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FROM GLOBALIZATION TO DEGLOBALIZATION

The world has completed the first large cycle of globalization in the late 1840s. Then, with the beginning of WWI, and especially after the Great Depression of the 1930s the reverse process – that of deglobalization – started.

Currently we are witnessing another return of the same cycle. After the neoliberal globalization that emerged after the crisis of capitalism in the 1970s, when growth opportunities within the framework of the social state were exhausted, capital globalization in 1989 contributed to the demise of the state socialism system that had appeared as an independent zone in Eastern Europe. Now we stand at the beginning of the process of reducing profit accumulation capabilities across the globe. The number of growing contradictions force capitalist states to reestablish borders and seek refuge inside these borders.

Moving from the Monopolar to Multipolar World and Deglobalization

Deglobalization trends are characterized by intermittent crises plaguing the monopolar world with a clearly defined global hegemon, and a gradual transfer to a multipolar world divided between various competing great powers. The first global hegemon of globalization in the 19th century was Great Britain. By the end of the 19th century the US and Germany caught up with Great Britain and overtook it, starting a war to redivide the world and set up new borders. The US remained the leading force for globalization and global leadership since after the end of WWII to the 1990s.

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Now once again we are witnessing the arrival of the multipolar world in which the US is gradually losing its global hegemony. China appears to be the state that wins the most from globalization. A new war is underway for spheres of influence, finding short-term and long-term allies, as various regions across the world disintegrate and local wars start. It was for this reason that back in 2008 one of the most ardent advocates of globalization, Robert Kagan, wrote in his *The Return of History and the End of Dreams* that just like before WWI, now we are witnessing the return to the real type of politics². The US is losing its leading position, and China, having overtaken the US in terms of its GDP is not yet ready to take its place. Nevertheless, as far back as in January 2017 Xi Jinping said in Davos that his country could become the leader of globalization if the US chooses to “close their borders”.

It follows that we are in for a fairly lengthy period of existence of a truly competitive world, with encapsulation of separate states and blocks. The processes of state separation and disintegration will continue. There are such trends underway in Europe, from Catalonia and the Basque Country to Scotland and Flanders, Macedonia and Ukraine. Obviously, every significant historical shift in the 20th century was accompanied by disintegration of states and the growing number of political players. In Afghanistan not so long ago, and in Syria and Iraq today ethnic and religious conflicts are underway with active participation of international teams.

National interests, patriotism and nationalism have already replaced the so-called pan-European values and the neoliberal globalism, which are analogous to the processes before WWI, when the previous model of internationalism was rejected. This is being manifested in the crisis of neoliberal integration, reflected in Brexit, Trump’s anti-immigration and protectionist policies, and the failure of two global free trade agreements – the Transatlantic Trade and Investment Partnership (TTIP) and the Transpacific Partnership.

² Kagan R. *The Return of History and the End of Dreams*. Atlantic, 2008.

Social and Economic Preconditions for Deglobalization

The global market is creating favorable conditions for some social groups and regions at the expense of others, causing rapid increase of inequalities and contradictions. Firstly, it concerns regional inequality inside states and such regional unions as the EU, where Eastern and Southern Europe find themselves on the periphery. Secondly, it involves growing social and economic inequality, with the decrease of the middle class across the world and prosperity of the 1% of super-wealthy people. Globally, a total of just eight people control over one half of global wealth. Millions of people who have grown poor view globalization as a threat; hence, there appear populist and nationalist parties that compete for votes of disillusioned citizens.

Many countries have been reducing the volume of foreign investments and international trade. Increasingly more people are unhappy with the factor behind today's contradictions – the global market that split countries and social groups into winners and losers. Bloomberg Agency has published an analytical study entitled “The Closing of the World Economy”, which discusses the emergence of economic nationalism, the willingness and the promise of restricting trade, outflow of capital, and immigration. These ideas were voiced by various politicians, in particular, Donald Trump and Marine Le Pen. The neoliberal market globalization was started by Margaret Thatcher in the UK and Reagan in the US. The opposite process is being observed in these countries now. The number of limitations and discriminatory measures in the area of global trade, introduced by different states in 2009–2015 exceeded the number of actions toward their liberalization by three times. In 10 months of 2015 alone, various states introduced 539 initiatives to establish barriers in international trade, for investors and intellectual property owners, setting a record of sorts. “Buy local” campaigns have been going on in the US, the UK and Australia. China forbids purchasing foreign strategic and military technologies, new ecological standards are introduced to block import of those or other products. Financial policy is a trade tool in the US, Europe, and Japan, where a combination of artificially low interest rates, quantitative alleviation and direct currency interventions are used to obtain competitive advantages. Devaluation is used to reduce the purchasing power of foreign investors who become holders of the devalued national debt. Various approaches of limiting capital outflow are being used. Bloomberg agency concludes that “*economies of the future will definitely be less open than today*”¹. A testimony to this fact was the appearance in December 2016 of an article entitled “The End of Globalism”² in *Foreign Affairs*, a leading US journal. The Roman Club has also recently called “to put an end to economic globalization”.

In the US the struggle between Trump and Clinton turned into a clash between deglobalization promoted by “losing” workers, small manufacturers and industrial capital on the one side, and protectors of global financial capital on the other.

¹ Das Satyajit. The Closing of the World Economy. URL: <https://www.bloomberg.com/view/articles/2016-09-14/governments-are-leading-the-attack-on-globalization> (accessed: 14.09.2016).

² Li Eric X. The End of Globalism // *Foreign Affairs*. 2016. December 9. URL: <https://www.foreignaffairs.com/articles/united-states/2016-12-09/end-globalism/>

Technological Preconditions for De-globalization

The Internet and satellite communications, and communication systems of the third industrial revolution have become the technological foundation for market globalization. They brought to the forefront the issues of what is called online security. Given the advantage of the United States where most global Internet servers are located, and in conditions of intensifying struggle for a multipolar world, the rivals of the US seek to free themselves from this dependence. Mobile and network technologies make it possible to invade the privacy of anyone, including leaders of superpowers. Clearly, globalization makes people more vulnerable and subject to influences of economic and informational warfare. As a result, states are forced to adopt measures to lower their risks. Local and regional internet networks are set up in isolation from the worldwide web to protect against cyber attacks and cyber warfare. For instance, China does not allow Google searches since with the help of that search engine the United States lead informational warfare, monitor the Chinese online audience and influence Chinese citizens. The Internet has turned into a crime-ridden area with instances of fraud, theft, and attacks, and the degree of online security reflects the dramatically increased instability in the real-world capitalist space all around us. The digital space is becoming a place of theft and deceit, where people are subjected to dangerous information that destroys the moral backbone of the society, turning adolescents into terrorists. Fear and uncertainty are growing, creating new preconditions for isolation, just as in the times when the modern statehood was being formed, the idea of sovereignty was inextricably linked to specific territories on which the states were able to protect their citizens. Currently we are looking at the idea of not only territorial, airspace and aquatorial sovereignty but also digital independence and data protection.

Uncertainty and crises promote the ideas of deglobalization, control over people's movements as well as movements of finances, resources, private capital and information. The dominant feeling experienced by most citizens across the globe is fear – fear of terrorism, attacks, robberies, murders, unemployment or loss of social status.

These growing risks have led to the appearance of a new trend, the fashion for walls, from the walls protecting wealthy neighborhoods to walls between states. The world is moving away from the neoliberal ideology of such freedoms as the freedom of movement between states, the fall of the Berlin Wall, to building walls between states and within them, and these barriers are becoming more substantial and perfect than ever before. Project Syndicate, a popular website, in its study entitled “A World Besieged” notes that “*from Aleppo and North Korea to the European Commission and the Federal Reserve System, gaps in global setup continue expanding... If there is a word that best describes the global economy and geopolitics, then this word is “besieged”*”³.

On the other hand, the tendency is to increase border control due to flows of refugees, migrants and terrorists. More and more perfect combinations of biochips and electronic control are being used, and fortified walls are built between states in various hot spots. At the end of WWII

³ A World Besieged. URL: <https://www.project-syndicate.org/onpoint/a-world-besieged-2016-09?barrier=true> (accessed: 30.09.2016).

there were five walls between the states in the world. In the period from 1945 to 1989 19 more walls were added. After the Cold War ended, by 1991 their number reduced to 12. Then the walls came back again, and by 2014 there were a total of 64 walls, i.e. several times more than at the time of the bipolar world, the era of socialism and capitalism¹. After the fall of the Berlin Wall forty states erected walls on their borders with 64 neighboring countries to restrict the flow of illegal immigrants. The construction of over 30 of them started after September 11, 2001, and 15 more were added in 2015. Some analysts called 2015 “the year of border walls”².

By this time the US has completed more than 1078 km of barriers on the border with Mexico, including 12,000 motion sensors, a large number of video cameras, 1500 towers for monitoring and control, and as many mobile units moving along the border. According to official data, some 7,000 people were killed or died due to other reasons as they tried to cross borders, but their number must be much higher³. Nevertheless, Donald Trump won the US presidential election because he had said these walls are not enough. He declared a need to build the Great American Wall, 3145 km long along the entire border between the US and Mexico. This is likely to become one of the most fortified and well equipped borders in global history. To compare, the length of the Berlin Wall, the demolition of which is being celebrated every year, was 155 km. Ronald Reagan who had started the neo-liberal globalization in his Berlin speech in 1987 called upon Mikhail Gorbachev “to bring down the wall” to guarantee peace, prosperity and globalization. His successor Trump de-

clared his intention to build the wall 30 years later. This wall will be 20 times longer. Shall we conclude, that today we have no peace, or prosperity, or globalization? Trump is not the only one doing it. In Australia, another country of immigrants, there is much talk about “militarizing national borders,” and “creating the fortress of Australia”⁴.

A legislative proposal introduced in Bulgaria in 2015 states that to receive any kind of a visa in any embassies, applicants must provide their biometric data, and reliably establish the goals of the visit, providing documents and confirmation regarding places of stay. All these issues shall be subject to more thorough control. It should be noted that similar measures had been previously introduced in the United States and a number of other countries, that is, modern electronic technologies have a kind of “biological power” over individuals, and this leads to even stricter control over borders than ever before. Politically, this constitutes a return to the “New Middle Ages”, when the world is divided into parts and the number of borders increases; this process is being accompanied by dominating conservative, populist and nationalist forms of government and legitimacy, and various modifications of authoritarianism and unliberal democracy in our digital age. Starting in the 1970s and to the present day the global community of intellectuals has been popularizing post-modernism, which predicts the collapse of grand narratives and understanding that the humankind is moving in the direction of some universal development model. In the “fenced-in” world everyone will follow their own path to the future in accordance with their own development model.

¹ Borders, Fences and Walls. State of Insecurity? / ed. E. Vallet. Ashgate, 2014 P. 2.

² Why Border Walls Fail // Project Syndicate. URL: <http://www.project-syndicate.org/commentary/why-border-walls-fail-by-reece-jones-2015-09> (accessed: 18.09.2015).

³ Palma M.B. Borderland Deaths of Migrants Quietly Reach Crisis Numbers. URL: <http://www.truth-out.org/news/item/25116-borderland-deaths-of-migrants-quietly-reach-crisis-numbers> (accessed: 27.07.2014).

⁴ Lees Josh. The construction of fortress Australia // Readflag. Newspaper of Socialist Alternative. 2015. 15 Sept.