

Richard N Haas: Deglobalisation and its discontents

The current state of the world is defined by global challenges and how well or poorly the world addresses them. Above all, this means we need to avoid false cures, [writes Richard N. Haas for Project Syndicate](#)



Did globalization reach its peak?

Increasing global interconnection – growing cross-border flows of people, goods, energy, emails, television and radio signals, data, drugs, terrorists, weapons, carbon dioxide, food, dollars, and, of course, viruses (both biological or software) – has been a defining feature of the modern world. The question, though, is whether globalization has peaked – and, if so, whether what follows is to be welcomed or resisted.

To be sure, people and goods have always moved around the world, be it over the high seas or the ancient Silk Road. What is different today is the scale, speed, and variety of these flows. Their consequences are already significant and are becoming more so. If great power rivalries, and how well or poorly they were managed, shaped much of the history of the past few centuries, the current era is more likely to be defined by global challenges and how well or poorly the world addresses them.

Globalization has been driven by modern technology, from jet planes and satellites to the Internet, as well as by policies that opened up markets to trade and investment. Both stability and instability have promoted it, the former by enabling business and tourism, and the latter by fueling flows of migrants and refugees. For the most part, governments viewed globalization as a net benefit and were generally content to let it run its course.

Globalization can be destructive as well as constructive

But globalization, as is clear from its various forms, can be destructive as well as constructive, and in recent years, a growing number of governments and people around the world have come to view it as a net risk. When it comes to climate change, pandemics, and terrorism – all exacerbated by globalization – it is not hard to see why. But in other areas, the increased opposition to globalization is more complicated.

Consider trade, which can provide better-paying jobs in export-oriented factories or agriculture, as well as consumer goods that are often higher quality, less expensive, or both. But one country's exports are another country's imports, and imports can displace domestic producers and cause unemployment. As a result, opposition to free trade has grown, leading to calls for “fair” or “managed” trade in which the government plays a larger role to limit imports, promote exports, or both.

A similar trend is under way when it comes to information. The free flow of ideas might seem to be a good thing, but it turns out that authoritarian governments regard it as a threat to their political control. The Internet is being balkanized into a “splinternet.” China's “Great Firewall” led the way, blocking access to online news and other suspect websites and ensuring that Chinese users cannot access content deemed politically sensitive.

The ability of people to cross borders in large numbers was traditionally accepted or even welcomed. Immigrants in the United States have been the foundation of the country's economic, political, scientific, and cultural success. But now many Americans view immigrants warily, seeing them as a threat to jobs, public health, security, or culture. A similar shift has taken place in much of Europe.

All of this adds up to a shift toward deglobalization – a process that has both costs and limits. Blocking imports can cause inflation, reduce consumer choice, slow the pace of innovation, and lead others to retaliate with import restrictions of their own. Blocking ideas can stifle creativity and impede the correction of policy mistakes. And blocking people at the border can rob a society of talent and needed workers, while contributing to the misery of those forced to flee as a result of political or religious persecution, war, gangs, or hunger.

Globalization cannot be solved, it needs to be managed

Deglobalization is also bound to fail in certain policy areas. Borders are not barriers to climate change. Closing them does not shield a country from the risks of disease as citizens can easily return home with the infection. Sovereignty guarantees neither security nor prosperity.

There is a better way to respond to the challenges and threats of globalization. Effective collective action can meet the risks of disease, climate change, cyber-attacks, nuclear proliferation, and terrorism. No single country on its own can make itself secure; unilateralism is not a serious policy path.

This is what global governance (not government) is all about. The form of the arrangements can and should be tailored to the threat and to those willing and able to cooperate, but there is no viable alternative to multilateralism.

Isolationism is not a strategy. Nor is denial. We can stick our heads in the sand like the proverbial ostrich, but the tide will come in and drown us. Globalization is a reality that cannot be ignored or wished away. The only choice is how best to respond.

The critics are right in one sense: globalization brings problems as well as benefits. Societies need to become more resilient. Workers require access to education and training throughout their lives, so they are ready for the jobs that emerge as new technologies or foreign competition eliminate their current jobs. Societies need to be better prepared to cope with inevitable pandemics or extreme weather events caused by climate change.

Globalization is not a problem for governments to solve; it is a reality to be managed. To embrace wholesale deglobalization is to choose a false cure – and one much worse than the disease.

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