



The world is not enough If the term “globalisation” has gained little additional currency since 2004, it perhaps accurately reflects growing scepticism over US leadership
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STATES OF MATTER

Domestic in Davos

Globalisation gained a nationalist inflection at this year’s World Economic Forum



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Since a low-key debut in the international relations discourse in the 1990s, “globalisation” as a term grew rapidly in usage till about 2004. Since then, if the omniscient eye of Google is to be believed, it has not gained great additional traction. Google’s frequency counts though, afford no estimate of the contexts in which the term has been used: positive, negative or neutral.

The next best source to tap for these insights may be the World Economic Forum (WEF), the exclusive club of the people who think they matter. After its early days of relative insularity as the European Management Forum, the WEF was created in 1987. Through the next decade its annual platform in the Swiss mountain town of Davos was transformed into a congregation of the true believers, the secular clergy who would carry forth the gospel of globalisation.

Times change but institutions occasionally are slow to respond. Steeped in the gospel as it is, Davos could not quite stay current with growing public disenchantment. Rather, this year’s gathering in the snowbound heights was occasion for a pivot, with globalisation gaining an overtly nationalist inflection. Governmental heads appearing on the platform may at one time have enjoyed an exemption from mundane calculations of domestic politics. But this time around, they were playing as much to domestic constituencies as global audiences.

“France is back” as a player on the world stage, declared French President Emmanuel Macron in what seemed a rather anxious effort at boosterism for a man whose popular ratings have slipped catastrophically in a matter of months.

Stepping carefully around divided counsels at home over the unredeemed and so far unacknowledged folly of exiting the European Union, Prime Minister Theresa May spoke of a bold new future where Britain would forge bilateral deals with a carefully chosen set of trading partners. Tragically though, nobody else seemed interested in her invitation.

The greatest media focus though, was on Donald Trump, the first incumbent US President to travel to Davos since Bill Clinton in 2000. Here was the brazen and loud spokesman for a new nativism and xenophobia, walking into the church of the liberal international order. And yet, for those who remembered his unhinged rant at his presidential inauguration and his vow to end the “American carnage”, the mood was sunny, almost evocative of Ronald Reagan in its vacuous optimism. “America is open for business and we are competitive once again”, he declared. “America first”, the leitmotif of his inauguration speech, did not mean “America alone”. The whole world stood to gain from US economic growth, and as the largest economy in the world, it would only be fulfilling its global obligations by trying to get things right at home.

Clinton’s appearance at Davos in 2000 had been an unequivocal pitch for globalisation. The veneer was yet to crack and globalisation was just the lofty slogan that served to camouflage the narrower pursuit of national interests. As Clinton spoke with all the confidence of having presided over a decade of unprecedented growth, the streets outside were seething with angry protests by youth who felt left behind. Undeterred, Clinton pronounced his mantra for a better world: free trade had benefited all and China’s admission into the World Trade Organisation (WTO) would multiply the benefits.

The US then stood at the apex of its global power. Awestruck global observers settled on the term “hyper-power” since no other epithet seemed adequate to the dominance it exerted. The “dotcom boom” raged on and as both unemployment and inflation remained at historical lows, the US seemed to have created a new paradigm where painful tradeoffs would be irrelevant.

It also seemed just the time for the US to

sponsor a new round of global trade talks, after having got much of what it wanted through the Uruguay Round and the subsequent creation of the WTO. Despite having written most of the new trade rules, the US remained immensely in deficit in its current account. It seemed that the rules required just one more tweak to set that right.

The rest of the world had its reservations about the advanced countries reneging on significant commitments despite getting much of what they wanted in the Uruguay Round. Yet the Doha Round of global trade talks was launched, weeks after the September 11 terrorist strikes as a gesture towards the US, which keenly needed an affirmation of global faith in its leadership.

In the years that followed, the mantle of leadership slipped away. Global tolerance was rapidly diminishing for the brazen double standard under which the US enjoined on others the rules and disciplines it seemed averse to follow. And then came the fiasco of the effort to assemble a coalition for the US military adventurism in Iraq. If the term “globalisation” has gained little additional currency since 2004, it perhaps accurately reflects growing scepticism over US leadership ability.

Trump’s call today, for the world to bend itself to the task of making America great again, mirrors the new global reality of retreating from the front. It mirrors his very shaky ethical grasp, his belief that what serves his greed — huge tax breaks and exemption from public scrutiny — should be in the larger interest. Unfortunately, the world outside his rather impoverished imagination, is too burdened by its own anxieties to be interested in assuaging those of a self-absorbed and fading hyperpower.

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