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Deglobalization: Resilience and the Rise of Disembedded Unilateralism

Harold James

Selected Paper prepared for presentation at the International Agricultural Trade Research Consortium's (IATRC's) 2017 Annual Meeting: Globalization Adrift, December 3-5, 2017, Washington, DC.

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Deglobalization:
Resilience and the Rise of
Disembedded Unilateralism

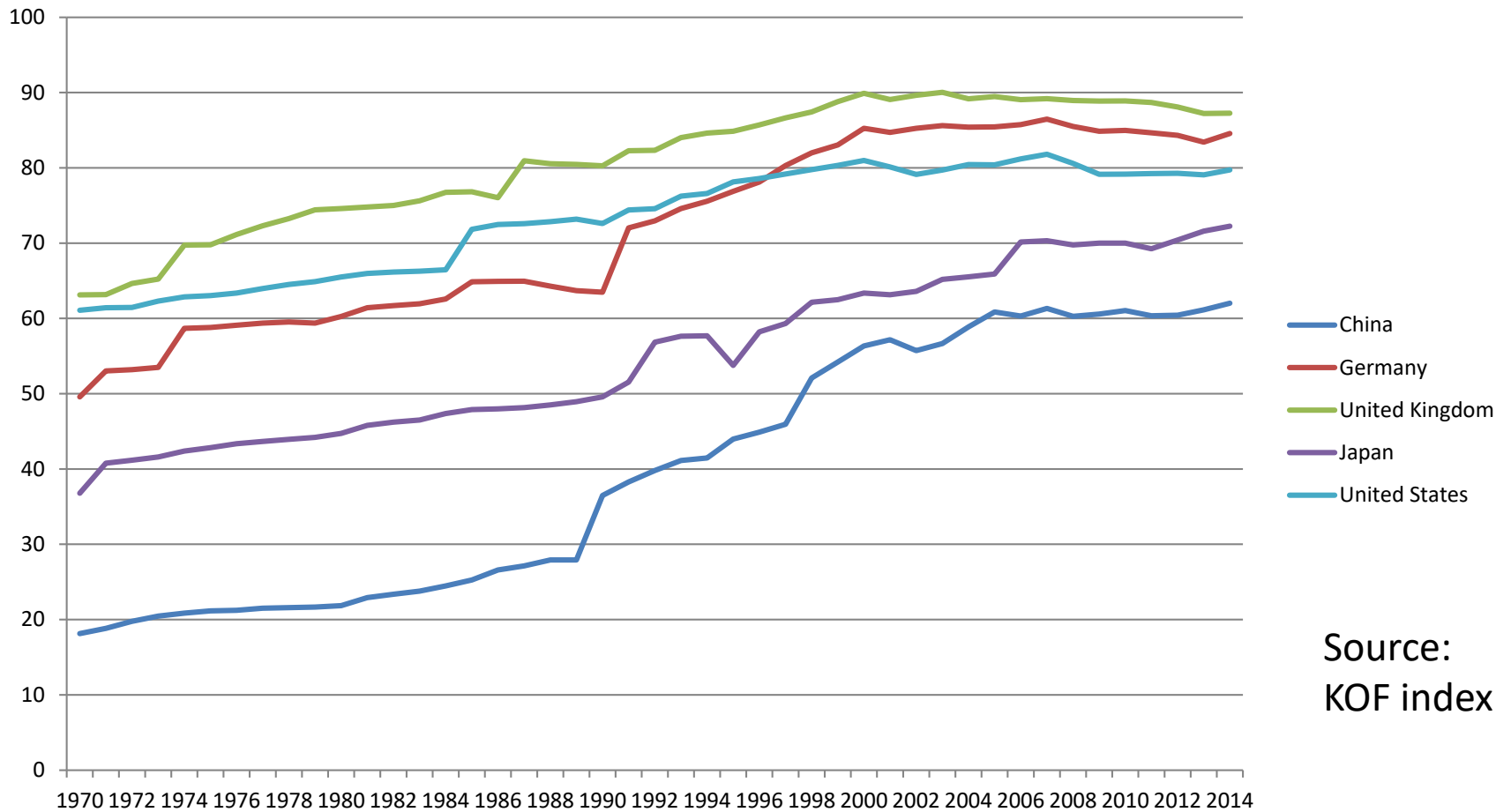
Harold James

Princeton University

IATRC annual meeting, Dec. 3, 2017

- Peak Globalization
- Peak Trade
- Peak Finance
- “America First”

Deglobalization (KOF)?

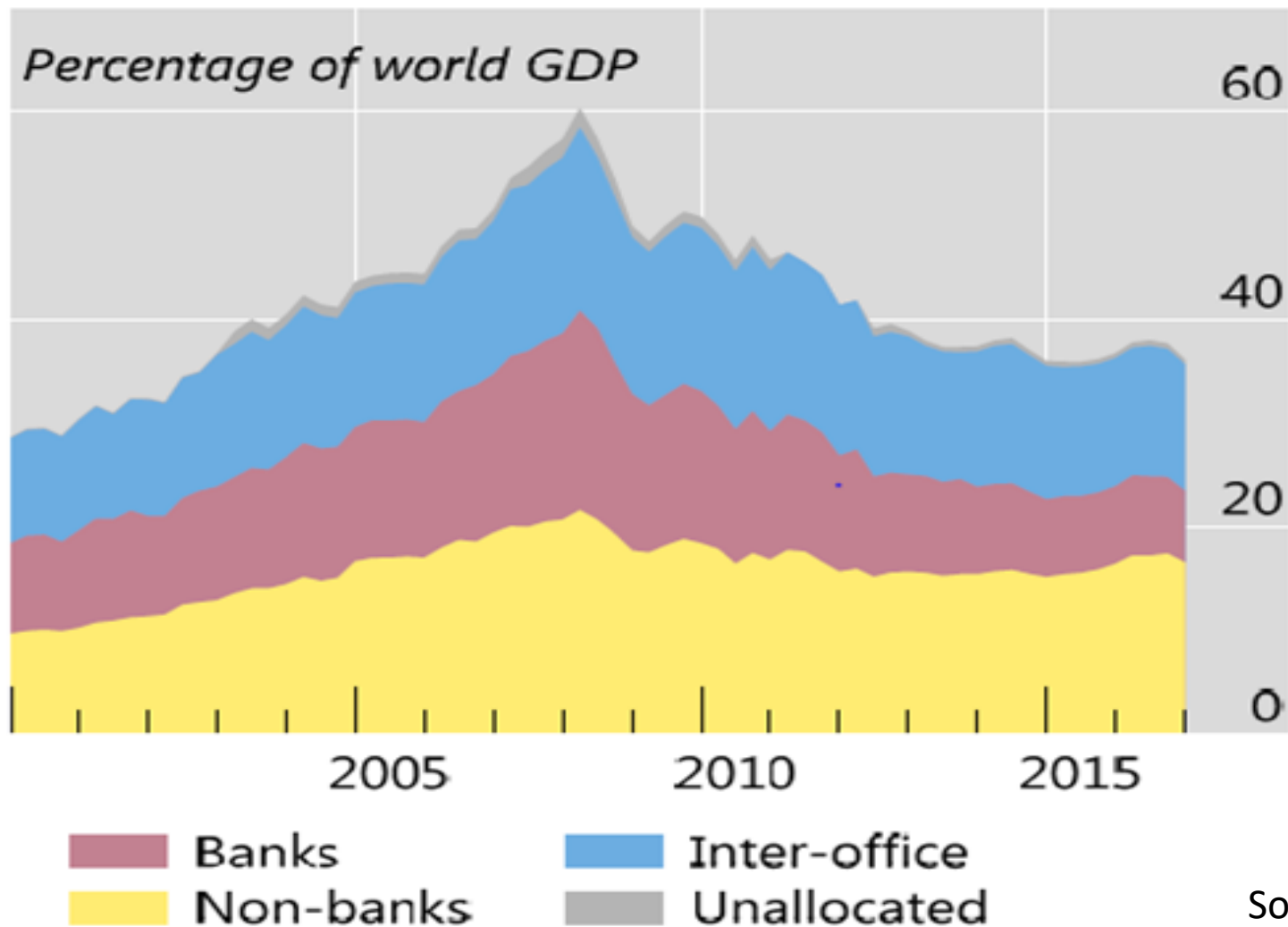


Source:
KOF index

Embedded liberalism: Rules

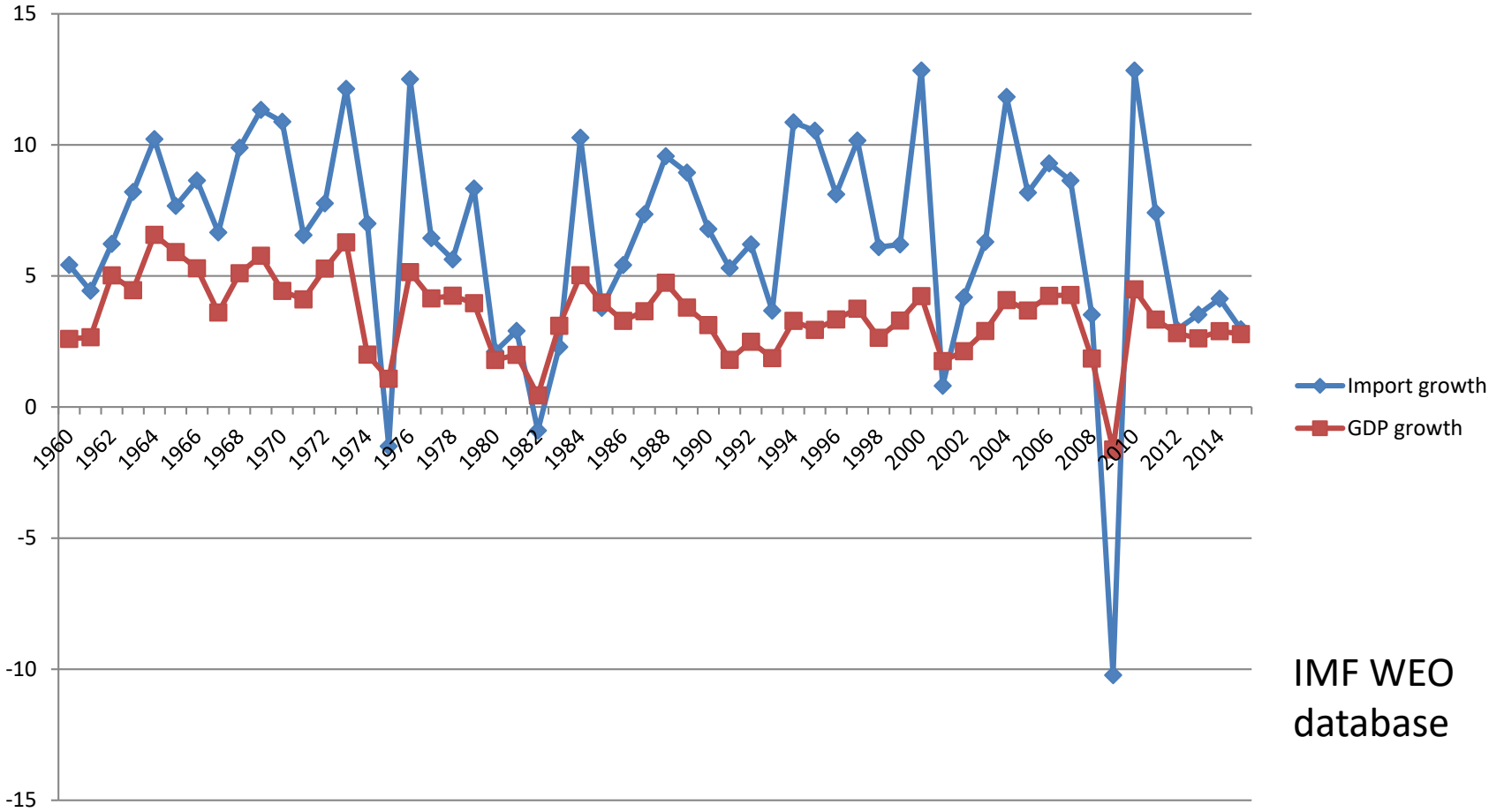
- International agreements (Bretton Woods)
- Government regulations (trade law)
- Public regulatory authorities (IOSCO)
- Private standard setters (IOS)

Locational cross-border bank claims



Source:
BIS

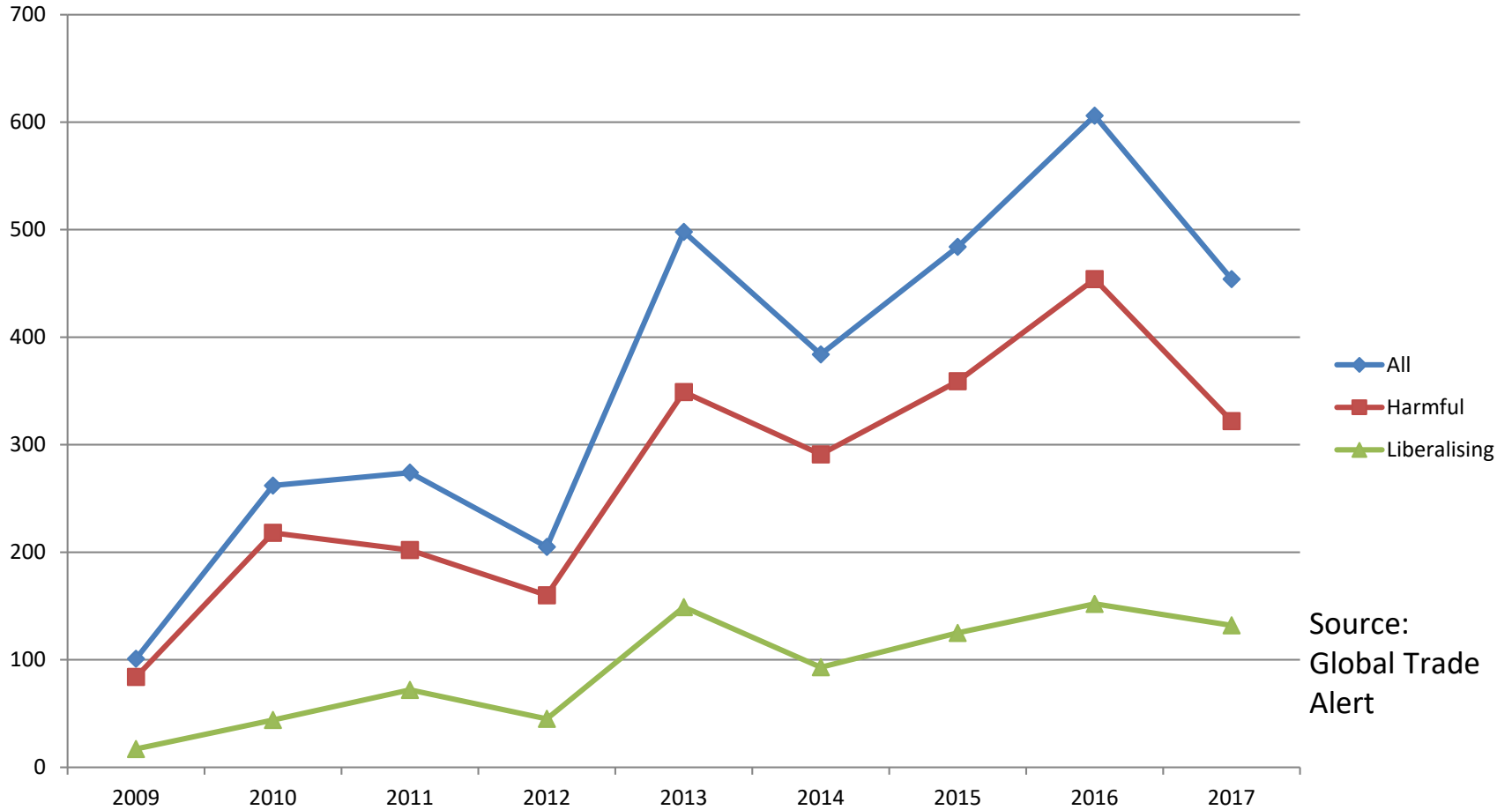
Imports and GDP



IMF WEO
database

- Labor-saving technology
- Shortening of supply chains
- Dematerialization

Trade Measures



Source:
Global Trade
Alert

Globalization

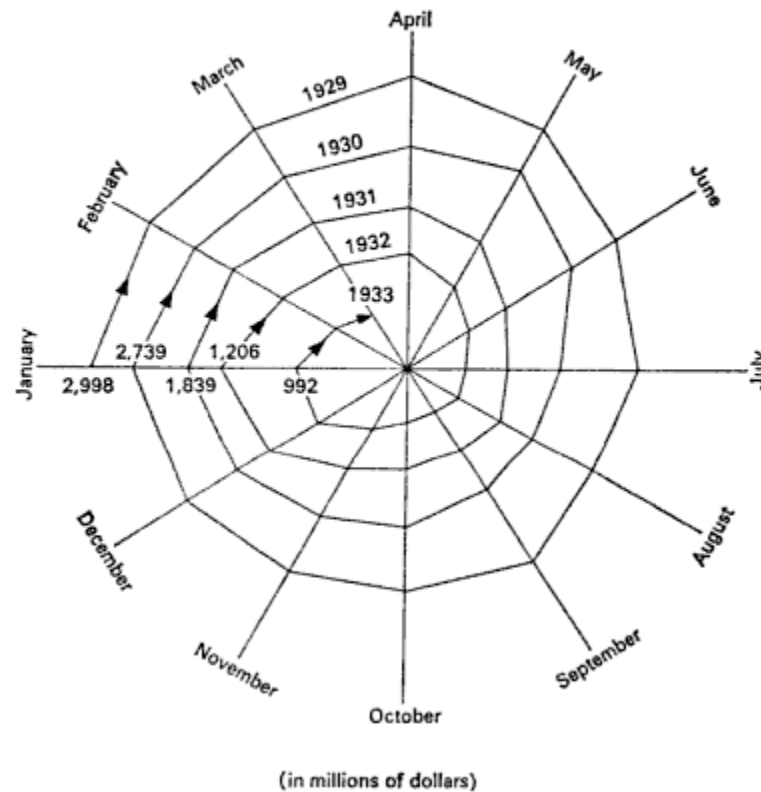
- Egypt and Mesopotamia (14 -12 centuries BC)
- Roman Empire / Eastern Han dynasty
- Pax mongolica (13-14 centuries)
- Pax Britannica
- Pax americana

Backlashes

- Revolts against luxury (Ambrose, Augustine)
- Trade protectionism

The Kindleberger spiral (interwar)

Figure 10. The contracting *spiral* of world *trade*, January 1929–
March 1933: Total imports of 75 countries (monthly values in
terms of old U.S. gold dollars [millions]).



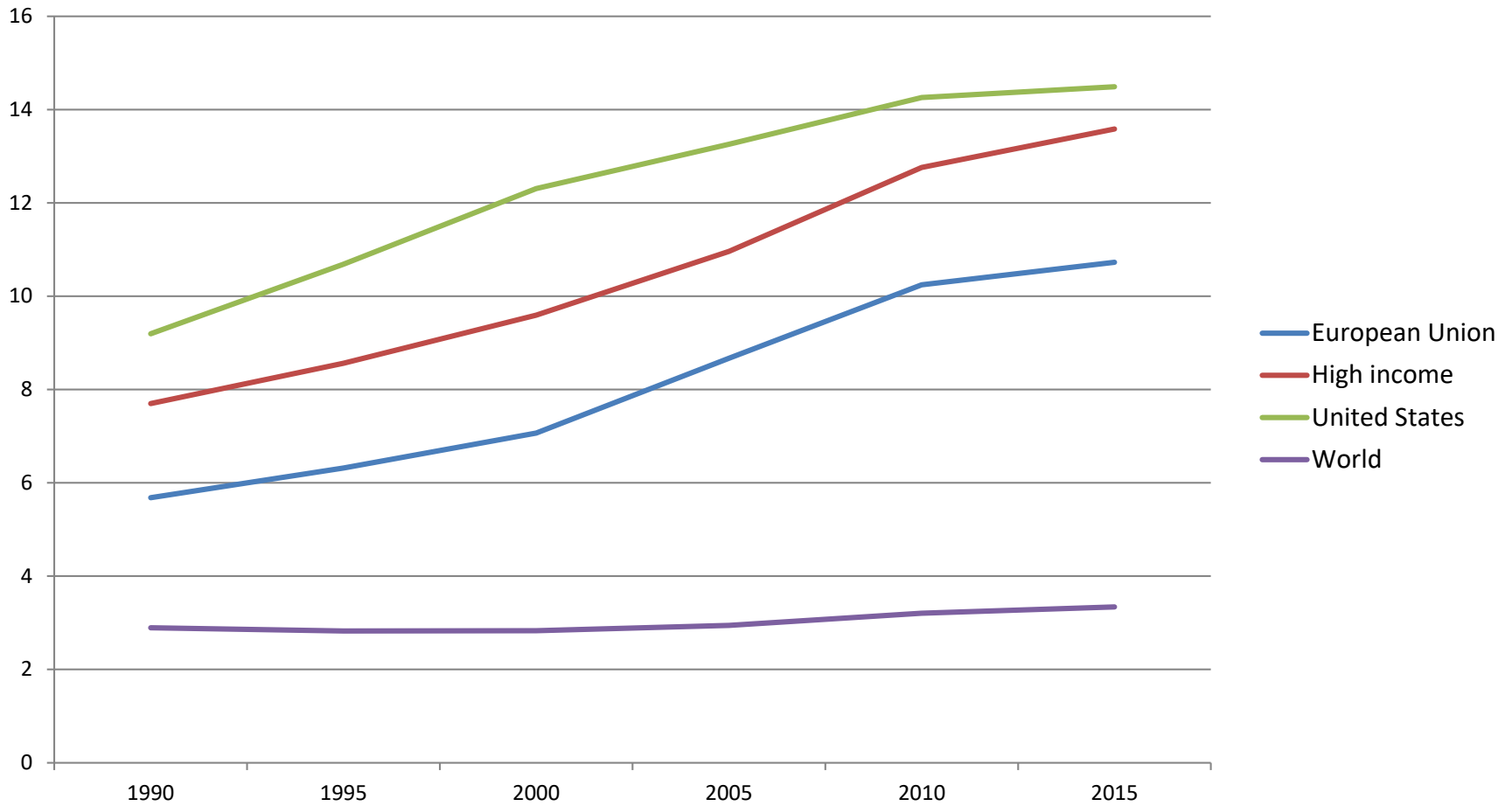
Today

- Costs higher: gains from trade greatest for poorest consumers
- Product chains
- Job losses have already occurred (Humty Dumpty)
- Words tougher (Peter Navarro)

Migration backlashes

- Shakespeare (1590s): Thomas More deals with Londoners “breaking out in hideous violence”
- Max Weber (1892)

International Migrant Stock



Financial deglobalization

- 1907 (Warburg)
- 1931

Post-2008

Renationalization of finance:

- Regulation
- Sale of bank assets in non-core areas
- Unconventional monetary policy targeting domestic lending

Governance

- Coordinated action in 2008-9 (London summit)
- Seoul (November 2010)
- Cannes (November 2011)



2010 – waving goodbye?



Hegemonic stability

Decisionism

- Carl Schmitt
- Arbitrary action
- Deconstruction of the administrative state (Steve Bannon)
- Disembedded unilateralism