

Will The Post-pandemic World Move Towards The Result of Deglobalization?

Peihan YAO (Cathy)

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Before this crisis ends, our political culture may also change. (Thomas L. Friedman)

The global outbreak of the COVID-19 epidemic has changed the entire world's new agenda. At the White House New Crown Virus Epidemic Information Conference on March 31, Trump stated that he would "build the United States into a fully independent and prosperous country: energy independence, manufacturing independence, economic independence, and national border independence." Immediately afterward, the White House National Economic Committee Director Larry-Kudlow stated that U.S. companies could be encouraged to relocate by repatriating expenses.

Many people believe that the world after the epidemic will be different. The era of deglobalization is coming. Will it be like this? U.N. Secretary-General Guterres said that the New Coronary Pneumonia pandemic is the worst global crisis since World War II. On May 1, 2020, an essay column titled "Imagining Post-Pandemic World" on *Science* began to receive papers. Experts in various fields are expected to predict and discuss world change in the next 20 years after the outbreak in this column.

This essay has such ambitions to focus on the same issue, through personal observations and collected data, combined with some specific theories to discuss the performance of deglobalization during the epidemic and the prediction of the future globalization.

Globalization and deglobalization

Some people think that as early as the economic crisis broke out in 2008, the process of deglobalization" has begun; while some people set the first year of it in 2016 Brexit, because of the rise of global populism and Trump Elected. Furthermore, more people think that the impact of the COVID-19 on the world will be the most obvious starting point of the "reverse globalization" cycle.

Although it is still difficult to define common globalization, in general, it means that globalization belongs to a social process, which is characterized by the continuous reduction of regional barriers to various economic (Such as transnational trade, investment, global production network, and multinational enterprises), political (International alliances such as the European Union and ASEAN; international organizations such as the World Bank and the World Trade Organization), cultural, and social activities (including consumerism throughout the world, global media, global ideas and values, such as environmental protection and human rights). As a result, general people can participate in more cross-regional activities(Waters 2002).

The concept of globalization is generally used to describe the closeness between "global" and "native"(Held 2004). There is also a localization process in globalization, so there is a new word, which is "glocalization" (Robinson n.d.). The global can change the local, and the local can also change the global.

When discussing whether globalization is "unprecedented and irreversible" in academia, it is mainly divided into three research perspectives: globalism, skepticism, and Consolidation Theory(Held 2004):

Globalists affirm that globalization is unprecedented and irreversible. Its development has its logic and driving force, and it is not subject to the intervention of individuals, groups, or even the state. Those who advocate this theory include some beneficiaries and staunch supporters of globalization. For example, Chinese political theorists believe that the process of globalization is an objective law in the historical process.

Skeptics believe that the current so-called "globalization" is only limited to specific regions, and it is simply not enough to be called globalization. They believe that globalization is by no means unprecedented, let alone irreversible. The irreversibility of globalization is nothing but a discourse constructed by exploiters in the process. The ideology of globalization looks like a "necessary myth to facilitate a pathological expansion logic of capitalism.

The rest of the people is affirming the new changes brought by globalization, but deny globalization is irreversible. They think different social groups and political organizations control the process of globalization. This essay will discuss globalization in an attitude of eclecticism and skepticism rather than fanaticism, from the perspective that deglobalization can occur, to gain some space for discussion.

In terms of corresponding concepts, deglobalization refers to a global development trend that is contrary to globalization and that international cooperation and interdependence in the economic, political, and cultural fields are gradually waning. It is different from anti-globalization. Anti-globalization is mostly paired with movements and is often used to describe resistance movements (such as labor organizations and

environmental protection organizations) carried out by fixed groups because of the damage to globalization. Anti-globalization movements are often defined as irrational, loosely organized, lacking hierarchy, and dissatisfied with society. Supporters of the anti-globalization movements have reflected opposition to local governance and policies. However, deglobalization manifested itself as some more gradual and implicit economic trends and thought trends.

Performance of deglobalization

Economically, the main manifestations of deglobalization are the marginalization of the concept of free trade, the escalation of trade protectionism(Cochrane, Pain, and Held 2000). Moreover, the difficulty of advancing the global multilateral trading system and trade protectionism spreading to the world in more complicated forms are also included.

In my observation, the pandemic undoubtedly highlighted the risks of the global industrial chain, as many media and trade protectionists have said. The shock coming this year threatens to be far more brutal. China's manufacturing industry bears the brunt. The dollar value of Chinese exports in January and February fell 17% year-on-year. Exports have fallen, delivery times have increased, and supply chain default risks have increased.

The tourism industry has collapsed. Hong Kong only accepted 115 tourists during the May holiday. Bloomberg News produced damage to the global industrial chain of countries that imported products from China from January to February. (Appendix I)

Against the backdrop of the Sino-US trade war and the epidemic situation, the difficulty of selling by multinational companies is compounded. At the same time, the outbreak of COVID-19 is highly coincident with the production core of the global manufacturing industry. It can be said that the virus has accurately targeted the global manufacturing industry (such as Wuhan, Bavaria, Milan, Italy, and Detroit)(Cen et al. 2016). It seems that economically, the risks of globalization are clear, and the conditions for the rise of trade protectionism are ripe.

Politically, counter-globalization is manifested by the increasing tendency of conservative internalization in Western countries, and the gradual extremes of state intervention and regulation. Scholars who support deglobalization had begun to believe that this round of deglobalization has strong political power(Robinson n.d.). The willingness of developed countries and globalized leading countries to return to nationalist positions and participate in international development cooperation has declined.

Britain passed the Brexit referendum (in the polls before the referendum, 42% of the citizens already believed that Britain should give up their mission to promote global development), and the extreme right populist forces in France, Italy, Germany, and other countries rose. U.S. President Trump vigorously promotes the "America First" strategy and continuously launches international organizations and violates conventions.

We observed governance crisis in some countries, which is manifested by the moderate effectiveness of public policies, the lack of effectiveness of national governance capabilities and the promotion of the economy, the decline in people's satisfaction with

the government, the political coldness of the people and the deconstruction of political discourse.

At the cultural level, in the United States, there are a large number of Trump supporters who support his racist remarks. After repeatedly calling the new coronavirus "Chinese virus" and refusing to apologize, he was just silently stopping this statement. Some people because of the spread of the virus features call it "Black Nightmare" and "Democratic Exclusive Virus" (because several major epidemic areas in the United States are democratic constituencies, and blacks have the highest disease and mortality) (Appendix 2). Reporters from the New York Times summarized one-week Trump's remarks at the White House press conference recently. It was found that most of its 260,000-word narrative is self-flaunting and blaming others (Appendix 3). The value orientation of pushing risks and errors to others and other countries is the performance of deglobalization. These performances will also cause a lousy guidance effect.

In China, the trend of popular thought has become more fantastic. Although it is widely criticized by foreign media as incorrect and opaque data, the real life of the Chinese people has indeed been on the right track to resume work without being defeated by the virus after April. Therefore, Chinese people generally believe that the government's data and policies are implemented. In contrast to the chaos, decentralization, and delays in the United States, Chinese people have further recognized the superiority of their systems. For a time, anti-American and anti-European sentiment spread in the Chinese network. Unlike what economists predicted, China, an emerging market country that has benefited from globalization, has also produced anti-globalization movements and thoughts, because the governance of the epidemic has given

the Chinese strong institutional confidence and industrial chain confidence. The overwhelming majority of people are reluctant to take on risks from developed countries, let alone be the blood-sucking targets of the United States. China's vibrant industrial chain division of labor and substantial domestic demand make them believe that China can go smoothly on the course of counter-globalization. The operation in the United States has extinguished most of the lighthouses in the hearts of Chinese pro-Americans.

The limits of globalization?

Before the pandemic of the epidemic, globalization has reached its maximum limit, and we are considering curbing globalization. This outbreak will prompt people to think.

(Francis Fukuyama)

Will the intervention in "deglobalization" be like 2008 after the crisis has vanished, or will it enter the turning point of the historic cycle? To answer this question, we still interpret it in economics, politics, and culture.

Economically, Professor Wu Jing, who is committed to the research of the global industrial chain, shared with me his latest statistical results. He elicited the statement: Now the world surprisingly needs China, but also cooperation.

He counted data on the risk of supply chain defaults from the outbreak until mid-April to the supply chain. He found that although from January to February, the default risk of U.S. companies whose industrial chain in China increased significantly, but at the same time, from February 23 to April 7, during the outbreak of the European and

American outbreaks, the credit default risk of them reduced. Besides, taking breathing machines and masks as an example, the world needs to produce parts and raw materials from China. China's epidemic control and early resumption of work have played an essential role in the fight against the world's epidemic.

Donald Trump should be the guardian of global trade protectionism, although he never admitted it. After he became president, he encouraged American companies to relocate through tariffs and anti-immigration policies to achieve his promise of increasing employment. As a result, U.S. companies still not choose to return to their home country but have started a new round of global migration, moving from China to Southeast Asia, Canada, South America, and Africa(Cen et al. 2016). In a sense, globalization has been further enhanced. Since the company only considers its comparative advantage, it will only move the factory to a cheaper place, which is not the United States. From this result, the development of globalization has not reached its limit.

The split of values on the cultural level is more worthy of vigilance. The gap displayed on whether it is Trump's broad supporters or China's strong nationalist plot of spontaneous, corporate flattery construction by the public. The widening gap between the rich and the poor has made the promise of globalization once untrustworthy, which is allowed countries to give full play to their comparative advantages towards shared prosperity. Globalization's damage to developed countries has led to the hollowing out of industries, the bourgeoisie has further captured profits, and local workers have become weaker.

Conclusion

Highly reconstructive between pandemic and globalization. (Anon 2020)

Globalization is not all good, and pandemics are one of them, but if we stifle globalization in order to curb these bad aspects, it is stifling all our prospects. (Anon n.d.)

Deglobalization is a disaster.

This pandemic is the shared experience of humanity, and we should unite to construct a new discourse on world development and find new growth points for global development and new models of globalization. The way of trade protection is unable to achieve the promises of politicians to the people. The discussion of racial discrimination in the epidemic is clearly caught in a politicized whirlpool of discourse or emotional extension.

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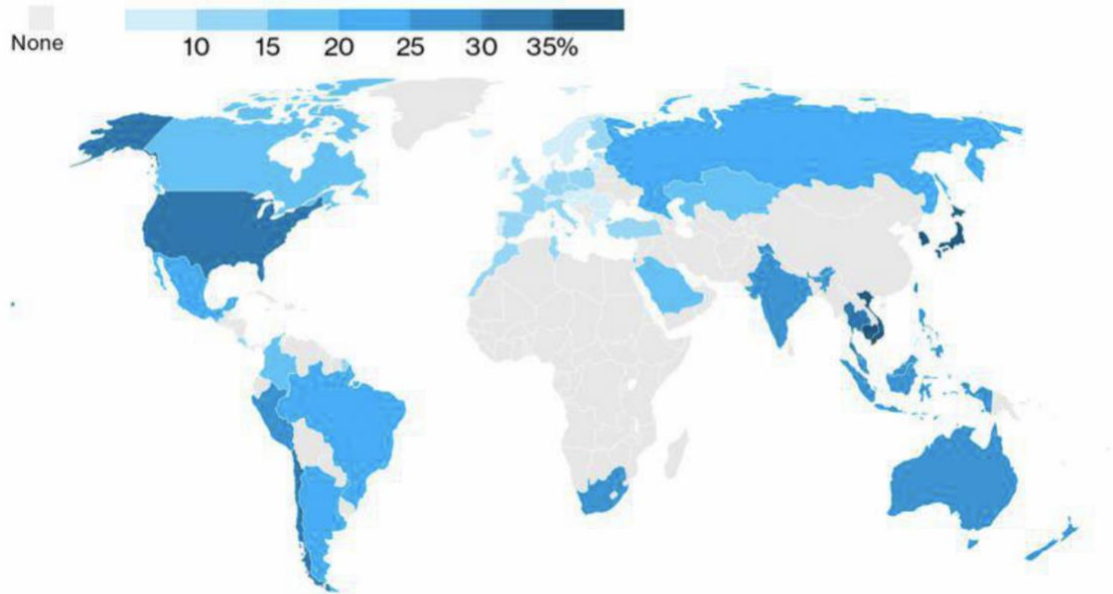
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Appendix 1

How the Coronavirus Can Hit Global Supply Chains

Share of all imports of intermediate manufacturing products from China



Source: OECD TiVA, Bloomberg Economics

Bloomberg

三、长期经济的挑战——现阶段世界非常需要中国

VARIABLES	(1)	(2)	(3)	(4)
	Abnormal CDS	Abnormal CDS	Abnormal CDS	Abnormal CDS
	Chinese Suppliers		Chinese Customers	
Time Interval (Jan 23rd - Feb 23rd)	-0.000282 (0.000620)	0.00103** (0.000457)	0.000637 (0.000502)	0.000521 (0.000452)
Time Interval*If Exposed to CN Partners	0.00407*** (0.000770)		0.00343*** (0.000654)	
Time Interval*Exposed Ratio to CN Partners		0.00650*** (0.00219)		0.0561*** (0.00768)

1月23日到2月22日，中国疫情发生期间，供应链在中国的美企信贷违约风险上升

VARIABLES	(1)	(2)	(3)	(4)
	Abnormal CDS	Abnormal CDS	Abnormal CDS	Abnormal CDS
	Chinese Suppliers		Chinese Customers	
Fixed Effect Constant				
Time Interval (Feb 23rd - April 7th)	-0.00105 (0.000751)	-0.00243*** (0.000553)	-0.00189*** (0.000595)	-0.00162*** (0.000537)
Time Interval*If Exposed to CN Partners	-0.00421*** (0.000931)		-0.00431*** (0.000794)	
Time Interval*Exposed Ratio to CN Partners		-0.00576** (0.00259)		-0.0789*** (0.00908)

2月23日到4月7日，欧美疫情发生期间，供应链在中国的美企信贷违约风险显著降低

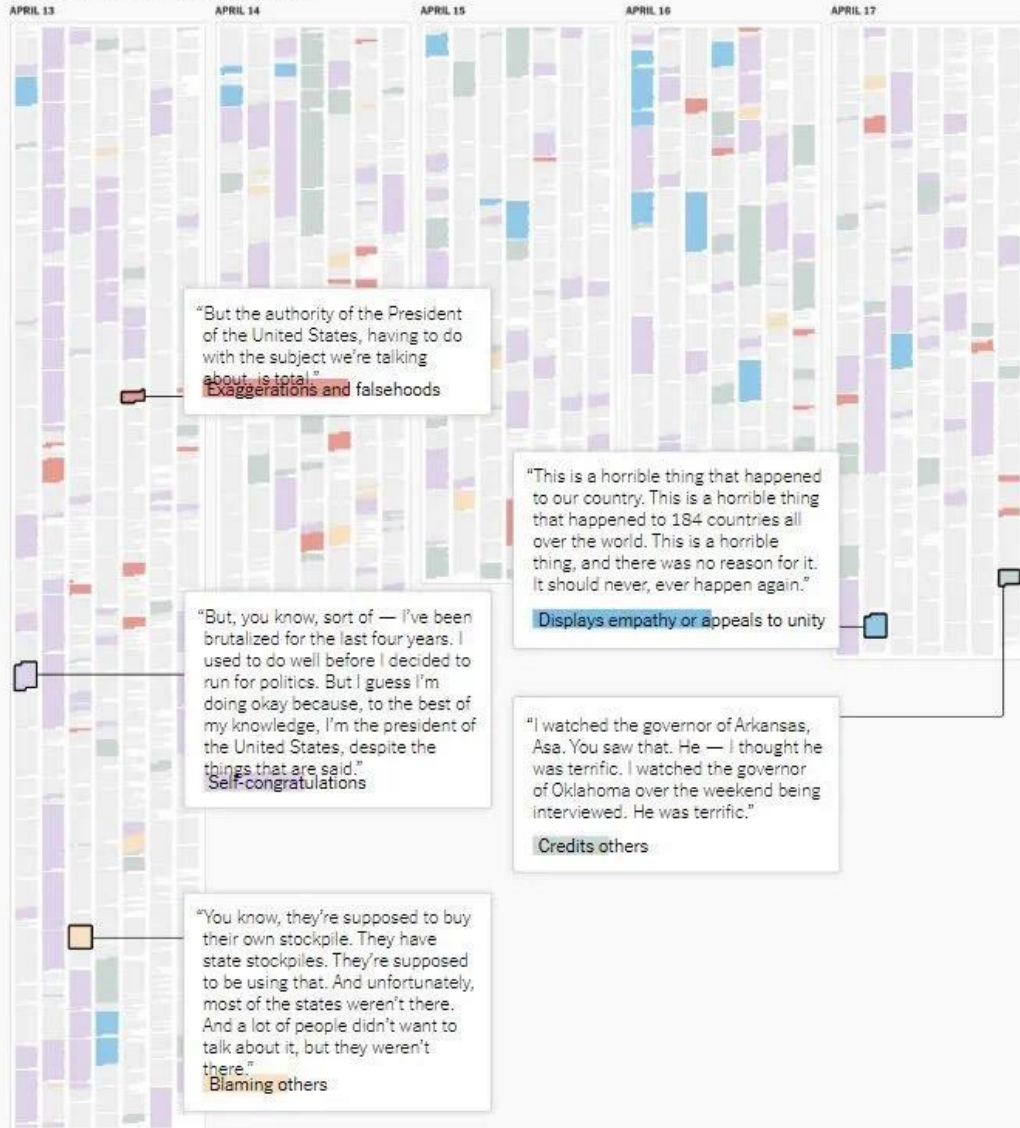
VARIABLES	Firm	Firm	Firm	Firm
	Fixed Effect Constant	-0.00117*** (0.000215)	-0.00116*** (0.000215)	-0.00165*** (0.000214)
Observations	23,923	23,923	22,647	22,647
R-squared	0.723	0.723	0.746	0.746

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

图表来源：吴靖教授研究

Here is what a week of the analysis looks like:

Excerpts From a Week of Briefings



The Times analyzed 42 press briefing transcripts and other remarks by Mr. Trump on the virus from March 9 to April 17, using transcripts from [whitehouse.gov](https://www.whitehouse.gov). Links are provided to the transcripts in the sections of quotes below. The visualization above shows only portions of briefings when Mr. Trump is speaking.