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Haramaya,Oromi

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CHAPTER ONE
Understanding International Relations (IRs)

1.1. Conceptualizing Nationalism, Nations and States

Global Trend=A general dev't or change in situation that affects many countries of the world.

- ✓ Nationalism is the most influential force in international affairs.
- ✓ It has caused the outbreak of revolutions and wars across the globe.
- ✓ It is noted as a factor for the collapse of old age empires, marker for new borders, a powerful component for the emergence of new states and it is used to reshape and reinforce regimes in history.
- ✓ According to Heywood (2014), nationalism is the doctrine that *declares the nation as the basic political unit in organizing society*.
- ✓ A feeling that people have of being loyal to and proud of their country with the believe that it is better & more important than other countries.(Mer.Web. dictionary)
- ✓ A desire of large group of people to separate and independent nation of their own.

  e.x Nazism's, American nationalism

- ❖ The words 'nation', 'state' and 'country' are used interchangeably and this is *not correct*.
- ❖ The word the 'United Nations' is a misnomer since in reality it is an association or a society of states-instead of nations.
- ❖ In international politics, it is also common but incorrect to refer the 'Chinese', the 'Americans' and the 'Russians' as '**nations'**.

What is a nation?

- ♥ According to Heywood, '**nations** are historical entities /body or unit that evolve organically out of more similar ethnic communities and they reveal themselves in myths, legends, and songs .
- ♥ A nation is a community of people joined by a shared identity and by common social practices.
- ♥ Nation is a Community of people composed one or more nationalities.
- ♥ The nation added an interior life to the state
- ♥ the nation was a soul added to the body of the early modern state machinery.

Understanding International Relations

- *How do international relations affect you in your daily life?*
- *Why do we study International Relations?*

- International relations is not merely a field of study at university but is an integral aspect of our everyday lives.
- We now live in a world where it is impossible to isolate our experiences from an international dimension.
- For Example:If an Ethiopian student watches the sitcom/comedy or the soap opera Neighbors, they are both learning about and participating in a culture different from their own.
- If a student flies from Addis to Washington DC or London they are subject to international air space agreements and contributing to global warming.

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- ✓ Studying international relations enables students and professionals to better comprehend the information we receive daily from newspapers, television and radio.
- ✓ People not only live in villages and towns, but form part of the wider networks that constitute regions, nations and states.
- ✓ One crucial feature of the world in which we live is its interconnectedness – geographically, intellectually and socially – and thus we need to understand it.
- ✓ There is no one accepted way of defining or understanding IRs
- ✓ Today, IRs could be used to describe a variety of interactions between people, groups, associations, parties, nations or states and NGOs.
- ✓ To the layperson interactions such as going on holiday abroad, sending international mail, buying or selling goods abroad may seem personal and private, and of no particular international concern.
- ✓ Other interactions such as choosing an Olympics host or awarding a film Oscar are very public, but may appear to be lacking any significant international political agenda.
- ✓ More obviously, events such as international conflict, inter-national conferences on global warming and international crime play a fundamental part in the study of international relations.
- ✓ Participation in international relations or politics is also unavoidable.
- ✓ No individual, people, nation/state can exist in splendid isolation or be master of its own fate.
- ✓ None can enhance their rate of social or economic progress or keep people alive without the contributions of foreigners or foreign states.

Nature of states

- The Hobbesian vs. the Lockean state of nature in the17th c.; and the Realist versus Idealist debate of the first part of the 20thc.
- **Hobbes**, writing in 1651, interpreted the state of society to be: 'continual fear, and danger of violent death; and the life of man solitary, poor, nasty, brutish, and short'.
- Hobbes described human beings as living in an order-less 'state of nature' that he perceived as a war of all against all
- **Locke** took a more optimistic view and suggested that sociability was the strongest bond between men ,men were equal, sociable and free; but they were not immoral because they were governed by the laws of nature.
- He was clear that nature did not arm man against man
- International politics involves the delicate adjustment of power to power.
- If physical force were to be used to resolve every disagreement there would an intolerable existence for the world's population.

- **Who is responsible for maintaining international peace and order?**
- **How is international peace and order maintained?**

- ✓ **International politics** is also about maintaining international order.

But that order has to be maintained in an **anarchical world.**

- ✓ In 1800 there were no international organizations, but now there is one for almost every activity– both governmental and non-governmental.
- ✓ When the United Nations Charter was signed in October 1945, 51 states signed it.
- ✓ In the first decade of twenty-first century the UN grew between 189 and 192 member states.
- ✓ IR's and politics are necessary for all states, but political power is not centralized and unequal.

The Nature and Evolution of International Relations

- ✓ Originally, the study of IRs (a term first used by Jeremy Bentham in 1798) was seen largely as a branch of the study of **law, philosophy or history.**
- ✓ **The first university chair of international relations** was founded at the University of Wales in 1919.
- ✓ All states were sovereign, they claims the exclusive right to rule their own territories and to act, in relation to other states, as they saw fit.
- ✓ All states were formally equal and they had the same rights and obligations.
- ✓ There was no overarching power(*influence every part of s/things*)
- ✓ Sovereignty and formal equality led to the problem of anarchy.
- ✓ In order to avoid misunderstandings and unnecessary conflicts, the different rulers began dispatching ambassadors to each other's courts.
- ✓ This diplomatic network provided a means of gathering information, of spying, also a way of keeping in touch with one another, of carrying out negotiations and concluding deals.
- ✓ The practices of diplomacy soon expanded to include a number of mutually advantageous provisions: the embassies were given extraterritorial rights and legal immunity, diplomatic dispatches were regarded as inviolable and ambassadors had the right to worship the god of their choice.

Conti…

- ✓ These originally north Italian practices gradually expanded to embrace more states and by the middle of the 17th century the system included France, Spain, Austria, England, Russia, Poland, Denmark, Sweden and the Ottoman Empire.
- ✓ Towards the end of the 19th century, other European countries joined scramble for colonies, not least in Africa.
- ✓ At World War I in 1914, most parts of the world were in European hands.
- ✓ There were some exceptions to this rule – China, Japan, Siam, Persia, Ethiopia and Nepal, among others – but even in these ostensibly independent countries the Europeans had a strong presence.
- ✓ After the WW II, as an international climate of decolonization took hold, all new states had a familiar form.
- ✓ They had their respective territories and fortified borders; their own capitals, armies, foreign ministries, flags, national anthems.
- ✓ This, briefly, is how the modern world was made.

Actors in International Relations

Who are the dominant players in the International system?

I. State Actors

- IR traditionally focused on interactions between states.
- There are a lot of states in the world – in fact, according to the latest count there are no fewer than 195.
- In fact, with the exception of Antarctica, there is virtually no piece of land anywhere on earth's surface that is not claimed by one state or another and there is no piece of land that belongs to more than one state
- Moreover, all states have their own territorial extension ,capitals, armies, foreign ministries, flags and national anthems.
- All states call themselves 'sovereign', meaning that they claim the exclusive right to govern their respective territories in their own fashion.
- But states are also sovereign in relation to each other: they act in relation to other states, declaring war, concluding a peace, negotiating a treaty, and many other things.
- In international politics as a 'world stage' the states are the leading actors.
- **International politics** come to be defined in terms of interactions between states in international system of states where these are 'sovereign' entities, territorially bound, and independent ultimately of any external authority.
- international differentiated from the 'domestic' As 'realist' perspective, it is '**anarchical',** the latter is **hierarchical.**

II Non-State Actors

- ✓ Currently it include relationships between all sorts of political entities including IO's, MNCs, societies and citizens.
- ✓ IR captures a vast array of themes ranging from the growing interconnectedness of people to old and new forms of security, dialogue and conflict between visions, beliefs and ideologies, the environment, space, the global economy, poverty and climate change
- ✓ Similarly, multinational corporations (MNCs) contribute significantly to IRs.
- ✓ However, despite all the challenges and many new theories of international politics/relations the state remains, for many, the primary actor in international politics.
- ➢ Robert Keohane, recently stated that '**IRs**' is no longer a suitable label and we should instead refer to the discipline as '**Global Studies' or 'World Politics'**.
- Thinking about world affairs in 'trans-national' rather than in 'inter-national'

Levels of Analysis in International Relations

- Have you ever thought that a single international political phenomenon can be analyzed at different levels? How?

✓ IR generally distinguishes between three levels of analysis: the **system, the state, and the individual** – but the group level is also important to consider as a fourth.

✓ J. David Singer roam up and down the ladder of organizational complexity as :

Total system, international organizations, regions, coalitions, extra-national associations, nations, domestic pressure groups, social classes, elites, and individuals.

✓ Kenneth Waltz's analyzing the international system as a place of interactions between states.

1. The individual level

- International relations can be analyzed from the perspective of individuals.
- Here we would look at the **behaviors, motivations, beliefs and orientation of the individual** in affecting a particular international phenomenon.
- Psychological factors do not only matter at the level of individual members of society or of a group.
- They are also an important factor in the analysis of foreign policy

2. The group level

example

1st ,the global financial crisis as the ‘misrule of experts’, pointing at the politicized role of technocratic circles and the relative lack of democratic control over the boards of large banks and corporations.

2nd ,the role of lobbying groups and the way they influence national decision-making on an issue.

✓ the actions of groups of individuals, such as all voters of a country and the way they express their views in the general election, political parties picking up on the issue in their campaigns or social movements forming to counter the effects of the crisis on society.

✓ A group-level analysis could be interested in activist/pressure groups

3. The state level

- The idea of the global or system level as a context of anarchy, the main focus remains on the state as the dominant/key unit of analysis.
- This state level of analysis is referred to as the relative ‘state-centrism’ of the discipline.
- From this perspective, the state acts as the arena in which state officials, politicians and decision-makers operate.
- States form the primary kind of actor in major international organizations such as the UNs and states still hold what famous German sociologist Max Weber called the monopoly on violence – the exclusive right to the legitimate use of physical force.
- States continue to matter and thus have to be part of our considerations about what happens in the world and why.

4. The system level

- the global system as the structure or context within which states cooperate, compete and confront each other over issues of national interest.
- You might visualize it as a level above the state.
- The distribution of power amongst states, meaning, whether there is one main concentration of power (unipolarity), two (bipolarity) or several (multipolarity).
- our international system is '**anarchic**'.

An anarchic system is one that lacks a central government (or international sovereign) that regulates and controls what happens to states in their dealings with each other.

- A system-level study would need to consider global linkages that go beyond single interactions between states.
- It would look at such things as the balance of power between states
- This could include developments that are even outside the immediate control of any particular state or group of states, such as the global economy, transnational terrorism or the internet.

Cont…

A state level analysis might be look at any one of the following:

- ✓ **I**t can consider states as actors in their own right ,look at their actions and decisions to find an answer to our analytical questions;
- ✓ it may look at how states interact with each other to deal with the crisis
- ✓ how they cooperate, say, in the framework of international organizations; or how we look at them as competitors and antagonists, each of them pushing for a stronger position in what makes up the world economy.
- ✓ A state-level study would also require careful consideration of what kinds of states we are looking at (how they are ordered politically), their geographical position, their historical ties and experiences and their economic standing.
- ✓ It would likely also look at the foreign policy of states, meaning their approach to and practice of interacting with other states.

The Structure of International System

- ✍ Have you ever thought that the international system has a structure?
- ✍ Which system do you think is more stable and peaceful? Why?
- ❑ IRs scholars maintain that political power is usually distributed into three main types of systems namely:

i. uni-polar system, (ii) bipolar system and, (iii) multi polar system.

- These three different systems reflect **the number of powerful states competing for power and their hierarchical relationship.**

i. In a **uni-polar international system**, there is one state with the greatest political, economic, cultural and military power and hence the ability to totally control other states.

ii. **In bipolar system**, there are two dominant states (super powers) and the less powerful states join either sides through alliance and counter alliance formations.

- The problem with bipolar system is that it is vulnerable for zero-sum game politics because when one superpower gains the other would inevitably lose. example ; **the cold war period.**

iii. Multi polar system is the most common throughout history. During the period around WW I it was a typical world system.

- powerful states competing for power.
- It is not necessary for states to change their relationship with zero-sum game. In such system, it is possible to bring change without gaining or losing power.

➢ In both bipolar and multi polar systems there is no one single state with a power and ability to control other states. As a result, the states in such systems are forced to balance each other's power.

Power

- **Power** is the currency of international politics.
- As money is for economics, power is for international relations (politics).
- In the international system, power determines the relative influence of actors and it shapes the structure of the international system.
- **Hans Morgentha**u, a famous thinker of realism theory in IR, argues that International politics, like all other politics, is a struggle for power.
- **power** is the blood line of international relations.
- **Power** can be defined in terms of both relations and material (capability) aspects.
- Robert Dahl define power as 'A's' ability to get 'B' to do something it would not otherwise do.
- example: the United States emerged as more powerful than Russia and in consequence managed to exercise power over Russia- meaning the USA owned the ability to get Russia to do what Russia would not otherwise do.

Anarchy

- ✓ Anarchy is a situation where there is absence of authority (government) be it in national or international/global level systems.
- ✓ Within a country 'anarchy' refers to a breakdown of law and order,
- ✓ but in relations between states it refers to a system where power is decentralized and there are no shared institutions with the right to enforce common rules.
- ✓ An anarchical world is a world where everyone looks after themselves and no one looks after the system as a whole.
- ✓ states had to rely on their own resources or to form alliances through which the power of one alliance of states could be balanced against the power of another alliance.
- ✓ As a result, the new international system was characterized by constant tensions and threats of war – which often enough turned into actual cases of warfare.

Sovereignty

Sovereignty is another basic concept in IRs and it can be defined as an expression of:

(i) a state's ultimate authority within its territorial entity (internal sovereignty) and,

(ii) the state's involvement in the international community (external sovereignty).

In short, it claim, autonomy in foreign policy and independence/freedom in its domestic affairs.

Theories of International Relations

What is theory?

- ✓ It is a set of idea/body of knowledge, abstract thought/idea/ assumption.
- ✓ It is a set of ideas which is used to explain certain events.
- ✓ The theories develop over times.
- ✓ Theories of international relations allow us to understand and try to make sense of the world around us through various lenses
- What is beyond dispute is that we, as individuals, no longer claim immunity or distance from events which occur elsewhere, which affect others beyond our shores.
- There are different theories of IR such as: game theory ,systematic theory, feminism theory, green politics theory, positivist and post positivist, modernism and neo modernism, dependency theory, ,empirical, actor centered theory, etc.

Theories of International Relations

Liberalism/Idealism

i. Cooperation is the dominant theme
ii. world politics is not a zero-sum game; the benefit of one is not necessarily the loss of others. peace and cooperation among states can produce "**absolute gains**" for all.
iii. states depend on economy and war affected badly to states economy. For that state's want to avoid to war.
iv. State are not rational actors
v. Most of the IO's includes almost all the state, such as UN, and these types of organizations have effective role to improve human rights and state cooperation for world peace.
vi. human being is innately good by nature. Norm &principles guide activity of human being/individual. human being is rational animals.
vii. liberalism focuses on the creation of a peaceful world by integration.
viii. believe peace and harmony between nations is not only achievable, but desirable

Realism

i. All states desire power so that they can ensure their own self-help. _Survival is the principal goal of every state.
ii. the realist focus on "relative gains"
iii. Realist theory claims that security is more important than economies, and economy is more important than human rights.
iv. State are rational actor
v. States are the central actors in international politics rather than individuals or IOs. Other actors, like NGOs or IGOs have limited power.
vi. Human being is selfish
vii. Order in the world can only base on the balance of power between states.

Liberalism

i. As E.H. Carr's it is called utopianism/ wishful thinking /optimist
ii. Carr called what ought to be'
iii. idealism sought a universally applicable doctrine/International law is needed
iv. liberal internationalism sought its foundations in the Enlightenment and the birth of reason
v. Liberals share an optimistic view of IR, believing that world order can be improved, with peace and progress gradually replacing war.
vi. they believe security and peace achieve through cooperation
vii. believe in disarmament/cooperation
viii. Intl system is community based
ix. Kant accept liberal values & said state should have no reason for going to war against one another. democracies do not go to war with each other.
x. the more liberal states, the more peaceful
xi. League of Nations was created to implementing, &maintaining, international peace.
xii. Scott Burchill, suggested elimination of war with a preference for democracy over aristocracy, free trade over autarky, and collective security over the balance of power system'

Realism

i. **Realists arrive at a more pessimistic .** reflects the 'reality' of the world
ii. what is'rather than what out to be
iii. No Internationaly applicable doctorine.
iv. realism locates its roots further back, citing Thucydides, Machiavelli and Hobbes as its founding voices.
v. Realists believe conflict is unavoidable and perpetual and so war is common and inherent to humankind.
vi. They believe in maximize military power to bring peace
vii. They believe in concept of armament
viii. Intl system is anarchical in nature
ix. war and conflict is common and periods of peace are merely time & states are preparing for future conflict

The Similarity b/n both

- they can paint a slightly different picture of the same world.
- There is no single liberal or realist theory.
- Scholars in the two groups rarely fully agree with each other, even those who share the same approach.
- Each scholar has a particular interpretation of the world, which includes ideas of peace, war and the role of the state in relation to individuals.
- both updated to more modern versions (neoliberalism and neorealism) that represent a shift in emphasis from their traditional roots.
- Both consider the state to be the dominant actor in IR or regarded as possessing ultimate power.

Structuralism/Marxism (Karl Marx)

- This third perspective or paradigm which emerged as a critique of both realism and pluralism.
- It Inspired by the writings of Marx and Lenin
- He develop the political system known as communism
- concentrated on the inequalities that exist within the international system, inequalities of wealth between the rich 'North' or the 'First World' and the poor 'South' /'Third World'.
- scholars of the structuralist paradigm focused on dependency, exploitation and the international division of labor which relegated the vast majority of the global population to the extremes of poverty
- When considering maxist theory it is useful to consider 3C.i.e class, conflict,capitalism
- Marxist argued that capitalist society are unequal, exploitative, un democratic and un justice.
- In marx theory state is defined to include government, civil society, judiciary ,police and military and the institution of regional and local government.
- Marxism argues that a capitalist society is divided into two contradictory classes – the business class (the bourgeoisie) and the working class (the proletariat).
- it based upon exploitation and conflict
- Marxist theorist viewed the persistent poverty as a consequence of capitalist exhibition.

Conti…

- **Dependency Theory**: Economic activities in the richer countries often led to serious economic problems in the poorer countries.
- Poor countries exported primary commodities to the rich countries and manufactured products sold back to the poorer countries.
- **pluralism and its liberal associations** had viewed networks of economic interdependence as a basis of increasing international cooperation founded on trade and financial interactions.
- **neo-Marxist structuralism** viewed these above processes as the basis of inequality, the debt burden, violence and instability.

Major writers in the structuralist perspective emerged from Latin America, Africa and the Middle East, primary among which were Andre Gunter Frank and Samir Amin, both of whom concentrated on dependency theory.

Constructivism/social constructivism_

- ✓ Constructivism is another theory commonly viewed as a **middle ground**, between mainstream theories and the critical theories
- ✓ It become 1 of the major paradigm or theory of IR in recent years.
- ✓ It Started with end of the cold war and to explain end of war.
- ✓ It based on social practice/perception
- ➢ Unlike scholars from other ,constructivists highlight the importance of values and shared interests between individuals who interact on the global stage.
- **Alexander Wendt**, described the relationship between agents (individuals) and structures (such as the state).
- His famous phrase 'anarchy is what states make of it'.
- Another core of constructivism, is that the core of international relations exists in the interactions between people.
- After all, states do not interact; it is agents of those states, such as politicians and diplomats who interact.
- International anarchy could even be replaced with a different system if the states accepted the idea.
- To understand constructivism is to understand that ideas, or 'norms' have power.
- IR is, then, a never-ending journey of change chronicling the accumulation of the accepted norms of the past and the emerging norms of the future.

Conti…

- Alexander Wendt says liberalist losing the game why? Because neo_liberalist uses realist assumption(that is rationalist assumption)
- Wandt abound realist assumption which says state identities are given exogenous, rather they are constructed by true social structures /social interactions or endogenous

Two important claim of constructivism:

1. Interest and identities do change and they are socially constructed. they are not givens and not exogenous
2. Anarchy is not the most important structural characteristics of int'l systems.

What is International system for IR constructivism?

- social world **is human invention** our making.
- The impact of ideas, identities, norms and culture in word politic(actions, interactions and perceptions shape reality).
- Constructivism focuses on capacity and will of people to take deliberate attitude towards the world
- constructivism focus on ideas. **A set of ideas, body of thought, system of norms.**
- It is often argued that constructivism is an approach rather than a theory. Because, constructivism offers no solution to specific problems in IR nor his prescribe any particular policy directions

Main claims of constructivism:

- ✓ States are principal units of analysis for international political theory,
- ✓ The key structures in the states system are social interaction/**Constituted by ideas** rather than material/**materialism** as neorealist idea.
- ✓ According to constructivism, social world is our making.
- ✓ Actors (usually powerful ones, likes leaders, and influential citizens) continually shapes the very nature of international relations through their actions and
- ✓ Sovereignty is an important organizing force in international relations.

Critical Theories (Frankfurt School)

- Critical approaches refer to a wide field of theories that have been established in response to mainstream approaches (liberalism and realism).
- critical theorists share one particular trait – they oppose commonly held assumptions in the field of IR that have been central since its establishment.
- Critical theories are valuable because they identify positions that have typically been ignored or overlooked within IR.
- They also provide a voice to individuals who have frequently been marginalized, particularly women and those from the Global South.
- Critical theorists who take a Marxist angle often argue that the internationalization of the state as the standard operating principle of international relations has led ordinary people around the globe becoming divided and alienated, instead of recognizing what they all have in common as a global proletariat.
- For this to change, the legitimacy of the state must be questioned and ultimately dissolved.
- In that sense, emancipation from the state in some form is often part of the wider critical agenda.
- Focused on the idea of freeing people from the modern state and economic system, a concept known to critical theorist as emancipation.
- Andrew Linklater and Robert Cox focus on require for human emancipation from States.
- Critical theories assumed that all IR theories are state-centric.
- Critical theories address a changing social world

Chapter Two

Understanding Foreign Policy and Diplomacy

Introduction

- Foreign policy is the actions, decisions and goals that states pursue towards the outside world.
- It is shaped by both **external/systemic factors** and **internal factors**.

1. systemic factors are International regimes, IOs, the prevalence of great powers at international level are some of that impinges/*impose* on the foreign policy of a state.
2. Internally, the economic, technological and military capabilities of states heavily affect foreign policy.
3. On top of these, the idiosyncrasy*(habit)* of leaders contributes much in affecting the foreign policy making and implementation.

Defining National Interest

- ✓ National interest is the **reason of state** to justify its actions and policy towards other states at international level.
- ✓ National interest refers to **set of values, orientation**/direction**, goals and objectives** a given country would like to achieve in its IRs.
- ✓ NI is the main driving force that determines the contents of foreign policy.
- ❖ However, there are controversies on the exact meaning, scope and contents of NIs.
- ✓ K. Holsti defines national interest as "an image of the future state affairs and future set of conditions that governments aspire to bring about by influence abroad and by changing or sustaining the behaviors of other states".
- ✓ national interest is something related to the ambition of governments, viz., what governments aspire to full fill in its future interaction with others.

Criteria used in defining national interest

- Colmbis has provided a **multiplicity of criteria used in defining national interest**, including

i. operational philosophy ii. moral and legal criteria iii. pragmatic criteria, iv. ideological criteria, v. professional advancement, vi. partisan criteria, vii. bureaucratic-interest criteria, viii. ethnic/racial criteria, ix. class-status criteria and x. foreign –dependency criteria"

1.Operational Philosophy

Depending on time, location, your orientation toward the world around you, you may choose one of two major style of operation.

First, act in a bold and sweeping fashion.

- Up on taking office, introduce major new practices, policies, and institutions and discontinue others.
- This style is often referred to as ***synoptic*** */general view* in the decision making literature.

The second, to act in caution, probing*(questioning),* and experimental fashion, following the trial/experimental and error approach.

- This style is called ***incremental****/step by step* in the decision making literature.
- The decision maker in an incremental orientation assumes that political and economic problems are too complex to proceed with bold initiative without worrying about their consequence.
- Thus the incrementalist usually seeks to perfect existing legislations, policies, institutions and practices.

2.Ideological Criteria

- The state may identify their friends or enemy countries using the litmus test*/proof/confirm* of ideology.
- During cold war, the ideology of communism and capitalism had been often used to establish cooperation or conflict with countries

3.Moral and Legal Criteria:

- ✓ sometimes states are expected to act morally as this is equated with acting honestly and making your public decision accordingly.
- ✓ Thus moral behavior, in international politics involves keeping your promise ,treaties, living and letting others live (the poor and the disadvantaged), avoiding exploitation and uneven development between the developing countries and the developed ones.
- ✓ generally standing up for the principles to which you are morally committed and that are widely accepted

4.Pragmatic Criteria:

- As pragmatist, your orientation is low key, **matter of fact**, not on emotions and professions.
- You **look at issues** and **events** around you and **the world with sense of prudence** and with sort of **rationality**.
- On the basis of the scientific analysis of cost and benefit or merit and demerit to your country interest, you may act.
- Here, your decisions are made without considering normative issues, issues that involves judgment, be it bad or good

5.Professional Advancement Criteria:

In this case, your action may be manipulated and adjusted in consideration of your professional survival and growth, in short your personal success.

- Quite often, in large bureaucracies that lack good governance the trick to success is to "play the game" and "not to rock/*shake* the boat/*ship*."
- This attitude referred as the "go along to get along" effect.
- So, bureaucratic behavior is conformist/*traditionalist* behavior that is marked strong resistance to new policies and thinking.
- Even leaders might choose conformity to either to popular pressure or to strong elites whose support they consider indispensable for their political survival.

6.Partisan Criteria:

- To equate the survival and the success of your political party, or ethnic or religious origin with the survival and success of your country.
- You may tend to equate the interest of your organization (the army, the foreign office, and so forth) with the national interest.

7.Foreign Dependency Criteria:

- These criteria usually applies to less developing countries, who had fallen under the yoke of colonialism, and now, even after political independence, kept the colonial ties with their ex-masters.
- These countries are still dependent on their ex-colonial states for technical aid, expertise and technology, sometimes even for their security.
- Governments in these countries are therefore heavily dependent on the support of the outside powers, sometimes, for their survival.

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- **Realist** scholars reject the **ideological, legal and moral criteria** to define and shape the contents of national interest.
- Realist scholars, particularly, Hans Morgenthau advised leaders to prioritize pragmatic criteria.
- Morgenthau defines national interest in terms of pursuits of power.
- In anarchical international system, power for him is a means for achieving and promoting the interest of state.
- So, national interest in the competitive and anarchical defined in terms of ensuring survival and security of a state, than talking about justice and morality.
- **Idealists** have strong belief in the relevance of **legal, ideological and moral** elements".

Understanding Foreign Policy and Foreign Policy Behaviors

- national interest is often considered as the objectives of foreign policy of a state.
- These objectives can be classified as long range, middle range and short range.

Defining Foreign Policy

- Foreign policy is **something that a state would like to achieve** in its external relations with others.
- It refers to the **sets of objectives and instruments** that a state adopts to guide its relation with the outside world
- As Rochester, foreign policy refers to *guidelines for choosing among various courses of action* in specific situations in international affairs".
- foreign policy involves general purposes, priority of goals to be realized and achieved.
- These objectives, visions and goals state aspire*/want ,desire,seek* to achieve is referred as **national interest**.

- All states would like to promote their national interest.
- Morgenthau suggests that the minimum goal a state would like to achieve is survival.
- Every state should protect their physical, political, and cultural identities.

i.The preservation of physical identity is equated with the maintenance of the territorial integrity of a state.

ii.Preservation of political identity is equated with the preservation of existing politico-economic systems.

iii.The ***preservation of cultural identity*** is equated with ethnic, religious, and linguistic and historical norms of the peoples residing in the state.

Conti…

- Foreign policy also involves specific instruments and tactics that must be employed to realize those objectives and goals.

- The most widely employed instruments of foreign policy include:

1. diplomatic bargaining,
2. economic instruments,
3. propaganda,
4. terrorism (sabotage), and
5. use of force (war).

- Each instrument is used to affect the behaviors of other states, and has an element of power.
- **Bargaining** :involves less element of power as compared to other instruments.
- Yet states may manipulate **carrot and stick** methods such as reward or threats to be incompatible goals and objectives.
- Security and survival of a state, has always been considered as the first priority, among various foreign policy objectives, which a state aspires to achieve in the short run.

Foreign Policy Objectives

- K. J. Holisti categorizes the foreign policy objectives of states into three, namely the **short range, middle ranges and long range objectives.**
- Such classifications of foreign policy objectives is based on the **combination of the three criteria:**

(1) the value placed on the objective; (2) the time element placed on its achievement;

(3) the kind of demands the objective imposes on other states in international system.

- **Based on these criteria, the objectives can be classified as:**

(1) ***CoreValues and Interests (Short Range Objectives)***

- ✓ which states commit for their very existence and that must be preserved or extended at all time.
- ✓ those kinds of goals for which most people are willing to make ultimate sacrifices.
- ✓ Still to day countries such as Israel and the United States pursue such policies called extra-territoriality.
- ✓ Extraterritoriality is there when the national interest and claims of a country is projected beyond the limit of its geographic boundary.
- ✓ the most essential objective of any foreign policy, core interests and values, is to ensure the sovereignty and independence of the home territory and to perpetuate a particular political, social, and economic systems based on that territory

Conti...

2.Middle Range goal/Objectives

Unlike, the short range objective, the middle range objectives drastically varies across states.

- ✓ It normally impose demands on several others states (commitments to their achievement are serious and time limit is also attached to them)
- ✓ state would like to achieve in its medium term is to take a course of actions that have the highest impact on the domestic economic and welfare needs and expectation.
- ✓ This would include the attempts of government to meet economic-betterment demands and needs through international action
- ✓ states make particular demands against particular interest; in pursuing long range goals, states normally make universal demands

*3.***universal *or Long- Range* goals/ *Objectives***

the long range visions will not have any international significance beyond paper consumption and rhetoric level.

It does not mean that ,states that are less capable, often those middle powers and less developing countries, does not formulate long range objective

- have definite time limits.
- In practice leaders rarely place the highest value on long range goals and it's very much dependent on the capability and ideology of the state
- Long range goals are those plans, dreams, and visions concerning the ultimate political or ideological organization of the international system, and rules governing relations in that system.

Foreign Policy Behavior: Patterns and Trends

- Foreign policy behavior refers to *the actions states take towards each other.*
- It is not easy to label countries as simply peace loving or war-like.

➢ Arnold Wolfers, suggested that all **foreign policy behavior** ultimately boils down to t**hree** possible patterns:

(1) self-preservation (maintaining the status quo);

(2) self-extension (revising the status quo in one's own favor);

3)self-abnegation (revising the status quo in some else's favor).

➢ self-preservation, countries such as United States can be categorized as self-preservation.

✓ US, following WWII emerged as one of the strongest actor, super power in international relations.

✓ One can say, with no doubt, that the international institutions (IMF, World Bank, GATT/WTO) that were established following WWII have been strongly shaped by United States.

✓ Even the UNs has been serving the interest of United State as the country has key position in the Security Council as one of Veto power among the few.

✓ These days U.S has become the sole defender of the international system and the liberal economic-political order after the collapse of USSR and decline of communist ideology.

- Second(self-extension), newly emerging powers such as China, India, Brazil, Germany and others are competing to restructure the international institutions and different regimes so as to create enabling environment ***to promote their national interest***.

Such policy trend can be equated with Wolfers' model of **self-extension**.

- **The third model, is self-abnegation** reflects the foreign policy trends that are being displayed in Less Developing Countries (LDC).

✓ This can be seen in the weak states of the world which fail to defend and promote their national interests in their external relations.

✓ States that are weak and very much dependent on foreign aid are profoundly caught with many problems in order to pursue an autonomous policy.

✓ Such countries may succumb/*yield* to such challenges and compromise its long lasting national interest for temporary and immediate benefits.

Foreign Policy Dimensions

- These dimensions include **alignment, scope and modus operandi.**

1 .Alignment

- It is whether national leaders choose to ally with certain countries or to remain neutral.
- A country's alignment behavior can vary from time to time during its history in response to changing circumstances and policy decisions.

- The alignment tendency includes such as **alliance, neutrality and non-alignment.**

A.Alliances are formal agreements to provide mutual military assistance; as such, they carry legal weight and certain benefits as well as risks.

Allied countries can pool their military resources, acquire access to foreign bases and stake out territories that enemies are on notice will be denied them by force if necessary.

Conti…

B. Neutrality is a stance of formal non partisanship in world affairs.

By keeping a low profile, neutrals may avoid some of the problems associated with alliances.

However neutrals must also be aware that if war clouds gather, there may be no one committed to providing a protective military umbrella.

Switzerland is one country that has carried neutrality to an extreme case in refusing membership to United Nations till 2002.

Israel, which is not a formal ally of U.S, has sided with the United States on many issues.

C. Nonalignment has been the foreign policy pattern of most developing state during cold war.

Most developing countries had a movement-Non Alignment Movement (NAM) in which they called for a new foreign policy path/choice/ to be followed disregarding the both the West and East bloc politics and alliances.

Although that was practically impossible, NAM had noble agenda that called for the South-south cooperation.

2. Scope

- Some countries have extensive, far-reaching international contacts, while other countries have more limited activities abroad.
- A country's scope of contact can affect the outcome of disputes and crises.
- ➢ one can identify at least <u>three patterns of foreign policy behaviors</u>.

Some actors act in *Global* terms, *Regional* terms, and those follow policy of *Isolationism***.**

i. *Global* terms :Major Powers in international relations have historically been those that have defined their interest in global terms, interacting regularly with countries in nearly every region of the world.

- A country such as U.S.A has often defined its national interest in global terms, and it has more or less the capability to influence world events.
- Despite it has been declining in economic terms, the country's military presence and diplomatic communication in every part of the world make her global actor.

ii. *Regional* terms :Most countries in the world are essentially **regional actors**, interacting primarily with neighboring states in the same geographical area except for contacts, concerning economic issues such as trade; with major actors like United States and China outside their region.

- For example, South Africa is a regional actor in Africa in general and in Southern Africa in Particular. It is the most important actor in regional organizations such as SADDIC and AU.
- India can also be considered as the most important actor in South Asian region, so is China in entire Asia.
- China's activities is not limited to Asia only, the country presence is well felt in every region of the world, and China is the best candidate to assume global responsibility and leadership.
- In recognition to this fact, America is doing everything to control Chinese economic progress and hence its role in the world. It must be noted that China has hugely engaged itself in extraction activities and related investment in Africa.

iii. Isolationism: Some moments in history, such as key weakness or geographic remoteness, may cause the scope of a country's foreign policy to become so narrow that isolationism results.

- This was the case with Burma in 1960 and 70s.
- Few countries have ever been totally cut off from the outside world, and in an age of interdependence, isolationism becomes an increasingly less viable foreign policy orientation.
- Some of the known global actors such as U.S.A, China, and the ex-USSR all have passed through period of relative isolationism

3.Mode of Operation/ "Modus Operandi'

- ✓ It is -the method of operation. This includes unilateral, bilateral & multi lateral.

Some countries often rely on **multilateral** institutions to address different issues

- The more **multilateralist** a state is, the greater its tendency to seek solutions to problems through diplomatic forums in which several states participate, such as the **United Nations,** rather than utilizing purely bilateral, country to country approaches.
- **Most developing** countries used the **multilateral** approaches to address many issues of concern.
- Regardless of the power and capability question, countries may opt to use multilateral frameworks as the best strategy to address issues with the spirit of cooperation and peace.
- Germany, though it is an economic power, is known to be multi-lateralist in its external relation.
- Most of Scandinavian countries fall under this category.

Bilateral relations (establishing Embassies and assigning diplomatic staffs) are often found to be costly.

- **bilateral**, is country to country approaches

Unilateral ; countries may opt to rely on unilateral means of settling different issues with other countries that have strong economic and military muscles.

Still others very much rely on unilateral means. They may choose to solve the problems by themselves.

- They play the carrot and stick diplomacy to affect the outcomes of events. Intervention, threat of use of force and some time, use of force…are some of the tactics that will be employed to influence the behaviors of others.
- The more unilateral a state is the more likely to initiate actions in international relations or to resist initiatives taken by others.

Instruments of Foreign Policy

It includes, Diplomacy, rule effective diplomacy &Economic instrument of fp

1 .Diplomacy

- **Diplomacy** has probably existed for as long as civilization has.
- **Diplomacy** is a system of structured communication between two or more parties.
- Records of regular contact via envoys travelling between neighboring civilizations date back at least 2500 years.
- They lacked many of the characteristics and commonalities of modern diplomacy such as embassies, international law and professional diplomatic services.
- **Diplomacy** can be defined as a process between actors (diplomats, usually representing a state) and engage in private and public dialogue (diplomacy) to pursue their objectives in a peaceful manner.
- **Diplomacy** is not foreign policy and must be distinguished from it.
- Diplomacy is a part of foreign policy.
- a state's foreign policy has two key ingredients; its actions and its strategies for achieving its goals.
- The interaction one state has with another is considered the act of its foreign policy. This act takes place via interactions between government personnel through diplomacy.
- To interact without diplomacy would limit a state's foreign policy actions to conflict (war, economic sanctions) or espionage.
- diplomacy is an essential tool required to operate successfully in today's intl system.

Conti…

- The **bargaining process** and other diplomatic process, such as **exchange of ideas** were the business of ambassadors, undertaken under closed and secret manner.
- After WWI and formation of the League of Nations, the old style of diplomacy has been drastically reformed.
- Regardless of whether diplomacy is conducted openly or secretly, multilaterally or bilaterally, tacitly or formally, by ambassadors or leader-to-leader, the essence of diplomacy remains bargaining.
- Bargaining can be defined as a means of settling differences over priorities between competitors through an exchange of proposals for mutually acceptable solutions.
- It involves, whether in private meeting or publicized conferences, the attempt to change the policies, actions, attitudes and objectives of other government and their diplomats by persuasion, offering rewards, exchange concessions, or making threats.
- international law that governs diplomacy – the Vienna Convention on Diplomatic Relations (1961) – only references states as diplomatic actors.

Yet, the modern international system also involves powerful actors that are not states (INGOs) and (IGOs).

2. Rules of Effective Diplomacy

♯ The following are some of the basic rules that diplomats have employed with greater effectiveness over the years:

i. Be realistic: to have goals that much your ability to achieve them.

ii. Be careful about what you say: The experienced diplomats plans out and weighs words carefully.

iii. Seek common ground: Dispute begins; finds common ground to ends them successfully.

iv. Understand the other side: One is to appreciate an opponent's perspective even if you do not agree with it.

v. Be patient:. Being overly anxious can lead to concessions that are unwise and may convey weakness to an opponent.

vi. Leave avenues of retreat open: it is axiomatic */obvious* that even a rat will fight if trapped in a corner. The same is often true for countries. Call it honor, saving face, it is important to leave yourself and your opponent an "out".

➢ In general, states make considerable use of what are known to be "carrot and stick" approaches .

- Threats and punishment represent the stick approach
- promise and reward represent the carrot approach. These also involve hypothetical and real action.
- It is when state "A" gives reward to state "B" in advance or based on the promise done.

3.Economic Instruments of Foreign Policy

- modern states are politically and technologically interdependent, so do they rely up on each other for resources and commodities that enable them to develop and sustain viable economies.
- There hardly exists a state that is self sufficient.
- There is a considerable degree of dependence up on trade among states.

❖ Holisti states that economic, particularly trade instruments of foreign policy are normally used for **three** purposes.

1.to achieve any foreign policy objective by exploiting need and dependence and offering economic rewards, or threat, ending or imposing economic punishments;

2. to increase a state's capability or deprive a potential enemy's capabilities and

3.to create economic satellites (guaranteed markets and resources of supply) or help maintain political obedience in satellites by creating a relationship of economic dependence.

Conti…

- To serve the above objectives, states often employ different techniques of economic reward and punishment.
- The specific techniques that can be used to reward or punish the flow of goods b/n countries including; Tariffs, quotas, boycotts, and embargos (trade barriers),Loans, credits, and currency manipulation can be used for reward as well and as punishment.
- Trade bariers or protectionism refers to policies designed to restrict the import of goods & services.

Tariff: Almost all foreign made products coming into a country are taxed for the purpose of raising revenue, protecting domestic producers from foreign competition, or other domestic economic reasons.

The tariff structure can be used effectively as an inducement/*incentive* or punishment when a country stands to gain or lose important markets for its products by its upward and down ward manipulation.

Tarrif is a tax put on goods imported from other countries.

Tarrifs cause the consumer to pay a higher price for an imported items,increasing the demand for a lower priced item produced domestically.

Quota: To control imports of **some** commodities, governments may establish quotas rather than tariffs (tariffs may of course be applied to the items enter under quota).

Quotas is the restriction / limiting the amount of goods that can be imported in the country & export

It can cause shortages that cause prices to rise & encourage people to buy demestic product than foreign.

e.G country may limit amount of cars imported to 500,000 per year.

Embargo: A government that seeks to deprive another country of goods prohibits its own business men from concluding its transactions with commercial organization in the country against which the embargo is organized.

Embargos forbid trade with another country. It is the harshest type of barriers & usually happens for political reason to hurt a country economy.

e.g USA had embargo with south Africa during apartheid, lasted over 50 year embargo with Cuba

The USA does not want to countries that may support terorrism,it used embargos against Iran,Iraq,Syria.

An embargo may be enforced either on specific category of goods, such as strategic materials, or on the total range of goods that private businessmen normally send to the country being punished.

Boycott: *is not confused with embargo. Boycott can be applied to any aspect of social ,economic life at national and int'l level & is much broader in scope than embargo.*

The crucial d/ce b/n both is; embargo imposed by gov't & boycott can be conducted by private individuals, firms, unions etc.

A trade boycott organized by a government eliminates the import of **either** a specific commodity or the total range of export products sold by the country.

If the importer doesn't comply with these requirements, any goods purchased abroad can be confiscated*/take away.*

Loans/*lend*, **Credits and Currency Manipulations:** Rewards may include favorable tariff rates and quotas, granting loans (favorable reward offered by the major powers to developing countries) or extending credits.

The manipulation of currency rates is also used to create more or less favorable terms of trade between countries.

Foreign Aid: The transfer of money, goods, or technical advice from donor to recipient-is an instrument of policy that has been in international relation.

There are main type of aid program including, military aid, technical assistance, grants and commodity import program, and development loans.

Military Aid: probably the oldest type of aid which had been used for buttressing/*strengthening* alliances.

- In the last century, both France and United States had spent millions of Francs and pounds to strengthen their continental friend ship/ alliance.
- Since World War II, the United States and the Soviet Union have spent more resources on military aid for their own security by strengthening the military capabilities of allies.

Overview of Foreign Policy of Ethiopia

1. Foreign Policy during Tewodros II (1855-1868)

- ✓ Ethiopian state traces its history back to more than 3000 years.
- ✓ Throughout his reign Tewodros tried to develop a dynamic foreign policy that reached out beyond the Horn Region.
- ✓ He sought the Western Christian world to recognize his country and help him to modernize his country.
- ✓ Moreover, as Keller has put it “he appealed specifically to Britain, France and Russia as Christian nations to assist him in whatever ways possible in his fight against the Turks, Egyptians and Islam”.
- ✓ The emperor attempted to establish his diplomatic relations to fight his immediate enemies claiming Christianity as instrument of foreign policy.
- ✓ he passionate demand for modern technology and skilled man power from Britain was not concluded to his satisfaction as the latter sent religious missionaries.
- ✓ Despite his demand to be recognized as the emperor of Ethiopia and treated with respect and equal footing with the British Queen that was not reciprocated by Queen Victoria.
- ✓ Consequently Tewodros took desperate measures by taking hostage of several British missionaries including the consul &this was responded with the British Military Expedition.
- ✓ Tewodros’s Troops were easily defeated and the King did not surrender but tragically committed suicide.

2. Foreign Policy during Yohannes IV (1872-1889)

- ✓ Like his predecessor, Yohannes considered Islam as a threat to the territorial integrity of the polity.
- ✓ Indeed **Egypt** tried to put a serious security threat in its continued attempt to invade the country under many pretexts, yet its motive was to control the source of Blue Nile.
- ✓ These, however, were not successful as Egypt faced subsequent defeat both in 1875 and 1876 at the Battle of **Gundet and Gura** respectively.
- ✓ In addition to Muslim threat, the emperor saw European expansionism as greater threat to the survival of the country.
- ✓ In fact his calculation of threat has turned out to be real as Italy got a foot hold at the port of Massawa in 1885.
- ✓ However, the emperor died fighting with the “Mahadists”.

The Sudanese resistance groups against British rule happened to invade Western Ethiopia because of their presumption that Yohannes IV was collaborating with the British.

3. Foreign Policy during Menelik II (1889-93)

- Before the death of Yohannes Italy had good diplomatic relation with Menelik with the objective of weakening its immediate enemy in the North,/Yohannes.
- Following the death of Yohannes, however, Italy continued to be the main challenge in the North.
- Italy expanded towards the hinterland of Ethiopia from its first hold of Bogess, later named Eritrea, and Missawa port crossing Tekeze river.
- He followed double track diplomacy to contain or reverse Italy's expansion and maintain the territorial integrity of his country.
- However, the emperor's diplomatic endeavor with Italy failed to result in peace due to Italy's misinterpretation of the controversial article 17 of the *'Wuchalle'* treaty.
- In 1896, the emperor declared nation-wide war against Italy in defense of the territorial integrity and sovereignty of the century old nation.
- After a severe battle, Menelik and his people managed to defeat the colonial power. This happened at the bloody Battle of Adwa where Ethiopian forces made a record of history by defeating a powerful European colonial power.
- The significance of the Adowa victory is loud and clear as many European powers recognized Ethiopia as an independent African state on similar footing with the Europeans.
- Indeed Britain, France, Russia and the vanquished Italy came to Menelik's Palace to arrange formal exchange of Ambassadors.
- Moreover, these powers signed formal boundary treaties with the emperor. In fact the present boundary of Ethiopia vis -a-vis its neighbors had been defined at least on paper.
- With the exception of Sudan and Eritrea (being ex-colony of Italy) the boundary

4. Foreign Policy during Haile Selassie I (1916-1974)

- He was dedicated to the creation of a stronger, centralized and bureaucratic empire with unquestioned respect by the international community.
- In early as 1923, when as Regent to the Crown, Teferi Mekonen, facilitated Ethiopia's entry to the League of Nations.
- When the Italian Fascists finally invade Ethiopia between 1936 and 1941, the Emperor fled to London.
- he journeyed to Geneva, Switzerland, to make a plea before the League of Nations for aid in defense to the country.
- the League ultimately failed to take any substantive measure against Italy and the plea of the King was ignored.
- In the immediate post-war period, Ethiopia was extremely dependent on British military, economic and technical aid.
- Haile Sellasie's fear moved him to seek alternative relationships that would allow him to loosen Ethiopia's tie with Britain.
- In 1952 a UN resolution had made possible a federation between Ethiopia and Eritrea
- British Military Aid was withdrawn in 1952, and the King moved quickly to firm up relations with the United States.

Conti…

- ✓ The United States contributed to the expansion of Ethiopian military as a hedge a against the Somalia threats.
- ✓ It also provided counter insurgency training and on the ground advisors to help to suppress Eritrean Nationalism.
- ➢ Ethiopia also played significant role in Africa in fighting for African independence and to end colonialism and apartheid
- In this manner, the emperor can be considered as one of the founding fathers of African Unification.
- Ethiopia also played a significant role in maintaining international peace and security by committing its troops for peacekeeping operations in Korea in 1951 and the Congo in 1961.
- Directly or indirectly he distanced potential rivals first with help from the British and later on with the help of USA military and technical assistance.
- The emperor secured the territorial integrity of the country and also secured port through Eritrea,
- yet the abrogation of the UN imposed federation arrangement of Eritrea remained one of a foreign policy challenge to the military regime who came to power through coup de’tat.

5.Foreign Policy during the Military Derg (1974—1991)

- The military regime adopted a foreign policy largely oriented to socialist ideology.
- The primary objectives of the foreign policy were survival of the regime and maintaining the territorial integrity of the country.
- The major strategy to achieve the stated objectives focused on building the military capability of country.
- force had been employed as the best strategy to silence dissent at home and deter the perceived external enemies of the country.
- The country was heavily dependent on military aid on the Soviet Union which prevented it from securing any kind of military and technical assistance from the US and other European countries.
- The regime was condemned by the west for its human rights record, especially its treatment of former government officials. This resulted in declining Ethio-US relations .
- Following such problems, internal and external enemies began to take action to hasten the demise of the regime.

Conti…

- Internally Eritrean Liberation Front (ELF) launched military attack on the Ethiopian Army.
- Many external actors were involved in sponsoring the rebel group, including; Saudi Arabia, Egypt, Sudan, Somalia and later USA itself.
- Moreover, Somalia's invasion of the Ethiopian region of Ogaden was one of the serious external challenges of the Ethiopian Government at the time.
- However, the regime managed to reverse the Somali aggression with the help of the new powerful patron, USSR.
- The involvement of USSR in the region only heightened the superpower rivalry between the USA and USSR during the cold war era.
- The corner stone of Ethiopia's foreign policy at the time was maintaining continuing friendship with the Soviet Union and other socialist countries.
- These include: the immediate and unhesitant recognition of Mengistu's government by the Soviet Union; the quick and generous support they offered when the military regime needed assistance and guidance to address problems inherited from the past and related to the new socio-economic and political order.

Conti…

- In its foreign relations, the Dergue has signed numerous economic, social, political, trade, cultural, educational, consular, and administrative agreements and protocols with almost all socialist countries.
- The Dergue had sent hundreds of Ethiopians for training to the Soviet Union, Eastern Europe and Cuba.
- Apart from socialism, Ethiopia's strategic locations and other questions, such as; Eritrea, Somalia, and the issue of the Nile, had also shaped the foreign policy orientation and behavior of military government.
- Ethiopia being located in the Horn of Africa is at the cross roads to the oil rich middle East region and Indian Ocean. As a result of this the U.S.S.R was keen to have stronghold over the area, replacing the United States.
- U.S.S.R came at the right time when the Dergue called for military aid to reverse the aggression from Somalia in the East and quell the Eritrean nationalists in the north part of the country.
- Ethiopia shares the Nile and its longest border with Sudan, yet the relation between the two had been strained for decades. Sudan was one of the host countries for Ethiopian opposition forces.
- In turn Ethiopia had been supporting the dissent groups in southern Sudan, including the Sudan's People's Liberation Army/SPLA.

Conti…

- With regard to Africa's broader issues of decolonization and anti-Apartheid struggle, Ethiopia played significant role.
- The regime had extended its military and technical support to Freedom fighters in Angola and Rhodesia.
- The regime had also showed its solidarity to Palestine's cause by condemning Israel and sought political allegiance with the Arab world, however the negative perception that most Arab countries have towards Ethiopia remained unchanged.
- Finally, the regime collapsed following the end of cold war unable to survive in the absence of military aid from the socialist blocs, USSR, Cuba.
- The country's policy towards its neighbors, the region, and the Arab world remained unchanged.
- Such continuity teaches us the determining role of geography in the making and implementation of foreign policy of Ethiopia.
- The issue of Nile River, boundary issues, the strategic location of the country, unique culture (Christianity) amid the Islam religion and Arab culture had cumulative effect in shaping the foreign policy the country.

The Foreign Policy of Ethiopia in the Post 1991

- With EPRDF's ascent to power the country adopted a new foreign policy orientation and objectives.
- In the post 1991 period, Ethiopia's foreign policy is driven primarily by the quest to ensure national interest and security.
- **The goals of the foreign policy** is to ensure the survival of the multi- national state.
- **National interest** of the country is to realizing the real interest of the people mainly democracy and development. l
- It refers to the primary interest of the people to live freely from poverty, disease and ignorance.
- **foreign policy** has been considered as an instrument to solve the domestic problems of the country, including; lack of good governance, instability and lack of economic development.
- The foreign policy of Ethiopia has been designed to create favorable external environment to achieve rapid economic development and build up democratic system
- So democracy and development are the foreign policy visions of the country.
- in the age of globalization emphasizing on external issues such as; seeking financial aid, loans or technical issues would subject the country to dependency and vulnerability.

This strategy is called an **"inside-out" approach**.

- **The inside out approach** would then help to reduce the countries vulnerability to threat.
- Our internal problems then would invite the outside enemies to come in and exploit that opportunities

Conti…

- At diplomatic level, economic diplomacy is adopted to strengthen the domestic efforts in fighting poverty and backwardness and address the issues of development.
- Economic diplomacy involves attracting foreign investments, seeking markets for Ethiopian exportable commodities, seeking aid and confessional loans too.
- Economic diplomacy has also been considered as viable strategy under the age of globalization.
- It helps to exploit the opportunities that globalization offers, such as free trade, investment and technological transfers. Ethiopia would be beneficiary out of the free trade regimes and practices if sound economic policy is put in place at home.
- The Security and Foreign Policy of the country also indicated that Ethiopia would adopt a kind of East-look policy.
- Ethiopia appreciates the East Asian countries economic successes and development paths.
- The country would like to learn from such successful countries such as Singapore, Malaysian and Indonesia.
- The other foreign policy strategy is building up the military capability of the country.
- Peaceful dialogues and negotiations will be employed to peacefully coexist with others.
- Diplomatic solutions can always be taken prior attention when dealing even disputes. But above all building up military capability would have a deterrence effect.
- Finaly, strategies may sometimes differ the primary foreign policy objective of all the three regimes remained the maintenance of the territorial integrity and independence of the country.
- To this end the three regimes used a combination of both military force and diplomacy to address both internal and external challenges.
- while the imperial and the military regime foreign policy strategy is largely an approach the current regime followed “in-side out” approach.

CHAPTER THREE

INTERNATIONAL POLITICAL ECONOMY (IPE)

- Global is greater than IR but sometimes it become equal or less than global but not greater.

Examples of global:

- Colonization ,terrorism ,global warming, UN, Nuclear issues, WB, IMF, WTO, wwwI &II ,oil, climate change, pandemic, etc
- There is opposite or inverse r/n b/n politics and economy at global level
- State are economically interdependent/interlinked and politically independent or sovereign(autonomous).
- State maximize autonomy and minimize interdependence and vise versa.
- The wise approach is to keep balance between realist(political autonomy) and Liberalist(economic interdependence).

3.1. Meaning and Nature of International Political Economy (IPE)

- ✓ There is no universal agreement on how IPE should be defined.
- ✓ Defining IPE is not as simple or straightforward as one might expect/want.

IPE *"is the study of the tension between the market, where individuals engage in self-interested activities, and the state undertake collective action".*

- ❖ This definition *First* suggests that there are only two significant subjects of IPE:

(a) markets, which are composed of self-interested individuals (and the firms that they operate)

(b) states, which are the primary political institutions of the modern international system.

It suggests a clear-cut distinction exists b/n economic (market-based activities) and political / state-centered ones.

- ❖ Second, this definition tells us that the most important aspect of the relationship b/n markets and states is based on tension, states and markets relate to one another in fundamentally adversarial ways.
- ❖ Thirdly, states and markets are obviously the two key actors in the discussion of IPE and also the relationship between the two is often antagonistic.

Conti…

- political society is not solely represented by the state in (especially today's) global/world politics.
- We have also equally or even more powerful (than states) non-state actors in global politics such as Transnational Corporations/Multinational Corporations (TNCs/MNCs).
- Such problems have thus forced many to develop two contending definitions of IPE.**One is state-centered** definition of IPE and the other Marxist definition of IPE which focuses on social class based definition of IPE.
- state for Marxists is an appendage (nothing more than the instrument of the dominant class) and hence it is not considered as relevant in the definition.
- There is also other significant limitation in defining the concept of IPE:
- International applies only to relations between and among sovereign states.
- But economic activity in the world today is conducted—and sometimes controlled—by non-state actors that transcend national boundaries.
- Due to this trend in today's political economy, IPE's definition is getting ever widened and deepened in content and

even the name of the field is changing from IPE to GPE (Global Political Economy).

- **There is a great deal of disagreement over exactly what kind of political order is needed.**
  - Some take a minimalist view ;the state *only* provides the legal-institutional framework for enforcing contracts and protecting private property (this is a view with which most neoclassical economists would agree).
  - Others are convinced in which the state plays an active and direct role in a much wider range of economic activity.

Conti…

- **International Political economy (IPE)** is a field of inquiry that studies the relationships between governments, businesses, and social forces across history and in different geographical areas.
- The field thus consists of two central dimensions : the political and economic dimension.

i. A political dimension accounts for the use of power by a variety of actors, including individuals, domestic groups, states (acting as single units), International organizations, nongovernmental organizations (NGOs), and Transnational corporations (TNCs).

- All these actors make decisions about the distribution of tangible things such as money and products or intangible things such as security and innovation.
- politics involves the making of rules pertaining to how states and societies achieve their goals.

ii. The economic dimension deals with how scarce resources are distributed among individuals, groups, and nation-states.

Today, a market is not just a place where people go to buy / exchange s/thing, it can also thought of as a driving force that shapes human behavior.

Activities:

- *Define International/Global Political Economy, Mercantilism, Liberalism and Marxism in your own words.*
- *Why do you think some countries/societies in the world are poor and others rich?*
- *Which of these actors do you think are and should be drivers of development? Market, state, civil society or others?*

3.2. Theoretical perspectives of International Political Economy (IPE)

- There are **three** major theoretical (ideological) perspectives regarding the nature and functioning of the IPE: liberalism, Marxism, and nationalism (mercantilism).
- Each of these perspectives has been around for a long time.

Mercantilism/ nationalism: is the oldest of the three, dating back as early as the 16th century (perhaps even earlier).

- ✓ Many scholars point to Friedrich List(1789–1846) as the intellectual father of the mercantilist thought and it is a thought in response to classical economics more specifically, to Adam Smith's (1723–1790) liberal perspective

Mercantilism :

- ♯ Defends a strong and pervasive role of the state in the economy – both in domestic and international trade, investment and finance.
- ♯ In international trade, mercantilism emphasizes the importance of balance-of-payment and it often promotes an extreme policy of autarky to promote national economic self-sufficiency.
- ♯ As it developed in the 21st century, mercantilism (or neo-mercantilism) defended/secured ,protected even a much more sophisticated and interventionist role of the state in the economy.

e.g, the role of identifying and developing strategic and targeted industries, including tax policy, subsidization, banking regulation, labor control, and interest-rate management.

- ♯ states should also play a disciplinary role in the economy to ensure adequate levels of competition.

Japanese, South Korean, Taiwanese and Chinese states fulfilled the above stated roles almost perfectly.

- Instead of the term mercantilism, the East Asian economies (especially Japan, South Korea, and Taiwan) used the term' developmental state the nature of their national political economy system.

Marxism

- ♥ It is the youngest of the three and is advanced by Karl Marx who also emerged as a critique of classical economics.
- ♥ it is command economy **(**which was what existed in Soviet Union and other so called socialist/communist states- they were not true communists.
- ♥ it is not necessarily true that all or even most of the Marxist critique of capitalism has been negated/reversed or undo by any historical and contemporary realities.
- ♥ Global and national income inequality remains extreme: the richest 20 percent of the world's population controlled 83% of the world's income, while the poorest 20 percent controlled just 1.0%.
- ♥ Exploitation of labor shows no sign of lessening*/decrease or reduction*
- ♥ the problem of child labor and even child slave labor has become endemic.
- ♥ Marxists then tell us that all of these crises are cut from the same cloth.
- ✓ In particular global capitalist system has become increasingly reliant on financial speculation*/assumption* for profit making.

Conti… the death of Maxism

- Since the mid-1980s, the relevance of the three perspectives has changed dramatically.
- With the end of both communism and the "import-substitution" strategies of many less developed countries (LDCs), the relevance of Marxism greatly declined, and liberalism has experienced a relatively considerable growth in influence.
- Around the world, more and more countries are accepting liberal principles.
- Marxism as a *doctrine of how to manage an economy* has been discredited*/questioned* but as an analytic tool and ideological critique of capitalism it survives and will continue to survive as long as those flaws of the capitalist system remain.

  e.g. widespread poverty side by side with great wealth, and the intense*/strong* rivalries of capitalist economies over market share.
- Following the collapse of the Soviet Union in the 1990's and the embrace of the free market economy by a significant number of developing countries, marks the clear failure and death of Marxism
- Therefore, the report of Marxism's death is greatly exaggerated.

Liberalism:

- ♠ is a mainstream perspective in IPE and it defends the idea of free market system (i.e free trade/trade liberalization and free financial and Foreign Direct Investment/FDI flows).
- ♠ It advocates free trade which reduces prices, raises the standard of living for more people, makes a wider variety of products available, and contributes to improvements in the quality of goods and services.
- ♠ by removing barriers to the free movement of goods and services among countries, as well as within them, countries would be encouraged to specialize in producing certain goods & utilization of resources such as land, labor, capital, and entrepreneurial ability worldwide.
- ♠ If countries focused on what they do best and freely trade their goods with each other ,all of them would benefit.this concept/ idea is also known as **comparative advantage**.

Neoliberalism: called 4 trade liberalization, privatization,currency devaluation, low gov't spending. state role is to guarantee security &ensuring law & order. sate role in economy is irrelevant.

- However, the theory of comparative advantage has been undermined by the current wave of **economic globalization**.
- The growth of transnational or multinational corporations (MNCs) complicates global trading.
- The production of goods and services is strongly influenced by costs, arbitrary specialization, and government and corporate policies.
- These developments thus mark a shift from the conventional theory of **comparative advantage** to what is known as **competitive advantage**.
- As a result, in spite of global acceptance of the concept of free trade, governments continue to engage in **protectionism**.
- For example, the (EU) &the US each support their own commercial aircraft industries so that those industries can compete more effectively in a market dominated by a few companies.

- **In addition to the above ,the ff are the three contemporary theories of IPE**

i.e. HST,Structuralism & Developmental State Approach

Hegemonic Stability Theory (HST):

- ✓ It is a hybrid theory containing elements of mercantilism, liberalism, and even Marxism.
- ✓ Its closest association, is with mercantilism.
- ✓ The connection with mercantilism may not be immediately *apparent*/obvious or clear, but it is not difficult to discern/differentiate.

- **The basic argument of HST is simple**: the root cause of the economic troubles that bedeviled Europe and much of the world in the Great Depression of the 1920s and 1930s was the absence of a benevolent hegemon—that is, a dominant state willing and able to take responsibility (in the sense of acting as an international lender of last resort/alternative as well as a consumer of last resort) for the smooth operation of the International (economic) system as a whole.

- what then happened during the Great depression period was the old hegemon, Great Britain, had lost the capacity to stabilize the international system, while the new (latent) hegemon, the United States, did not yet understand the need to take on that role—or the benefits of doing so-hence global economic instability.
- *During its explanatory power to the Great Depression, HST has thus influenced the establishment of the Bretton Woods institutions (IMF and WB)- both being the products of American power and influence. but U.S. dominance was manifested, in particular, by the adoption of the U.S. blueprint for the IMF.*

Structuralism: is a variant/alternative of the Marxist perspective and starts analysis from a practical diagnosis of the specific structural problems of the international liberal capitalist economic system whose main feature is centre-periphery (dependency) r/ship between the Global North and the Global South which permanently resulted in an "unequal (trade and investment) exchange."

The perspective is also known as the 'Prebisch-Singer thesis' (named after its Latin American proponents Presbish and Singer)

- ✓ **it advocates** for a new pattern of development based on *industrialization* via import substitution based on *protectionist policies.*
- During the 1950s, this Latin American model spread to other countries in Asia and Africa and then the domestic promotion of manufacturing over agricultural and other types of primary production became a central objective in many development plans.

Developmental State Approach:

- ✓ Realizing the failure of neo-liberal development paradigm (in the 1980's) in solving economic problems in developing countries, various writers suggested the developmental state paradigm as an alternative.
- ✓ The concept of the developmental state is a modification of mercantilism and it advocates for the strong role of the state in the process of structural transformation.
- ✓ The term developmental state thus refers to a state that intervenes and guides the direction and speed of economic development.
- ✓ *To promote dev't by fostering productive inv't, export,growth,& human welfare*
- ➢ **Some of the core features of developmental state include;**

i. Strong interventionism: Intervention here does not imply heavy use of public ownership enterprise or resources but state's willingness and ability to use a set of instruments such as tax credits, subsidies, import controls, export promotion, and targeted and direct financial and credit policies instruments that belong to the realm of industrial, trade, and financial policy.

ii. Existence of bureaucratic apparatus to efficiently and effectively implement the planned process of development.

iii. Existence of active participation and response of the private sector to state intervention

iv. Regime legitimacy built on development the benefits of development are equitably shared and the population is actively engaged in the process of formulating and executing*/performing* common national project of development.

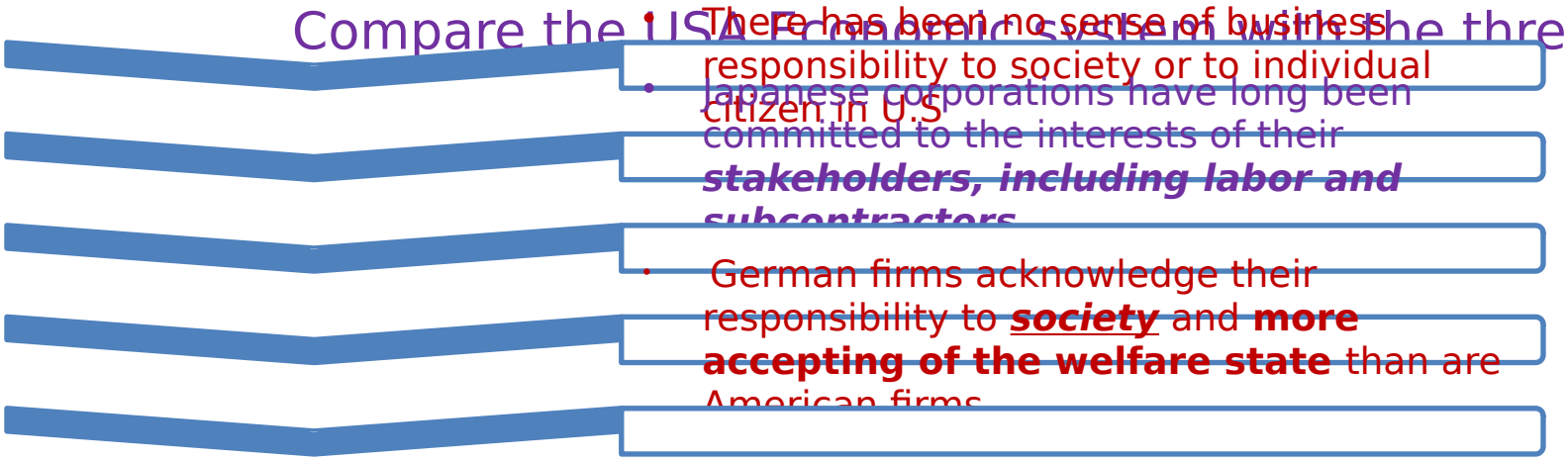
3.3. The Most Influential National Political Economy systems in the world

i.e. American *Market-Oriented Capitalism*, Japanese *Developmental Capitalism*& German *Social Market Capitalism*

1. The American System of Market-Oriented Capitalism

- ♣ It founded on the premise that the primary purpose of economic activity is :**to benefit consumers while maximizing wealth creation; the distribution of that wealth is of secondary importance**.
- ♣ The American economy does approach the **neoclassical model of a competitive market economy in which individuals are assumed to maximize their own private interests (utility), and business corporations**/company **are expected to maximize profits.**
- ♣ Almost any economic activity is permitted unless explicitly forbidden, and the economy is assumed to be open to the outside world unless specifically closed.
- ♣ The American economy is appropriately characterized as a system of **managerial capitalism**.
- ♠ consumer supporters want strong role for the government in the economy to protect the consumer.
- ♠ But ,American economists react negatively to an activist government b/c they belief that competition is the best protection for consumers except when there are market failures.

Compare the USA Economic System with the three:



-Authority over the economy is divided among the executive, legislative, and judicial branches of the federal government and between the federal government and the 50 states.

-Whereas the Japanese Ministry of Finance has virtual monopoly power over the Japanese financial system, in the United States this responsibility is shared by the Treasury, the Federal Reserve, and several other powerful and independent federal agencies(legislative and judicial branches of government) & the fifty states.

Conti…

- policy represents another great difference between the United States and other economies.
- The industrial policy become legitimate only in US to overcome a market failure.
- In practice, most American economists, public officials, and business leaders are strongly opposed to industrial policy.
- The structure and distribution of industries in the United States should be left entirely to the market.

2. The Japanese System of Developmental Capitalism

- ✓ since the Meiji Restoration (1868), Japan's overriding goals have been making the economy self-sufficient and catching up with the West.
- ✓ In the pre–World War II years the ambition intended to building a strong army and becoming an industrial power.
- ✓ Since its defeat in World War II, however, Japan has abandoned militarism and has focused on becoming a powerful industrial and technological nation.
- ✓ Japanese state promoting internal social harmony among the Japanese people.

Conti…

- National economic policy for Japan best characterized as **neo-mercantilism**; it involves state assistance, regulation, and protection of specific industrial sectors in order to increase their international competitiveness and attain the "commanding heights" of the global economy.
- Japanese people's belief in their uniqueness in the superiority of their culture, and to become a great power.
- Many terms have been used to characterize the Japanese system of political economy:. developmental state capitalism, collective capitalism, welfare corporatism, competitive communism, network capitalism and strategic capitalism

❑ " **Developmental state capitalism**" best captures the essence of the system, b/c this characterization conveys the idea that the state must play a central role in national economic development and in the competition with the West.

Conti…

- There is powerful commitment to domestic harmony and desire to protect the weak and defenseless.
- The Japanese system of lifetime employment has also been utilized as a means to promote social peace.
- The state assumed central role in the economy and specifically the elite pursued rapid industrialization through a strategy employing trade protection, export-led growth, and other policies.
- The Japanese people have also supported widespread interventionist role of the state.
- The government bureaucracy and the private sector have consistently worked together for the collective good of Japanese society.
- Industrial policy has been the most remarkable aspect.

Conti…

- **Japan has used the following policies to promote its infant industries**:

- Taxation, financial, and other policies that encouraged extraordinarily high savings and investment rates.
- Fiscal and other policies that kept consumer prices high, corporate earnings up, and discouraged consumption, especially of foreign goods.
- Strategic trade policies and import restrictions that protected infant Japanese industries against both imported goods.
- Government support for basic industries, such as steel, for generic technology, like materials research.
- Japanese state's use protection system through subsidies, provision of low-cost financing, and administrative guidance by bureaucrats.

3. The German System of Social Market Capitalism

- The German economy has some characteristics similar to the American and some to the Japanese, but it is quite different from both in other ways.
- Germany, like Japan, emphasizes exports and national savings and investment more than consumption.
- Germany permits the market to function with considerable freedom.
- The non governmental sector of the German economy is highly oligopolistic and is dominated by alliances between major corporations and large private banks.
- The German system of political economy attempts to balance social concerns and market efficiency.
- The German state and the private sector provide a highly developed system of social welfare.
- The German political economy is the “corporatist” or “welfare state capitalism” in which capital, organized labor, and government cooperate in management of the economy.

Conti…

- In Germany, the major banks are vital to the provision of capital to industry.
- The most important contribution of the German state to the economic success of their economy has been indirect.
- The core system of German of political economy is their central bank, or Bundesbank
- The Bundesbank did create the stable macroeconomic environment and low interest rates to the competitive success of German industry.
- The role of the German state in the microeconomic aspects of the economy has been modest.
- The Germans, have not activist industrial policy, like other advanced industrial countries, the government has spent heavily on research and development.
- The German government has not also intervened significantly in the economy to shape its structure except in the support it has given through subsidies and protection.
- Finally,German political economy system is thus closer to the American than to the Japanese system of collective capitalism.

Differences among National Political Economy Systems

The following areas are worthy of particular attention:

1. the primary purposes of the economic activity of the nation

- ✓ every modern economy must promote the welfare of its citizens, which range from promoting consumer welfare to pursuit of national power

2. the role of the state in the economy

- ✓ include ;laissez-faire & noninterventionist (the US) as well as the Japanese; state's central role in the overall management of the economy
- ✓ In liberal societies where the welfare of the consumer and autonomy of the market are emphasized, the role of the state tends to be minimal.
- ✓ in liberal societies the responsibility of the state is to correct market failures and provide public goods.
- ✓ In those societies where more communal or collective purposes prevail, the role of the state is much more intrusive/interfering and interventionist in the economy.

e.g Japanese providing call "administrative guidance" and the former Soviet Union maintaining a command economy.

3. the structure of the corporate sector and private business practices.

- ✓ American, German, and Japanese corporations have differing systems of corporate governance.

e.g shareholders /stockholders have an important role in the governance of American business, banks played more important role in both Japan and Germany.

- ✓ regarding business practices, the largest American firms frequently invest and produce abroad, Japanese firms prefer to invest and produce at home.

3.4 Core issues, Governing institutions and Governance of IPE

1. International Trade and the WTO

- ✓ The WTO is an international organization which sets the rules for global trade.
- ✓ This organization was set up in 1995 as the successor to the General Agreement on Trade and Tariffs (GATT) created after the Second World War.
- ✓ It has about 150 members.
- ✓ All decisions are taken unanimously/generally, but the major economic powers such as the US, EU and……
- ✓ The developing countries often complain of non-transparent procedures and being pushed around by big powers.

What is International Trade?

- The type of trade, by exchange of a good or service for another referred to as *barter trade*.
- In the contemporary period trade involves the exchange of money for goods and services within a domestic economy or internationally.
- But there are a number of critical distinctions between domestic and cross-border trade. While in cross-border trade the exchange of goods and services is mediated by at least two different national governments
- "free trade''is" the unrestricted purchase and sale of goods and services between countries without the imposition of constraints such as tariffs, duties and quotas" is never entirely free).

✍How is international(global) trade governed?

✓ The answer is that Global/Regional Free Trade Agreements govern it.

i.e institutions like WTO and North American Free Trade Agreement (NAFTA) or similar other organizations.

✍ How does this work?

In the case of NAFTA- a trade agreement among the U.S., Canada, and Mexico- for example, "free trade" was initially meant a lesser degree of governmental constraints in cross-border trade, but not an elimination of government action.

Conti…

- ✓ In other words, the notion of free trade in NAFTA had and still have significant element of protectionist /mercantilist policies such as a tax on specific imported goods (*tariff*), prohibiting their importation (*import ban*), or imposing a quantitative restriction (*import quota*).

The latter two policies are examples of *nontariff barriers*(NTBs).

- Other types of NTBs include domestic health, safety, environmental regulations and technical standards.
- Finally, the political and theoretical debate on international trade will continue to mount high as the trade itself grows more and more.
- In this debate, the liberals' argument would continue to center on the principle of comparative advantage,
- mercantilists and Marxists expound*/explain on* upon differentials b/n national economies, or on class inequality and exploitation.

2. Foreign Direct investment(FDI) &WB

- There are two types of foreign investment: FDI &Indirect foreign investment(portfolio Investment)
- What is Foreign Direct investment

FDI refers the inv't made uot side home country. It consists of package of assets, capital, technology, mgt skills, access to mkt &entrepreneurship.

- International/Transnational/global production (in short global FDI) is a type of production in which different parts of the overall production process for a particular product take place across different national territories
- investment(portfolio Investment refers to specific assets &intermediate products(e.g capital, debt, technology w/c is separated b/n two independent economic agent. only financial resources are transferred.

World bank (WB)

- While investment and the development process in the developed countries is mostly governed by the interactions of multinational companies, investment and development process in the developing countries, on the other hand, are directly or indirectly governed by the WB.
- The WB which was primarily designed as a vehicle for the disbursement*/payment* of Marshall Plan money set up to aid the (immediate) reconstruction of Europe.
- So, the end result was exactly what the U.S. had hoped to achieve: a financially, economically, politically more stable and stronger Europe.
- Later on, the bank expanded its influence to all developing countries in Asia, Africa, and Latin America.
- However, unlike in the case of Europe, the impact of the WB on the development of developing countries has been at best controversial and at worst negative.

3. International Finance and the IMF

IMF

- ✓ The IMF is an international organization(IO) that oversees those financial institutions and regulations that act at the international level.
- ✓ The IMF has 184 member countries, but they do not enjoy an equal say.
- ✓ The top ten countries have 55 per cent of the votes.
- ✓ They are the G-8 members (the US, Japan, Germany, France, the UK, Italy, Canada and Russia), Saudi Arabia and China.
- ✓ The US alone has 17.4 per cent voting rights.
- ➢ The global financial system is divided into two separate, but tightly inter-related systems: **a monetary system and a credit system.**

1. ***monetary* system** can be defined as the relationship between and among national currencies.

***2.credit* system**, refers to the framework of rules, agreements, institutions, and practices that facilitate the transnational flow of financial capital for the purposes of investment and trade financing.

3.5. Exchange Rates and the Exchange-Rate System

An ***exchange rate*** is the price of one national currency in terms of another.

e.g, according to July 2013 rate:

one U.S. dollar ($1) was = 98.1 Japanese yen (¥),

one British pound (£) =1.54 U.S. dollars.

- Yet, in August 1998, one U.S. dollar = 145.8 yen.

Compared to the rate in July 2013, the difference is then almost 50 percent. This implies that in August 1998, the yen was substantially “weaker”.

✍ What does this mean in concrete terms?

- Let’s say you have $2,000 in 1998, if you had traveled to Japan you could have exchanged that $2,000 for 291,000 yen,
- but in 2013 that same $2,000 (to keep things simple, disregard*/ignore/discount* inflation) could be exchanged for only 196,000 yen.
- In short, you would have a lot less Japanese yen to spend in 2013.

Conti…

- There are two main **exchange rate systems** in the world namely:

  floating *exchange rate* and *fixed exchange rate*.

i. pure floating-rate system: the value of a currency is determined solely by money supply and money demand.

In other words, this system exists only when there is absolutely no intervention by governments or other actors capable of influencing exchange-rate values through nonmarket means.

ii. **A pure fixed-rate system**: the value of a particular currency is fixed against the value of another single currency or against a basket of currencies.

- **The question thus remains: How is the global financial system governed?**

The creation of IMF provided the answer for this question.

- ✓ The IMF, which was set up as an supposedly neutral international financial institution, was designed to clearly represent U.S. interests and power first and foremost, and the interests of the other major capitalist countries (the developed economies) secondarily while governing the global finical system.
- ✓ This can be seen from the way decision-making power within the IMF was designed-i.e. voting power is determined by what the IMF calls a **quota**.
- ✓ A quota (or capital subscription*/contribution or payment*) is the amount of money that a member country pays to the IMF.
- ✓ Accordingly, the more a country pays, the more say it has in IMF decision makings.
- ✓ And, it is the US that tops up in this regard.



•CHAPTER FOUR

•GLOBALIZATION AND REGIONALISM

- **What is the meaning of ‘globalization’, ‘regionalism‘, ‘localization’?**

✓ Globalization and Regionalism are two major phenomena influencing global trend

✓ Both developments have significantly shape the nature of global politics, peace and security.

✓ The mutual causation/connection b/n both is an area of unsettling debate involving convergence, divergence/separation and overlap.

•4.1. Defining Globalization

- Globalization is often understood as a phenomena, or a process characterized by increasing interconnectedness or interdependence.
- It is a supra regional process bringing the world into one global village.
- The economy, politics, and technology have been the driving forces of globalization

➢ Globalization can be defined as a multidimensional process characterized by:

(1) The stretching of social and political activities across state (political) frontiers and events, decisions, and activities in one part of the world come to have significance for individuals and communities in other parts of the world.

- For instance wars and conflicts in developing countries would increase the flow of asylum seekers and illegal migrants in to the developed countries;

- (2) The growing magnitude of interconnectedness in almost every aspect of social existence from the economic to the ecological, the spread of HIV-AIDS, from the intensification of world trade to the spread of different weapons;
- (3) The accelerating pace of global interactions and the evolution of worldwide systems of transport and communication increases the rapidity of or velocity with which ideas, news, goods, information, capital and technology move around the world;
- (4) The growing extensity, intensity, and velocity of global interaction deepening the local and global insofar as the local events may come to have global consequences and global events may come to have serious local consequences creating a growing collective awareness of the world as shared social space, i.e. globality or globalism.
- Globalization embodies a process of deterritorialization, viz., as social, political, and economic activities are increasingly stretched across the globe.
- Under globalization, national economic, space is no longer with national territorial space since, as in the case of many U.S companies based their headquarters in Europe. This indicates that, in the globalized world, territorial borders no longer demarcate the boundaries of national economic or political space & constrains of social action and exercise of power, is declining.

Discuss the different elements /dimensions of globalization

4.2. The Globalization Debates

- ✓ There are debates to the direction, nature and effect of globalization on states.
- ✓ The three perspectives are: the hyper-globalists, the skeptics, and transformationalists.
- ✓ Each perspective delivers a distinct response to the questions of: what is new about globalization; and what are its political consequences for sovereign statehood?

• 1. The Hyper-globalists

- For hyper-globalists/neo_liberal, globalization today defines a new epoch in human history in which nation states become obsolete to regulate their economy and boundary.
- This view of globalization privileges the economic over the political, the market over the state, and prefigures the decline of states.
- Advocates of this view argue that economic globalization is bringing about a de-nationalization/ de-territorialization of economies through the establishment of transitional networks of production, trade and finance.
- In this borderless economy national governments are relegated to little more than transmission belts for global capital or ultimately powerless institutions marginalized by the growing significance of local, regional and global mechanisms of governance.
- In this respect the hyper-globalists share a conviction that economic globalization is bringing about the decline of states.
- Thus for the hyper globalists, the authority and legitimacy of states thereby is undermined as the national governments become increasingly unable to control the Tran boundary movements and flows of goods, services, ideas and different socio-economic activities inside their borders.
- Furthermore; the hyper globalists claim that economic globalization is generating a new pattern of losers as well as winners in the international economy.
- The already existing South-North gap has been considered as acronyms as a new international division of labor emerges with more complex economic configuration of economic power.
- The competitive nature of the market would bring new economic class as winners and losers, this put a challenge for the state, especially welfare states, to helping those losers under the constraint of liberal market economy.
- Hyper-globalist further argue that globalization is imparting new liberal ideas and implant culture of modernization replacing the traditional culture having an impetus towards creating a new global order marked by uniform cultural values or way of life.

4.2.2. The Skeptics

- ✓ The skeptics do not accept the very idea that there exist transformation in the global production & distribution of resource be it capital, labour, goods &services.
- ✓ The skeptics rejected the view of super- globalist as a myth, flawed and politically naïve since it fundamentally underestimate the enormous power of national governments to regulate international economic activities.
- ✓ For them, rather than being out of control, the force of globalization, which is synonymous to internationalization, very much dependent on the regulatory power of the state to ensure the continuation of economic liberalism.
- ✓ States are central actors and agents of globalization playing central role in shaping and regulating the economic activities including the Trans-boundary flows of ideas, goods and peoples.
- ✓ Skeptics also undermine the view that the world is interconnected and moving into a village where by there exists a free flow of goods and services, investment and circulation of money from one corner of the world in to another.
- ✓ For them, the so called globalization is not more than regionalization that is being manifested in the emergence of financial and trading blocs in Western countries, North America, in Asia and to some extent in Africa
- ✓ For instance in Europe, there exists EU as site and expression of globalization; in North America, there exist a trading bloc, NAFTA, ASEAN in Asia. And we have seen more interconnectedness at regional level lesser than at the global level.
- ✓ For that matter, Skeptics argues that there is no free flow of goods, resources, technology and finance at the global level; instead we have regional based globalization.
- ✓ The Sceptics thus do not believe that globalization would help to narrow the economic and technological gap that is still prevailing between the Global North (developed Countries) and the Global South (Developing countries).
- ✓ So, for the Skeptics, globalization brings nothing new, rather it is just the crystallization the already existing realities of the world which has been marked by the North-South gap reflected in terms of the deeply rooted patterns of in equality and hierarchy.

4.2.3. The Transformationalist

- Globalization is a critical driving force behind the rapid social, political and economic changes which are reshaping societies and international politics.
- the contemporary process of globalization are historically unprecedented such that governments and societies across the globe are having to adapt to a world in which there is no longer a clear distinction between the international and domestic affairs.
- At the core of the transformationist view is the belief that globalization is reconstituting or reengineering the power, function and the authority of the state,
- Even though the state has ultimate legal power to control events inside its boundary, it can't command sole control over trans-boundary issues, actors, resource movements. Under globalization, national economic space no more coincides with state boundary.
- In arguing that globalization is transforming or reconstituting the power and authority of national governments, they however reject both the hyper globalist view of the end of the sovereign state as well as the Sceptics claim that nothing much has changed. Instead they assert that a new sovereignty regime is displacing traditional conception of state power as an absolute, indivisible, territorially exclusive power.
- Accordingly, sovereignty today is the best understood as "….less a territorially defined barrier than a bargaining resource for a politics characterized by complex transnational network.
- Under globalization, there are non-state actors as Multinational Corporation, transnational social movements, international regulatory agencies.
- In this sense world order can no longer be conceived as purely State-Centric or even primarily state managed as authority has become increasingly diffused amongst public and private a agencies at the local, national, regional and at global levels i.e. down ward, up rewards and sideways.
- This does not mean that the power of national government is necessarily diminished but on the contrary it is being redefined, reconstituted and restructured in response to the growing complexity of process of governance in a more interconnected world.

4.3. Globalization and Its Impacts on Africa

- As a result, the world becomes one, and interactions among diverse people begin to look like those within a village.
- Thus terms such as “One World” and “Villagization” are sometimes used as synonyms for globalization.

- **In its contemporary form, globalization is driven by a variety of forces.** These are financial or the flow of financial resources, economic with particular reference to the flow of goods and services and, to a very limited extent, labor, technology, especially transport, communications and information technology, the spread of culture from one corner of the world to the other, and the global diffusion of religious ideas as well as ideologies.
- **Other aspects that are unique to the present form of globalization are the Americanization of the world, the propagation of a universal paradigm for economic and political development, and the dominance of unilateralism as a way of conducting international relation**s.

- **The Americanization of the World** is the result of the huge and unprecedented gap between the United States and its nearest rival in each and every sphere, military, economic, technological and cultural, which is in turn transformed into the unequaled American influence on international issues and decision-making, including those within the purview of major international institutions such as the United Nations System, the Breton-Woods institutions, and the World Trade Organization.

  - **Globalization** become transformation of the international system from a multi-polar or bipolar system to an imperial system under American hegemony.

- Within this system, decisions and outcomes are largely the result of American unilateralism.
- A major consequence of this is the propagation of a universal paradigm for both economic and political development, in the form of the so-called Washington Consensus, whose main features are market forces and liberal democracy, without regard to the historical and cultural specificities of individual countries.

  - In sum, globalization seems to be leading inexorably to the homogenization of the world, with the United States as the model and the standard by which all other countries are to be judged

- **In the case of Africa**

❖ **The cold war has had significant consequences for Africa**.

During its height in the 1960's and 1970's, the cold war witnessed the emergence of authoritarian regimes in most African Countries in the form of one-party or military regimes. This was largely a result of the support of the two blocks to keep African countries in their respective camps.

❖ **With the end of the cold war**,

- **Support** has been withdrawn by the major powers for many African &this leads to an increase in the number of so called "failed states" in Africa during the last two decades.
- This development has also been inimical to the emergence and consolidation of effective Democratic and developmentally oriented regimes in Africa.
- In addition, the end of the cold war has witnessed an over-all decline in the strategic importance of Africa.e.g freedom of choice, autonomy and leverage in its dealings with more powerful actors.
- In sum then, the cold war and its demise has worked against democracy and economic development in Africa.

Specific impacts of globalization on Africa can be identified.

- **In the political sphere**:

- ✓ The erosion of sovereignty, especially on economic and financial matters, as a result of the imposition of models, strategies and policies of development on African countries by the IMF, the WB & the World Trade Organization.
- ✓ Globalization for the most part does not facilitate the establishment of the economic conditions necessary for genuine democracy and good governance to take solid roots and thrive. One form of this is the reduction of the capacity of governments to determine and control events in their countries, and thus their accountability and responsiveness to their people & decisions taken are far from democratic.
- ✓ African countries accounts in part for the political and social instability and the rise of authoritarian regimes that have characterized much of postcolonial Africa further weakening the ability of African countries to deal effectively with globalization

- Africa has losing the race for economic development in general, and human development in particular, to other regions.

The ff are the major negative impact of globalization on the growth and consolidation of democratic governance in Africa.

- While calling for greater accountability and responsiveness of leaders to their people, globalization has often pressured African leaders to adopt policies and measures that are diametrically opposite to the feelings and sentiments of the vast majority of their people. This has led to the rise or reinforcement of authoritarian regimes.
- By defining basic and generally accepted principles of democratic governance, such as good governance, transparency and accountability, in narrow terms, conditioned by particular historical, political, social, and cultural factors, while leaving little or no room for adapting them to different societies and cultures, democracy takes on the image of something alien and imposed from the outside.
- Globalization leads to the development of anti-developmentalism by declaring the state irrelevant or marginal to the developmental effort. Development strategies and policies that focus on stabilization and privatization, rather than growth, development and poverty eradication, are pushed by external donors, leading to greater poverty and inequality and undermining the ability of the people to participate effectively in the political and social processes in their countries.
- The economic specialization imposed on African countries makes rapid and sustainable growth and development impossible, conflicts over the distribution of the limited gains realized from globalization become more acute and politicized. Vulnerable groups, such as women, the youth, and rural inhabitants, fare very badly in this contest and are discriminated against. This further erodes the national ethos of solidarity and reciprocity that are essential to successful democracies.
- Lastly, globalization, by insisting on African countries opening their economies to foreign goods and entrepreneurs, limits the ability of African governments to take proactive and conscious measures to facilitate the emergence of an indigenous entrepreneurial class.

- **Major positive impact of globalization on Africa**

✓ It has made available information on how other countries are governed and the freedoms and rights their people enjoy.

✓ It has also opened African countries to intense external scrutiny and exercised pressure for greater transparency, openness and accountability in Africa.

✓ Globalization has promoted greater respect for human rights and contributed to the development of an African press.

4.4. Ethiopia in a Globalized World

- Ethiopia is one of the countries marginally integrated to the capitalist system during the post-Cold War era. Despite the 17 years interruption during the Derg period, Ethiopia continued to be marginally integrated to the post-Cold War global capital.
- The course Ethiopia took to federalize and democratize, for instance the FDRE constitution, bears the mark of globalization.

☝ **Ethiopia like any other country found itself facing a fast track of multidimensional changes that positively and negatively affected its place in the globe.**

- For instance, the triumph of western free market economy and liberal democracy has its mark on the development aid and loan Ethiopia managed to secure to finance its national development projects and design its own economic policy independently.
- Nevertheless, with meticulous planning and strategic thinking, Ethiopia achieved amazing economic transformation and gained a lot from the positive opportunities of globalization.
- It has also benefited from the technological and knowledge transfer, free movement of ideas, people and finance.

☝ **The other side of the globalization coin shows negative impacts on Ethiopia.**

- The expansion of information communication opened the historically closed doors of Ethiopia to new religious and secular values that affected the religiosity and social solidarity of its people. This is reflected in the rise of religious radicalism of every sort and posture.
- Socio-cultural impact of western values is amply observed in urban centres.
- Furthermore, the glocalization dynamics contributed to the rise radical nationalism and ethnicity.
- The prevalence of human trafficking and migration is partly attributable to the onset of globalization.
- To sum up, Ethiopia has benefited less from globalization than its negative influences.

•4.5. Pros and Cons of Globalization

☝ Discuss the pros and cons of globalization? Globalization has its merits and demerits.

•The merits of globalization are:

- ✓ The expansion of democratic culture, human right and the protection of historically minority and subaltern groups.
- ✓ Innovation in science, medicine, and technology and information communication has enabled the improvement of quality of life.
- ✓ Agricultural technological expansion resulted in the lifting out of millions of people out of poverty.
- ✓ The technological and social revolution significantly contributed to advancement of human security and safety.
- ✓ Moreover, the free movement of good, service, people, ideas, expertise, knowledge and technology across national borders strengthened international interdependence.
- ✓ The emergence of the idea of global civil society. States ceased to be the sole actors and referents of international relations and diplomacy, and conception of security as well..
- ✓ Furthermore, the rapid economic growth in some countries of the south to globalization.

• **The demerits globalization**.

- Some commentators recognize the prevalence of a gnawing gap between rich and poor became considerably.
- It is an aspect of Western imperialism of ideas and beliefs eroding and inroading the sovereignty of non-Western countries.
- Global capital and international financial institutions like WB and IMF made free inroads into countries of the south influencing the economic and political dynamics of negatively.
- With technological advancement, climatic, environmental and technological risks have multiplied.
- Globalization threatening the continuity of non-Western age-old traditions, way of life and cultural values.
- Globalization has made the globalization of risks, threats and vulnerabilities like global terrorism, religious fundamentalism, proliferation of Small Arms and Light Weapons (SALWs), arms and human trafficking.
- Moreover, globalization has stimulated the emergence a simultaneous but opposite process of *Glocalization*, which involves a process of integration to the world and differentiation to the local. This process has contributed to the rise of radical nationalism and ethnicity, which set the context for the emergence of the era of identity and identity conflicts.
- In general, without denying the opportunities of globalization, countries of the global south have faced multidimensional economic, political, socio-cultural, security and military challenges induced by globalization.

4.6. Defining Regionalism and Regional Integration

- **Region** can be defined as a limited number of states linked together by a geographical relationship and by a degree of mutual interdependence (Nye, 1968).
- **Regionalism** refers to intensifying political and/or economic processes of cooperation among states and other actors, which can be developed either 'from below' i.e. from the decisions by companies to invest and by people to move within a region or 'from above' i.e. from political, state-based efforts to create cohesive regional units and common policies for them; or from both approaches.
- **Regionalism,** on the other hand, is conceived as a way of dealing with politico-economic, social, military and security issues affecting states in common.
- **Regionalism** normally presents the sustained cooperation (either formal or informal) among governments, non-governmental organizations, or the private sectors in three or more countries for mutual gains

☝ **Buzan *et al* (1998) categorized region into two types in accordance with its <u>contexts.</u>**

i. In the **societal context**, unit means nation and region is the set of adjacent nations.

ii. In the **political context**, unit is identified with state and region means: a spatially coherent territory composed of two or more states.

a. **Sub-region** means part of such a region, whether it involves more than one state (but fewer than all of the states in the region) or some transnational composition (some mix of states, parts of states, or both).

b. **Micro-region** refers to the subunit level within the boundaries of a state

- Without regionness or regional awareness the proximity of countries in the given regions cannot be referred to as a key driving force to regionalize with intimate neighboring countries.
- ***Regionalization*** can be conceived as the growth of societal integration within a given region, including the undirected processes of social and economic interaction among the units (such as nation-states.
- **Similarly, the term *regionalism*** refers to the proneness of the governments and peoples of two or more states to establish voluntary associations and to pool together resources (material and nonmaterial) in order to create common functional and institutional arrangements.
- **Furthermore, regionalism** can be best described as a process occurring in a given geographical region by which different types of actors (states, regional institutions, societal organizations and other non-state actors) come to share certain fundamental values and norms. These actors also participate in a growing network of economic, cultural, scientific, diplomatic, political, and military interactions (Mace and Therien 1996).

- **The theories that explain the possibilities of the formation of regional grouping are:**

4.6.1. The Old Regionalism

- For many scholars, regionalism, as a voluntary and comprehensive process, is predominantly a post-World War II phenomenon. It emerged in Western Europe in the late-1940s, subsequently spreading to the developing world. Old regionalism lost much of its dynamism in Europe in the early 1970s and gradually, also in the developing world.

- ***Regional Integration in Europe and Beyond***

- In contrast to earlier discussions that centered on mercantilism and competing alliances, post-War scholars usually viewed the (Westphalian) nation-state as the problem rather than the solution, and the purpose of regional integration was to achieve and consolidate peace and stability.

- Immediately after the Second World War, there was a lot of discussion about European regionalism, not least about reconstruction and reconciliation between France and Germany. A series of initiatives were launched, which resulted in the European Coal and Steel Community (ECSC) in 1951. The long-term goal was more ambitious, and in 1958 the European Economic Community (EEC) and the European Atomic Energy Community (EAEC) were integrated into the EC through the Treaty of Rome. The influence of EU goes beyond being successful experiment in regionalization and came to dominate the discourse on regionalization.

Regional Integration in Africa

- Regionalism in the developing world was closely linked to colonialism/anti-colonialism and the quest to facilitate economic development in the newly independent nation-states. Many of the discussions about regionalism in the developing world were heavily influenced by the structuralist tradition of economic development, pioneered by Gunnar Myrdal, Arthur Lewis, and Raúl Prebisch. In sharp contrast to the European debate, which focused heavily on regional integration, the keywords here were development, state-promoted industrialization and nation-building, first and foremost through protectionism and import-substitution.
- The major ideological influence on regional cooperation and integration, however, is embodied in the founding principles of OAU and later AU such as Lagos Plan of Action (1980) and the Abuja treaty (1991). The major purpose of regionalization was to resist colonial and post-colonial influence, protectionism and realizing import substitution. Among the various state led regional organizations in Africa were the CFA (Community of French Africa), East African Community (EAC) and SACU (Southern African Community Union). The SADCC (The Southern Africa Development Coordination Conference, a predecessor of the SADC) was established to against the influence of Apartheid and external dependency (Söderbaum, 2015).
-
- The depression of the 1930s also had severe impact on Latin American development, creating pressure for change. the United Nations Economic Commission for Latin America (ECLA) and its dynamic Executive Secretary, Raúl Prebisch, the vision was to create an enlarged economic space in Latin America in order to enhance import substitution regionally when it became exhausted at the national level.
- From this perspective, the rationale of regional cooperation and integration among less developed countries was not to be found in functional cooperation or marginal economic change within the existing structure, but rather, through the fostering of 'structural transformation' and the stimulation of productive capacities (industrialization), whereby investment and trading opportunities were being created. The structuralist school thus shifted its focus away from economic integration as means for peace and political unification, to one of regional economic cooperation/integration as means for economic development and state-formation.
- This type of regionalism resulted in the creation of the Latin American Free Trade Association (LAFTA) in Montevideo in 1960. LAFTA was a comprehensive and continental project and included all countries on the South American continent plus Mexico. the old regionalism in Latin America made little economic impact and was never implemented on a larger scale.
- Regionalization in Latin America during 1960s and 1970s did not materialized because of conflict and military dictatorship.

•4.6.2. New Regionalism

- The prospects of the fall of the Berlin Wall together with the 1985 White Paper on the internal market and the Single European Act resulted in a new dynamic process of European integration.

•This was also the start of what has often been referred to as ‘new region alism’ on a global scale.

- The new regionalism referred to a number of new trends and developments, such as the spectacular increase in the number of regional trade agreements, an externally oriented and less protectionist type of regionalism, an anti-hegemonic type of regionalism which emerged from within the regions themselves instead of being controlled by the superpowers, the rise of a more multi-dimensional and pluralistic type of regionalism, which was not primarily centered around trading schemes or security cooperation and with a more varied institutional design, and the increasing importance of a range of busi ness and civil society actors in regionalization.

•Many scholars emphasized the fact that the new wave of regionalism needed to be related to the multitude of often inter-related structural changes of and in the global system in the post-Cold War era, such as the end of bipolarity, the intensification of globalization, the recurrent fears over the stability of the multilateral trading order, the restructuring of the nation-state, and the critique of neoliberal economic development and political systems in developing as well as post-communist countries (cf. Gamble/Payne 1996; Hettne et al. 1999).

•According to Söderbaum, the difference between old and new regionalism can be summarized as provided in the table below:

	Old Regionalism	**New Regionalism**
World Order Context	World order context	Bipolar world Cold War
Links between National, Regional, and Global modes of governance	Taming nationalism (in Europe) or Advancing nationalism (in South)	Resisting, taming or advancing economic globalization
Sectors, Actors & Forms of Organization	Sector specific State-centric Formal regionalism Hard regionalism	Multi-sectoral State vs. non-state actors Regionalism vs. regionalization Formal vs. informal Hard vs. soft
Ontology	Regional integration Regional organizations (& subsystems) Clear regional boundary lines	Ontological pluralism, confusion And disagreement Regionalism Regionalization Regional organizations
Epistemology	Dominance of positivism & rationalism & materialism (and some structuralism in the South)	Rationalism vs. constructivism vs. Critical theory Materialismvs.ideas/identities Epistemological conflict
Methodology	Europe-focused Rigid comparison	Regional specialization (parochialism) vs. false universalism (Eurocentrism) Comparison as parallel case studies or quantitative studies Little dialogue between EU studies and IR/IPE

Two Waves of Regionalism (Selected Organizations)	
First Wave: 1950s-1970s	
Europe and Soviet Bloc -NATO (1949-) -WEU (1955-) -Warsaw Treaty Organization (1955-1991) -Council of Europe (1948-) -ECSC (1952-) -EEC and -Euratom (1958-1992) -COMECON (1948-1991) **West and East Asia** -CENTO (1950s) -SEATO (1954-1975) -ASEAN (1967-)	**Latin America** -OAS (1948-) -RIO Pact (1947-) -Central American Common Market (1961-) -Andean Community (1969-) -CARICOM (1973-) -LAFTA (1969-1980) **Middle East** -League of Arab States (1945-) **Africa** -OAU (1964-2002)
Second Wave: 1980s-1990s	
Europe -CSCE (1975-) -EU (1992) -CIS (1991-) **Asia and Asia-Pacific** -APEC (1989-) -ARF (1994) **Middle East** Gulf Cooperation Council (1984)	**Latin America** -Mercosur (1991-) -FTAA (1994-) -NAFTA (1993-) **Africa** -ECOWAS (1975-) -SADC (1992-) -CoMESA (1994-) AU (2002-

4.7. Major Theories of Regional Integrations

4.7.1. Functionalism

- Functionalist viewed regionalism as a functional response by states to the problems that derived from regional interdependence. It was seen as the most effective means of solving common problems. Regionalism has started from technical and non-controversial issues and has spilled over into the realm of high politics and redefinition of group identity around the regional unit (Hurrell 1995). According to functionalism, the task of policy makers is to encourage the states to peacefully work together. (Mitrany 1946).
- Regional organization was then built up to cope with one common problem and spill over to other problems and areas of cooperation, which will deepen integration among member states.
- Therefore, 'spillover' is the key explanation of _functionalist regionalism.
- **According to fiurrell (1995), there were two sorts of spillover**. ***First, functional spillover*** whereby cooperation in one area would broaden and deepen further areas; and
- ***Second, political spillover*** whereby the existence of supranational institutions would set in motion a self-reinforcing process of institution building. The end-result would be a shift in loyalties from nationalism towards regionalism, a new center whose institutions possesses or demands jurisdiction over the pre-existing national states (Ernst 1958; Hurrell 1995).
- Accordingly, the functionalist and neo-functionalist approaches presume that cooperation across national borders particularly in the economic field spreads out to other sectors. This spillover effect leads finally to the formation of supranational institutions and to the diminishing role of the nation-state (Palmujoki 2001).
- Karns and Mingst (2005) argue that functionalism is applicable at both regional and global levels; and later mention that the overwhelming number of international governmental organizations (IGOs) could be classified as functional. Thomas George's (1997) states that functionalism is a global approach rather than a regional approach and neo-functionalism is derived from the functionalist doctrine and was applied in a regional context with some modifications. In this regard, the process and dynamics of cooperation under neo-functionalist approaches will work automatically to cope with the facing issues. Therefore, functional spillover has to be in tandem with political spillover in order to reinforce each other.

- 4.7.2. Neo-functionalism
- Neo-functionalism emerged in the 1960s based on the key works of Ernst Haas and Leon Lindberg. The model of integration is based on the following basic principles.
- Neo-functionalism included clear departures from transactionalism, federalism and functionalism, which made it clearly a distinct and independent theoretical entity.
- First, the clearest difference existed between neo-functionalism and transactionalism. Transactionalism had defined integration as a condition, and the attainment of integration was measured by the existence of a 'security-community'. Neo-functionalists, on the contrary, defined integration as a process:
- 'Political integration is the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states. The end result of the process of political integration is a new political community, superimposed over the pre-existing ones.'(Haas 1968, 16).
- Another distinguishing principle of neo-functionalism, as identified by Ben Rosamond is the emphasis on political agency in integration process (Rosamond, 2002). It considers integration as a process with special focus on political integration. According to Lindenberg, the following preconditions for the success of an integration process. These conditions included according to him: 1) Central institutions and central policies should be established and developed, because only they can assure that someone represents and promotes the 'regional view' as well as solves disputes between member states; 2) Their tasks and capacity to implement those tasks should go well beyond the mandate of normal international institutions; 3) Their tasks should be inherently expansive; 4) There should be some link between the interests of member states and the process of integration. (Lindberg 1963, 7-13).

Inter-governmentalism

- ✓ Inter-govemenmetalism or liberal intergovernmentalism is a theory and approach that focus on the state for integration to succeed.
- ✓ It approaches the question of the state in an integration process from the perspective of traditional international relations.
- ✓ It thus considers the state mainly as an actor in the international system and the integration process to be a process in that system.
- ➢ According to Moravcsik integration can be considered as part of the rational choice of state actors. This rationalist framework disaggregates the process of integration into three stages: national preference formation, interstate bargaining and institutional choice. In the first stage, the degree of integration depends on the interests of influential domestic constituents exercising pressure over their governments. Moravcsik (1993) explains that “the foreign policy goals of national governments vary in response to shifting pressure from domestic social groups, whose preferences are aggregated through political institutions”. For example, national governments may pursue international agendas in the fields of trade and agriculture to satisfy domestic producer groups. Nevertheless, he argues that national preference formation regarding cooperation in the field of foreign and defence policy is subject to geopolitical interests, revolving around a state’s ideological commitment. The problem with this approach is that international relations have not given much weight to the domestic level or the society in the state’s foreign policy decisions.

Supra-nationalism

In order to understand the supranational perception of European integration, we must first study the original theory from which this line of thought has been derived: Neo-functionalism. The roots of Neo-functionalism lie most visibly in the works of Haas (1958) on European integration (Rosamund, 2000), who has developed three mechanisms through which he thought European integration progresses: first, positive spillover effects; second, a transfer of allegiances from the national to the supranational political arena; and third, a 'technocratic automaticity,' referring to an increasingly autonomous role of supranational institutions in promoting further integration. The spillover effect occurs when integration between states in a particular sector incentivizes integration in other sectors too. One incentive is, for example, that the optimization of common benefits of integration in the original sector requires integration in other sectors (Lindberg, 1963). The second mechanism refers to a process by which domestic interest groups shift their activities from the domestic to the international realm. Oftentimes national institutions provide less effective ways for interest groups to pursue their end goals than international institutions do. Finally, the third mechanism is a process in which established supranational institutions develop an interest of their own: encouraging deeper and broader integration. In the European case, the European Commission, established to coordinate and implement integration strategies, has an intrinsic interest to expand its competencies.

In sum, Haas first sees integration as a process led by elitist groups, like leaders of industry associations or political parties, who recognize a lack of opportunities in pursuing a shared interest at the domestic level and then push national governments to transfer policy competence to a supranational body. Then, once supranational institutions are created, international interdependence grows, and interest groups or political party leaders can shift their loyalties away from national institutions by choosing to pursue their interests through newly established international institutions.

- Compare and contrast the major theories of regional integration based on their assumptions, core propositions and policy prescriptions

4.8. Selected Cases of Regional Integration

- Regional integration across the world followed divergent trajectories. Yet, it was mainly influenced by the development in Europe. Owing to the ample influence of the European experience, one can reasonable say that the idea of regional integration is Eurocentric.
- ***Let us discussed three cases of regional integration namely the European Union, Association of South East Asian States (ASEAN) and African Union.***
- **The European Union** began as European Economic Community underwent changes and transformation creating common market, currency, institutional and policy harmonization that at last became the European Union as one consolidated regional organization. It continued to influence the experiment of regionalism in the rest of the world.
- **AU** evolved from the ***Organization of African Unity***, which expired after realizing the objective of ensuring the decolonization of all African countries. The AU imitating EU was established to realize the unification of African markets towards eventual political unification. Since its establishment in 2002, the AU have achieved a lot in terms of opening African Free trade Areas, the issuance of visas on arrival and the strengthening of regional organizations like SADC, ECOWAS, COMESA and the EAC.
- **The ASEAN** was founded in 1967 and established a preference area in 1977, and the Asian Free Trade Area in 1992.
- In the first two decades after the Second World War (1945-1965) the region was shaped by nationalism, decolonization, great power intervention and failed attempts at regional cooperation. This resulted in the attainment of independence of states in the region namely Vietnam in 1945, Indonesia in 1949, the Philippines in 1946, Myanmar in 1948, Cambodia and Laos in 1953, Malaysia in 1957, Singapore in 1963, and Brunei in 1984 respectively. The main motive was not economic goal rather than political and security motives for regional solidarity. The economic achievements in the region was not induced by the integration, though. After the economic crisis of 1997, the region has advanced its economic goals and created APFTA in the region.

- **4.9. Regionalization versus Globalization and State**
- The way regionalization, globalization and the state interact have various forms based on the issues under consideration. For instance, the nature of interaction among the three on issues of economics and security greatly differ. In the international economy, globalization and regionalization appear to be pushing states in different directions, but there is today no major impetus toward globalization in the security arena, perhaps with the exception of nuclear issues such as nonproliferation (Lake 1997). Hence, the regionalization of security is not a universal trend like the formation of economic regions.
- **4.10. The Relations between Regionalization and Globalization**
- There are three possible options regarding the mutual relations between regionalization and globalization, especially in the economic dimension: (1) regionalization as a component of globalization (convergent trends); (2) regionalization as a challenge or response to globalization (divergent trends); (3) regionalization and globalization as parallel processes (overlapping trends) (Mittelman 1996a).

- **1.Regionalization as a Component of Globalization: Convergence**
- Regionalism is emerging today as a potent force in the processes of globalization. If globalization is regarded as the compression of the temporal and spatial aspects of social relations, then regionalism may be understood as but one component, or ‘chapter’ of globalization (Mittelman 1996a, 189). According to this view, by helping national economies to become more competitive in the world market, regional integration will lead to multilateral cooperation on a global scale, the adoption of liberal premises about cooperation, and the opening of the local economies.
- Thus, the process of regional integration can be interpreted as part of the international (or global) economic order at the end of the twentieth century; if impelled by raw material forces (of the market), then it becomes a result and a component of globalization (see Reynolds 1997, 1). Therefore, globalization may be expressed through regionalization (Holm and Sorensen 1995, 6–7).
- **2. Regionalization as a Challenge or Response to Globalization: Divergence**
- Is regionalism a means toward something else other than globalization? Can regionalism lead to a more pluralistic world order populated by diverse and distinct patterns of socioeconomic organizations that are accountable to their populations? (See Mittelman 1996a, 189). Unlike the first trend, the impetus toward regionalization might stem in this case from a reaction and challenge to the amorphous, undemocratic, and inexorable economic rules of globalization.
- This reaction can be motivated by either nationalistic/mercantilistic or pluralistic/humanistic concerns (in some cases, even by both). In the first place, by creating trade blocs and integration frameworks based on mercantilistic premises, regionalism opposes the neoliberal ‘harmony of interest’ view of the world economy in favor of national (and regional) loyalties and frameworks.Conversely, the drive toward the formation of regions might be also motivated by the denial of a single universal culture (and ideology) and the promotion of alternative or pluralistic forms of social and political organizations other than the nation-states at the regional level.
- **3. Regionalization and Globalization as Parallel Processes: Overlap**
- When we refer to the world economy, it encompasses the trends of both regionalization—i.e., the division of the international economy into the mega-regions of North America (or the Americas), Europe, and East Asia—and globalization (see Wyatt-Walter 1995). Conversely, in the international (global) security arena, it is more difficult to assess the (co)existence of security communities and security complexes without an overall dimension of global security, which is less evident. Thus, rather than reacting to each other, a third possibility is that regionalization and globalization might act as parallel or overlapping processes in the two issue-areas of economics and security.

- **4.11. Regionalization, Globalization and the State**
- Bringing the forces of nationalism and the possible role(s) of the nation-state into the equation creates the following possible linkages: (1) nation-states oppose globalization (divergent trends); (2) nationalism and the formation of new states are encouraged by the forces of globalization (convergent trends); (3) nation-states oppose the forces of regionalization (divergent trends); (4) nationalism and the nation-states can be strengthened through regionalism (convergent trends); (5) regionalization coexists with nationalism and with globalization (overlapping trends); (6) nation-states mediate between trends of regionalization and globalization (overlapping trends); and (7) nation-states oppose globalization through regionalization (divergent trends).
- ***1. Nation-States and Nationalism as Rival Processes of Globalization***
- Processes of disintegration, fragmentation, autarky, and localization diverge from the overall trend of globalization. For instance, the blossoming of statehood may be a response to the homogenizing forces of globalization (Holsti 1996a, 22). The persistence or resurgence of nationalism can be regarded as a response to the alienating forces of the global market, by relocating or bolstering legitimacy and loyalties at the national or even sub-national levels, in direct contradiction to the transnational or supranational logic of economic globalization.
- ***2. Globalization as a Force of Nationalism and the Formation of New States***
- Through a process of technological dissemination, globalization might actually promote nationalism and the formation of new states. Hence, globalization and nationalism might converge, through a new (global) revolution of ‘rising expectations,’ which encourages states to cope with and to manage the forces of globalization. Here lies an interesting paradox: Although forces of globalization seem to undermine state sovereignty, technological changes might also improve the material conditions for the enhancement or resurgence of nationalistic trends. Thus, globalization creates new strategies and roles for the nation-state (Drezner 1998, 210 and 218).

- ***3. Nation-States as Rival Forces of Regionalization***
- Nation-states might oppose forces of regionalization that attempt to transcend the power (and authority) of the state in a supranational direction by setting limits and constraints to the development of a regional identity and supranational institutions. Thus, states will regard regionaland sub-regional integration frameworks through the prism of international organizations with a limited mandate in terms of intervention, domestic jurisdiction, and the exercise of sovereignty.
- ***4. Regionalism as a Force of Nationalism and the Nation-States***
- As mentioned above, regionalization in a given region might result from mercantilistic or nationalistic tendencies of the member-states that see frameworks of regional integration as a means to pool and increase their national power resources. In this sense, the logic of the ‘new regionalism’ is not very different from that of the ‘old’ security alliances. In both cases, the goal is to guarantee the bloc (region) members greater security in their international relations in a context of increasing vulnerability of either the world economy or global security (Axline 1996, 199).
- ***5. Coexistence between Regionalism, Nationalism and Globalization***
- In this case we have neither convergence nor divergence but rather coexistence—the three processes are taking place simultaneously. Thus, there might be parallel processes of globalization and continuing trends of fragmentation and disintegration. Historically, political fragmentation, often manifested by the quest for national self-determination and the creation of new states, has been a trend with as much significance as the (parallel) forces of economic globalization (Holsti 1996a, 21–22). In this perspective the effects of globalization upon regionalization and especiallyon the nation-state are rather indeterminate: “the structural logic of globalization and the recent history of the global economy can be read as providing rationales for ‘high stateness’ as well as ‘low stateness” (Evans 1997, 64). Whether processes of globalization might undermine the roleand actions of the nation-state remains to be seen and should be examined in particular regional contexts.
- ***6. Nation-States as Mediators between Regionalism and Globalization***
- States are active players in the world arena, and their policies are probably the single most important determinant of the scope and direction of both regionalization and globalization (see Holm and Sorensen 1995, 7). The stronger the states, the more capable they are in coping with theintricacies of the economic, political, social, technological, and cultural dimensions of globalization. Conversely, the weaker they are, the more ‘penetrated’ or exposed to the vulnerabilities of the world economy and the temptations of a shallow world culture and ideology (see Evans 1997, 69–70).

- 7. Nation-States Opposing Globalization through Regionalism
- Nationalism and globalization are linked dialectically. Globalization does not imply necessarily the erosion of the nation-state's authority but rather a needed change in state strategies and redirection of state energies. Conversely, state strategies and state actions can determine the future directions of globalization. One possible option open for states to cope with globalization is by enhancing processes of regionalization, such as the creation of free trade areas that recreate a double (and contradictory) logic of economic relations: liberal at the intraregional level but protectionist/mercantilist toward other rival regions or 'blocs.'
- Activity:
- Based on a review of the different perspectives on the globalization-regionalization-
- state debate, discuss the relationship between:
- Globalization and Regionalism
- Regionalism and Globalization
- Globalization and State
- Regionalism and State
- Self-Check Exercise
- 1. What does regional integration mean?
- 2. What are the major differences between old regionalism and new regionalism?
- 3. Discuss the different theories of regional integration.
- 4. What major reasons could define the development of EU, AU and ASEAN?
- 5. What does Globalization mean?
- 6. What are the aspects and actors of globalization?
- 7. What does glocalization mean in relation to globalization?

CHAPTER FIVE
MAJOR CONTEMPORARY GLOBAL ISSUES

These are:

i) **global security issues**(global terrorism& nuclear proliferation)

ii) **ii) global environmental issues**(climate change & global warning)

iii) **iii) global socio-economic issues**(global inequality and poverty, Migration & refugee crises) and

iv) **iv) global cultural issues**(cultural/civilizational clashes and identity conflicts) are the most pressing challenges of humanity in the 21st century

✍ Where in the world map do you think are such problems as terrorism, weapons proliferation, inequality, poverty, climate change and warming and cultural conflicts so rampant?

✍ Why? And who would you blame for this?

5.1. Survey of Major Contemporary Global Issues

✓ This new period is often referred to as the **post-Cold War period**.

✓ The Uniqueness of the post-Cold War period rests upon the prevalence of <u>new issues</u>.

✓ No longer politics dominated by East–West , the threat of nuclear war, the ideological struggle b/n liberal democracy and Marxism Leninism, crisis, diplomacy, and so on.

✓ The international community is now worried with other issues such as the search for a 'New World Order', the impact of terrorism, the disparities*/inequality or d/t* in wealth b/n developed and developing countries, environmental issues and so on.

✍What makes an issue a global issue?

i) what is the extent*/degree or size* or scope of an issue?

✓ Does it affect large parts of the global arena or it is confined and contained to a narrow scope?

ii) what is the urgency*/importance* or intensity*/power/strength* of the issue? 'significant to whom?

e.g the issue of global environmental change is urgency for different political actors

iii) what is the salience or visibility of a given issue?

✓ E.g the roles of the media or other actors who present urgency or intensity.

iv) What is the centrality or location of an issue?

e.g issue of geography.

✓ The four major contemporary global issues based on these criteria.

5.1.1. Global Security Issues

In the security arena, there are two main issues and challenges facing the emerging new world order. These are: terrorism and nuclear proliferation.

Global Terrorism

Definition:

What is terrorism and why?'

- ✓ Terrorism is defined by many as a global security problem characterized by the use of violence in the form of hostage taking, bombing, hijacking and other indiscriminate attacks on civilian targets.
- ✓ 'some one' says terrorist is another's freedom fighter' which often presented as a justification for the general acceptance of war as a legitimate instrument of even governments.

Terrorism organization

- ➢ World today experiencing **four** different types of terrorist organizations namely:

1. left wing terrorists, 2. right wing terrorists, 3. ethno-nationalists/separatist terrorists and 4. religious terrorists.

- Global communication and transport technologies helped the terrorists develop capacity to conduct attacks across the globe.
- However, terrorists have not yet acquired and used radiological, biological or chemical weapons so far.
- In any case, terrorism continues to pose a major challenge to our globe in the 21st century.

Factors Conducive to Terrorism

- ✓ Terrorism might have many causes.
- The most widely perceived ones:

i. socio-economic cause (poverty in the sense of economic and political isolation)

ii. feelings of hopelessness

iii. violations of human rights

iv. lack of democracy provides a fertile breeding ground for terrorism

v. political cause (legitimate grievances and the failure of governments to adequately address these problems often foment terrorism.

- ➢ Moreover, **lack of democracy, widespread and systematic violations of human rights** contributes to the rise of terrorism) and **psychological cause (humiliation***/disgrace* is another factor conducive to the use of terrorism).

Types of Terrorism

The following five are the most commonly observed types of terrorism.

1. **Domestic terrorism:** occurs within the borders of a particular country and is associated with extremist groups.
2. **Nationalist terrorism*:*** struggles for political autonomy and independence.
3. **Religious terrorism*:*** grows out of extreme fundamentalist religious groups that believe that God is on their side and that their violence is divinely inspired and approved.
4. **State terrorism*:*** is a cold, calculated, efficient, and extremely destructive form of terrorism, partly because of the devastating power at the disposal of governments.
5. **Global terrorism*:*** is partly a result of the forces of globalization, which enable the different kinds of terrorism to spread worldwide.

II. Nuclear Weapons and Their Proliferations

- Fear of nuclear war dominated security planning during the cold war, and enhanced security was sought through arms control agreement between the two super powers.
- The end of the cold war has led to a decrease in concern about the dangers of nuclear war between the super powers.
- the end of the cold war has not diminished the significance attached to nuclear weapons, as many had hoped.

➢ In the post-cold war period there is greater concern about **nuclear proliferation** – that is, the **spread of nuclear weapons** themselves and **the technology and knowledge required to build them**.

➢ states to acquire nuclear weapons have increased in the post-cold war period. Four comments are relevant here:

First, nuclear weapons states arsenals shows that they consider that nuclear weapons play some positive role in providing security.

This contradicts the explicit message that these same states are pushing, that horizontal proliferation should be prevented.

Second, non-nuclear states who have lost the guarantee of extended deterrence previously provided by super powers.

Extended deterrence/the'nuclear umbrella', exists when a nuclear weapon state promises to come to the aid of a non-nuclear state should it be attacked.

Third, the combination of the loss of extended deterrence with regional dynamics.

For example, Pakistan now perceives itself to be vulnerable to attacks from India because the United States has scaled back its support for.

India, which has lost the backing of the Soviet Union, in turn feels vulnerable to both Pakistan and China.

In 1998 both India and Pakistan tested nuclear devices and joined the ‘nuclear group’.

Fourth, the contrasting experiences of Iraq and North Korea suggest strong incentives to proliferate fast and establish deterrence.

- **Four events have increased fears about horizontal nuclear proliferation since the end of the cold war:**

1st in the aftermath/result of the 1991 gulf war, UN Weapons Inspection Teams discovered alarming evidence of the extent of the Iraqi nuclear program

Second, the threat of horizontal proliferation was heightened by one of the consequences of the end of the cold war; the demise of the Soviet Union. fears about 'nuclear terrorism', a term that describes the possibility of state sponsored or non-state terrorist groups obtaining nuclear weapons and holding the world to ransom.

Third, a nuclear arms race began in South Asia after nuclear tests by India and Pakistan in May 1998.

Fourth, in 2003 the International Atomic energy agency (IAEA) uncovered by Us,that Iran had an illicit nuclear weapons program.

This shows increased trend of weapons proliferation in the world.

Reasons for the Proliferation of Weapons

There are strategic, economic, and political motivations for weapons proliferation. These include:

Super-power Rivalry during the Cold War*:* Geopolitical considerations influenced the United States and the Soviet Union to transfer weapons to their respective allies.

For example, both the North Atlantic Treaty Organization (NATO) and the Warsaw Pact justified the proliferation of weapons in terms of collective self-defense.

Military Burden Sharing: Reluctant to engage in direct military confrontation, both superpowers provided weapons, technical assistance, and arms production technologies to their allies so that they could defend themselves.

example , the Nixon Doctrine, which supported weapons transfers to Japan, South Korea, Taiwan, and other Asian countries.

Regional Balance of Power*:* Arms sales are often defended on the grounds that such transfers contribute to regional stability and diminish the likelihood of war.

Political, Military, and Economic Influence*:* Given the dependence of the United States on petroleum supplies from the Middle East in general and Saudi Arabia in particular, arms transfers are instrumental not only in bolstering these countries' security but also in enabling the United States to gain and maintain access to these countries' political, military, and economic elites.

Economies of Scale*:* Many countries export weapons to obtain resources to finance the development and production of more advanced weapons.

Self-Reliance: Many countries develop their own weapons to preserve or enhance their independence.

Economic Factors*:* Much of the global weapons trade is motivated by financial considerations.

Ethnic Conflicts*:* Ethnic conflicts generate demand for weapons transfers.

Authoritarian Regimes*:* Governments that rule without the consent of the people generally rely on military force to exercise control.

5.1.2. Global Environmental Issues

- ✓ It is one of the most pressing*/urgent or vital* issues of twenty-first century.

  i.e. climate change and global warming.

Climate change & Global warming

- Climate change poses numerous and harsh challenges for sustainable development and its effects felt in all regions of the globe.
- The poor and developing countries have contributed the least to global warming, but more vulnerable and suffering the most.
- The greenhouse gas reduction goals set out in the Kyoto Protocol remain largely unachieved.
- since production technologies in developing countries are generally more green-house gas-intensive, off shoring has led to an increase rather than a decrease in the total (global) volume of emissions, thus frustrating the very purpose of the Protocol.

5.1.3. Global Socio-economic Issues(*Global Inequality and Poverty)*

✍ **Does Inequality matter?**

- ✓ The existence of inequality is not automatically a major problem, especially when the economy is growing and there are many opportunities for upward mobility.
- ✓ As long as the standard of living is improving for those on the bottom of the economic ladder, concerns about inequality tend to diminish.
- ✓ The last two decades of the 20th C. and the first decade of this century were characterized by a widening gap between rich and poor and the proliferation of millionaires and billionaires.
- ✓ While economic inequality remained a serious problem in developing countries, the forces of globalization created conditions that helped widen the gap between rich and poor in industrialized societies.
- ✓ During the global economic recession, the wealthy lost money, but the poor lost their jobs, houses, and health insurance.
- ✓ In the United States, the poverty rate climbed to 13.2 percent in 2008, 14.3 percent in 2009, and 15.1 percent in 2010, its highest level since 1993.
- ✓ Widespread financial assistance from the government in the United States, underscores the dangers of economic inequality.
- ✓ Ironically, policies implemented by the U.S. government to reduce inequality by making easy credit available for housing, in particular, helped cause the global financial crisis.

Migration and refugee problems

- International migration and refugee (including asylum seekers and Internally Displace Peoples)have become the international agenda in recent years both b/c of their increasing scale and growing impact on international affairs.

Several factors account for these developments.

1st , the number of states in the international system has steadily increased since the end of the WWI, so too has the volume of international migrants and refugee.

2nd , The rapid increase in the world's population, and it continues to grow.

A growth of population has led to over exploitation of regional resources, leading on occasions to catastrophic famine and population movement.

3rd , the revolution in communications and transportation has made people aware of conditions and opportunities in other parts of the world, as well as making travel to those areas easier.

4th , the turmoil and uncertainty of the turbulent and unstable world place play important role in motivating people to search abroad for a better life.

- Nowadays, migrants and refugees to most advanced countries are becoming the target of animosity/hatred from right-wing groups (e.g. Le Pen in France, Neo Nazis in Germany and Austria and extreme-rightist in Britain).
- Improved travel and communication not only facilitates global cultural exchange but also promotes international migration and refugees.
- Therefore migration and refugee contributes to, illuminates and reinforces the interdependent nature of world politics.

5.1.4. Global Cultural Issues

Cultural Imperialism

- **Cultural imperialism** is the result of cultural globalization- a process whereby information, commodities and images that have been produced in one part of the world enter into a global flow that tends to 'flatten out' cultural differences b/n nations, regions and individuals.
- ✓ This has sometimes been described as a process of '**Mc Donaldization**'.
- Mc Donaldization is the process whereby global commodities, commercial and marketing practices associated with the fast-food industry have come to dominate more and more economic sectors.
- Cultural globalization is fuelled by the so-called information revolution, the spread of satellite communication, telecommunications networks, information technology and internet and global media corporations.
- **globalization** is linked to **homogenization** as cultural diversity are destroyed in a world in which we all watch the same television programmes, buy the same commodities, eat the same food, support the same sports stars and etc.

In developing states western goods and images have been absorbed into more traditional cultural practices through a process of indigenization.

- **Indigenization** is the process through which alien goods and practices are absorbed by being adapted to local needs and circumstances.

Cultural (civilizational) clash & identity conflicts

✍ What does the term clash of cultures/civilizations mean?

- Culture and nationalism have generally been closely intertwined.
- all societies, directly or indirectly, promote their values as positive and desirable while, simultaneously, devaluing those of other societies, **ethnocentrism** to develop.
- This means each society may view itself as the center of the world and perceive and interpret other societies within its peculiar frame of reference, and always judges them to be inferior.
- The more culturally distinct*/separate* the other society is perceived to be, more inferior it is often deemed*/think/believe* to be negative treatment. This perception is at the heart of ethnic conflicts and international wars.

➢ In line with this logic, the famous political scientist S.P. Huntington has also developed what he calls 'clash-of-civilizations thesis' which explains contemporary global conflicts in terms of cultural differences.

➢ For Huntington, civilizations will be the dividing lines in future global politics and the clash of these civilizations would primarily define the feature of 21st c. global order.

➢ Huntington argues that there are **eight major civilizations** in this game namely*:* **Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin American, and African**.

- The clash-of-civilizations theory thus stresses the exists and will continue to exist conflict instead of cooperation among civilizations.