

# RETHINKING OF GLOBALIZATION AND GLOBALIZATION INDEX OF VIETNAM AMONG 72 COUNTRIES IN 2007

HỒ SĨ QUÝ<sup>(\*)</sup>

*Behind the complicated economics, globalization produces one outcome that is very straightforward: the prosperity of any one country in the global trading system is increasingly dependent on the prosperity of others*

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*If ever before, globalization appeared in perception mainly as a multi-faceted, intricate and uneasily comprehensible phenomenon, then nowadays it seems coming out of the surface clearer, more easily recognizable with influences, implications (proportionate and disproportionate) that are more or less measurable. The Globalization Index 2007 was an effort to quantify the globalization level of countries in that direction. The fact shows that globalization from whatever perspectives can not be considered a product arising from the subjective will of powers or any other force (whether a good or not good will), but first and foremost it comes out objectively from the world economic development in the late XXth century and early XXIth century. Thus, globalization basically is a phenomenon logically following the social progress. However, like other progressive ladders, none of the progressive steps is merely flat, smooth and simple. To progress, development sometimes has to take a winding route, even accept steps back with a high cost paid if governments fail to have a long vision and promptly make brilliant decisions. With such major contents, this article attempts to discuss the following six issues: 1/ the time when globalization emerges; 2/ the face of globalization; 3/ globalization and poverty; 4/ globalized culture; 5/ Globalization in Asia; and 6/ Globalization Index.*

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\* Associate Prof. and Dr., Institute of Social Sciences Information, <http://www.hosiquy.com> Email: [hosiquy@fpt.vn](mailto:hosiquy@fpt.vn)

*In the globalization index 2007, Vietnam ranked the 48<sup>th</sup> of 72 countries and territories. This rank is a substantial encouragement for socio-economic activities. The matter now lies in that on its initial steps in global integration, Vietnam had few experiences in international economic integration. But now that, on the steps forward, it can be said that Vietnam is carrying more or less luggages on her side.*

### **I. The time when globalization emerges**

1. After decades of deliberation, the history of globalization seems to be prolonged as researchers determined that the time when it emerged can be traced back longer in the past. Initially, globalization was conceived as a phenomenon emerging from the modern world in parallel with the appearance of multinational and transnational corporation in the aftermath of the Second World War, especially when the term "globalization" had been popularly used in the late 60s of the last century. However, when various contents related to globalization were perceived to be in conception of *global issues*, or of *internationalized institutions*, people realized that *the utility of gold standard for transactions (Gold Standard, 1870) of currencies* along with expansionism of the British imperialist in the XIXth century was as significant as the beginning of globalization. Broadening the concept of globalization beyond commercial issues, people again perceived the oceanic driving and discovery of the Americas by Christopher Columbus in 1492, or the globe-around venture by Ferdinand Magellan in 1522 as the outstanding forms of globalization. Should Columbus or Magellan be the fathers of globalization, similarly one can hardly

deny that globalization started when "camel merchants" in the 2<sup>nd</sup> B.C century had opened the "silk road" spanning in 7,000 kilometres length linking the East and the West.

2. Indeed, the arguments made by career researchers as regards the emerging time of globalization are hardly rejected. However, if the history of globalization is traced back to the "silk road", then *it will become less significant or be converted to another meaning*. Therefore, we draw our attention to arguments made by Thomas. L. Friedman (who is a journalist though, his reputable statements about global issues are considered by the intellectual scholar Joseph E. Stiglitz as worth as food for thought). In "The Lexus and Olive Tree" (1999), Friedman picked up the time when the Berlin wall collapsed in 1989 and symbolized "the world is ten years old" to refer globalization to its fresh face. In "The World Is Flat: A Brief History of the Twenty-First Century" (2005), Friedman took the year 2000 with the explosion of Internet and electronic commerce as the milestone to continue affirming *the significance of this modern history period*. According to Friedman, the world is currently in the globalization age of "three dot zero" (3.0), which means that "we are in a new international system that has logics,

rules, pressure and its own momentum – it deserves to be called with its own name – globalization" (6. p.26-27). Friedman analyzed sophisticated social-economic relations as a result of emerged global linkages in order to clarify the above-mentioned viewpoint. Friedman cited some figures to illustrate his argument. For instance, in 1975, the total foreign direct investment (FDI) of the world over was only 23 billion dollar, but in 1997 that figure was up to 644 billion dollar, an increase of 28 fold. Recently, according to a report released by the United Nation Conference on Trade and Development (UNCTAD), FDI across the globe in 2000 was increased by 1,400 billion dollar, and in 2007 reached a record of 1,538 billion dollar (See more: 25).

3. The FDI digit first of all presents the volume and value of global economic linkages. Nevertheless, through the volume and value, that digit also indirectly exposes the parameter and extent of the linkages. With a 23/1500 ratio, if the devaluation of the dollar is not counted, then after more than 30 years, the value of global economic linkages has increased more than 60 fold. Hidden in side and behind such economic linkages are other social and political linkages (including coalition, cooperation, compromise, competition, collision, conflict, etc.). In globalization, these linkages are enhanced in different directions. *This signifies that globalization in the two recent decades has become a difference; if it is not a difference in substance, it is uncertain*

*whether it is a difference in quantity or not. Obviously, not until the two recent decades, the global linkages could have reached the extent, volume and level that we can imagine today. Under the impacts of globalization, the world is "contracted", "getting smaller" and becoming "flat" if the "virtually Western" expression by Thomas L. Friedman is accepted.*

It is hard to deny that the history of globalization first and foremost is associated with the history of modern society.

## II. The face of globalization

1. In recent years, comments about globalization that we usually catch everyday in the mass media are almost anti-clockwise. *The negative side of globalization dominates the positive impacts created by the transnational linkages. The trade agenda initiated from the Doha negotiation round in 2001 is still stuck. Capital flows are quietly moving in the direction of hands of protectionism deformed both at international and national levels. The liberalization of the service sector by EU faces enormous obstacles – the ambition of making Europe a single region is still far out of sight. The free trade area in Americas is stagnant. South America responds more positively to the World Social Forum (WSF) than to the World Economic Forum (WEF). Traditional cultures are increasingly eroding due to globalization; every where, indigenous cultures are assaulted. Migrant movements have increased in all continents. The world*

*politics is virtually dependent on America; American interests dominate the world political chess-board. Poverty, hunger, inequality, insecurity and corruption, etc. are signally become worse* (See more: 16).

It should be admitted that the above-mentioned comments are terribly serious and responsible. In several cases, liability to globalization is also expressed in appeals delivered by non-governmental organizations, statesmen, etc. which bear upon the positions of those responsive to WSF (See: 23, 28) in order to support the poor, poor countries, the saving and maintenance of traditional cultural identities.

However, the truth mentioned in the above-mentioned comments represents only one face, possibly called as the back side, the negative side, the "undesired" side or the "unavoidable" side of globalization. Thus, it should be also considered as seriousness and responsibility when many speak in an opposite tone that it is important to look into globalization from another front, which may be the key front regulated by the reasons for the endurance of this complicated phenomenon (globalization), especially if one draws attention to the impacts of globalization in Southeast Asia, East Asia or Western Europe. And, if such perspective is acceptable, globalization will surface with another face, becoming a target needs and would be worth to tame. In practice, not a few governments and social organizations, strategists and social development policy makers, not

only in Vietnam, have been looking into globalization with such perspective.

2. So far, if counted from the late 80s of the XXth century, the time period in which globalization has repeatedly had impacts on the mankind's life has only been around 20 years. Within such a time period, what has been brought about by globalization is sufficient to verify that *globalization is actually as significant as real social revolutions*, even in terms of influential extent; globalization has had impacts on a larger scale than any other revolutions in the history. About this observation, Amartya Sen, an economic Nobel laureate in 1998 had the same tone (See: 21).

Globalization has generated a new face for the world, it is of course created by and dependent on other progresses among which first and foremost are science-technology advances and economic growth (but it does not completely necessarily mean that "globalization is nothing else but economic growth and science-technology advances looked from another perspective"). The power of globalization is virtually true, which is generated by linkages, cooperation, competition and collision alike.

In the last 10 years, the world trade value has increased by approximately two fold, exceeding the digit of 10,000 billion dollar in 2005 with the highest growth rate of 9% in 2004. FDI across the globe in 2000 was 1,400 billion dollar and went up to 1,538 billion dollar in 2007. The exports made up in global GDP and in GDP of almost all

countries and regions have soared up more optimistically than the forecasts – for instance, an increase of 50% in East Asia, over 30% in Near Sahara and Africa, over 20% in Latin America and Caribbean, and nearly 20% in South Asia. In Asia, globalization has contributed to considerable reduction of poverty (especially in Vietnam, where the poverty rate went down from 58% in 1993 to 24.1% in 2004 and 14.8% in 2007); the swift rise of the middle-class in India, China, Korea and Malaysia<sup>1</sup>... For Vietnam in particular, after joining WTO, in 2007, the economy grew up to 8.5%, the highest in the last 10 years; FDI registered at 20.3 billion dollar, equivalent to the combined FDI in 5 years 2000-2005; exports reached nearly 50 billion dollar, an increase of 21.5% against 2006 (See: 12).

These impressive statistics are the direct indicators exposing the face of globalization. Nevertheless, the matter does not lie in that the world economy witnesses an increase of trade volume or value, or even poverty reduction achieved by Asia or high economic growth enjoyed by Vietnam, but it is more important that *the world has become more interdependent, intertwined not only by economic but also social aspects* (experts from the World Bank assumed that *social construction* is an essential factor that makes East Asia being renaissance, similar to the European Renaissance 6 centuries ago (See: 8. p.3)).

<sup>1</sup> These statistics cited in this paragraph are based on: 26. p.114, 115// 8// 1. p. 23-24// 2// 17// 25.

3. Interdependence is a clear effect of globalization. International trade affects living standards in both rich and poor countries. Though the interdependence is asymmetric, which means poor countries are more dependent on the rich, developing countries rely very much on industrialized countries. This implies that the less-developed countries are in a lose-lose position. However, the rich countries that want to become richer also have to cause the poor countries to enjoy a relative growth or not to "be at a standstill". Experts from UNDP observed: "Behind the complicated economics, globalization produces one outcome that is very straightforward: the prosperity of any one country in the global trading system is increasingly dependent on the prosperity of others" (26, p. 114-115). Ruthless growth - the rich countries become richer, whilst the poor countries stay poorer – probably no longer exist as it did in the past. It is not the kindness of the rich countries, but the logic of global growth causes the rich countries to pay attention to markets and resources beyond their boundaries. Obviously, the rich and poor gap is still widening with a great concern, but the poor countries can not stay poor as they did. Instead, they are relatively poor vis-à-vis the rich countries in a widening rich and poor gap.

4. Within the widening rich and poor gap, some countries left behind are rising up. Vietnam is such a case recognized by the international community. There is no straightforward and flat roadmap for any country to

become industrialized. Thailand and the Philippines, after decades of dynamic development but not yet become a Korea in Southeast Asia, are sample lessons. However, for Vietnam, positive advantages of globalization have been so far made full use. As assessed by many from outside, development opportunities have been obtained and effectively taken. "Being in the running way and waiting to take off" is the simile used to talk about Vietnam. One notable point that should not be forgotten to mention that the negative aspects of globalization have been a topic constantly deliberated and warned in the mass media as well as on every agenda in Vietnam.

### III. Globalization and poverty

1. Though globalization is increasingly recognized by its positive aspects, what still makes people confused is that why globalization is making good for the world to become flat, it can not cool down but instead is warming up the criticizing waves around the globe. WSF is a place where annually political-social activists, NGOs, representatives for vulnerable and disadvantageous groups express their opposition against the Davos forum, which is against globalization. Interestingly, participating in WSF includes representatives for Davos supporters. People charge globalization for its two phenomena, namely *deepening the rich and poor gap* and *fading cultural identities*.

2. As regards the former phenomenon, it seems that the whole world agrees: it is true that globalization has made nations and the world divided into two separate

parts, on the one side it is the world of the rich and on the other, it is the world of the poor. In the United States, in 2006, according to the statistics released by the Incomes Data Service, income earned by 1% of the richest accounts for 21.2% of the gross income of the United States, an increase from 19% in 2004. In contrast, the income of 50% of the poorest in the United States makes up only 12.8%, a downfall compared to 13.4% in 2004. This has been the largest difference in the United States over the last 25 years (See: 18).

3. In Vietnam, in 2007, the rich and poor gap and social consumption difference reflected by GINI index were 36.2, which were higher than that in the richest countries like Norway 25.8, Japan 24.5 and were only lower than China 40.3 and Russia 45.6, the two countries that have economies in transition like Vietnam. The Director of the global market research company, who is working in Vietnam, expressed his surprise when a portion of Vietnamese could have bought expensive commodities easier than those in rich countries. On streets in Hanoi and Hochiminh city, there are more "super-luxury" and top-world costly cars than in Bangkok where the average income is even many fold higher than that in Vietnam. In the meantime, the difference between 20% of the richest and 20% of the poorest is 7%/40% in respect of social security benefits, 2%/47% of pension, 7%/45% of health care subsidy, 15%/35% of education subsidy. Concerning the gravity of

poverty and hunger prevalence, according to the Minister of Labour, Invalids and Social Affairs, in late 2006, the country still had 58 districts registered with the poverty rate of more than 50%, of which 27 districts had the poor households accounted for over 60%, 10 districts with more than 70% and 1 district with over 80% (See: 17).

4. The bad thing is that the poor "are plagued in culture of poverty" (the term used by Michael Harrington, reflecting the substance of a society polarized by prosperity and poverty (See: 10. p. 11), and in country though the rich and the poor "speak the same language, one does not understand the other" (Thomas L. Friedman) (6. p. 514). In order to eradicate poverty, generally, the world can not unlikely find out any feasible means. But the challenge comes from the attitude of those who can tackle the problem – the rich. The rich do not really want to alleviate poverty. *The regard the rich and poor gap as "the God's will", even the rich and poor differentiation is seen as a way to development.* Many fora, world conferences, including the summits of G7 or G8, have deliberated how to tackle poverty. Significant decisions were made (for instance, the G8 Summit held in Scotland in July 2005 eradicated 40 billion dollar in debts and continued providing 50 billion dollar in loans to Africa), but such decisions are virtually the occasional methods applicable to a particularized localism. Undoubtedly, the mankind has to co-exist permanently with the rich and poor partition hole.

#### IV. Cultural globalization

As regards the later phenomenon, a question comes up *whether or not culture is globalized?* Here, the international community as well as researchers have found no common tone.

1. Those who criticize globalization believe that economic globalization is unavoidably followed by cultural globalization. They also assume that in reality globalization is perpetuating into its last county, which is culture. Everywhere in the world, from East Asia to Western Europe, from Latin America to the Middle East, from the Catholic cultural area to the Buddhist and Islamic areas, etc. people can see the American cultural style (not necessarily American origin) spilling and dominating the market share: McDonald fast food, Windows system, American films, Levis jeans, Rock & Roll music, even American-model democracy, American style politicians, etc. All seem to have gone with the American-style values system. "Today, globalization is commonly seen with Mickey mouse's ears", Friedman humorously said. More dangerous, this cultural consuming style is deemed as modern against the European values that are "capped" to be "old and outdated" or the Asian values considered as "mystical". Cultural identities, which have been created for thousands of years in traditional societies, are dying due to globalization, becoming a daily concern.

People are also concerned about "the end of history" (Francis Fukuyama (See: 4)) that has started by the fading or

commercialization of unique cultural identities of individual nations, vulgarizing and causing a crisis in classic cultural elements characterized by humanitarianism of Europe, blunting and eroding social responsibility-embedded traditions of Asia, making it ridiculous and distorting spiritual perceptions of the Middle near East. In other words, in the traditional eyes, "short-sighted selection" (See 9, 5, and 13) has produced the "fast-food culture" or "stewing-pot culture".

2. However, having witnessed for dozens of years the exchange and continued development of cultures, more and more people have become not too much concerned about the erosion of traditional cultures. "Peaceful co-existence" among cultures has become a reality. And people now realize that, the logic of the lost and the remained seems not too harsh due to the following reasons:

- The fact is that the culture that is spreading due to globalization is virtually the consuming culture; this means that it takes only a meagre part, but can not represent for the nature of culture in general. In the depth of human life, culture as a harmonized combination of living values always proves to be shaped, more sustained against the consuming culture likely to enter and be updated in the globalization era. Today, Asian youngsters can idolize Rock music, love American films, like McDonald's, keep communicating on-line with friends around the world, though in deep nature, they still are

differentiated with European peers. Their value standard in general can not rise up out of the value standard profoundly characterized by community imprints. This is even admitted among the Asian American communities, who carry American nationality, American culture, And American Life Style though, their psychology, thinking way and tendency to choose life values... still rather clearly present their indigenous origin. Chinese food today seems to be everywhere in Western countries, but Confucius culture remains unfamiliar to Europeans and Americans. Similarly, culture of European and American corporations is relatively popularized in Asia, but it hardly changes the attitude turning back to corruption in Asia, or can not nullify the crony capitalist relations which are more commonly seen in Asia and the Middle East.

- The remains of national cultural identities, the uniqueness and abnormality of communities that have profound traditions can not be easily faded away even if they are ugly, or not easily universalized or "globalized" even when they are good. This is not a new idea, because it has been affirmed and verified by the time. It is not accidental that Kipling is still famous for this immortal poetic line, "East remains east and West remains west" (See: 14). Nevertheless, in the too violent cyclone of globalization, people are sometime insufficiently confident in the sustainability of culture. This logic of culture becomes a gear for Samuel Huntington to exaggerate the role of

identity, religion in the modern political debates (See: 11).

- Culture now and then has penetrated into every nation through exchanges, continued development, which virtually makes the world better. Almost great culturists would agree as such. Cultural steadfastness of every nation as well as of every community consists of "refiners" to prevent or make inappropriate values gradually faded away in the course of time. Contradictions, conflicts, discriminations, if any, are actually marginalized from culture. In history and the same for today, if culture appears in any conspiracies, that is because it is borrowed to cover other substantive considerations like political or economic, for instance. Culture, whether *human culture* or *consuming culture*, is itself not a devil. Thus, how to treat external or foreign culture is above all an art. Administrative or coercive measures taken so far have not proven as efficient. Additionally, they occasionally become "a fertile land for the rebellion of culture", particularly for the cultures that *undermine ideology, vulgarize nobility, and deculturalize a class of people who should have been culturalized* (See: 22). However, globalization is certainly not the ending point of cultural differences.

We hold the view that in the globalization there are some cultures that will fade away and completely disappear in the course of time; some will be mixed or changed and be reshaped; at the same time, some will

increasingly become "fashionable" and universalized – which is what not accurately named as "globalized culture". Nevertheless, culture, which is more fundamentally defined as *the culture of nations, or the value, style, thinking way ... the orientation of perspectives embraced by communities*, always follows its inner logics, constantly requiring the differences. Thus, it can not pursue the logics of globalization. In other words, within this scope, there is no way for the so-called "globalized culture". "Co-existence of cultures is the fundamental condition for their development" (Liu Hua Tung. 2001 (See: 3)). Moreover, *economic exchange has never required cultural assimilation*. In contrast, it is *the cultural difference that becomes the catalyst boosting exchanges, transactions and trade, bringing men closer one to another*.

## V. Globalization in Asia

1. Whereas in other regions, globalization is boycotted and strongly rejected, in East Asia and Southeast Asia, including Vietnam, globalization is not only less condemned but rather warmly welcomed. In the region, all governments are committed to accept and engage in globalization (even in Hongkong, Malaysia where direct and fiercest criticism against globalization could be seen, but they do not boycott globalization as it has been done by social movements in Latin America or demonstrations in Seattle (US) in 1999, Genoa (Italia) in 2001, Pretoria (South Africa) in August 2002, Paris (France) and Geneva (Switzerland) in September

2003, or Rostock (Germany) in June 2007, etc.). The most notable event marking the condemnation against globalization in Asia was the demonstration during the WTO ministerial meeting in Hongkong on 14 December 2005, though it was launched by external social and political organizations. The matter lies in that whilst involving in WSFs in a straightforward manner, vowing to protect their own identities in a resolute or even extremist way, Asian societies are not turning their back to globalization.

This attitude has been interpreted that Asia, particularly East Asia and Southeast Asia, most benefits from globalization. Indeed, it is true if the FDI flows into this region, economic growth in recent years or other social, technological indicators are all taken into account. Nevertheless, should the globalized extent in Switzerland, Denmark, Ireland, France, Germany or the United States be considered, and then Singapore can be the only Asian country taken for any comparisons.

2. Hence, it is certainly not attributable to economics alone, but more profoundly; this phenomenon can be blamed on human and cultural reasons. Attitudes of this region to globalization contain some following note-worthy points:

- Singapore becomes a country that is most globalized, but it is only an island state. This means that social or cultural issues as a result of globalization posed

to a country are not too difficult to be solved. Whilst Singapore's population is only several millions, its economy ranks in the power level. Thus, there is nothing for Singapore to worry about globalization as it happens to France, Italia or Russia.

- China is a nation that has a culture needs to be protected and preserved. Chinese culture is so great and deeply rooted that it is sufficiently sustainable against external values. Confucius culture does not fear of globalization, but oppositely it lends on globalization to spread its influence, especially when many assumes that it is Confucius culture that has been the source for the emergence of Asian dragons. Furthermore, Chinese economy is growing with a very high rate. It can not be as such if globalization is rejected. Thus, Chinese people with perceptions of a big country, great culture – "the Lion in Asia has awaken" (Napoleon, 1816 (See; 27)) – have good premises not to be necessarily outspoken of negative impacts of globalization. Though in reality, Chinese traditional culture is facing no less harm; and in social, literature, arts and academic fora, Chinese theorists are criticizing globalization with fierce tones.

- For Vietnam, globalization is a phenomenon that brings in both opportunities and challenges. It is almost a consensus in society about that observation. Opportunities are those things need to be made full use of and obtained. Moreover, these are "golden opportunities" – the term used by

Nguyen Van Trung and some other scholars to refer to the *conditions, positions, advantages and capabilities* that Vietnam has never ever had before (See: 19). Challenges, on the other hand, are obviously enormous, but to control them depends on national vision and synergy. The country's development over last twenty years has been conceived by foreign scholars as the good evidence of how Vietnam has obtained and made full use of opportunities, at the same time successfully controlled the challenges posed to a country that remains poor but embraces potentials and strong will to develop. Thus, one can understand why *Vietnam has been friendly with globalization*. None can deny or ignore, on the one hand, negative impacts of globalization; but on the other, from an individual to community, the government to the entire society, trying to grasp up, control and make full use of opportunities for the betterment of individuals and communities has been an obviously right thing. It is undeniable that in Vietnam there remain private persons, communities and localities that benefit little or stand outside of development opportunities which are rhetorically termed by UNDP as "poor development ability". Statistics about these communities are indicated in this article. However, it may be a force-majeure or *development psychology* that the nation is clinching to a positive trend (See more: 15), therefore the above situation does not affect the common attitude towards globalization. In

Vietnam, it can be said that globalization is seen and received with a virtually positive gesture.

- Additionally, Asian societies are more or less watched through a lens of the so-called "mysticism of Asia", a term initiated by Teilhard de Chardin who considered Asia as a place where keeps "various mysteries". Asian mysteries are unlike the phenomena in European mysticism. Asian culture contains positive elements due to its flexible, practical and harmonious characteristics, but also potentially embodies pragmatism, dualism and eclecticism (See: 20). The dualist attitude, hailing and criticizing, welcoming and sceptical, using and amending, toward globalization can be construed from this cultural root cause. In the report "An East Asia Renaissance: Ideas for Economic Growth", published by the World Bank (WB) in 2007, Homi Kharas et al of the WB indicated that renaissance in East Asia can not only be explained by causes of common economic characteristics, because there is a big difference among the countries in this region. The common points that should be re-emphasized here include flexibility and adaptability of the governments. Accordingly, "a willingness to experiment and adapt policies to changing circumstances is a key element in economic success" (8. p. 2-3).

As such, Asia has added to globalization interesting theoretical and practical issues. Construing peculiar phenomena of globalization in this region from the

cultural perspective will support the awareness as well as bring in good lessons for practical activities. Many studies are being done in line with this tendency. It is hopeful that in a near future the question will be answered in a more profound manner.

In the next section, we discuss another research approach to globalization – qualitative research to assess the globalization's reach of individual countries through the *Globalization Index 2007*.

#### VI. The Globalization Index

From 2000, *The Globalization Index* – an annual international ranking index on the globalization's reach of countries in their global integration – has been published. The index is jointly conducted and published by Foreign Policy – a magazine that has long been considered a 'think tank' in the United States and A.T. Kearney – a world leading consultancy corporation established in 1926 with the headquarters based in the United States. The ambition of the index designers is to measure and assess the globalization's reach of countries with *indicators* and *variables* to reflect the international connectivity of individual nations in global integration<sup>2</sup>.

The globalization index is designed on the basis of a methodology that *quantifies the international connectivity*

of individual nations in globalization, reflected in 4 *categories*:

**1. Economic integration:** The access to the global economy of a nation is represented by portfolio capital flows. The indicator for economic integration is measured by two variables: trade and foreign direct investment (FDI). As the absolute comparison of portfolio capital flows between nations can not result in a substantive assessment of integration, to calculate the globalization index, the portfolio capital flows are considered vis-à-vis GDP and the total population of every nation.

**2. Personal contact:** Globalization is not only the business of governments and social-economic organizations. Besides social connectivity, globalization also includes personal links. Hence, personal contact is a crucial indicator representing the globalization's reach of every state. Personal contact indicator is measured by three variables: international telephone traffic, international travel and tourism, and cross-border transfers (including remittances, unemployment subsidy, personal transfers and others).

**3. Technology connectivity:** Today, Internet keeps a critically important part of social-economic activities. Technological connectedness, thus, represents relatively clear the globalization's reach. To calculate the globalization index, technological connectedness is counted on 3 variables: Internet users, Internet hosts, and secure servers.

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<sup>2</sup> The content and data used in this section are written and cited based on "The Globalization Index 2007", which is available on the website of *Foreign Policy* Nov.- Dec./2007. See: 24.

**4. Political engagement:** This indicator is assessed by 4 variables: Taking stock of the number of international organizations, participation in UN Security Council peace-keeping missions, accession to international treaties, and state credit transfers. The most two important data defining political engagement of a nation are the number of people working in international organizations, especially in UN peace-keeping missions against the total population, as well as the financial contribution against GDP of the nation. According to the index designers, such calculation will make the contributions of each nation reflected by its capacity, rather than the absolute limit of contribution.

In 2006, 62 states and territories were on the list of the globalization index. In 2007, 10 states and territories, including Algeria, Tanzania, Vietnam, Costa Rica, Ghana, Bulgaria, Belgium, Estonia, Jordan and Hongkong, were added to the list. 72 states and territories in the globalization index 2007 included developed and developing countries, representing evenly for various regions around the globe, accounting for 97% of the world gross domestic product and 88% of the world's population. This means that by looking into the index, one can imagine rather comprehensively global connectivity, which is the globalization's reach in 2007.

The top 10 countries and territories in the ranking include respectively

Singapore, Hongkong, Netherlands, Switzerland, Ireland, Denmark, the United States, Canada, Jordan and Estonia. The bottom-up 10 countries are Iran, India, Algeria, Indonesia, Venezuela, Brazil, China, Turkey, Bangladesh and Pakistan. Vietnam ranked 48 of 72 countries and territories, above Thailand: 53, South Africa: 59, Russia: 62, Turkey: 65, China: 66, India: 71. Vietnam's ranking 48/72 is relatively high and significant though Vietnam's economic integration was later than most of the countries in the ranking. Furthermore, statistical data calculated in this index were those in 2005, the time when Vietnam had not been admitted to WTO; this means that Vietnam's ranking may have been even higher if data in 2006 or 2007 calculated. Notably, in the index rankings, the trade variable of Vietnam is 10/72, remittances and personal transfers 15/72, showing the very high rankings among others. Variables that make Vietnam placed in low and very low rankings are international telephone traffic 63/72, travel and tourism 64/72, Internet hosts 69/72, secure servers 66/72, memberships in international organizations 56/72, and participation in UN peace-keeping 69/72.

The table hereinafter presents Vietnam's rankings in the globalization index 2007 with full 12 variables. Countries and territories named in this table are selected by us for the purpose of comparison.

Indicators	Variables	Countries/Territories (Unit: ranking in 72 countries/territories) Abbre: Sing.: Singapore, Est.: Estonia, Tai: Taiwan, VN: Vietnam, Th: Thailand, Chi: China, Indo: Indonesia, US: United States, Ge: Germany, Ru: Russia									
		Sing.	US	Est.	Ge	Tai	VN	Th	Ru	Chi	Indo
		Economic ntegration	FDI	5	69	3	50	56	<b>33</b>	55	38
	Trade	1	71	5	36	17	<b>10</b>	7	54	44	46
Personal contact	International telephone traffic	2	13	31	18	12	<b>63</b>	60	59	64	67
	International travel and tourism	6	40	3	25	35	<b>64</b>	49	42	59	65
	Remittances	60	66	22	59	30	<b>15</b>	38	51	55	58
Technology connectivity	Number of Internet users	25	8	14	22	10	<b>46</b>	49	44	55	56
	Number of Internet hosts	12	1	21	25	10	<b>69</b>	42	41	61	55
	Secure servers	13	1	20	14	27	<b>66</b>	46	52	61	59
Political engagement	Memberships in international organizations	42	1	13	5	72	<b>56</b>	29	29	42	29
	Participation in UN peace-keeping missions	14	26	44	12	71	<b>69</b>	59	33	41	67
	Number of treaties ratified	40	68	14	40	61	<b>40</b>	61	55	61	55
	Government transfers	56	46	6	20	61	<b>41</b>	55	47	68	67
General observations	Economic	2	71	3	45	28	<b>19</b>	21	49	43	48
	Personal	3	40	10	34	25	<b>50</b>	57	60	67	68
	Technology	15	1	21	16	18	<b>52</b>	49	46	56	58
	Political	40	51	25	19	72	<b>57</b>	68	52	65	62
Rankings in 2007		1	7	10	22	37	<b>48</b>	53	62	66	69
Change from 2006		0	-4	..	-4	-2	..	-8	-15	-15	-9

## VII. Conclusions

1. If globalization was perceived as a multi-faceted, complicated and uneasily comprehensible phenomenon, then now globalization seems more visible, more identifiable with impacts and

implications (proportionate and disproportionate) which are more or less obviously measurable.

2. The fact shows that globalization from any perspective is not produced from the subjective desire of powers or

any other forces (whether with good or bad will), but first and foremost it is an objective result from the world economic development in the late 20th century and early 21st century. Thus, basically, globalization is a phenomenon following the logic of social progress, by which to the end mankind's society in general will be more magnificent and human beings will enjoy more decent lives.

3. Nevertheless like any other ladders in social progress, none of the progressive steps is straightforward. To progress, development may follow sometime a winding route, even witness steps backs with a costly price if governments lack of long-term visions and make impromptly brilliant decisions.

4. It remains relatively early to set a comprehensive look on globalization in Vietnam, because if one counts from the 90s (of the 20th century) Vietnam has made the initial steps into global integration. Nevertheless, the ranking 48/72 in the globalization index is a magnificent stimulation for social-economic activities. The matter is that on such initial steps, Vietnam has hardly had experiences in international integration. However, now that, it can be said that the country has more or less luggages carried to continue its steps forward.

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