**Keeping it Real: Debunking the Deglobalization Myth, Brexit, and Trump:—“Lessons” on Integration**

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Keeping it Real: Debunking the Deglobalization Myth, Brexit, and Trump: “Lessons” on Integration

Abstract
The recent vote for Britain to exit the European Union and the election of Donald Trump as President of the United States of America has been described as events bringing an end to globalization, and indeed seen as a reversal of the globalization process. A possible reason for this is that both choices are thought to be premised on inward looking objectives rather than having global objectives. This paper offers an opinion that this view is flawed. This is because integration which is used to approach globalization is not a one way process seeking greater levels of integration, but rather a tool to address global challenges which will involve making choices on the degree of integration that is thought necessary at a particular time. In other words, based on what is perceived as necessary for the time selective interconnectivity is used to reflect the level of integration desired.

Due to the degree of global income inequality, a high degree of integration will pose difficulties as a shift in production centers as well as immigration will bring not only economic but also socio-cultural and political implications on even the economically strongest nations.

The discussion and analysis in this paper is significant as it offers an unexplored perspective into current discussions on the Brexit vote and President Trump’s election into office. This is paper is original as it offers a fresh perspective on the deglobalization debate. It is provides a discussion from the global income inequality perspective to explain why and how important are global challenges upon domestic choices and how this in turn relates to globalization and integration. The discussion and analysis is rigorous in that they are precise and robust in examining the historical evolution to the international trading system to explain why the predominant view on deglobalization is a misunderstanding of the matters that influence globalization and integration.
Introduction

The term globalization is often understood in terms of integration. Indeed, integration is an important element for globalization to work. However, integration is often understood in terms of a continuous pursuit, to achieve the goal of greater integration of the world’s factors of production to benefit from the advantages and benefits that globalization should bring. Even the various schools on the theoretical bases of globalization seem to suggest that integration in response to globalization is one premised on increasing integration. Although the transformationalist view of globalization as not being an end game but rather a continuous process with importance placed on the role of the State in pursuing greater integration is submitted as flawed in that it is indeed a continuous process, but not necessarily with the objective of increased integration. This is substantiated by the offering of the term deglobalization, to mean diminishing integration, or a disintegration of the world economy. These definitions connote negativity in limiting integration. In this regard, Brexit is described as the end of globalization as we know it. Hence, the Brexit result is referred to as the unravelling of the global economy, and that deglobalization will be the new buzzword. If we understand globalization in this context, does this mean that in the process of limiting integration, we are reversing the globalization process?

This paper posits that this is far from the truth. The phenomenon globalization is indeed an ongoing, but neutral process. It requires an approach that neither requires enhanced or diminished integration. Therefore, integration is key to globalization. To an extent the trasformationalists are accurate in that it is a continuous process that involves integration, but integration is not meant to fulfill the goal of total integration or a world without borders with absolute freedom of movement for factors of production, but rather integration of a relative or what this paper will term “selective interconnectivity”. The velocity of integration is therefore sufficiently fluid to flow in both directions fulfilling what the stakeholders of the international economic system require at a particular time.

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3 See http://www.definations.net/definition/deglobalization
5 R. Sharma, Globalisation as we know it is over – and Brexit is the biggest sign yet”, The Guardian, 28 July 2016, available at [https://www.theguardian.com/commentisfree/2016/jul/28/era-globalisation-brexit-eu-britain-economic-frustration], accessed on 16/6/2017 at 15:05 hrs
6 Supra note 2, P. 4
The manifestation of selective interconnectivity is nothing new, the world witnessed a similar experience some 69 years ago with the ambitious objective of the International Trade Organisation (ITO), which was negotiated to fulfill certain ideals thought to be important for the time, but failed to take off due to selective interconnectivity being deemed as a more appropriate method to the kind of integration the majors were interested in at that time.\(^7\)

Although globalization was not a term used then, it was the exercise of choice or attitude towards globalization that stopped the fruition of the ITO. Similarly, it was the exercise of choice that caused the creation of the WTO, with all its much commented upon flaws after the collapse of the ITO.

**The Economic Context**

How we live our lives, make decisions as producers and consumers has been heavily influenced by the times we live in. Often referred to as the era of globalization, we live in a time when border impediments for cross border activity becomes less relevant.\(^8\) The phenomenon of globalization is best defined by way of its impact rather than the futile and controversial quest for a definition,\(^9\) as it is the impact rather than a linguistic definition that is of importance for the purposes of this study.

As it is such an impactful occurrence, is it something that the world has never encountered before? Here again, attempts to pinpoint when globalization began, when did the realization that some cross-border activity would benefit from as little impediment as possible is futile.\(^10\)

What is clear however, is that this phenomenon has in recent years experienced a push from a number of developments, namely technological developments, reorienting of policies by developing countries towards a greater outward looking focus and the desire to avoid

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\(^7\) Supra note 2, pp 44-45  
conflicts that has caused the impact and need for cross-border activity to be undertaken as
greater velocity as these development have made it possible and conducive for such
interaction to become more real. 11

Some authors make a distinction between globalization and globality. Globality refers to
recent globalization to create a demarcation between historical transborder relations and more
recent occurrences. 12 Therefore, globality will denote a state of mind or consciousness of an
increasing degree of integration, a concept within the phenomenon we recognise as
globalization. In other words, levels of globality or cross border integration have increased in
recent times, due to various factors.

Globalism on the other hand, is said to be the attitude or approach that is taken in engaging
with globalization. 13 Globalism will dictate what limitations we may choose to place on
integration. This decision will in turn impede on the achievement of the maximum potential
of globalization, a level or potential we may not necessarily be interested in achieving.

Why is integration of special significance in the context of international economic law? Of
the three main dimensions to globalization, 14 the common or facilitating economic dimension
has paved the way for the other dimensions to develop. Hence it is thought that this is why
the development between the various dimensions is unequal. 15 Man’s greatest tendency is to
trade. He will exchange something that he has for something that he has not. The objective of

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See also E. Petersmann, “International Competition Rules for Government and for Private Business” Journal of
World Trade, 30 (3) 1996, p. 13, Kluwer Law International for definition of transboundary effect, M. Martin,
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12 J. Scholte, Globalisation : A Critical Introduction, St Martin’s Press (New York) 2000. See also 12 J. Weaver,
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13 J. Powell and S.P. Udayakumar, “Race, Poverty & Globalisation”, available at
[http://www.globalexchange.org/campaigns/econ101/globalisation072000.html] on 15/10/2005 at 2.45 pm

14 B. Parekh, in an address entitled “The Challenge of Globalisation” at the launch of The Centre for the Study
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15 P. Legrain, Open World:/ The Truth About Globalisation, Abacus, 2002, pp. 4-5. See also I. Wallerstien
“Culture as the Ideological Battleground of the Modern World-System” in M. Featherstone ed, Global Culture
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this exchange is to improve his living standard. This has often been said to be the reason early man migrated to new lands for the opportunity to improve the quality of his life. With the economic dimension being the main reason for exchange, his cultural practices and political incidentally followed suit.16

Integration

A frequently used buzz word within the international economic law fraternity is the word “integration”. It is a term that has become increasingly popular to express both satisfaction and dissatisfaction with a global phenomenon called globalization. As a result integration has become both a goal to be achieved, but yet has caused problematic issues for some sections of the international economic community to grapple with. In order to investigate the issues relating to integration, what it means within the context of globalization, international economic law becomes of vital importance as investigating an issue in the wrong context may well produce inaccurate outcomes.

According to its dictionary definition, integration means the mixing of subject matter that was previously segregated17. Other sources define integration as incorporation as equals into society or the organization of individuals of different groups, 18 or combination, unification, blending and assimilation.19 Thereof. It is clear from the various definitions given that integration is a process that involves the merging of the subject matter into an entity on equal footing. From this perspective in the context of international economic law, integration is a state that is actively pursued and engineered rather than a chance occurrence. This state is pursued through building a legal framework which applies to international economic relations of various independent countries around the world, segregated principally by their sovereign borders, cultures, language, political systems, economic wealth and levels of development in an attempt as far as practical to make them one.

16 supra note 1, Chapter 2
19 [https://www.google.co.uk/?gws_rd=ssl&q=definition+of+integration] accessed at 3.30 on 17 November 2016.
Is integration today seen as more important compared to previous times? What has caused it to become such a desired achievement? Can it be achieved as an end result, meaning that we will one day cease to pursue integration?

The problem with the traditional perception of integration: The World is an unequal place

Integration therefore, will ensure the best can be obtained from globalization. There are numerous studies that seek to prove this assertion as accurate. According to the International Monetary Fund the world economy is forecasted to grow by 3.4% in 2016 and 3.6% in 2017.\textsuperscript{20} The engine of this growth is expected to come from emerging markets and developing economies as opposed to developed economies,\textsuperscript{21} and this is why integrating developing countries into the international trading system is so important. However, too much emphasis has been placed on only one dimension to integration since the establishment of the WTO. The dimension that sees integration only from the perspective that it must be increasingly enhanced.

However, the world is an unequal place. According to Oxfam, research by the charity suggested the wealth of the top 62 richest people on the planet is now equal to that of the bottom 50 per cent combined.\textsuperscript{22} Oxfam further asserts that 1% now have more wealth than the rest of the world’s population combined, and that global inequality is worse than at any time since the 19\textsuperscript{th} century, as since 1960, the global inequality gap has roughly tripled in size.\textsuperscript{23} According to the World Economic Forum, the poorest half of the population often controls less than 10% of its wealth.\textsuperscript{24} The OECD Secretary General has reported that \textit{“We have reached a tipping point. Inequality can no longer be treated as an afterthought.”}\textsuperscript{25}

\textsuperscript{21} Ibid
\textsuperscript{25} OECD “Inequality” available at [http://www.oecd.org/social/inequality.htm] accessed on 15/6/2017 at 17:30 hrs
According to the UNICEF, the top 20% of the world’s population enjoys more than 70 percent of total income, contrasted by two percentage points for those in the bottom quintile. The richest population quintile gets 83 percent of global income with just a single percentage point for those in the poorest quintile. It would take more than 800 years for the bottom billion to achieve ten percent of global income under the current rate of change. According to another study, the world’s wealthiest individuals, total only 8.1 percent of the global population but own 84.6 percent of global wealth.

So integration in pursuit of globalization, notwithstanding the enhanced levels of globality (increased consciousness of integration) against the backdrop of a lack of understanding of the dynamics that inform globalism (the attitude towards globalization) including the inequality in the world and the concerns and subsequent choices that dictate how we react to integration globalism is formed has misinformed many that recent occurrences like Brexit and Mr. Trump’s victory in the US presidential election premised on inward looking policies spells the end of globalization, or rather a reversal of what the world has achieved through economic integration or deglobalization.

Whilst too much emphasis was placed on the economic benefits of integration, the socio-political impact was somewhat overlooked. Indeed in the context of both the Brexit campaigners as well as President Trump’s presidential campaign, the national sovereignty and immigration issues were at the forefront. The fact that the British public voted to leave the EU and the Americans voted for President Trump, notwithstanding the concerns raised by opposing views mean that there are real concerns in these constituencies regarding such issues as well as the economic realities of integration.

The EU and US conundrum

27 Inequality.org “Global Inequality”, available at [https://inequality.org/facts/global-inequality/] accessed on 16/6/2017 at 11:40 hrs
If integration means the mixing, combining, blending or unification subject matter as equals into an organization and this subject matter meaning factors of production, then this would pose a significant problem for both the US and the UK. This is due to the sources of the factors of production not being capable of fulfilling the requirement of "as equals". This equality is not from the perspective of being more or less human, but the source nations of the factors of production are unequal to their detriment from the income perspective, due to the gulf in global income inequality. The levels of income inequality in the context of the EU became more pronounced since the full inclusion of Bulgaria and Romania. The opportunities offered by the UK is disproportionate to that offered in Bulgaria and Romania, not only from the employability perspective, but also what the UK offers through Social Welfare.

Conclusion

It is in human nature to seek betterment and improvement and hence immigration will always be present. The lower costs of production in countries with lower income will mean that they will always be more competitive producers. This coupled with the free movement of capital (for which there is very little interest in limiting the mobility of) will mean that money from richer countries will be invested in production in a poorer countries as the investor can then harvest greater profits from the lower cost of production. Either way, either lowering the cost of production by relocating capital or utilizing cheaper, more available and a more willing work force comprising of immigrants will benefit the rich in richer countries but work against the interests of the poorer in those very countries. Hence the dissatisfaction demonstrated by the masses through the ballot box in the UK and the US is merely a demonstration of their globalism in the face of globality and globalization. If the globalism requires a slower rate of integration, it is still globalization with the exercise of selected interconnectivity and not deglobalization.

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