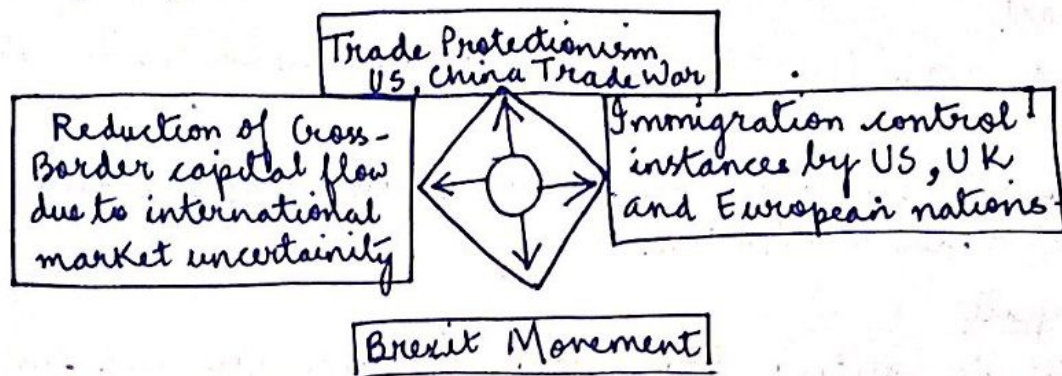


# Deglobalization

Deglobalisation is the process of reducing interdependence and integration between nations around the world. "Be Indian, buy Indian" was the clarion call Mahatma Gandhi gave to rescue the domestic industries. A century later, the US seems to be fighting China on a similar credo.

## Indicators of Deglobalisation



## Why Deglobalisation by the Advanced Economies

Globalisation was introduced and enforced by the advanced nations but soon it started having adverse impacts on their economies

### ① Labour Market Loss

↳ Cheaper imports from China led to the death of relatively low skilled sectors like textiles and consequently job loss.

### ② Technology

↳ Deceleration in technological change and fading gains from internet computer revolution.

### ③ Growing Inequality

↳ slow pace of technology change has resulted in the stagnation of blue collar incomes and rising inequality.

### ④ Consumer Credit

↳ to keep spending alive, AEs focussed on the consumer credit that precipitated into the great Financial Crisis of 2008.

### ⑤ Social Cost of Globalisation

↳ America's opioid addiction crisis can be correlated directly to the contraction of economic opportunities that globalisation has resulted in.

## Impact on India

### ① Economic Impact

- ↳ reduction in the rate of economic growth
- ↳ prevention of outflow of skilled professionals will destroy employment opportunities.
- ↳ increased import costs and exports cost.

### ② Social Impact

- ↳ lead to decrease in standard of living due to lesser economic growth.
- ↳ Indian farmers would face double whammy of environment change and deglobalisation.

### ③ Political Impact

- ↳ Instability in political framework <sup>due</sup> to price rise and cost of living.
- ↳ Provide an opportunity to terrorists due to lack of coordination in security between India and its partners.

### ④ Impact on Technology

- ↳ Limited knowledge sharing would limit advancement in science.

### ⑤ Impact on Environmental Conservation

- ↳ It will reduce required funding to tackle environment change in India.

## Way Forward

- ① South-South coordination is the need of the day and India needs to diversify its imports and make inroads into Africa for exports.
- ② This provides an opportunity to strengthen our industries and manufacturing units so that we don't have to be dependent on AEs.
- ③ Better foreign policy and diplomacy at the global level.
- ④ China will have to rein in its aggressive arm thirsting trade tactics and adhere to anti-dumping rules.

Globalisation benefitted the countries but its adverse impacts have led to the Advanced Economies closing off their market. India has a good rapport with almost all countries ~~that~~ and proper negotiations can put it in a profitable position to make the most of its demographic dividend.