

Bruxelles, 20<sup>th</sup> April 2015

# Is Globalisation Dying?

Fredrik Erixon

Copenhagen Economics, October, 2018

# The Era of Globalisation (1980-2010)

- Fast growth in trade/FDI – esp. goods
  - Rise of China/EMs
  - Fragmentation of supply/value chains
- Global wave of progressive liberalization
  - GATT/WTO, EU SM, Nafta, China joining the WTO, market reforms
  - Stable macroeconomics
- Strong political premium on interdependence

# New Era of Globalisation

- New sources of growth in economic integration
  - Data flows grow fast – changing services/VCs
  - Flows more regional than global
- Paradigm of “managed trade” returns
  - More trade/competition managerialism in services, data regulation, corporate taxation.
  - Trade “un-multilateralised”/ less rules-covered
- More sources of instability
  - Macroeconomics and Politics

# And then there is this guy



# Trump Trade Policy

## General

- Grievance based
- Exculpatory
- Cost free

## Policy

- Accepts renegotiated agreements
- Not committed to rules/predictability

# Going from here...

- Europe:
  - Italy challenges FTAs (and everything else...)
  - Next Commission/Parliament – less outward oriented
- Brexit – best guess:
  - Fudge on withdrawal agreement, will pass Parliament without second referendum.
  - Future agreement – Canada+++

# Is Globalisation Dying?

- No.
- New sources of growth in globalization
- More regionalisation in supply/value chains
- Stronger impulses from politics – macro and trade
- From corporate globalism to global corporatism