

Post COVID-19: Are we entering a new phase of globalisation?

By Valentina Dima, Latymer Upper School

Abstract

There is currently an intense debate over whether COVID-19 is the dawn of a new phase of globalisation. By exploring the historical geographies of globalisation and the shifts between its past phases, this essay aims to answer this question by defining what 'entering a new phase of globalisation' means. It uses the theoretical tools provided by the mobilities framework in geography, which focuses on the movement of people, capital, goods, services, money, information and technology across space, and its lenses of networks and mobilities, to analyse how each shift of phase of globalisation has occurred. Using the past as an analogue to analyse future events, it argues that while COVID-19 has opened up new debates around the form of contemporary globalisation, it itself is not a radical enough shift in our global networks and mobilities to claim the dawn of a new phase yet. The essay concludes by exploring the implications of these debates, and what we can learn from COVID-19 about what globalisation actually means.

1. Introduction

COVID-19 has been pasted all over the news globally for the past six months; there have been many claims made by the worldwide media and commentators on what life will look like post virus, and whether a perceived new phase of globalisation is underway. Articles in *The Guardian*¹, *BBC News*², *The Financial Times*³, *The Telegraph*⁴, *The Economist*⁵, *PJ Media*⁶, *The Nation*⁷ and many others have opened up the debate. From every corner of the world, similar questions have been raised: 'closed borders, enforced social distancing and self-solation, travel bans, paralysed supply chains and export restrictions have prompted many to ask whether globalisation itself might fall victim to the pandemic'⁸. Many predicted the end of globalisation, while others disagreed⁹.

There have been a number of attempts to define globalisation, but most of these define globalisation through the context of its current form – and if we are to argue that 'we are entering a new phase of globalisation', we need a more appropriate and less contextualised definition of globalisation to allow a more academically rigorous analysis of the current situation. The mobilities turn in geography opens up space to explore globalisation in a more theoretical sense. Globalisation should be explored through the lens of networks and mobilities, and how they are evolving with respect to space. David Held and colleagues describe globalisation as 'transformation in the spatial organisation of social relations and transactions – assessed in terms of their extensity, intensity, velocity and impact – generating [increasingly] transcontinental or regional flows' (Held et al., 1999:16). Extensity and intensity are tied to ideas of networks and their changing nature; velocity is tied to ideas of mobilities; and impact links to both ideas, as the flows of people and interactions

cause change in places (Massey, 2005). This essay aims to reflect on what it means to be in a new phase of globalisation through initially exploring the historical geographies of globalisation, the shifts between phases of globalisation in the past, and then aims to define what 'entering a new phase of globalisation' actually means. It discusses whether COVID-19 is a significant enough event to label a new phase in the historical geographies of globalisation. The essay will argue that while COVID-19 has opened up new debates around the form of

2. Theoretical framework

By exploring globalisation through the lens of networks and mobilities, with particular reference to Held and colleagues' (1999) ideas, the essay should be able to provide a more rigorous analysis of the impact of COVID-19 on globalisation through the use of theory. The mobilities paradigm is a shift within the discipline to focus on the movement of people, capital, goods, services, ideas, money, pollution and more across space. Networks show the connections and relationships made between different places by these flows. Ideas of extensity, intensity, velocity and impact can be used to describe how these flows, and the networks they produce, have changed over time. With this working definition of globalisation, we can see how the entirety of human history has been defined by movement, of increasing extensity, intensity, velocity and impact. This interpretation of the history of globalisation is only one, based on synthesising the ideas of many different authors on globalisation. Each phase of globalisation will be described in terms of extensity, intensity, velocity, and impact, to show that radical shifts in at least one is necessary to shift globalisation into a new phase – and sets a criteria which is the key to the argument of this essay. A *new* phase must be defined and understood as distinct from the previous one.

Islamic architecture incorporates styles that fit in with both the economic and climatic conditions of the city it is in, hence mosques are typically located amongst city centres, with minarets built to a large and high scale, making them visible to city areas (Itewi, 2007; Mahmoud & Elbelkasy, 2016). Government systems utilise mosques to showcase a country's power through using the extravagant spaces and architectural styles which further suggest immense wealth (Arkoun, 2008). The architecture that Islam has aided in creating makes for a design that is still lawful today and helps Muslims to understand the multiple expressions of Islam (Rabbat, 2012). Thus, it has overcome different tastes of representation as well as other religions and contrasting thoughts and beliefs (Tajuddin & Rasdi, 2014). Despite this, this paper disputes both Rabbat (2012) and Tajuddin and Rasdi (2014) in that the mosque designs have not overcome different tastes of representation, but have followed designs that are now seen to be out of date and not in keeping with Malaysia's multicultural population and aspirations to have one overall national identity.

3. Discussion

One issue with any timeline of globalisation is defining a start date, for example, it could be argued a really *archaic* form of globalisation existed with humans first moving across the world and causing environmental damage in different continents 10,000 years ago – this is the Pleistocene Overkill Hypothesis (Brook and Bowman, 2002). Flows at the time were very

slow, though the impact was still significant as humanity's extensity expanded. Much later, as wider civilisations and empires emerged 2000 years ago, early trade networks began to arise (phase two). These networks were becoming increasingly trans-continental, but were not global yet. The Silk Roads could be seen as a form of *proto-globalisation* (Frankopan, 2015) (phase three here). The flows of goods, ideas, medicine and understanding became more intense and extended into a huge trans-continental network between the East and the West. The fourth phase of globalisation is the Columbian Era (Kaplan, 2012), where global empires were emerging (extensity), flows of goods from the colonies to the metropole were intensifying, and the triangular slave trade network over the Atlantic was established. The fifth phase is the post-Columbian Era, where the whole world had now been discovered. Flows between different places were increasing in velocity due to improvements in the technologies of communication and transportation. There were no new spaces to be interwoven into the human socio-economic system and imagination.

This had two major impacts of interest. First, flows between distant spaces became of increasing intensity and speed. This can be tied to the emergence of capitalism. The circuit of capital needs to expand constantly to avoid over-accumulation crises; technological innovations in transport and communications reduces the time for flows of capital to flow. Spatial-temporal distances are condensed, a phenomenon termed by Harvey (1989) 'time-space compression' – a key facet of the current phase of globalisation. Second, the emergence of international relations occurred at a global level, as empires then countries had to learn to interact with each other, and now, there was no new space to compete for. The current phase is globalisation *per se*, whereby changes in the late twentieth century have supercharged the velocity and intensity of flows – in particular the emergence of the internet and changes to the global financial system in the 1980s.

The history of globalisation shows us 'phases of growth, contraction and mutation' (Olivié and Gracia, 2020), with direct links to structural changes in global economic and geopolitical order. It highlights how at each phase of globalisation there is a radical change in at least one of the four assumed criteria of globalisation – intensity, extensity, velocity and impact. Therefore, if COVID-19 is the dawn of a new phase it needs to radically change at least one of these four terms. This essay will now go on to look at this and the challenges of doing it.

It would be too complex to provide justice to all the impacts on globalisation by COVID-19 that have become apparent, but the *Elcano Global Presence Index* (Olivié and Gracia, 2020) provides a good starting point. It was developed to provide a tool to explore the international projection of countries, calculated in terms of both volume (intensity) and nature (impact). See Figure 1.

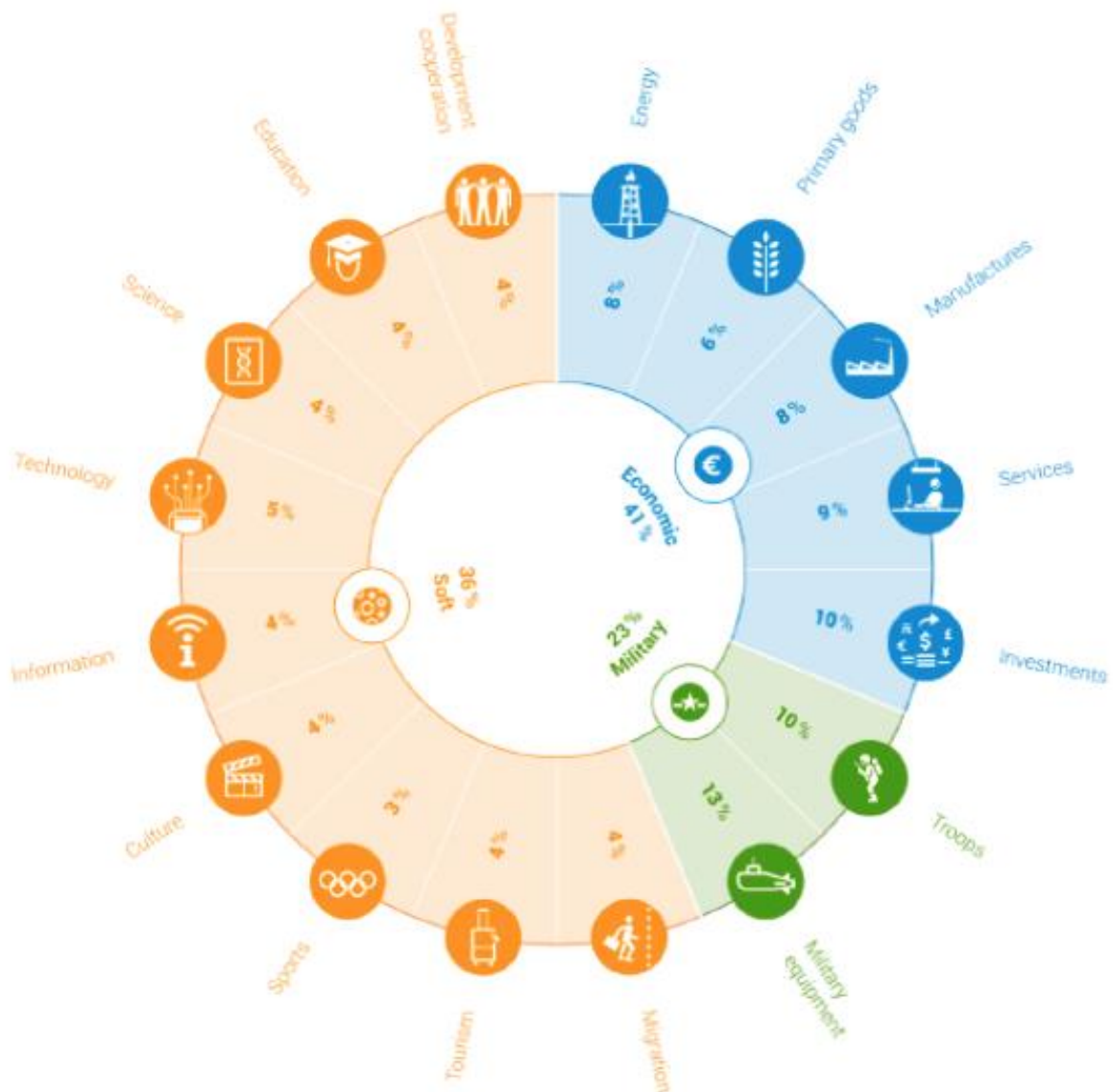


Figure 1. Structure of The Elcano Global Presence Index Source: Oliv   and Gracia (2020).

The economic dimension highlights interruptions in production, consumption, trade and a reduction in the international flows of people (Oliv   and Gracia, 2020). The consequences of travel bans, halted global supply chains, and export restrictions have been experienced daily by individuals, companies and the economy as a whole. Border closures and lockdowns severely disrupted commerce so that at the peak of the restrictions in May, 21 percent of transpacific container-sailings had been cancelled (Globalisation Unwound, 2020). Foreign direct investment was forecasted by The United Nations Conference on Trade and Development (UNCTAD) to decline by up to 40 percent (or US\$ 0.5trillion) in 2020 (CCSA, 2020, p. 24).

The impact on foreign direct investment (which represents 1/4 of the economic dimension in diagram 1) depends on how transnational production will be reconfigured. Arguably, COVID will be an important turning point for the entire global economy as it is already

taking longer for capital to be transported, which is slowing economic growth and instigating a crisis in the circuit of capital. However, the World Trade Organisation Services Trade Barometer (WTO, 2020) shows that sectors such as financial services have remained resilient above the Index history trend (=100) at 100.3, counterbalancing the declines in other sectors such as passenger air transport (below trend at 49.3 in the Index). The pandemic will inevitably highlight the risks in the overdependence on global supply chains, and therefore be likely to prompt a 'renationalisation of production' (Fontaine, 2020). The crisis has also highlighted the risk of geographic dependence on China, which could result in struggles to diversify the location of suppliers away, reducing trade intensity with China, but extending networks.

On the soft dimension of the indicator (in diagram 1), the main variable impacted has been the movement of people. The tourism industry has seen a significant contraction. The closures of borders, lockdowns and movement restrictions have led to a worldwide downfall of 44 percent of inbound tourist arrivals in the first quarter of 2020, with Asia/Pacific impacted the most at -51percent and Africa the least at -35percent (CCSA, 2020: 76). Overall, global flows both in the economic and soft indicators have reduced in intensity. If the world were to continue in this way there would be a very strong case that there had been a radical enough shift in our four identified indicators to herald a new age of globalisation. All economic scenarios being considered for the medium to long term suggest a drop in some flows (to varying extents). The system has had an undeniable shock.

This is not to say all flows have been reduced and networks have been cut off by travel bans and economic downturns – these flows and networks in the short term are being repurposed as part of a global response between nation-states, whether through flows of Personal Protective Equipment (PPE), international collaboration on vaccine research, and even major deals over the production of a vaccine. Moreover, at the onset of the crisis, the World Trade Organisation predicted that trade may fall by a record 32 percent (Tooze, 2020), but Oxford Economics, a consultancy cited by *The Economist*, now predicts a much smaller 10 percent drop in trade volumes in 2020, partly resulted from support packages, through central banks and fiscal policy initiatives (Globalisation Unwound, 2020). Similarly, in June, trade volumes have shown the biggest monthly rise in the last ten years (Globalisation Unwound, 2020). So if services have declined sharply, goods have 'bounced back fast', with 'global retail sales recovering their pre-pandemic level by July' (The 90% Economy Revisited, 2020: 67), thanks to a worldwide US\$2trn-worth of cash injections from governments. Trade will recover.

Overall, it can be argued that COVID-19 as an event is not as radical as other historical events because it has not signalled a major shift in the capitalist system that underpins the time-space compression driving the contemporary phase of globalisation. The fundamental drivers of globalisation remain there: the need to trade with others for natural resources, labour, capital, commodities, talent and so on. The pursuit to accumulate more capital is if anything greater than before as countries push to make up lost time. Trade, according to some, may even survive COVID-19 better than the financial crisis, when trade volumes fell by 13 percent (The 90% Economy revisited, 2020). There are also signs of a move to an even more networked world with accelerating growth of space-shrinking sectors, technologies and companies. It is telling that the ranking of companies that most prospered during the

pandemic include: Amazon (1st, ecommerce), Microsoft (2nd, technology), Apple (3rd, technology), Facebook (6th, technology), PayPal (9th, e-payments), T-Mobile (10th, telecommunications), Netflix (13th, media), Zoom Video (15th, technology) (Braithwaite, 2020). COVID-19 is just another accumulation crisis in the history of contemporary capitalism, just a unique example of this. We can expect to see just an 'acceleration in the structural changes that we have already been seeing in the process of globalisation' (Tooze, 2020).

3. Conclusion

I conclude that globalisation has not entered a new phase as a result of COVID-19 by exploring the speculated and realised impacts of COVID-19 in the context of globalisation's long history and through the paradigm of networks and mobilities – but this does not mean there are not a number of lessons that we can explore. Some new questions can arise from these debates. It could be argued that we are seeing an evolution of the current form, rather than a revolution into a new phase. Secondly, no single phase of globalisation is the exact same from beginning to end. The current phase typifies this, an age of mass acceleration, but the same could be shown for all of the previous phases. This raises questions over whether COVID-19 might be part of a much greater long-term shift. Thirdly, can you determine if you are in a new phase of globalisation until you have finished the next phase (this is a debate at the heart of the Anthropocene debate, can we determine if we are in a new geological epoch until it is over?). Fourthly, what would it take for a new phase of globalisation to actually happen based on our premises and assumptions? This essay has attempted to also show the links between contemporary globalisation and capitalism, in particular through the mechanism of time-space compression. The new age is typified by the volatile expansion of the circuit of capital. The next phase of globalisation is likely to require a major geo-economic and geopolitical change, such as the evolution to the next socio-economic system we use to guide and structure society post-capitalism, whenever that may be. Would this be a significant enough event to label a new phase in the historical geographies of globalisation?

Finally, a lot of the discourse around whether we have entered a new phase comes from commentators on the more extreme ends of the political spectrum; either as an opportunity for major system change from the left, or a critique of the failure of internationalism from the right. We must recognise the role of the subjectivities of the actors in our debate if we are to find an answer closer to the truth, being the goal of all social sciences.

4. Acknowledgements

Thank you to the two anonymous referees for their helpful comments on an earlier draft of this paper.

5. Footnotes

1. Tooze, A. 2020. The Death of Globalisation has been Announced Many Times. But this is a Perfect Storm. *The Guardian*. 19th June. Online

at: <https://www.theguardian.com/commentisfree/2020/jun/02/end-globalisation-covid-19-made-it-real >;

2. Bloom, J. 2020. Will coronavirus reverse globalisation? *BBC News*. 2nd April. Online at: <https://www.bbc.co.uk/news/business-52104978>Goldin, I. 2020.

3. Covid-19 proves globalisation is not dead. *Financial Times*. 26th August. Online at: <https://www.ft.com/content/d99fa0e9-2046-4587-b886-7d42252b6fc9>

4. Dias, D. 2020. Will Covid-19 spell the end of globalisation? *The Telegraph*. 17th June. Online at: <https://www.telegraph.co.uk/news/2020/06/17/watch-will-covid-19-spell-end-globalisation/ >;

5. Globalisation unwound: Has covid-19 killed globalisation? 2020. *The Economist*. 14th May. Online at: <https://www.economist.com/leaders/2020/05/14/has-covid-19-killed-globalisation>

6. Fernandez, R. 2020. Globalization may be the greatest victim of the coronavirus. *PJ Media*. 12th March 2020. Online at: <https://pjmedia.com/richardfernandez/richard-fernandez/2020/03/12/the-siege-begins-n378749>

7. Klare, M. 2020. From Globalization to Regionalization? *The Nation*. 22nd March. Online at: <https://www.thenation.com/article/economy/globalization-regionalization-covid/>

8. Semmouni, K.C. 2020. The COVID-19 pandemic and the future of globalization. *Morocco World News*. 14th May. Online at: <https://www.moroccoworldnews.com/2020/05/302553/the-covid-19-pandemic-and-the-future-of-globalization/>

9. Cohen, R. 2020. The Coronavirus will not stop globalization. *Lawfare*. 12th April 2020. Online at: <https://www.lawfareblog.com/coronavirus-will-not-stop-globalization>

6. References

Braithwaite, T. 2020. Prospering in the pandemic: the top 100 companies. *Financial Times*. 20th June 2020. Online at: <https://www.ft.com/content/844ed28c-8074-4856-bde0-20f3bf4cd8f0> Accessed: 23rd September, 2020.

Brook, B.W. & Bowman, D. 2002. Explaining the Pleistocene Megafaunal Extinctions: Models, Chronologies, and Assumptions. *Proceedings of the National Academy of Sciences of the United States of America (PNAS)*, 99 (23), pp.14624-14627.

CCSA (Committee for the Coordination of Statistical Activities). 2020. *How COVID-19 is changing the world: a statistical perspective*. Vol II. Online at: https://www.wto.org/english/tratop_e/covid19_e/ccsa_publication_vol2_e.pdf Accessed : 22th June 2020.

Fontaine, R. 2020. *Globalization Will Look Very Different after the Coronavirus Pandemic*. Online at: <https://foreignpolicy.com/2020/04/17/globalization-trade-war-after-coronavirus-pandemic/> Accessed: 16th June 2020.

Frankopan, P. 2015. *The Silk Roads: A New History of the World*. New York and London: Bloomsbury.

Harvey, D. 1989. *The Condition of Postmodernity*. Oxford: Blackwell.

Held, D., McGrew, A., Goldblatt, D. & Perraton, J. 1999. *Global Transformations: Politics, Economics and Culture*. Stanford, CA: Stanford University Press.

Kaplan, R. 2012. *The Revenge of Geography: What the Map Tells Us About Coming Conflicts and the Battle against Fate*. New York: Random House.

Massey, D. 2005. *For Space*. London: Sage.

Olivié, I. & Gracia, M. 2020. *The End of Globalisation? A Reflection on the Effects of the COVID-19 Crisis using the Elcano Global Presence Index*. Online at: http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ari60-2020-olivia-gracia-end-of-globalisation-reflection-on-effects-of-covid-19-crisis-using-elcano-global-presence-index Accessed: 16th June 2020.

Globalisation unwound: Has covid-19 killed globalisation? 2020. *The Economist*. 14th May. Online at: <https://www.economist.com/leaders/2020/05/14/has-covid-19-killed-globalisation>

The 90% Economy, Revisited. 2020. *The Economist*. 19th-25th September, pp. 67-68.

Tooze, A. 2020. The Death of Globalisation has been Announced Many Times. But this is a Perfect Storm. *The Guardian*. 19th June 2020. Online at: <https://www.theguardian.com/commentisfree/2020/jun/02/end-globalisation-covid-19-made-it-real> Accessed: 19th June 2020.

World Trade Organization (WTO). 2020. *Services Trade Barometer*. Online at: https://www.wto.org/english/news_e/news19_e/wtoi_12sep19_e.pdf Accessed 23rd September 2020.