PREVIOUS YEAR QUESTION

UPSC 2024 · 20 marks

“Deglobalisation is displacing globalisation.” Comment.

FLOW SNAPSHOT — how the answer moves

Intro routes

R1 advance never smooth → hyper-globalisation (1990–2008) → 2008 crisis + trade wars + single-partner dependence → "slowbalisation" → displacement *or* rebalancing? R2 developed world's three phases: promotion → scepticism → deglobalisation → stake the line: erosion, not replacement

Body flow

case for displacement (Brexit, America First, Ukraine, supply-chain, energy, falling FDI) → drivers: pandemic + ideology + green transition → resilience/reshoring → institutions strained (WTO/NATO under populism; WHO + UN failures; AUKUS 2021 split) → **Varshney**: retreat/erosion feeding Trump, Boris Johnson → pivot: retreat ≠ replacement → **Mehta**: Pincer movement → mutation into Glocalisation → **Nayyar**: "economics global, politics national/local" + needs a hegemon (US decline vs China rise)

Counter-view

Baldwin et al.: trade won't reverse → goods trade stagnant but e-services expand → "derisking," not collapse

Conclusion routes

R1 balance between globalising & deglobalising forces, not displacement
R2 **Rodrik**'s "thinner model" → globalisation thins and reforms, not displaced

6 decades of deepening integration, including the hyper-globalisation of 1990-2008, were checked by the 2008 financial crisis. The trade wars, a disenfranchised middle class, and over-reliance on single partners settled into a stagnant "slowbalisation".

Developed countries have moved from promoting globalisation to scepticism and now deglobalisation. It is a less connected world of powerful nation-states, local solutions and border controls. Brexit, US first, the Ukraine war, supply chain shocks, the energy crisis and falling FDI mark the turn.

Populist politics targets the WTO and NATO, the WHO faltered in the pandemic, the UN could not answer Russia's war and the 2021 AUKUS treaty divided France, the UK & the USA. Ashutosh Varshney calls this as globalisation in retreat, in erosion feeding leaders like Trump and Boris Johnson.

Pratap Bhanu Mehta sees a "Pincer movement" i.e. pressure from both developed and developing states that mutates globalisation into 'Glocalisation' rather than ending it. Deepak Nayyar argues that "economics has become global, but politics remains national and local" and warns that globalisation needs a hegemon, so US decline alongside China's rise unsettles it.

Against outright collapse, Richard Baldwin and colleagues argue trade will not reverse. Goods trade has stagnated while digitally enabled services expand and derisking gains ground.

Deglobalisation is therefore viewed as a question of balance between globalising and deglobalising forces. For Dani Rodrik, market integration came at the cost of domestic disintegration.