

August 2021

## IS THE WORLD HEADING TOWARDS DE-GLOBALIZATION DUE TO UNCERTAIN CONDITIONS

MALAY KUMAR GHOSH  
BSSSIAS, malayghosh84@gmail.com

Follow this and additional works at: <https://jetbm.imtnagpur.ac.in/journal>



Part of the Business Administration, Management, and Operations Commons, Business Analytics Commons, Business Intelligence Commons, Corporate Finance Commons, Finance and Financial Management Commons, Human Resources Management Commons, Marketing Commons, Operations and Supply Chain Management Commons, and the Organizational Behavior and Theory Commons

### Recommended Citation

GHOSH, M. K. (2023). IS THE WORLD HEADING TOWARDS DE-GLOBALIZATION DUE TO UNCERTAIN CONDITIONS. *Journal of Emerging Technologies and Business Management*, 10(2).  
<https://jetbm.imtnagpur.ac.in/journal/vol10/iss2/4>

This Article is brought to you for free and open access by Journal of Emerging Technologies and Business Management. It has been accepted for inclusion in Journal of Emerging Technologies and Business Management by an authorized editor of Journal of Emerging Technologies and Business Management. For more information, please contact [ankumar@imtnag.ac.in](mailto:ankumar@imtnag.ac.in).

---

# IS THE WORLD HEADING TOWARDS DE-GLOBALIZATION DUE TO UNCERTAIN CONDITIONS

**Cover Page Footnote**

Dr. Malay Ghosh

# IS THE WORLD HEADING TOWARDS DE-GLOBALIZATION DUE TO UNCERTAIN CONDITIONS

*Dr. Malay Ghosh*  
*Faculty- BSSS-IAS*

## **Abstract**

“Micheal freidmen stated that the World is Flat,” Localisation, Colonisation, Regionalisation, or Globalisation are the International phenomenon which can not be stopped at will or desisted. Globalisation has gone through different flavours, Globalisation started as a compulsion of west , De-globalisation is also being taken as Compulsion of west, There are different phases (PLCs) of Globalisation , The advent of new world order and emergence of American dominance after the end of world war, America emerge as Super power, created blocks, cartels to fulfill American Interest, During the height of American Diplomacy and Russian approach of Controlled Structure try to create a new world order through blocks and military alliances ,

Globalisation, Glocalisation, Regionalisation, Localisation with Global approach, Hyper Localisation and Deglobalisation are the buzz word for the present Global Economics . The world is going through metamorphic challenges due to International Conflicting interest , and National Sovereignty changes in geo economic, military, political, Diplomatic spectrum and demographic variations. Changes which not only transforming the world dynamics but has also affected the fate of Countries relying on Globalisation or Localisation approach.

The world economy is affected by the process of De- Globalisation, There can be 3 phases of it, First initiated with Trade protectism 2. Increased Global convergence and 3<sup>rd</sup> associated again with de-convergence or Trade dominance through Protecting measures directing towards national sovereignty

Keywords :- De- globalization, Localisation, Regionalisation, Colonisation , Glocalisation

---

## **Introduction :-**

Every country is adopting different approach of Globalisation. De-globalisation can be stated as a new phase of Globalisation , America is creating Dollarisation by using its carrot and stick policy with Gun Diplomacy , on the other hand China has a policy of OBOR and cheque diplomacy, India started with non-aligned approach aggressively taking its neutral stance in Global diplomacy in the initial years of its emergence, Shifting its stance at present , exploiting its potential market to world economy, Smaller Countries are trying to protect their own interest and national sovereignty, whereas Super-powers like America and Russia are trying to create a unipolar world of their own , A world which is dominated by western and eastern ideologies, Both China and America are trying to protect their economic interest and spearheading world domination objectives through geo, economic military and political ambition. Globalisation 2.0 or Industrial revolution 4.0 or de-globalisation 1.0.0 are the new trends of the world,

Emergence of India and China in the world stage of International diplomacy are also some of the factors ,which can be an insight for 2<sup>nd</sup> Phase of Globalisation. (Globalisation 2.0).

### **Phases of Globalisation , Market approach**

**There are various phases of Globalisation and De- Globalisation,**

1. Emergence of America
2. Emergence of Russia
3. Creation of Cold war Diplomacy
4. Disintegration of Russian Block
5. Emergence of China
6. Slowdown in America and Europe
7. Emergence of BRIC nations
8. Emergence of Dragon and Elephant
9. Trade restriction, and Tariff war
10. Deglobalisation

The recent sanctions on Iran, and the trade war between America and China is one of the classic example of De-globalisation, The process of De-globalisation was having different phases, First it was a western term, After the end of 2<sup>nd</sup> World war, America emerge as Economic & Military super power , World was divided into 2 spheres, Russia led the cold war era, while America emerge as Economic super-power. Globalisation has gone through various phases, The First phase was dominated by the Western world ,a phenomenon of Global dominance , Institutions were created , and these Institution were responsible for creating the alliances for next 50 years, Europe and America with their Military might & technological advancement dominated and plundered the economic resources of the world for the next 50 Years. 1990 saw the disintegration of Russia and Russian block nations, slowdown in Europe and emergence of BRICS , The New emerging economies .The economic gravity has shifted from European nations to east , emerge as the battle ground to retain economic growth rate.

Globalisation can be classified in to 4 different cycles or phases,

1. World dominated by European colonies
2. World dominated by America and Russia
3. World dominated by emerging economies
4. World dominated by de-globalisation, Trade restriction, terrorism, trade war. Collapse of Govt, Slowdown and recession

Globalisation, Glocalisation, Regionalisation, Localisation with Global approach, Hyper Localisation and Deglobalisation are the buzz word for the present International Economics . The world is going through metamorphic challenges due to International Conflicting interest , and National Sovereignty changes in geo economic, military, political, Diplomatic spectrum and demographic variations. Changes which not only transform the world dynamics but has also affected the fate of Countries relying on Globalisation approach.

## Review of Literature:-

We may live in a borderless world in the age of Globalisation. Virtually countries are connected by Technology, culture, humanity, ideas, political, economic, resource flows, consumption and demands. De-Globalisation, is the word which makes the world anxious, Investors and Business Houses nervous. The Time span between 1914 and 1945 was considered to be the darkest period in global history, when it has gone through world wars, depression and slowdown, resulting in creating a new world order of collaboration. Globalisation can be defined as free flow of goods, services, technology, Information, Jobs, Human Capital, Finance, and the synchronization of world order.

Globalisation has helped the humanity by boosting the world economy, lifting millions of the people from their extreme poverty. Creating history of economic growth by reducing the manufacturing cost, convergence of wealth and capital but in that process also deteriorated the environment, exploited the resources and environment of 3<sup>rd</sup> world countries and making the population of poor world most vulnerable with unequal distribution of wealth, job insecurity and stagnant wages.

Globalisation can be classified into 3 different phases, 1<sup>st</sup> wave of Globalisation was between 1850 and 1914, which was characterized by industrialization, urbanization and new transport and communications technologies. The second phase of Globalisation was from the year 1945 till 1990s, saw the world dominated by western influenced globalization, Institutions and Agreements were created with the objective to create a new world order with Western influence. 1990 noticed the 3<sup>rd</sup> phase of Hyper-globalisation, marked with collapse of Soviet Union, Closed economies initiated the structural changes and defines the challenges of globalization.

According to the Economist 'Richard Baldwin' "The meaning of Globalisation has changed, made the process of manufacturing much easier involving integration of multiple stages of Manufacturing, Design, supply chain, process resulting in manufacturing and cost minimization. Industries are becoming multi locational, World trade growth is growing at a rapid phase due to massive integration of Industrialization. Financial Integration has impacted the whole world both during slowdown as well as growth. Capital flow and Human capital migration are some of the classic examples creating borderless world, This has also resulted in a backlash and anti immigrant laws,

Global trade war has created tremendous amount of Trade war which has resulted as a barriers, ultimately leading to different forms of Tariff barriers, anti dumping measures, creating extreme de-globalisation. There are various factors which guard against extreme de-globalization. It is much more difficult to control data, skills, know how, knowledge, resulting in outsourcing opportunities, and resulting in slowing down of Globalisation resulting investment and less protectionism. Due to De-globalization resulting in slowing pace of liberalization and weak investment than Protectionism.

Britain's decision of Exit from EU, (Brexit) President Trump rhetoric towards trade war, and pulling out of trans pacific treaty are the separate measures to protect American hegemony and US Imperial Globalisation. Conflicting political and economic interest are creating the slowing down of Globalisation leading to deglobalisation of the world. Slowdown created by US is far compensated by the deal between Japan and European and Europe and Canada to minimize the Trade losses.

Despite the process of Globalisation, Countries vary in terms of ease of doing business and pace of Globalisation differs depends upon their policies and level of barriers created by them to protect national interest. Countries have created their own mechanism for protecting Globalisation. India and

China are contributing the engine of Globalisation , whereas America is having a choice to China will never go against India because of common Globalisation Interest, which has created a new environment of World Economic map, This is also the reason why American and European Business Establishment are taking a serious note to shift their economic bases to China and India , Recent example can be Tesla Foxcom base in India and China operation. A policy shift has been noticed along with own rules and hidden barriers, A wave of de-globalisation is taking place in west on the other hand east is going through the process of Globalisation resulted in major implication for companies and Govt.

Many Companies across the world are reshoring their manufacturing bases , due to de-Globalisation in the west and Globalisation in east, But the real problem will lie in Global Slowdown, when majority of Companies will approach for new wave de-globalisation and Global restrictions on Trade and Commerce. The world is now witnessing the gradual slowdown and de-accelaration, pre-empied withdrawal of trade restriction and Protecting national and regional interest are the prime drivers for the success and failure of Globalisation. Since 2012,

Over the past 2 decades Global Trade is driven by Pockets of Countries, and the engulfing trade war between India , China, America, This phenomenon of Protecting sovereignty and National list interest are driven by Developed as well as developing nations irrespective of Geographical boundaries, According to recent report of the World bank slow growth rate was recorded not only on Europe and America, but it has also shown saturation in Foreign Trade and Investment irrespective of Global promises to ease Business. World bank figures indicates that growth rate is having a sluggish result from 3 % to 1.8 % most of the developed parts of the world leading to the shift of economic growth driver in eastern part of the world.

***“Kristin Forbes, an esteemed economist, said “It is time to stop talking about globalization and rethink the assumption that global financial integration is an unstoppable trend”.***

Due to Globalisation, slowdown has affected every aspects of Market, weither it is the financial market, Economic market, Agricultural sector or Industry , it has impacted every sphere of Global growth, The stagnant growth of France and Germany, Exist of great Britain from Europe (Brexit),Near collapse of economy in Greece, Spain, Recession in Italy are some of the significant features of the same. Stagnation in the growth of Japanese economy , Collapse of Venezuela, Unrest in Middle east and Terrorism are some of the compounding factors of De- Globalisation. Which has also lead to conflicting interest raising the risk of Business causing de- Globalisation.

De-globalization is a major cause of the emerging economic trends of the world. Due to the first phase of Globalisation and trade liberalisation world has noticed tremendous growth path but from the year 1990 onwards 1 % of tariff has created trade Protectionism, and Stagnation in the wworld economy.

De- Globalisation is the result of Structural Inefficacy of the Govt. The level of protectionist measures have increased over the years from 5% till 23 % since the yr, 2009 till the year 2013 especially among the developed nations, in order to gain Trade surplus, Competitive advantage, Process, Europe and Japan are also recovering from 2008-2009, and integrating with world economy which will increase trade pattern and impede De-globalisation, De- globalization phenomenon is spreading across the world because of various reasons disparities in Income, Un-equal distribution of wealth, rising employment, rising unequal distribution of wealth, Job losses, and difference between the rich and poor are some of

the compounding factors responsible for De-Globalisation. Globalisation is having a mixed impact across the world, some Countries are benefitted when they have implemented Globalisation effectively on the other hand there are many examples of negative impacts of Globalisation when they are not implemented structurally,

Some Exhibits related to De-Globalisation :-

FIG-1,

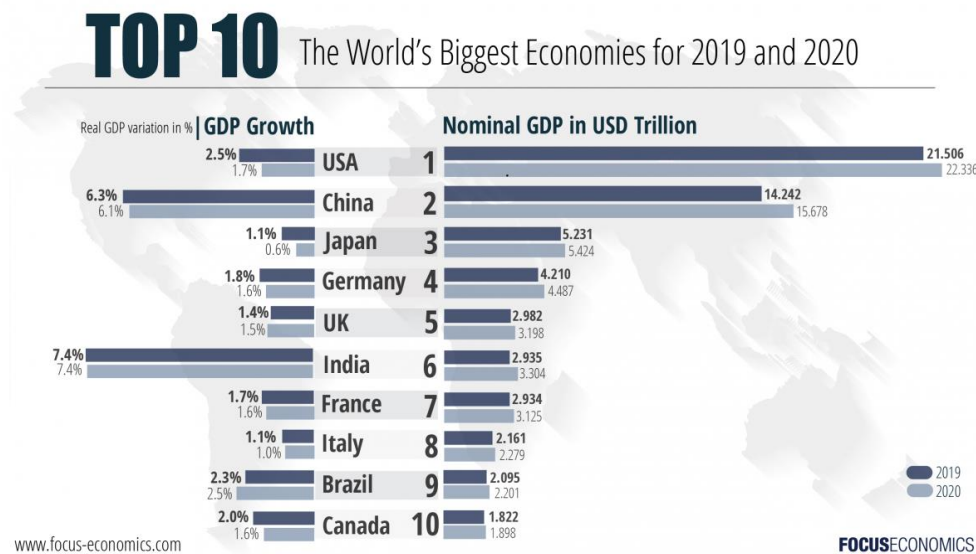


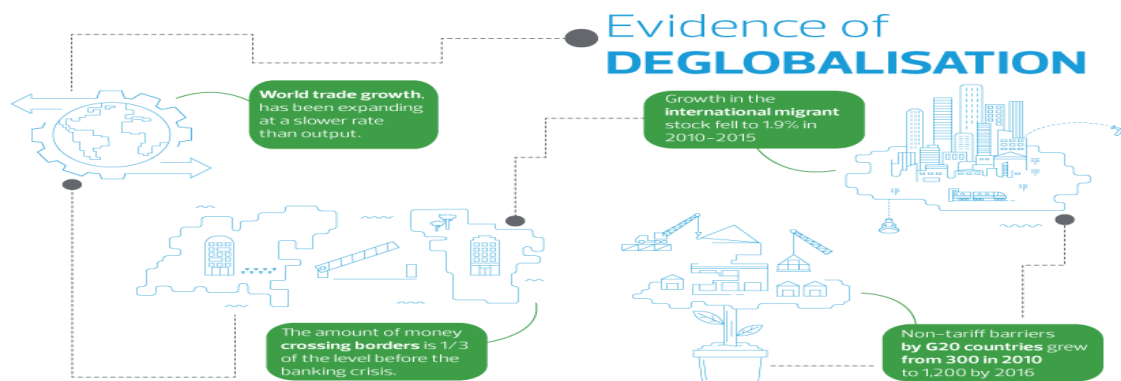
Exhibit-1

Rank	Country	Proj. GDP (2030, PPP)	GDP (2017, PPP)	% change
#1	China	\$64.2 trillion	\$23.2 trillion	+177%
#2	India	\$46.3 trillion	\$9.5 trillion	+387%
#3	United States	\$31.0 trillion	\$19.4 trillion	+60%
#4	Indonesia	\$10.1 trillion	\$3.2 trillion	+216%
#5	Turkey	\$9.1 trillion	\$2.2 trillion	+314%
#6	Brazil	\$8.6 trillion	\$3.2 trillion	+169%

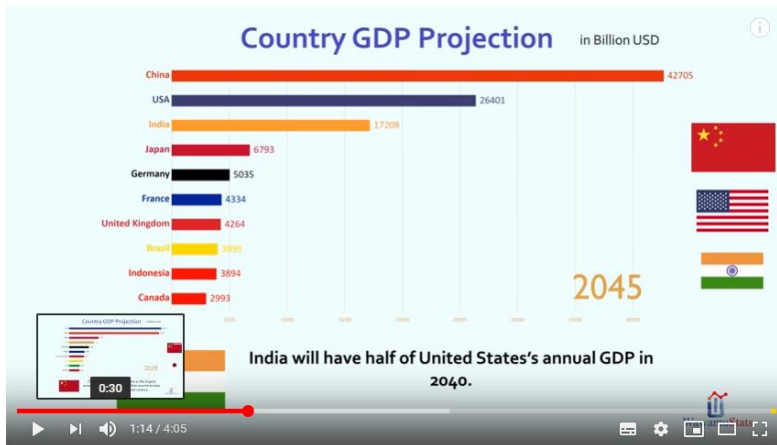
Rank	Country	Proj. GDP (2030, PPP)	GDP (2017, PPP)	% change
#7	Egypt	\$8.2 trillion	\$1.2 trillion	+583%
#8	Russia	\$7.9 trillion	\$4.0 trillion	+98%
#9	Japan	\$7.2 trillion	\$5.4 trillion	+33%
#10	Germany	\$6.9 trillion	\$4.2 trillion	+64%

In this Table Countries like China, India, Indonesia, Turkey, Brazil, and Egypt saw their Economies grow at a faster pace, which is having Triple Digit growth in terms of PPP on the other hand Economies of Western world are going through a slowdown, Countries like Germany, Japan, Russia and US which are being considered as the Engine of the world are responsible for De- Globalisation.

Fig-2,







Future Top 10 Country Projected GDP Ranking (2018-2100)

960,082 views

10K 2.4K SHARE SAVE

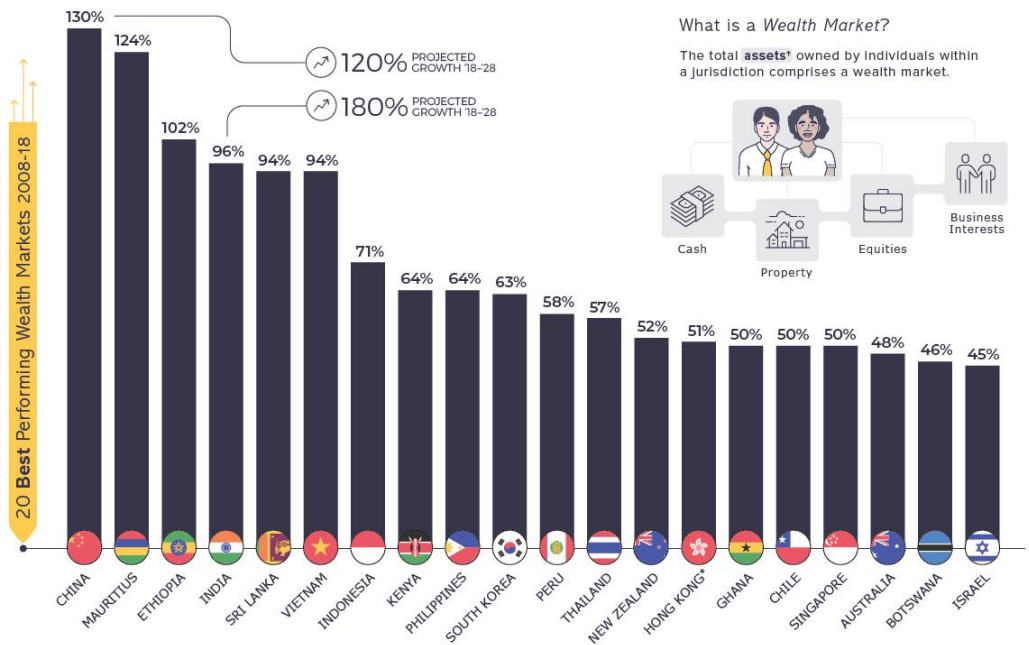


Fig-3

The Best and Worst Performing Wealth Markets

There are tremendous amount of variation in the stock market & Financial markets across the world. A lot has changed over the decades. Collapse of Lehman brothers have resulted in sending the shock waves across the Globe, Collapse of BCCI, Lehman Brothers, has created financial trouble across the world which was having a Tailspin and Catalytic impact on the world Financial market.. China has emerged as Economic Super power, reaching a robust growth and becoming Production floor of the world, China is creating million Jobs across the world significantly challenging the Western Institutions with cheque Diplomacy.

## Fluctuations in the wealth market of the world (2008-2019) , an indicator of Deglobalisation.

Tremendous amount of Transformation is taking place in the wealth market across the Globe, Wealth is calculated based upon the Individual capacity, Assets, the Changes in the values of Individual and Cash Holdings.

### BRIC Economies in the context of Developing Economies of Asia

Both China and India contributed to the double digit growth, especially in terms of production and Market Concept, These markets vary in its size, economic momentum, and the gains in economic prosperity of these Nations . Both these countries are having similarities having strong Cultural bond along with Economic engines of the world.. These 2 Countries are being considered as future economic engines of the World.

### Collapse in Mediterranean World

Mediterranean region was badly hit because of recession and slowdown in the economy, European nations are going through slow pace of economic reforms, bailout packages, poor use of Structural funds, and Lack of Transparency in the Govt, which are considered some of the reasons for slowdown.Out of the worst performing 20 wealth markets, in the last decade, 8 belongs to this category.

Most of the European Countries were facing stagnant growth, over many decades due to saturation or Slow down in their Economy, Especially the Countries like Greece, Spain, Eastern Europe are some of the classic examples of Slowdown and Recession.

Exhibit-2

Rank (Out of 90)	Country	% Growth (2008-2018)
89	Greece	-37%
87	Cyprus	-21%
86	Italy	-14%
85	Spain	-13%
84	Turkey	-11%
82	Egypt	-10%
80	France	-7%

## Emerging Economies of Europe

In spite of sub-prime crisis, slowdown and recession some of the smaller Countries of Europe . There were emerging economies of Europe, which are known as bright spots due to the promising growth rate, Ireland, Malta and Monaco are some of the Countries which have achieved growth rate above 30% for over 10 years providing a ray of hope for rest of the Europe.

Countries like , Venezuela a nation of contradiction, on the one hand the wealth of nation is not equally distributed causing wealth disparity and contradiction in the society, There are many nations across the world which are war torned and not being included in the list which recovered due to the spate of Globalisation.

Exhibit-3

Wealth Market	Wealth growth (2017 -2018)
Venezuela	-25%
Turkey	-23%
Argentina	-20%
Pakistan	-15%
Angola	-15%
Ukraine	-13%
France	-12%
Russia	-12%
Iran	-12%
Qatar	-12%

Fig-1

Chart 8

**Rise of inequality**

The share of income earned by the top 1 percent of the population rose in most countries over the past 50 years.

(share of income earned by top 1 percent in 1965)



Source: Alvaredo and others (2014).

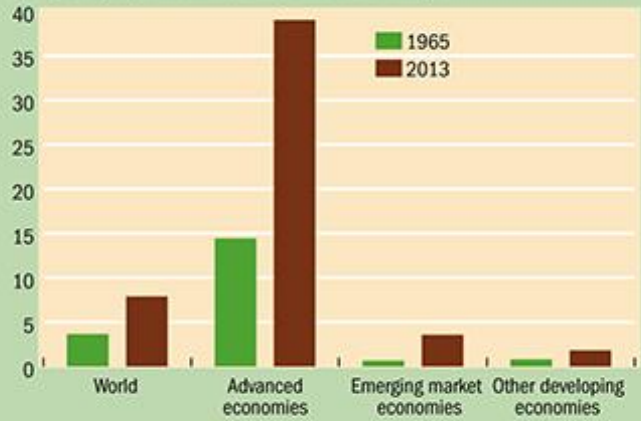
Note: The data are for 23 advanced and emerging market economies. The 1965 and 2010 data are for the respective years or the nearest year for which data are available.

Chart 5

**Sharing prosperity?**

Although the average person is richer today than in 1965, those in advanced economies have done far better than those in emerging market and other developing economies.

(GDP per capita, thousands of constant 2005 dollars)



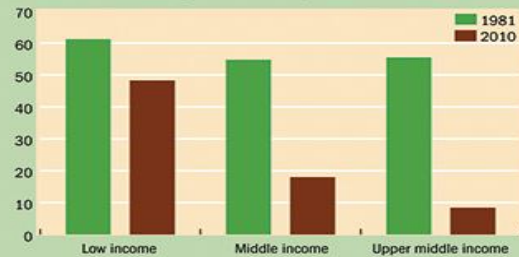
Source: World Bank, World Development Indicators database.

Chart 7

**Poverty endures**

Extreme poverty fell across the globe, but it fell the least in low-income countries and the most in upper-middle-income countries.

(percent of population living in extreme poverty)



Source: World Bank, World Development Indicators database.

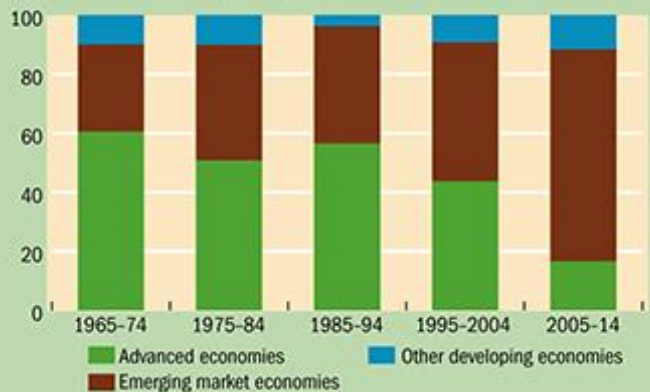
Note: Extreme poverty is a per capita daily income of less than \$1.25. Income is measured in purchasing power parity, which is the rate at which currencies would be converted if they were to buy the same quantity of goods and services in each country. Low-income countries had gross national income (GNI) of less than \$1,045 a person in 2013. Middle-income countries had GNI of more than \$1,045 a person and less than \$12,746. Upper-middle-income countries had per capita GNI between \$4,125 and \$12,746.

Chart 4

**Growing up**

Emerging market economies account for a growing share of world GDP growth.

(contribution to world GDP growth, percent)



Source: IMF, World Economic Outlook database.

Note: The data for 2014 are forecasts.



## Box 1

**New countries, new members**

Wars, political and social conflicts, and the dissolution of the Soviet Union increased the number of independent countries from 139 in 1965 to 204 in 2014. These new countries quickly assumed their roles in international policy forums. For example, at the end of 1965, the International Monetary Fund and the World Bank each had slightly more than 100 members. Over the past 50 years, they have added about 85 members—first from newly independent African countries and more recently from former states of the Soviet Union. Each institution now has 188 members.

**Growing bigger**

The number of countries that are members of the IMF and the World Bank has grown from less than 40 in 1946 to 188 today.



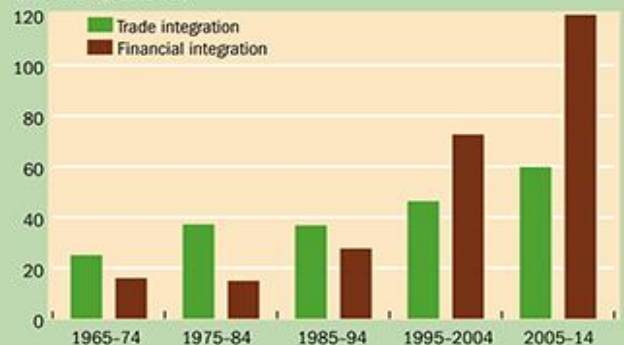
Sources: IMF and World Bank.

## Chart 2

**The world grows closer**

Global trade and financial links increased dramatically in the past 50 years.

(percent of global GDP)



Sources: Lane, Philip R., and Gian Maria Milesi-Ferretti, 2007, "The External Wealth of Nations Mark II: Revised and Extended Estimates of Foreign Assets and Liabilities, 1970-2004," *Journal of International Economics*, Vol. 73, No. 2, pp. 223-50; and IMF World Economic Outlook database.

Note: Trade integration is measured by the ratio of total imports and exports to global GDP. Financial integration is the ratio of total financial inflows and outflows (including bank loans, direct investment, bonds, and equities) to global GDP. Financial integration data are through 2011. Trade integration data for 2014 are forecasts.

## Box 2

**Recurrent financial crises**

Financial crises have interrupted economic growth around the world. Roughly 400 of them took place between 1970 and 2013. Advanced economies experienced only 35 crises, half of them after 2007. Emerging market economies had 218 financial crises, most of them in the 1980s and 1990s, especially during the 1997 Asian financial crisis. Currency crises were the most prevalent, accounting for half of all crisis episodes. Banking and debt crises accounted for the rest. It is still impossible to predict the location and time of the next financial crisis.

**Financial crises are widespread**

Between 1970 and 2013 there were more than 400 banking, currency, or debt crises.

(number of financial crises)



Source: Laeven and Valencia (2013).

Note: The shaded bars represent the three years surrounding global recessions—which occurred in 1975, 1982, 1991, and 2009.

## References/ Bibliography

- Central Bank of Brazil, 2018. "Globalisation and deglobalisation," BIS Papers chapters, in: Bank for International Settlements (ed.), Globalisation and deglobalisation, volume 100, pages 71-82 Bank for International Settlements
- Gregory, N. (2016). De-Globalisation - The Cycle Is Turning. The Equity Master. Accessed from <https://www.equitymaster.com/outsideview/detail.asp?date=12/28/2016&story=1&title=DeGlobalisation---The-Cycle-Is-Turning-Nitin-Gregory>
- Mandala, R. (2017). Battling de-globalisation. The Indian Express. Accessed from <http://indianexpress.com/article/opinion/columns/battling-de-globalisation-donald-trump-india-us-relations-politics-business-science-4523344/>
- OECD published an update to global economic forecasts. (OECD)
- <https://data.worldbank.org/indicator/ny.gdp.mktp.kd.zg>
- <https://www.visualcapitalist.com/animation-the-biggest-economies-in-2030/ning>
- <https://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx>
- <https://www.visualcapitalist.com/animation-the-worlds-10-largest-economies-by-gdp-1960-today/>
- <https://www.youtube.com/watch>
- <https://qz.com/1580961/pinterests-international-growth-is-its-biggest-challenge/>
- <https://www.bis.org/publ/bppdf/bispap100.htm>
- <https://howmuch.net/articles/atlas-of-economic-growth>
- <https://www.imf.org/external/pubs/ft/fandd/2014/09/kose.htm>
- <https://howmuch.net/articles/student-debt-timelapse>
- <https://howmuch.net/articles/student-debt-timelapse>
- <http://news.investors.com/ibd-editorials-on-the-left/122812-638798-deglobalization-may-be-result-of-worlds-slowdown.htm>