently politically or culturally marginalized.**
 - a. Global Divides
 - b. Global South
 - c. Global North
 - d. Second World

3. **Weakened economic fundamentals have caused the country's persistent inflation to reach a 17-year high of 25.8% in August 2023, leaving millions of Nigerians in poverty. As a result, we can conclude that the situation is widespread in _____.**
- a. Core countries
 - b. First World
 - c. Second World
 - d. Global South
4. **Ms. Monte is discussing Global Divides; she began the lesson by defining the countries of the First, Second, and Third Worlds. She also discussed the differences between the three. How would you describe Third World countries if you were Ms. Monte?**
- a. serves to identify countries that suffer from high infant mortality, low economic development, high levels of poverty, low utilization of natural resources, and heavy dependence on industrialized nations.
 - b. refers to the former communist-socialist, industrial states, (formerly the Eastern bloc, the territory and sphere of influence of the Union of Soviet Socialist Republic) today: Russia, Eastern Europe (e.g., Poland) and some of the Turk States (e.g., Kazakhstan) as well as China.
 - c. tend to be wealthier, less unequal and considered more democratic and to be developed countries who export technologically advanced manufactured products.
 - d. controls four-fifths of the income earned anywhere in the world.
5. **The Global South is said to be poorer developing countries with younger, more fragile democracies that rely heavily on primary sector exports and frequently share a history of colonialism by Northern states. Which of the following scenarios best represents the Global South?**
- a. Burundi's economy remains fragile and susceptible to shocks. Agriculture and services are expected to drive GDP growth of 2.9% in 2023, up from 1.8% in 2022. Agricultural production is expected to recover, assuming adequate rainfall and fertilizer distribution.
 - b. The Netherlands' GDP per capita is higher than the EU average and higher than that of the majority of other countries. The Dutch economy has repeatedly demonstrated its ability to be a global powerhouse.
 - c. New Zealand has a highly developed free-market economy. It has the world's 52nd largest nominal GDP and 62nd largest purchasing power parity (PPP).
 - d. South Korea has one of the world's largest economies and is currently ranked 13th in the world. In 2022, the global GDP per capita was approximately 12,607 USD. South Korea, on the other hand, had a GDP of USD 32,255 per capita, or 1.665 trillion USD for the entire country.

6. **According to Hettne (1996), there are three concepts of regionalism. What concept is being shown if we are referring to a place, as a physical environment. For example, we can determine Asia as a region based on the land and water boundaries surrounding it.**
 - a. Region as geographical unit
 - b. Region as social system
 - c. Region as organized cooperation
 - d. Region as demographical concept
7. **Mr. Cayaco was tasked with presenting on one of regionalism's concepts, regions as social systems. What example can he use to best illustrate the concept?**
 - a. Southeast Asia is a region within Asia, and it has been formalized through memberships in the Association of South East Asian Nation or ASEAN.
 - b. Asia can be determined as a region based on the group of people occupying it and the shared ancestry, language, and culture these people have.
 - c. we can determine Asia as a region based on the land and water boundaries surrounding it.
 - d. Asia can be determined through looking back on its history.
8. **Southeast Asia, according to Mr. Yara, is a region within Asia that has been formalized through membership in the Association of South East Asian Nations, or ASEAN. To what concept is he referring?**
 - a. Region as social system
 - b. Region as geographical unit
 - c. Region as organized cooperation
 - d. Region as demographical concept
9. **All of the following are benefits of Asian Integration, EXCEPT.**
 - a. It harnesses the strength of diverse economies.
 - b. It provides platform for connecting financial markets
 - c. It makes the economy more resilient to global risks.
 - d. There is a need to establish compatible product standards.
10. **Their goal is to increase cooperation in economic, social, cultural, technological, educational, and other areas. It also promotes regional peace and stability by upholding justice and the rule of law, as well as adhering to the principles of the United Nations Charter. Which organization or Asian Cooperation is being discussed?**
 - a. East Asia Summit
 - b. Asia Pacific Community
 - c. East Asian Community
 - d. Association of Southeast Asian Nations (ASEAN)

LESSON 1: GLOBAL DIVIDES (THE NORTH &



LESSON SUMMARY

In this module, we will discuss the North and the South. According to the Western capitalist countries were labeled as the "First World". The Soviet Union and its allies were termed the "Second World." The rest was grouped into the "Third World". When the Cold War ended, the category of the "Second World" became null and void, but the "First and the Third World stuck around. The Third World countries, which started just as a vague catchall term for non- alliance countries, came to be associated with impoverished states, while the First World was associated with rich, industrialized countries.



LESSON OBJECTIVES:

- a. Define the term "Global South"; and
- b. Differentiate the Global South from the Third World



LET'S LOOK BACK!

1. What does the term "globalization" most commonly refer to?

- A) The spread of local cultures worldwide
- B) The increasing interconnectedness of economies and societies
- C) The isolation of national economies
- D) The decline of international cooperation

2. What is the primary purpose of market integration in the context of the global economy?

- A) To increase tariffs
- B) To enhance trade efficiency
- C) To promote isolationism
- D) To limit foreign investment

3. Which of the following is NOT a characteristic of contemporary global governance?

- A) Multilateral cooperation among states
- B) Dominance of a single superpower
- C) Involvement of non-state actors like NGOs and corporations
- D) Creation of international legal frameworks

4. What role do multinational corporations play in market

integration?

- A) They hinder economic growth by monopolizing markets.
- B) They facilitate cross-border investments and trade.
- C) They are primarily focused on local markets.
- D) They have no significant impact on market dynamics.

5. Which organization is primarily responsible for regulating international trade?

- A) World Health Organization (WHO)
- B) International Monetary Fund (IMF)
- C) World Trade Organization (WTO)
- D) United Nations (UN)

KEYWORDS

List the keywords that you found relevant in **Lesson 1**.

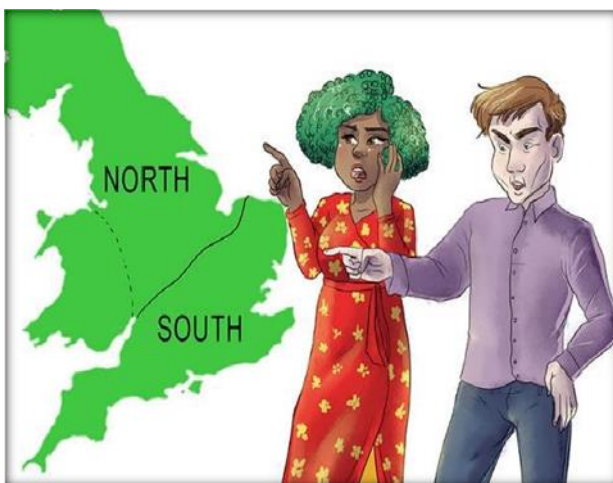


Motivation Question

What are the implications of talking about countries classifying as First or Third? Where did these terms originate? How are we going to talk about global stratification?

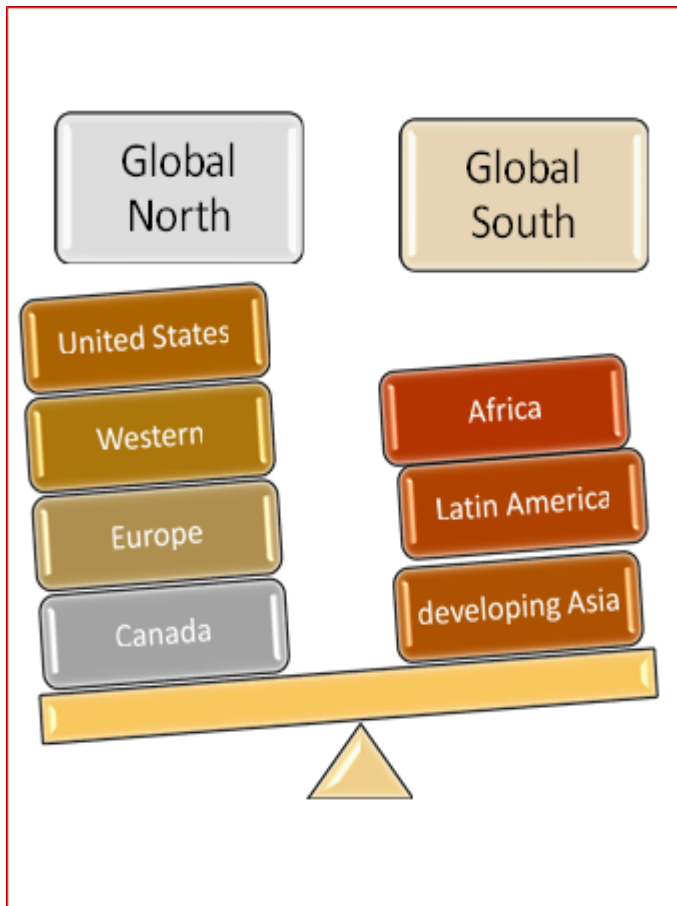


LET'S LEARN!



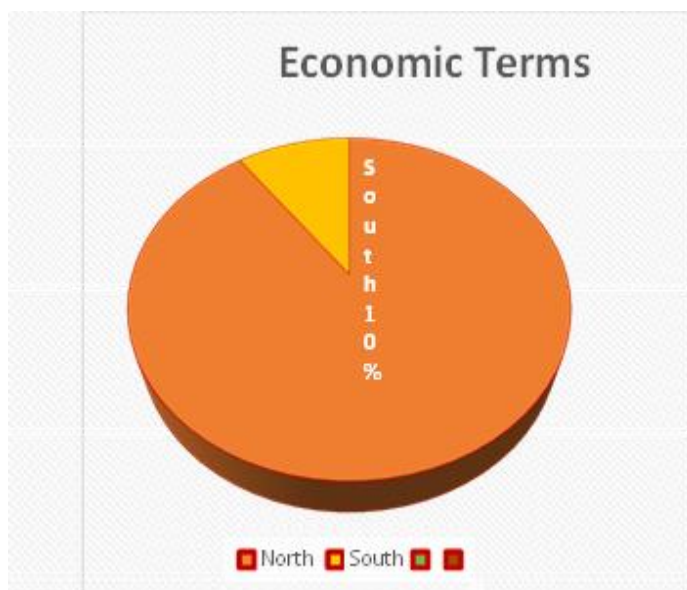
To begin with, let us deconstruct the idea of the First, Second, and Third World hierarchy by looking at their origins and their implications. It dated back to the Cold War, when Western policymakers began talking about the world as three distinct political and economic blocs (Tomlinson, 2003). The Western capitalist countries were labeled as the "First World". The Soviet Union and its allies were termed the "Second World." The rest was grouped into the "Third World". When the

Cold War ended, the category of the "Second World" became null and void, but the "First and the Third World stuck around. The Third World countries, which started just as a vague catchall term for non- alliance countries, came to be associated with impoverished states, while the First World was associated with rich, industrialized countries.



The North-South divide is considered a socio-economic and political divide. Global North include the United States, Canada, Western, Europe, as well as Australia, New Zealand and developed parts of Asia. The Global South is made up of African, Latin America, and developing Asia including the Middle East. These countries were used to be called the Third World during the Cold War (Reuveny & Thompson, 2007). The North is the home to all the members of the G8 (the Group of Eight) and four of the five permanent members of the United Nations Security Council.

The North mostly covers the West and the First World, along with the Second World, while the South is largely composed of the Third World. By definition, when we say, North, these are the richer and more developed regions, whereas, the South refers to the poorer or less developed regions. 95% of the North has enough shelter and food. On the case of the Global South "lacks appropriate technology, it



has no political stability, the economies are disarticulated, and their foreign exchange earnings depend on primary product exports." As nations become economically developed, they may become part of the "North", regardless of geographical location; similarly, any nations that do not qualify for "developed" status are in effect deemed to be part of the "South".

Global South

The "**Global South**" is a term that has been emerging in the transnational and postcolonial studies to refer to what may call the "Third World" (i.e., Africa, Latin America, and the developing countries in Asia), "developing countries," "less developed countries," and "less developed regions." Global South refers to the countries "interconnected histories of colonialism, neo-imperialism, and differential economic and social change through which large inequalities in living standards, life expectancy, and access to resources are maintained."

Global South versus Third World

According to Martin Lewis, "There is no Third World: There is no global south". In the 1960's, '70s and '80s, scholars divided the earth into three parts: The First World, the Second World, and the Third World. The reigning "three worlds theory," however, was conceptually incoherent, combining incommensurate geopolitical and socio-economic features. refers to the developed, capitalist, industrial countries, generally aligned with NATO and the USA. The bloc of countries aligned with the United States after World War II, which had more or less common political and economic interests, this included the countries of North America and Western Europe, Japan, South Korea, and Australia. Some African countries were assigned to the First World because of their links with Western countries. Western Sahara was part of Spain at that time. The anticommunist Apartheid Regime of South Africa was until May 1961, a member of the Commonwealth, and Namibia was then known as South West Africa and was administered by South Africa. Angola and Mozambique were run by the Portuguese like companies. (Historical footnote: Both countries became communist countries for some years in 1975.) There were some "neutral" states in Europe, such as Switzerland, Sweden, Austria, Ireland, and Finland, but they can be classified as First World in this context.

The Second World was anchored on the industrialized, communist realm of the Soviet Union and its eastern European satellites, yet it often included poor communist states located elsewhere.

The Third World was all the other countries. The mainly underdeveloped agricultural states and nations of Africa, Asia, and Latin America, where the blessings of civilization benefited only a small ruling

elite and the corporations and upper classes of the former colonial powers.

In principle, the term Third World is outdated but still in use; today, the politically correct designation would be less developed countries.

How the "Third World" became the Global South": The Origins of the Third World?

As published in the International Encyclopedia of the Social Sciences edited by A. Heelblod (2007), the world was divided into several empires in the 19th century. Each empire possessed a "civilized central and peripheries that were more or less primitive or even "barbaric". It is unlikely the citizens of what is now often called the "Global North" ("developed" or high-income countries) would have as the Third World, and now, the Global South, also called "developing" or "low-income countries. When they did, most would have considered these peoples to be inferior in some way, by virtue of being non-white, less educated, or even "primitive."

The term "the Third World" was coined in 1952 by the French demographer, anthropologist, and economic historian Alfred Sauvy, who compared it with the Third Estate, a concept that emerged in the context of the French Revolution. (First Estate refers to the clergy and the monarch, Second Estate to the nobility, and Third Estate to the balance of the eighteenth-century French population- as much as 98 percent). The Third World, as a phrase, also achieved acceptance because it usefully contrasted the poor countries to the First World (the non-Communist, high-income, "developed" countries) and the Second World. Most people in the Third World, though ruled by European colonies, lived far from the global sources of economic, political, and military power. Until very recently, most were subjugated, most illiterate, and few would have been aware that, even then, they formed a majority of the world population. But such awareness was growing among leaders within these poor countries, many of whom had been educated, at least partly, in Europe or America. This awareness and exposure to Western culture raised expectations and hopes, and inspired many Third World leaders to try to improve colonial living conditions and win political independence.



Instruction: Define the following terms according to how you understand them. Write at least three sentences each term. Avoid copy pasting directly from the module nor any sources in the Google.

1. GLOBAL SOUTH

2. GLOBAL NORTH

3. THIRD WORLD



LET'S DO THIS!

Write your personal reflection in a yellow paper on the topics discussed that will reflect and/or show the value and significance of studying history in the present. Maximum of 3 paragraphs for each question. Each question is equivalent to 5 points. Make it comprehensive (not just a one or two sentence answer) and DO NOT COPY ANSWERS FROM THE INTERNET/GOOGLE without proper in-text citations, the teacher could discern plagiarized outputs.

Guide Questions:

- a) Is there really a "first world", "second world", and third world"? Justify your answer.

- b) Do you consider the Philippines as a "Third World" country? If YES, why? If NO, why not?

LESSON 2: ASIAN REGIONALISM



LESSON SUMMARY

We also explore the Asian regionalism. In which defined it as the product of economic interaction, not political planning. As a result of successful, outward oriented growth strategies, Asian economies have grown not only richer, but also closer together.



LESSON OBJECTIVES:

- a. Differentiate between regionalization and globalization
- b. Analyze how different Asian states confront the challenges of globalization and regionalization.



LET'S LOOK BACK!

Instruction: Differentiate the two terms that is being asked each item. Write at least three to five sentences to make a clear comparison.

1. Global south vs. global north

2. Global south vs. third world

KEYWORDS

List the keywords that you found relevant in **Lesson 2**.



Motivation Question

What could be the challenges faced by Asia's policy makers now? Where markets have led, how should governments follow?



LET'S LEARN!



Asian economies have grown not only richer, but also closer together. In recent years, new technological trends have further strengthened ties among them, as have the rise of the PRC and India and the region's growing weight in the global economy. But adversity also played a role. The 1997/98 financial crisis dealt a severe setback to much of the region,

highlighting Asia's shared interests and common vulnerabilities and providing an impetus for regional cooperation. The challenge now facing Asia's policy makers is simply put yet incredibly complex: Where markets have led, how should governments follow? In the early stages of Asia's integration proceeded slowly. East Asian economies, in particular, focused on exporting to developed country markets rather than selling to each other. Initially, they specialized in simple, labor-intensive manufactures. As the more advanced among them graduated to more sophisticated products, less developed economies filled the gap that they left behind. The Japanese economist Akamatsu (1962) famously compared this pattern of development to flying geese. In this model, economies moved information not because they were directly linked to each other, but because they followed similar paths. Since these development paths hinged on sequential—and sometimes competing—ties to markets outside the region, they did not initially yield strong economic links within Asia itself.

Now, though, Asian economies are becoming closely intertwined. This is not because the region's development strategy has changed; it remains predominantly nondiscriminatory and outward-oriented. Rather, interdependence is deepening because Asia's economies have grown large and prosperous enough to become important to each other, and because their patterns of production increasingly depend on networks that span several Asian economies and involve wide ranging exchanges of parts and components among them. Asia is at the center of the development of such production networks because it has efficient transport and communication links, as well as policies geared to supporting trade. As these new production patterns tie Asian economies closer together, they also boost the international competitiveness of the region's firms.

Regionalism versus Globalization

Regionalism is the process of dividing an area into smaller segments called region. Example is the division into states or provinces. On one hand, Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects, such as technology, etc.

As to nature, globalization promotes the integration of economics across state borders all around the world but regionalization is precisely the opposite because it is dividing an area into smaller segments.

As to markets, globalization allows many companies to trade on international level so it allows free market bit in regionalized system, monopolies are likely to develop.

As to cultural and societal relations, globalization accelerate to multiculturalism by free and inexpensive movement of people but, regionalization does support this.

As to aid, globalized international community is also more willing to come to the aid of a country stricken by a natural disaster but a regionalized, system does not get involved in the affairs of other areas.

As to technological advances, globalization has driven great advances in technology but advanced technology is rarely available in one country or region.

"The Asia Pacific has a become a key driver of global politics. Stretching from the Indian subcontinent to the Western shores of the Americas, the region spans tow oceans- the Pacific and the Indian- that are increasingly linked by shipping and strategy. It boasts almost half the world's population. It includes many of the key engines of the global economy, as well as the largest emitters of greenhouse gases. It is home to several of four key allies and important emerging powers like China, Japan, and Indonesia" (Clinton, 2011).

Concepts of Regionalism

Hettne (1996) suggested that regionalism as a concept has varying degrees.

1. Region as geographical unit.

- A region can be interpreted as a place, as a physical environment. For example, we can determine Asia as a region based on the land and water boundaries surrounding it.

2. Region as social system.

- A region can be interpreted as a conglomerate of people occupying a particular space and possessing a unique dynamic of interaction. For example, Asia can be determined as a region based on the group of people occupying it and the shared ancestry, language, and culture these people have.

3. Region as organized cooperation.

- A region can be interpreted as a group of nations who agree to take part and form a formal organization. For instance, Southeast Asia is a region within Asia, and it has been formalized through memberships in the Association of South East Asian Nation or ASEAN.

Evolution of Asian Regionalism

🚩 **ASEAN (1967)**- The Association of Southeast Asian Nations (ASEAN) was founded on August 8, 1967. This was a watershed moment in Southeast Asian history, as the organization was established in response to regional political and security concerns at the time. ASEAN's five founding members were Indonesia, Malaysia, the Philippines, Singapore, and Thailand. These nations formed ASEAN in Thailand's capital, Bangkok, where the ASEAN Declaration, also known as the Bangkok Declaration, was signed. ASEAN's primary objectives, as stated in the Bangkok Declaration, were to accelerate regional economic growth, social progress, and cultural development while also promoting regional peace and stability through respect for justice and the rule of law. The founding countries sought to establish a platform for dialogue and cooperation, which was critical given the region's geopolitical tensions and diverse political systems.

🚩 **APEC (1989)**- The Asia-Pacific Economic Cooperation (APEC) was founded in 1989 as a forum to promote economic growth, cooperation, trade, and investment in the Asia Pacific region. The establishment of APEC was a significant step toward promoting multilateral trade and economic integration among Asia's diverse economies. APEC focused on increasing economic and technical cooperation among its members, particularly to help developing economies improve their economic capacity and competitiveness. The forum aimed to foster a spirit of cooperation among its members, thereby promoting regional integration. APEC was founded to promote open and free trade among its members, with the goal of lowering trade and investment barriers and fostering a unified regional economy. The forum aimed to promote long-term economic growth, shared prosperity, and member economies' development through economic policy cooperation and collaboration. The first APEC meeting was attended by 12 member economies: Australia, Brunei, Canada, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and the United States. These founding members represented a mix of advanced, newly

industrialized, and developing economies, reflecting Asia-Pacific's diverse economic landscape.

✚ **ASIAN PLUS THREE (1997)**- ASEAN Plus Three (APT) is a regional cooperative framework that brings together ASEAN's ten member states and three Northeast Asian countries: China, Japan, and South Korea. This agreement was made to improve cooperation and coordination between these countries on a variety of political, security, economic, and cultural issues. The concept of ASEAN Plus Three emerged in the aftermath of the 1997 Asian financial crisis. The crisis highlighted the importance of closer regional cooperation in addressing economic vulnerabilities and promoting financial stability in East Asia. The first ASEAN Plus Three summit took place in December 1997 in Kuala Lumpur, Malaysia, as part of the larger ASEAN Summit. The leaders of ASEAN's ten member states, as well as China, Japan, and South Korea, attended the summit. ASEAN Plus Three was established as a forum for dialogue and cooperation among Southeast and Northeast Asian countries. The emphasis was on improving economic integration, promoting financial stability, and addressing shared challenges like energy security, environmental sustainability, and regional peace and security. The framework also aimed to close the gap between Southeast Asia and the major Northeast Asian economies, promoting closer ties and mutual understanding.

✚ **EAST ASIA SUMMIT (2005)**- The East Asia Summit (EAS) is a regional forum founded in 2005 that brings together leaders from the Asia-Pacific region to discuss a variety of strategic, political, and economic topics. The EAS is an important platform for East Asian dialogue and cooperation, bringing together not only ASEAN members but also other major powers with regional interests. The concept of the East Asia Summit arose from the larger context of East Asian regional integration efforts, particularly the ASEAN Plus Three (APT) process, which included the ten ASEAN countries as well as China, Japan, and South Korea. As the ASEAN Plus Three framework evolved, there was an increasing recognition of the need for a broader and more inclusive platform capable of addressing regional and global issues beyond APT's economic focus. The EAS was established to provide a forum for leaders to discuss critical regional and global issues such as security, political stability, and strategic concerns. This includes dealing with both traditional and nontraditional security threats, such as terrorism, maritime security, and energy security.



LET'S TRY THIS!

Explain the different concepts of regionalism as presented by Hettne (1996):

 **Region as geographical unit**

 **Region as organized cooperation.**

 **Region as social system.**



LET'S DO THIS!

Instruction: Create a timeline or timeline graphic organizer summarizing the Evolution of Asian Regionalism, be sure to include important dates and information.



POST-TEST

- 1. North America, Western Europe, Japan, and Australia are examples of so-called developed, capitalist, industrial countries, which are roughly a bloc of countries that allied with the United States after World War II and share more or less common political and economic interests. What are they known as?**
 - a. Global South
 - b. Second World
 - c. Third World
 - d. First World
- 2. It broadly encompasses the geographic regions of Latin America, Asia, Africa, and Oceania. It is one of several terms, including "Third World" and "Periphery," that refer to areas outside of Europe and North America that are mostly (but not always) low-income and frequently politically or culturally marginalized.**
 - a. Global Divides
 - b. Global South
 - c. Global North
 - d. Second World
- 3. Weakened economic fundamentals have caused the country's persistent inflation to reach a 17-year high of 25.8% in August 2023, leaving millions of Nigerians in poverty. As a result, we can conclude that the situation is widespread in _____.**
 - a. Core countries
 - b. First World
 - c. Second World
 - d. Global South
- 4. Ms. Monte is discussing Global Divides; she began the lesson by defining the countries of the First, Second, and Third Worlds. She also discussed the differences between the three. How would you describe Third World countries if you were Ms. Monte?**
 - a. serves to identify countries that suffer from high infant mortality, low economic development, high levels of poverty, low utilization of natural resources, and heavy dependence on industrialized nations.
 - b. refers to the former communist-socialist, industrial states, (formerly the Eastern bloc, the territory and sphere of influence of the Union of Soviet Socialist Republic) today: Russia, Eastern Europe (e.g., Poland) and some of the Turk States (e.g., Kazakhstan) as well as China.
 - c. tend to be wealthier, less unequal and considered more democratic and to be developed countries who export

technologically advanced manufactured products.

d. controls four-fifths of the income earned anywhere in the world.

5. **The Global South is said to be poorer developing countries with younger, more fragile democracies that rely heavily on primary sector exports and frequently share a history of colonialism by Northern states. Which of the following scenarios best represents the Global South?**

a. Burundi's economy remains fragile and susceptible to shocks. Agriculture and services are expected to drive GDP growth of 2.9% in 2023, up from 1.8% in 2022. Agricultural production is expected to recover, assuming adequate rainfall and fertilizer distribution.

b. The Netherlands' GDP per capita is higher than the EU average and higher than that of the majority of other countries. The Dutch economy has repeatedly demonstrated its ability to be a global powerhouse.

c. New Zealand has a highly developed free-market economy. It has the world's 52nd largest nominal GDP and 62nd largest purchasing power parity (PPP).

d. South Korea has one of the world's largest economies and is currently ranked 13th in the world. In 2022, the global GDP per capita was approximately 12,607 USD. South Korea, on the other hand, had a GDP of USD 32,255 per capita, or 1.665 trillion USD for the entire country.

6. **According to Hettne (1996), there are three concepts of regionalism. What concept is being shown if we are referring to a place, as a physical environment. For example, we can determine Asia as a region based on the land and water boundaries surrounding it.**

a. Region as geographical unit

b. Region as social system

c. Region as organized cooperation

d. Region as demographical concept

7. **Mr. Cayaco was tasked with presenting on one of regionalism's concepts, regions as social systems. What example can he use to best illustrate the concept?**

a. Southeast Asia is a region within Asia, and it has been formalized through memberships in the Association of South East Asian Nation or ASEAN.

b. Asia can be determined as a region based on the group of people occupying it and the shared ancestry, language, and culture these people have.

c. we can determine Asia as a region based on the land and water boundaries surrounding it.

d. Asia can be determined through looking back on its history.

8. **Southeast Asia, according to Mr. Yara, is a region within Asia that has been formalized through membership in the Association of South East Asian Nations, or ASEAN. To what**

concept is he referring?

- a. Region as social system
- b. Region as geographical unit
- c. Region as organized cooperation
- d. Region as demographical concept

9. **All of the following are benefits of Asian Integration, EXCEPT.**

- a. It harnesses the strength of diverse economies.
- b. It provides platform for connecting financial markets
- c. It makes the economy more resilient to global risks.
- d. There is a need to establish compatible product standards.

10. **Their goal is to increase cooperation in economic, social, cultural, technological, educational, and other areas. It also promotes regional peace and stability by upholding justice and the rule of law, as well as adhering to the principles of the United Nations Charter. Which organization or Asian Cooperation is being discussed?**

- a. East Asia Summit
- b. Asia Pacific Community
- c. East Asian Community
- d. Association of Southeast Asian Nations (ASEAN)

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GENERAL EDUCATION DEPARTMENT

Author/s: Ryan Cardines

Anelli D. Llames

Angelie Lawrence N. Oclares

Ronald Dan Tamondong

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Coordinator, Social Science Unit

Verified: Gretchen B. Patenio, LPT, MAED
DEAN, General Education

Approved: ODIEIM

