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The Globalization of Anti-Globalization **Simon Rosenblum**

Back in April 1999, I, on behalf of WFM-Canada, presented a brief to the Parliamentary Foreign Affairs Committee concerning the global governance of international trade. Looking back now, almost twenty years later, I am struck by how our analysis has held up and what the implications of the lack of such global governance have been. Let's remember that twenty-five years ago the world began to embrace economic globalization as the overarching solution to the world's economic difficulties. Globalization's critics denounced it as an unmitigated disaster which would kick off a 'race to the bottom' and it's enthusiastic sponsors claimed it was a total blessing which would 'lift all boats.' Both were wrong then and are wrong today. What we said to the Canadian parliamentarians concerned the perils of unchecked economic globalization. In particular we emphasized the need for global governance to prevent unfair trade practices which would distort globalization by preventing a level playing field. Our brief concentrated on the need for labour standards to be firmly built into the core of tariff reductions/free trade agreements. We were not calling for protectionism as such – far from it – but for global regulation. Wages obviously would be lower in the developing world. That in itself was no reason to limit access of their products to the markets in developing countries. The problem was when the wages in question were artificially restrained. As we put it: "Here we are not talking of low wages per se but those unfair practices, whether they be constraints on free trade unions, unregulated child labour etc, which may artificially force down the price of labour and not allow wages to rise with productivity." Sadly, the world paid lip service at best to the labour standards issue and the rush to globalization and the economic and political consequences have been enormous.

Rather than the regulation and moderation of globalization, we have instead experienced what is often referred to as hyper-globalization with the consequence that inequality has soared within nations, both in the developed and developing worlds. The relative bargaining power of capital and labour has changed markedly in favour of the former. Let's back up a step and emphasize that since the early 1990s the rapid rise in global trade integration has been extreme. The ratio of merchandise exports to GDP has almost doubled globally. By 2013 China – which was allowed into the World Trade Organization in 2001 without any conditions of consequence – had captured almost one-third of all manufacturing exports world-wide; up from two per cent in 1991.

Unquestionably, blue collar workers in the developed countries suffered much more from the rise of China and all than economists thought was possible. Some 65-70% of households in the well-to-do nations saw their real incomes decline or stagnate between 2005 and 2014. Trade dislocation was by no means the only reason why, but along with technological change it is a very big cause. The political ramifications have been large. The chickens have come home to roost. If you get out your atlas and

look at North America and all of Europe (western, northern, and eastern) you will find that the crude populists of the nationalist right have either become government or dangerously close to it in most of these nations. The backlash against hyperglobalization is by no means the only reason for this occurring, but it is without doubt a major cause. This rise of the nationalist right has many unseemly consequences and its hostility to global governance cannot be overstated.

This commentary is largely retrospective. The point is not that we in the WFM-Canada were so prescient, but it is well worth observing that globalization could have been much better managed and that the world would be a much better and safer place for it. That is not to say that the global governance of international trade was all that easy to define and achieve. The devil, as they say, is always in the details. But such an attempt was never made and the price for it is now being [paid](#). It is time to hit the reset button. Putting Humpty Dumpty back together again is obviously an enormous challenge and will take much more than the efforts of ‘all the kings [horses](#) and all the king’s men.’

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