

RETHINKING GLOBALIZATION AND REGIONALIZATION

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WHITHER GLOBALIZATION?

- Many discussions on globalization after 2008:
- --the index of globalization has been declined
- --trade has been slower than GDP
- --multilateralism process is stagnated and protectionism is on rise
- Question: the end of globalization or a temporary appearance?
- Pro: (1) as a temporary trend due to the economic restructuring; (2) a new phase of globalization with new tech. linking the world more closely
- Anti: (1) new tech. makes new competition edge—producers return home and low wage no longer the factor for FDI flow;(2) Globalization has divided the society- strong social resistance

WHITHER GLOBALIZATION?

- It is necessary to rethink globalization:
- --Opening up is not the sole solution for economic development-need many other policies, including social policy, balance of intra-regional development etc.
- --High standard of liberalization needs a gradual approach with developing economies
- --New kind of development cooperation aiming at improving the basic development environment, like infrastructure, capacity building, through cooperation, rather than just relying on FDI
- --What does the failure of WTO Doha Round show us? An inclusive globalization or a high level liberalization? As a mid-step arrangement, WTO facilitation agreement should be urged to implement
- --The Hangzhou G20 summit tells that while efforts making on generating growth, inclusive development is also highly needed

WHITHER REGIONALIZATION?

- Regionalization-regional integration and cooperation becomes a major trend parallel and complimentary to the globalization
- Regionalization has more roles and models-ranging from EU, ASEAN, AU to multilayered FTAs
- Due to the size and terms, regional agreements are easier to be negotiated, and FTAs among the developing economies seem more flexible and gradual
- TPP intends to create a high standard liberalization-not fitting to most developing economies , and also not possible to replace WTO multilateral inclusive arrangements,

WHITHER REGIONALIZATION?

- Anti TPP, delayed RCEP and CJK negotiation, as well as weak consensus on FTAAP show: liberalization oriented FTAs are facing new challenges
- Brexit from EU roots in its special position and interest with long history, but it also shows that the diversified national interest must be cared well even in a highly integrated regional organization like EU, and its effects seems complex and long-EU as a good show case for regional integration questioned?
- Asia takes a flexible approach to regional integration and cooperation
- China's initiative on B&R, AIIB, NDB etc. provides another new approach for regional cooperation-with improving infrastructure as the priority and cooperative agendas for generating growth momentum

THINKING THE FUTURE

- Globalization is a main trend that will continue, but with different features
- The US led TPP and TTIP as a main tool to meet the challenges from the emerging economies seem not a smart thinking
- There seems the trend that the developing economies may become a major force to push the globalization process, while more protectionism comes from US and EU
- The great potential of the world economic growth lies in the developing economies, especially Asia (2/3 of world population in Asia, with large emerging economies of China, India, Indonesia), thus it requires a new approach of regional and global governance
- An emergent consensus building is highly needed on initiating a new multilateral agenda based on a new understanding of global change and challenges