Great Expectations: Is this the beginning of the end for globalisation?

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Aim

• Brexit and Trump’s election into office described as events bring an end to globalization as premised on inward rather than global objectives.

• This view is flawed as integration in relation to globalization is not a one way process seeking greater levels of integration, but rather a tool to address global challenges which will involve making choices on the degree of integration that is thought necessary at a particular time.

• Selective interconnectivity, used to reflect the level of integration desired.
Context

- Due to the degree of global income inequality, a high degree of integration will pose difficulties as a shift in production centres as well as immigration will bring not only economic but also socio-cultural and political implications on even the economically strongest nations.
Globalisation

- Globalisation is often understood in terms of integration.
- According to various schools, integration in response to globalization is premised on increasing integration.
- As a result, anything that does not increase integration is seen as de-globalization; disintegration of the world economy; end of globalization.
- Should Brexit and Trump’s election to office be viewed as reversing the globalization process?
This paper posits

• Globalisation is an ongoing process, but a neutral process.
• Much depends on the approach of the day according to what the stakeholders desire.
• Selective interconnectivity to fulfill that desire; more or less levels of integration.
• Not a new experience, failure of the ITO and establishment of the WTO are examples.
Drivers

• A number of drivers, namely technological developments, reorienting of economic policies, the desire to avoid conflicts has caused:
  - higher levels of **globality** (consciousness of integration)
  - pro-integration **globalism**

• Man’s greatest tendency is to trade; exchange to improve his living standard incidentally, his cultural practices and political views followed.
Integration

- Mixing of subject matter previously segregated
- Blended as equals into unification
- Integration relating to international economic law is engineered rather than a chance occurrence
- Through a legal framework
- Organising countries segregated by sovereign borders, cultures, languages, economic wealth, and levels of development to as far as possible make them one
The world is an unequal place

- In recent past, emphasis placed on only one dimension of integration.
- World is an unequal place
  - 1% have more wealth than rest of the world combined (Oxfam)
  - Since 1060 global inequality gap has tripled (Oxfam 2017)
  - Inequality can no longer be treated as an after thought (OECD 2017)
  - Top 20% of world's population enjoys 70% of total income (UNICEF)
  - 800 years for the bottom billion to achieve 10% of global income at current rate of change
Conclusion

• Cannot overlook the socio-political impact of inequality.
• Trump and Brexit campaigns focused on national sovereignty and immigration.
• Success means real concerns regarding such issues.
• Disproportionate levels of income leads to disproportionate living standards
• Human nature to seek improved levels of living standards.
• Movement of capital will benefit the rich
• Selective interconnectivity
Thank you