Q2(a)

"Deglobalisation is displacing globalisation." Comment.

UPSC Civil Services Mains 2024 · PSIR GS 2 · 20 marks · Comparative Politics

Comparative Politics: Nature and major approaches; political economy and political sociology perspectives; limitations of the comparative method.

Core demand of the question

- Define globalisation and deglobalisation as economic-political processes
- **Show evidence for displacement:** tariffs, supply-chain security, sanctions, pandemic
- **Comment:** displacement is partial; trade, data and finance still cross borders

Revision summary

Globalisation meant deep cross-border production and GATT/WTO-style rules that treated efficiency as first.

Deglobalisation names tariffs, sanctions, pandemic reshoring and U.S.-China tech security.

The WTO's weakness and regional rewrites such as USMCA show politics back in trade.

Trade and data still move; regionalisation is not 1930s autarky.

- **Comment:** hyper-globalisation is being displaced; a closed world is not the completed fact.

Introduction

Globalisation after the 1990s meant deeper cross-border flows of goods, capital, data and production, under rules associated with the **World Trade Organization** and with the spirit of **GATT**. The claim that **deglobalisation is displacing globalisation** says those flows are now shrinking or being re-routed by politics. The comment should **agree in part**. A thicker border is real. A closed world is not yet the fact.

Body

What globalisation was

It was not only more trade. It was **production networks**, container shipping, multinational firms, and a legal bet that most-favoured-nation treatment and bound tariffs would keep politics off the dock. **Wallerstein** would say it was the latest deepening of a long world-economy. Liberal institutionalists would say it was regimes lowering transaction costs. For two decades after 1995 that description fitted the data better than a 1930s picture.

What deglobalisation names

COVID-19 exposed single-point supply failure. The United States-China strategic contest turned semiconductors, telecom and critical minerals into **security goods**. **Tariffs** returned as ordinary tools, including under the Trump administration and in later industrial policy on both sides of the Pacific. **Sanctions** after Russia's invasion of Ukraine weaponised finance, energy and technology. The **WTO** dispute system, treated in 4(b), no longer polices the largest players. Firms speak of friend-shoring, China-plus-one, and national industrial policy. **NAFTA**'s replacement by the **United States-Mexico-Canada Agreement**, treated in 2(c), is a regional rewrite of openness, not an expansion of global multilateralism.

This is displacement in the sense that **efficiency is no longer the first rule**. Security, labour politics and great-power rivalry now sit in the trade ministry.

Comment

Displacement is **not a full reversal**. Trade-to-output ratios have wobbled rather than collapsed to 1970. Digital services, ideas and capital still move. Regional blocs - the European Union, USMCA, RCEP - are **re-globalisation at a smaller scale**, or regionalisation, not autarky. India still seeks markets and supply-chain roles even while it defends food stocks and digital policy space at the WTO.

The accurate comment is that **hyper-globalisation** of the 1990s-2000s is being displaced by **managed, securitised interdependence**. Deglobalisation as a slogan overstates autarky. As a description of the death of naive openness, it is fair.

Flow diagram

1990s globalisation -> Securitised trade

Securitised trade -> Tariffs sanctions friend-shoring

Securitised trade -> Regional blocs

Regional blocs -.not full autarky. -> Still cross-border flows

Conclusion

Tariffs, sanctions, pandemic shocks and strategic industry policy have pushed against the old globalisation. They have not ended cross-border production. Deglobalisation is displacing the unpolitical version of globalisation. It is not replacing it with a world of closed states.

Facts & figures

WTO era

From 1995, bound tariffs and dispute settlement embodied the legal side of globalisation.

Friend-shoring

Policy language for moving supply chains toward political partners rather than lowest-cost sites.

Sanctions after 2022

Finance and technology restrictions on Russia showed that interdependence can be weaponised.