Trends in Slowbalisation: Is it Globalization or De-Globalization that Awaits Us?

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The world has become a global village with trade in goods and capitals, global supply chains, less cost for transportation, more travel around the globe and more and more complex interdependencies. Until 2010, every state leader was committed to achieve common good for the world in international platform. It created a spark among the economists, when it was noted that the world has undergone a paradigm shift from globalization to slowbalisation, which possesses the evil potent of shifting towards de-globalization. A de-globalized world will push forward more and more egocentric leaders with ultra nationalist policies and it is needed to accept that de-globalization will never be an answer. In 2018, there was a reduction of 20 percent Cross border investment by multinational companies. The US, as the norm maker fueled the trend taking it towards de-globalisation, led by a surge in tariff between the US and China. This was further visible in withdrawal from multilateralism, such as the US withdrawal from Trans- Pacific Partnership (TPP) and Iran nuclear deal and most recently openly declaring to halt funding to the World Health Organization (WHO). Most of these are to ensure prominence to the citizens. Travel bans and protectionist measures further strengthened this.

Does this mean that nationalism is the new normal? In the era of COVID-19, there remains a question if ultra-nationalism is the answer to relations in a post COVID-19 world. And the answer is – No. Ultra-nationalism is a greater calamity than the pandemic. The US has proved how they have become the epicenter of the pandemic and ultra-nationalism has failed. It is inhuman to segregate people of their colour, religion or citizenship and refuse granting medical treatment on time, stimulus packages and access to food etc. It is necessary to keep in mind that we live in a world of complex interdependencies and ultra-nationalism leads to strategic decoupling and this fails. Joseph Nye has clearly indicated that the US can't secure themselves by acting alone. This was very much proven by a non-traditional health issue, crossing borders and surrendering the whole world. It is disastrous to accelerate towards a de-globalized world as this would lead to global issues always being ignored like climate change or terrorism. There's no possibility that states can stand alone. Even in the search for a vaccine for COVID-19, it is compulsory that the whole world have access to it, if not this will re-spill over to each and every state.

However, COVID-19 was a lesson to many states, that they learnt to rely more on self-sufficiency and cope up with the situation. States have now got used to domestic production and incentivize local level innovation with the existing potential. This is a good sign for states individually. Therefore, it is unlikely that the states will get back to general routine with the rest of the world, unless more incentives are given to secure multilateralism and be assured of protectionism at abrupt situations like these. This is a game of politics for the leaders of the states, to prove the citizens if they can handle a black swan event like the COVID-19. In this regard, this becomes test of leadership for the presidents and prime ministers and thus, they will tend to take protectionist measures either to secure the authority or the state.

What is possible in an era of globalization? There seems to have three evident facts. States will be persuaded to create deeper links with regional organizations. At times, it is crisis that makes us realize of the existing potential of the regional blocs. SAARC could be taken as one such example that revitalized the role of multilateralism within the region. It is time for hibernated blocs like SAARC to come to common ground despite ongoing tensions and differences. However, the success of this could result in implying if South Asia has further moved towards a de-globalized world or remain stronger, with the need of a better integrated and globalized world.

Second, natural resources will be recognized with more value. Even though, states that possessed oil thought that they would be the emerging best markets, they ended up being at the most financial peril. A pandemic taught them that rich sources like oil is of no value in a world without consumption. Yet, resources like water will never be lacking the demand, despite traditional or non-traditional global crisis. In terms of agriculture, the need for water will increase and the unmet needs will accelerate to a level of water war. This will be visible in South Asia, with growing need for agricultural products and a history of water disputes.

Third, this will lead towards further competition among states. Kishore Mahbubani believes that western domination will come to an end. However, many perceive the fact that first Asia will be a place of hegemonic power rivalry between China and India. Second, China will not easily be accepted to play the lead in the international system, due to prevailing aggressive nature and autocratic or semi autocratic sate governance. The West will always stand for right to privacy. Adding to this, the US will never retreat easily and cold war tensions will continue more aggressively. Therefore, strategic competition will prevail and developing countries that have so far remained neutral will have to be clear with their stance in terms of foreign relations.

With all these, it will be an interesting world to live in. We will be stepping in to a world of economic shrinkages and foreign policy shifts. Slowbalisation was evident since 2010 and yet, we are still in the first phase of de-globalization. There’s still time and it is a choice of globalization or de-globalization. Multilateralism can still play the role and prove their validity and prominence if leaders try to realize the urge of a global solution to a global crisis.

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