

## Is globalisation the cause of, or the cure for, our problems?



The debate is whether globalisation is the cause of, or the cure for, our problems. Bill Clinton's theme for re-election back in 1996 was "building the bridge to the twenty-first century". Some 20 years on and another Clinton is fighting to be President of the United States, but the rhetoric of this campaign is not about bridges, but walls and borders.

In the same period and on this side of the Atlantic, multilateralism in the shape of the European Union has given way to the bilateralism of the nation-state. Debate about a more open and globalised world overcoming the post-industrial challenges has given way to one about whether globalisation is the cause of, or the cure for, our problems.

Professor Dani Rodrik of Harvard, writing in his book, *The Globalization Paradox*, describes the current phase of globalisation as hyper-globalisation, fuelled by an unprecedented burst in technological change. This, and the domination of free-market thinking in the aftermath of the Cold War, has fuelled it. The world now appears to be altering faster than at any time in its history. Professor Nayan Chanda of Yale University cites the example that in 1453 it took 40 days for the Pope to hear about the fall of Constantinople, while in 2001, the Twin Towers fell live on our screens.

But what of that question as to whether globalisation is the cause of or cure for many of our problems? If electorates decide that it is the cause then we will see more of the likes of Donald Trump, the Five Star Movement in Italy or others such as the National Front in France take advantage of the mood of the moment. But if globalisation is the cure to the problems of the age, then elected politicians who believe in a more open, interdependent order will have to think about how they can rise to a challenge that has been put to them by some notable thinkers, including Pope Francis and Pope Emeritus Benedict.

Popes Francis and Benedict XVI have both argued for stronger global rules and standards to avoid a race to the bottom. In his 2008 encyclical *Caritas in Veritate*, Benedict called for a world political authority to oversee ethics in the global economy. In *The Borderless World*, published in 1990, Kenichi Ohmae wrote: “The global economy is becoming so powerful that it has swallowed most consumers and corporations, made traditional national borders almost disappear, and pushed bureaucrats, politicians and the military towards the status of declining industries.”

For Joseph Stiglitz and George Soros, globalisation in its current form is something that perpetuates inequality through a form of trickle-down economics and unregulated trade that undercuts national protections and risks creating a race to the bottom for economic and social rights and standards. The financial crisis of 2008 brought it home to people that financial markets needed regulation and that the state had to fulfil that role, not some invisible hand. But for the Nobel Laureate, Professor Amartya Sen, globalisation also enriches the world scientifically and culturally, and benefits many people economically as well. China is often cited as an example of how so many people in such a short space of time were lifted out of poverty.

Globalisation has created a more interdependent market space, but there has been no parallel development of an interdependent global political space. Such a space could in turn give rise to a global ethic or consciousness that consequently could produce consensus on commonly agreed standards and values to govern globalisation. In terms of the history of economic development, it is not unusual for the regulatory regime to play catch-up with the economic unit. Think of the efforts to tame the excesses of the Industrial Revolution, especially with labour laws and social protection.

Balancing greater political, social and cultural interdependence with economic interdependence is necessary to avoid a lopsided global order that could contribute to disorder. Globalisation is not new, but nor is it automatic. History shows us that there have also been reverses or pauses in globalisation. The economist Walden Bello coined the phrase de-globalisation to describe what occurred in the Dark Ages, the seventeenth century and the interwar period. The response, for those who see globalisation as a cure for our problems, has to be along the lines of that suggested by Popes Francis and Benedict rather than the populist rhetoric about walls. Steps towards that goal should not need to await a new crisis.

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