

Globalization in reverse?

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The opening of the world to free trade after World War II, through the GATT, accelerated in the 1990's and 2000's. During those days, globalization was often characterized as inevitable. Politicians like Bill Clinton and Tony Blair saw it as unstoppable.

Today, that sense of inevitability has become doubtful. Now people fear whether the era of globalization would be undone. Since the financial crisis of 2008, the trade growth has fallen behind global economic growth. Few are now taking the anti-globalization wave lightly. The recent slowdown in global trade growth may be less worrying than it appears. To the extent it reflects the steady transformation of China and other emerging nations into wealthier, more service based economies; it could help to address some of the global trade imbalances that have built up in recent years.

In the wake of the UK referendum and with a growing tide of populism sweeping across North America and North Europe, it is clear that large segments of the population in many countries feel disenfranchised by globalization. The Brexit symbolized the end of globalization. It represented the first tangible retreat from globalization. Then there was a debate in the US presidential election when Donald Trump argued that economic problems of the US are the result of leadership class "that worships globalization over Americanism". In this way, anti-globalization was one of the reasons of Trump's victory as President. On the other side of the political spectrum, Bernie Sanders, in his run for the Democratic Party's nomination, also railed against the free trade.

It will be seen from the events which took place since Brexit that Brexit was not only the manifestation of a backlash against the European Union but also against the international entanglements in general. In developed countries, there is a fear that the nation state is losing its control and surrendering to the WTO, the anonymous global force. Similar is the feeling in a considerable population in France, Germany and Sweden. The rightists in these countries are capitalizing on these anti-global feelings.

Brexit, Donald Trump's victory in the US as President and the tremendous impact of far right forces on the political ecology of France, Germany, Italy and other major European countries, have reflected the rampant backlash against Germany in western countries

from different angles. In some developed countries, protectionism and nationalism have also emerged to varying degrees in recent years. This only shows the trends of reverse globalization, anti-globalization and de-globalization. These trends are not limited to the developed world but are also a worldwide phenomenon, with varying forms and momentum in different countries and regions.

There was a slightly similar process before WWII and hence the present reversalization is not new to us. Harold James, the economic historian in his "*The End of Globalization (2005)*" pointed to the collapse of international trade and payments in the 1930s and warned that the same could happen again. In 2005, Niall Ferguson argued in "*Foreign Affairs*" that conflicts like Iran-Iraq, Afghanistan and the tensions between China and USA in South China Sea could sink globalization.

Rapidly changing socio-political and economic conditions.

The technological revolution has brought about rapid and unforeseen socio-political and economic conditions in the world. Base-infrastructure logic of Marxism has given way to technology- driven changes in all aspects of human life. This will explain the emergence of China and India as major powers in international politics. This has given rise to very complex economic conditions in the world.

Until recently, globalization has been dominated by developed countries. In the beginning, it served the interests of the developed countries. But this situation changed considerably since the beginning of the 21st century. Technology is no longer the monopoly of the west. The inexorable rise of a large number of developing countries over the past 20-30 years has challenged the domination of the western world. This change has also added to the contradiction between developed and developing countries. Particularly after the financial crisis in the beginning of the 21st century, western developed countries, including the US and European countries have been confronted with many developed dilemmas.

Dilemmas

1 Protectionism vs globalization

As emerging economies rewrite the rules of globalization, the west is advocating more protectionism, nationalism and therefore, anti-globalization. This protectionism is a retreat from globalization. These nations feel that competition is unfair. They want to protect their strategic and infant industries, safeguard jobs in certain industries or for specific workers. Even Donald Trump echoed this feeling in his

election campaign and contrary to the expectations of many Americans, he was successful in it.

2 East-west tensions

No longer is this a west dominated world. The visionary Mao Tse–tung always said that the East will prevail over the West. We are now witnessing it. The East-West angle in world politics has become prominent in view of recent developments. China has posed problems of different nature on many fronts. India is also becoming an anti-status quo power. Crises in the Arab world and in North Korea demonstrate that the centre of war has been shifted to Asia. Service sectors in China and India have brought miraculous results.

3 Slowdown in international capital

The slowdown in international capital flows since 2009 has been even more dramatic than the slowdown in the growth of trade. Banks are the drivers in declining process of globalization. Banks were at the heart of the crisis. Their missteps created the problems.

4 Migration

International migration has slowdown because of various reasons. One reason is that the voters in rich countries believe, rightly or wrongly, that immigrants apply pressure on public service or pose a security threat. The slower growth of immigration reflecting tighter border controls in the west has put restriction on globalization.

5 Africa, Latin America and other countries

In a large number of African and Latin American countries, they have as yet to achieve the state of nationhood. Narrow and parochial loyalties still dominate in domestic politics. Their economies are not self sufficient. They are more import oriented rather than export oriented. Many such countries and countries like the Philippines in Asia are over-flooded with Chinese products. In fact, Chinese export has created a problem before America too. These countries cannot compete in the spirit of globalization.

Conclusion

From the above analysis, it is observed that the enthusiasm of globalization has receded. The nature of international economy and international politics has changed.

Unpredicted and unvisualized factors have emerged and there is no provision to face them rationally. There is no specific definition of globalization. It is difficult too. The UN has proved to be an utter failure because of extreme nationalism. The same spirit cannot be forgotten when we think of globalization. Therefore, a way towards globalization may be attractive but not easy. We may say, at present it is not a process but a state.

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