

Is globalisation done or done very well?

Over the past few years doomsayers have pointed to state protectionism, the Covid pandemic and now the Ukraine conflict as signs that the post-cold war growth of globalisation is on the decline. More pointedly, in the digital realm, the fears are that the world is splintering into different versions of the internet with three dominant models of handling data – US corporate driven and two-tiered, Chinese state regulated and a European privacy led model.

However, although they are narratives that have gained prominence in the media, the evidence is lacking to support the assumptions. Conversely, the measures of globalisation – cross border movement of services, goods, people and data – are increasing. So far, the fabric of globalisation has proved so densely woven it has resisted attempts at unravelling.

New trading relationships and the emergence of new players

Yes the UK has decoupled from the largest trading bloc in the world, but has signed new free trade deals with Japan, Australia and India. Whilst India is in

the final stages of its own deal with the EU and Southeast Asia continues to thrive with Vietnam the latest success story, picking up good business from multinationals diversifying away from the Chinese economy.

Vietnam and neighbouring Thailand have been a source of talent that has been tapped by wealthier nations like Japan and South Korea but are now establishing their own knowledge economies with thriving technology industries.

South Korea has turned its successful domestic drive to build a thriving new economy into a global success story – starting with electronics, manufacturing and automotive and now expanding worldwide with entertainment, life sciences and software with notable investments, both from the government and private capital into artificial intelligence. During the Covid pandemic, South Korean companies were amongst the first to mass produce reliable PPE and testing kits.

The prospect of a return to a reclusive cold war mindset is unlikely and fails to take into account the complex and dynamic economies outside what was then only two major world players, who controlled much else both economically and militarily.

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Challenges remain for the old guard but brighter days ahead

Being based in London, the challenges then for countries like the UK in the global context, relate to how aspects of retreat from globalisation can be offset with progressive moves to enhance the productivity and efficiency of their market. The UK has world class talent, R&D and legal systems that boost its standing with overseas investors, but needs to address skills gaps and uncertainty in its regulatory regimes. Alongside these factors, a continued push to find common ground with overseas markets including our closest and largest one in the EU.

The Covid pandemic, ensuing supply chain problems and the Russia-Ukraine war have highlighted some risks with economic interdependence. On the other hand, these situations also raise important questions on what opportunities for similar cooperation may exist with other significant present and emerging global economic challenges.

Not so much an end to globalisation then as a resetting of the boundaries and relationships that have dominated for decades. In a time when so much has changed, from the march of the internet, the value of data, faster travel with a healthier and ageing population. The Covid pandemic led to a global response never seen previously to find and distribute vaccines – an indication more than just hope that creativity and collaboration can be successfully employed to solve other big problems such as climate change and poverty. Not a time to retreat behind our own borders – physically or mentally

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