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 gruel 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 odes 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
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