Re-globalize or De-globalize?

Re-globalize through Sustainable Development

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ITAM WTO CHAIRS PROGRAMME

In Today's Session…..

- Globalization and Economic globalization
- Trade Liberalization versus protectionism
- De-globalize or Re-globalize?
- Making Trade sustainable and inclusive: how and the challenges

What is Globalization?

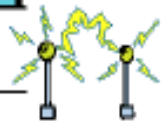
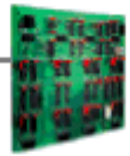


Economic Globalization

- Definition: 'the closer integration of the countries and peoples of the world ….brought about by the enormous reduction of costs of transportation and communication, and the breaking down of artificial barriers to the flow of goods, services, capital, knowledge and people across borders.'



Globalisation

- Accountability 
- Terrorism 
- Shrinking World 
- Technology/ The Internet 
- Free Trade? 
- Culture 
- Capitalism 
- Monopoly Power 
- Environment 
- Integration of Economies 
- Equality/Inequality 
- Communication 
- Recognition 
- Trade versus Aid 
- Outsourcing 
- Brands 
- Exploitation 
- Growth 
- Poverty 

Questions??

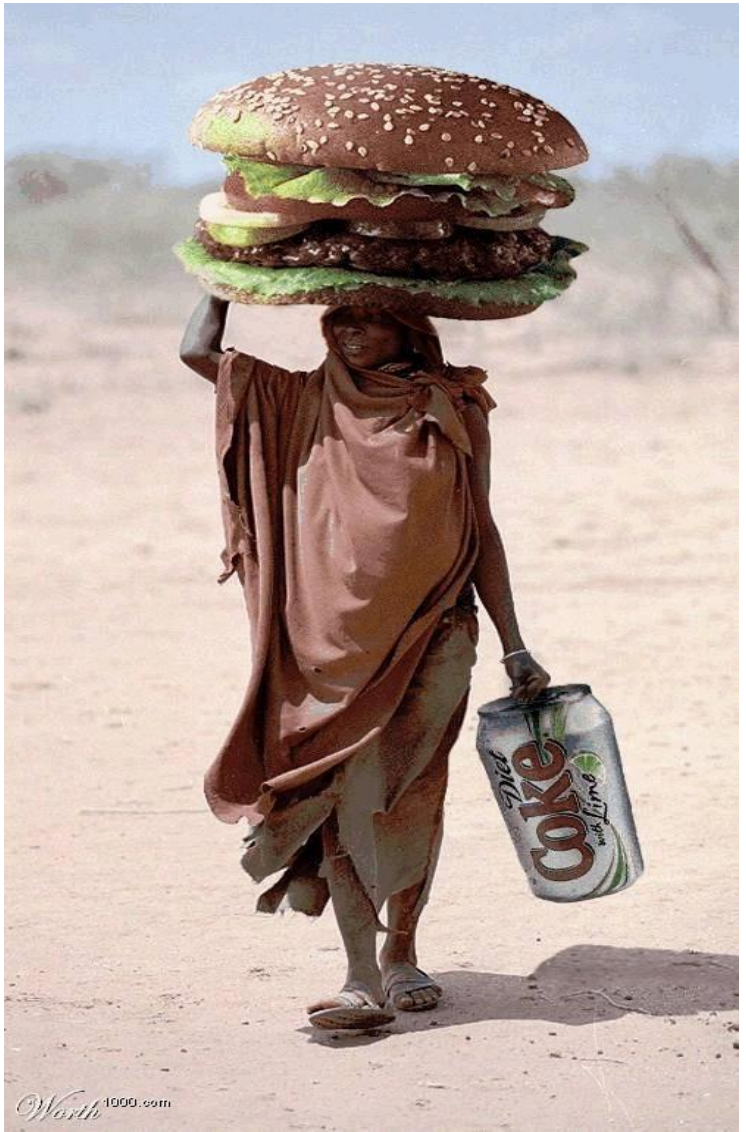
Discuss three concrete examples of how globalisation has positively affected your lives?

Discuss three concrete examples of how globalisation has negatively affected your lives?

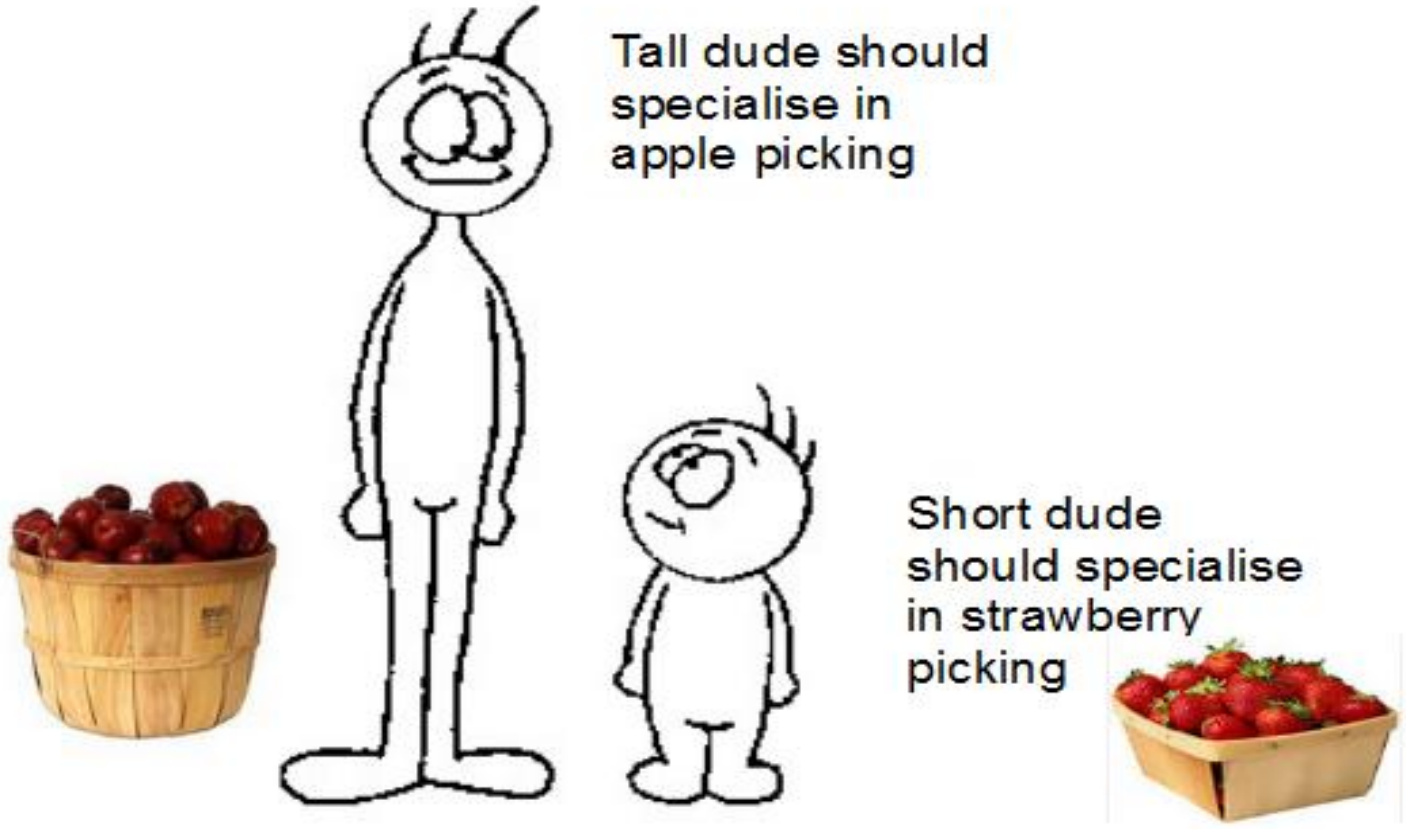
Telling Examples of Economic Globalisation







Benefit 1: Absolute Advantage *Versus* Comparative Advantage (profitable division of labour)



Benefit 2: Cross Border Friendships and Peace

'If goods do not cross borders, soldiers will.'



Benefit 3: Mobility



Benefit 4: Employment



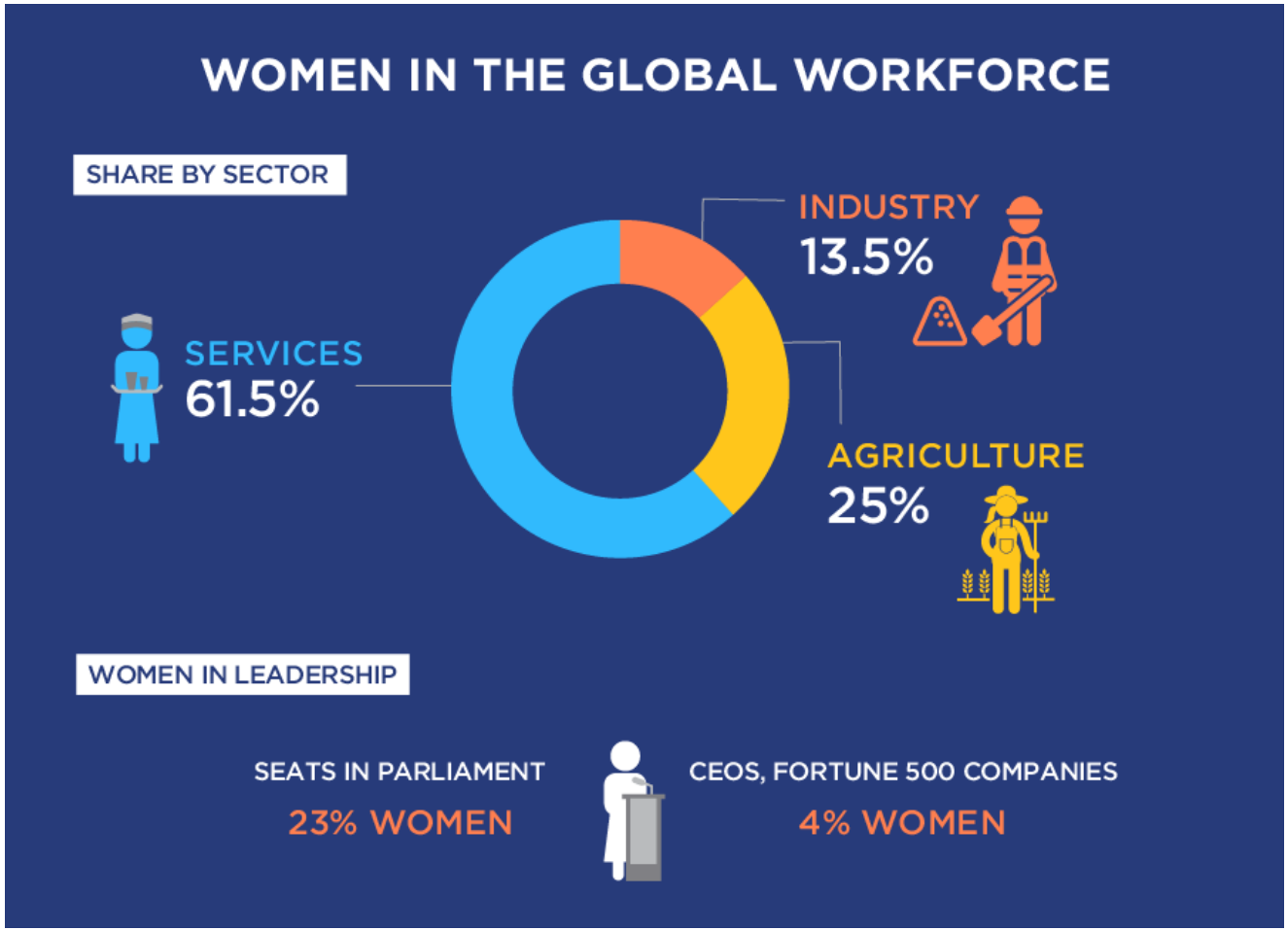
Benefit 5: Standard of Life



Benefit 6: Economic Growth



Benefit 6: Women Empowerment



Then, Why Protectionism???

Protectionism Reason 1: Threat to Domestic Industry





Protectionism Reason 2: Loss of Employment



Protectionism Reason 3: Generating revenue



Protectionism Reason 4: National Security and Self Sufficiency





Protectionism Reason 5: Public morals



Protectionism Reason 6: Public health



Protectionism Reason 7: Environment and Ecology



Protectionism Reason 7: Exploitation of Women and others




WILL COVID-19 KILL GLOBALISATION?

***Textile face mask**: China 50.4%, Germany 6.3%, USA 5.3%.

Intubation kits: USA 17.7%, Germany 14.1%, Mexico 11.9%

Patient monitoring devices: USA 22%, Japan 14.4%, Germany 12%

Protective spectacles: China 48%, USA 6.1%, Germany 5.7%

***Paper bed sheets**: China 23.9%, Germany 8.2%, USA 7.5%

Masks with mechanical parts: Germany 19.6%, UK 16.8%, USA 16.2%

***Non-woven protective garments**: China 42.8%, Cambodia 6.6%, Belgium 5.6%.

***Other rubber gloves**: Malaysia 59.3%, Thailand 14.1%, China 8.4%.

Surgical gloves: Malaysia 39.1%, Thailand 20.1%, China, 9.7%

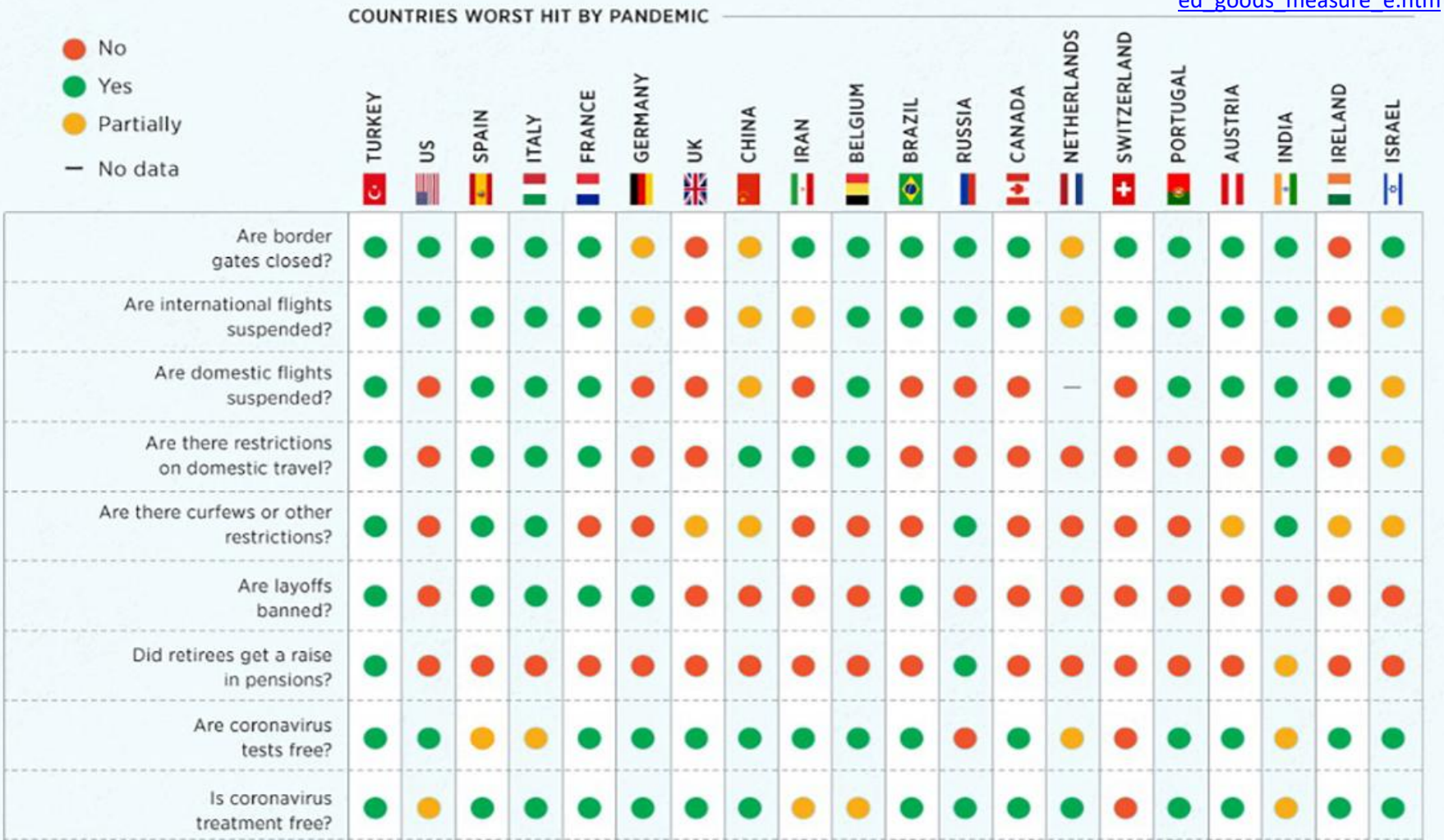
Needles, catheters and cannulae: USA 19.6%, Ireland 13%, Mexico 11.3%



Steps taken by countries to fight COVID-19 pandemic

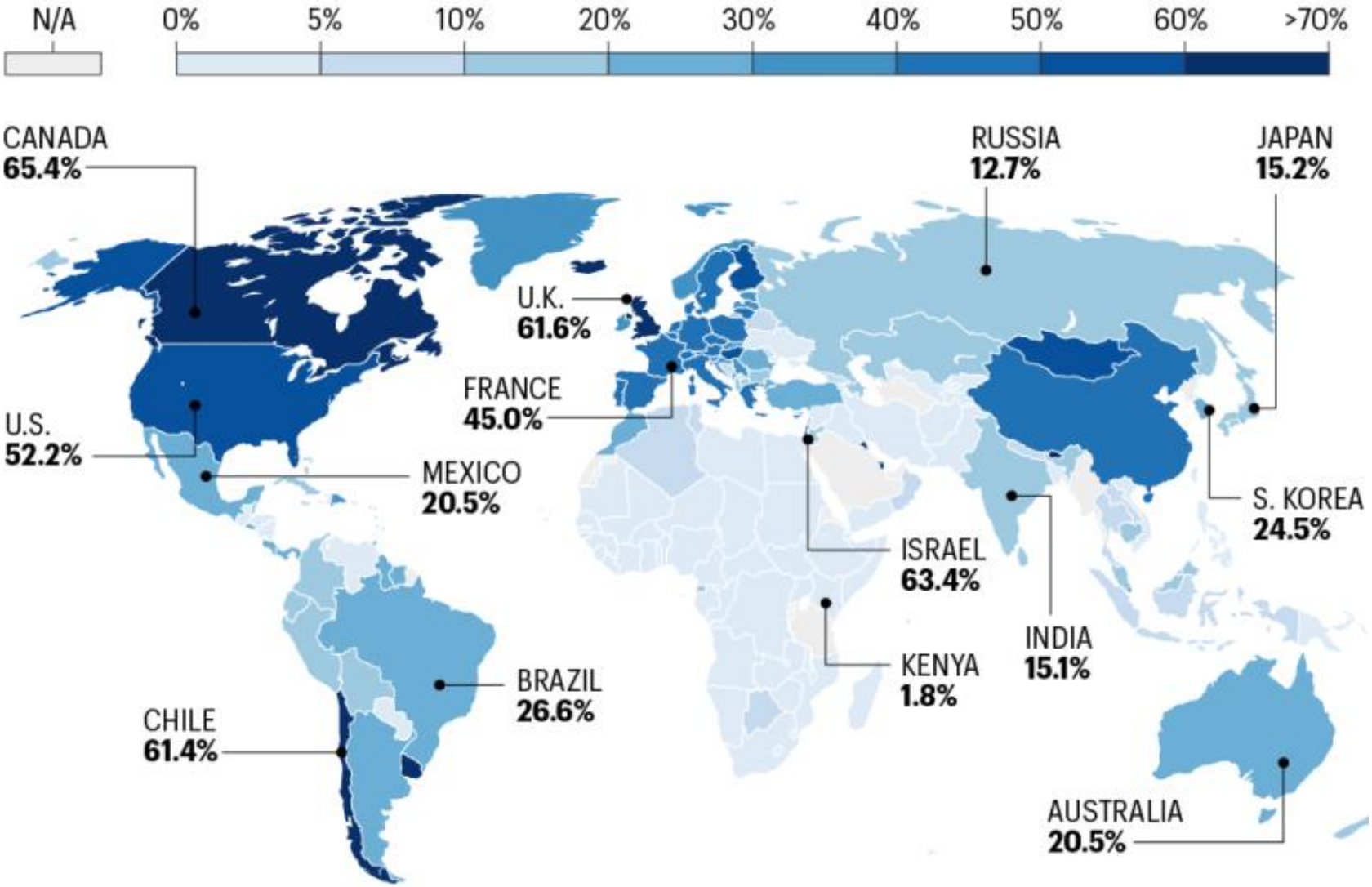
The world faces a big challenge as the novel coronavirus escalated into a global pandemic. Countries have taken measures in many areas, including healthcare services, work arrangements, the economy, and educational institutions.

https://www.wto.org/english/tratop_e/covid19_e/trade_related_goods_measure_e.htm



COVID-19 GLOBAL VACCINE TRACKER

SHARE OF PEOPLE WHO HAVE RECEIVED AT LEAST ONE DOSE OF COVID-19 VACCINE



SOURCES: OFFICIAL DATA; OUR WORLD IN DATA

LATEST DATA AVAILABLE, AS OF JUNE 15, 2021

FORTUNE

So, should we de-globalize?

De-globalization is a movement towards a less connected world, characterized by powerful nation states, local solutions, and border controls rather than global institutions, treaties, and free movement. (A Chatham House Study)



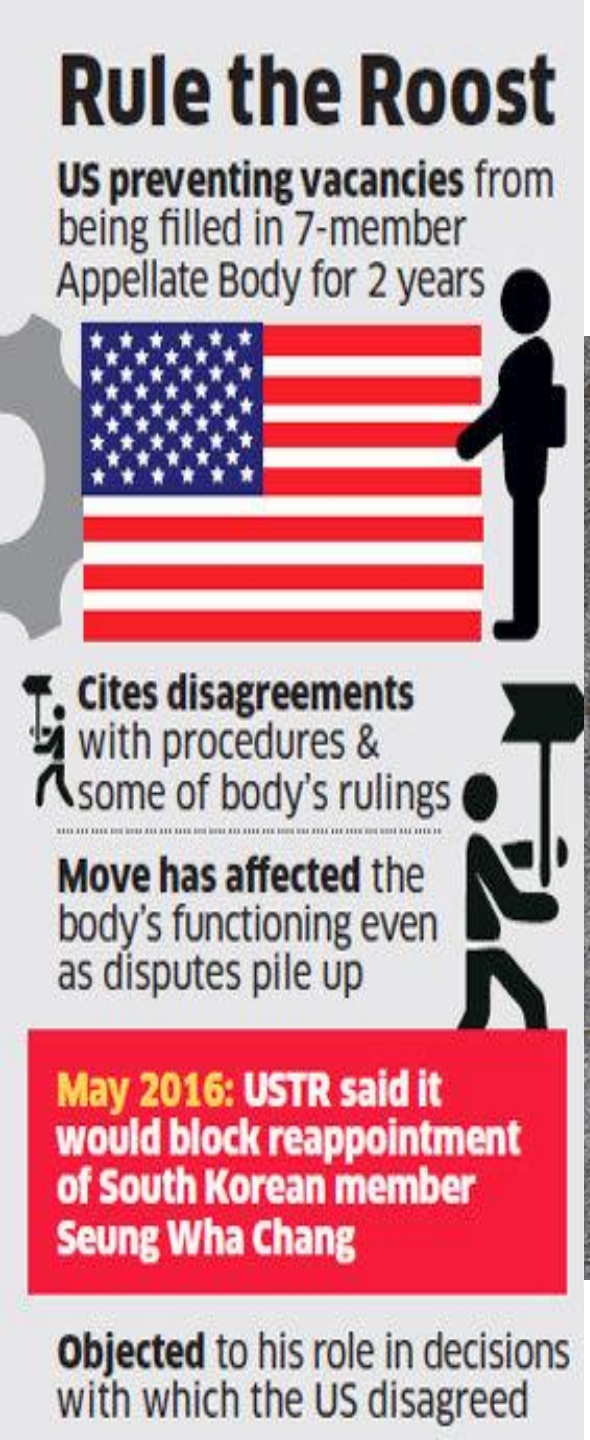
Some early evidence of de-globalization



WTO Negotiations have been stalled!



WTO Dispute Settlement is Dying





Unilateral Trade Wars

A quick guide to the US-China trade war

16 January 2020 Share



The world's two largest economies have been locked in a bitter trade battle.

The dispute has seen the US and China impose tariffs on hundreds of billions of dollars worth of one another's goods.

US President Donald Trump has long accused China of unfair trading practices and

Nationalism is on rise!





Figure 1 – "Made in China 2025" plan highlights 10 sectors

hinrich foundation
advancing sustainable global trade

New generation information technology	New energy and energy-saving vehicles
High-end computerized machines and robots	Energy equipment
Aerospace	Agricultural machines
Maritime equipment and high-tech ships	New materials
Advanced railway transportation equipment	Biopharma and high-tech medical devices

Source: "Notice of the State Council on Issuin Made in China 2025, May 8, 2015 Guofa [2015] No. 28"

Now, will globalization survive? How?



RE-GLOBALIZATION:

BETTER TRADE
FOR A BETTER WORLD



Key SDGs and Trade



Promotion of rules based, open, non-discriminatory and equitable multilateral trading system, increasing the exports of developing countries with a doubling of their export markt share and implementation of duty-free and quota-free (DFQF) market access for all LDCs



Correct and prevent distortions in the world agricultural markets that deny poor countries much needed export revenue



Important role of A4T and trade for creating opportunities for employment and economic development of women



The role of A4T in targeting improved regional infrastructure to improve connectivity for both the formal and informal sector



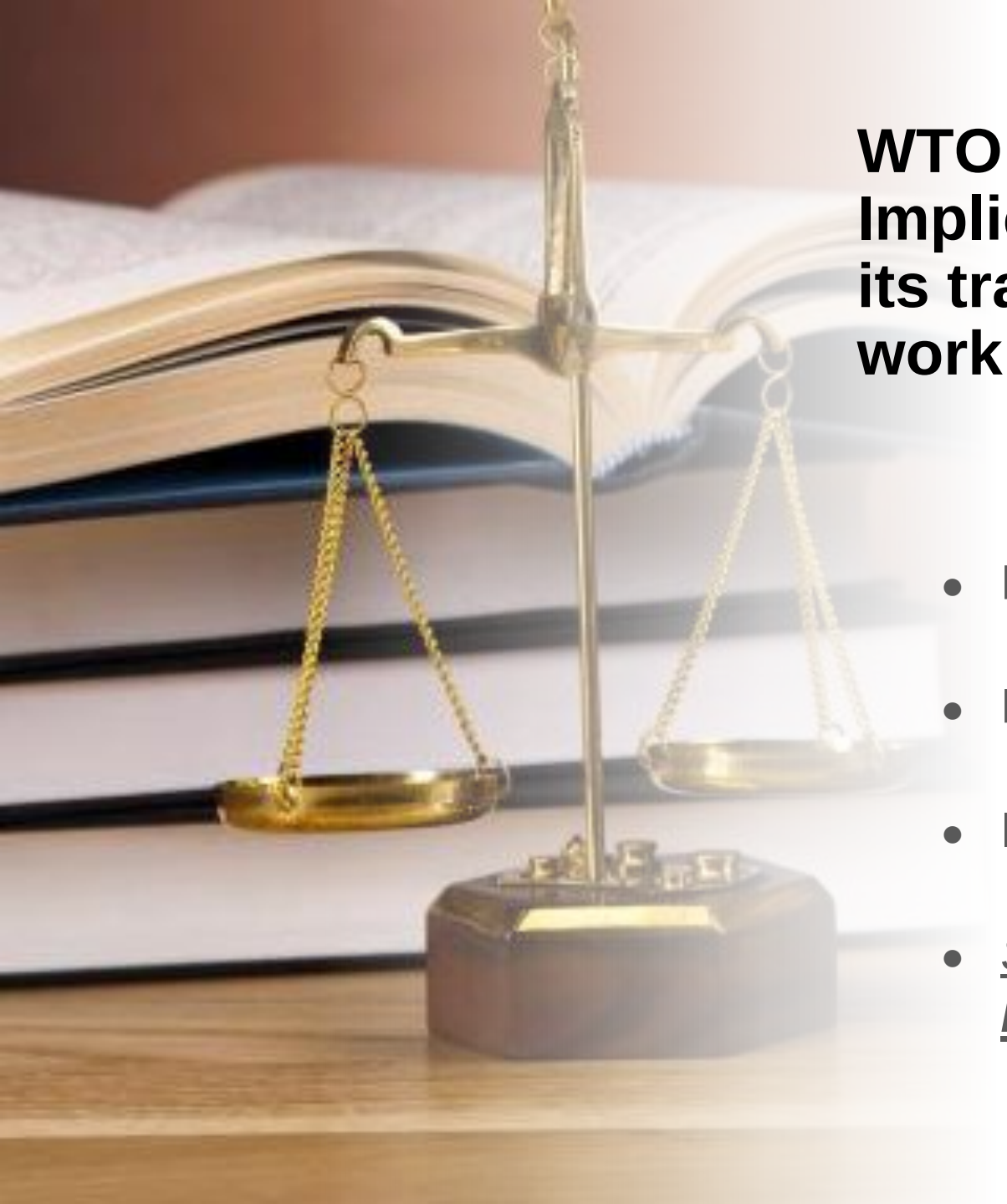
Cognisant of cross-border connectivity and increased integration of SMEs into GVCs



The significance of SDT of developing countries' trade in accordance with WTO agreements



Reduce fisheries subsidies but also protect small and vulnerable states effects of climate change

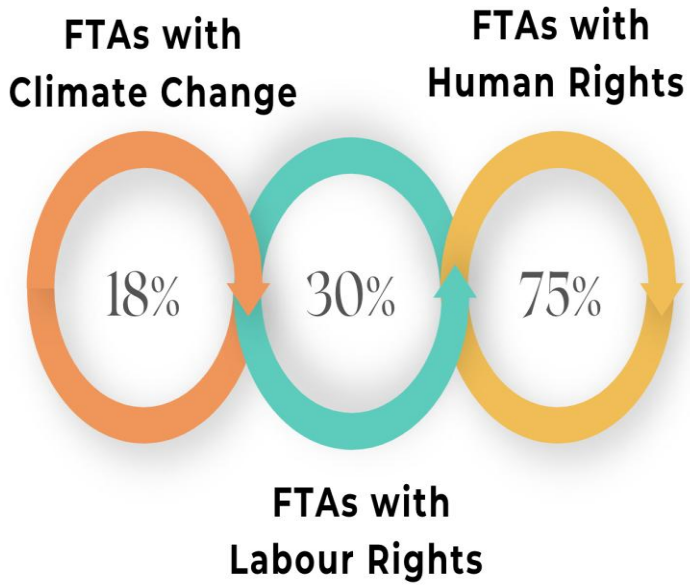


WTO objectives: Implicit legal basis for its trade and gender work

- Raising standards of living
- Full employment
- Income growth
- *Sustainable development:* ***BUT HOW?***

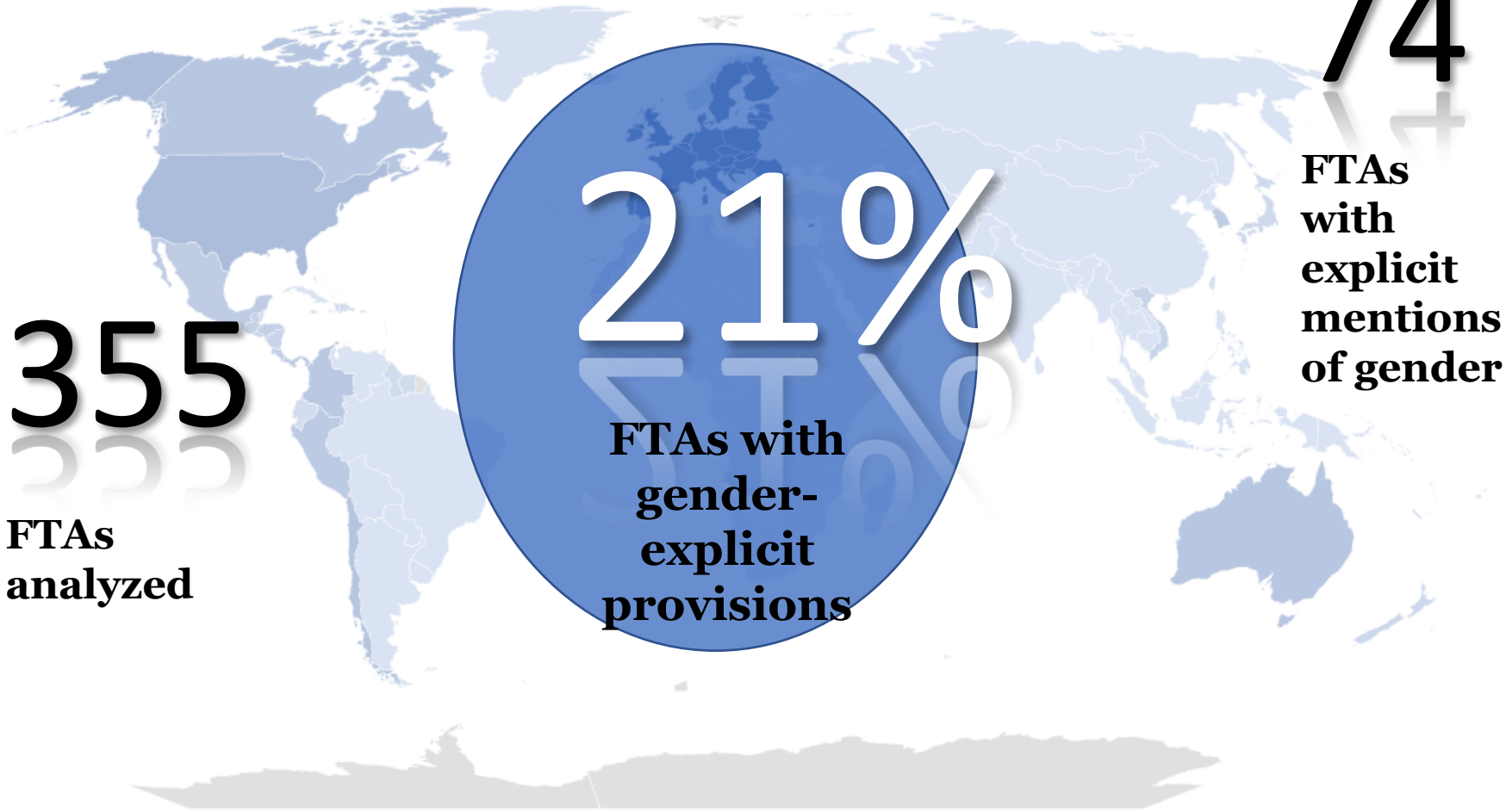
Focus of sustainable development (SD) provisions in FTAs





*Numbers and percentage values are approximate

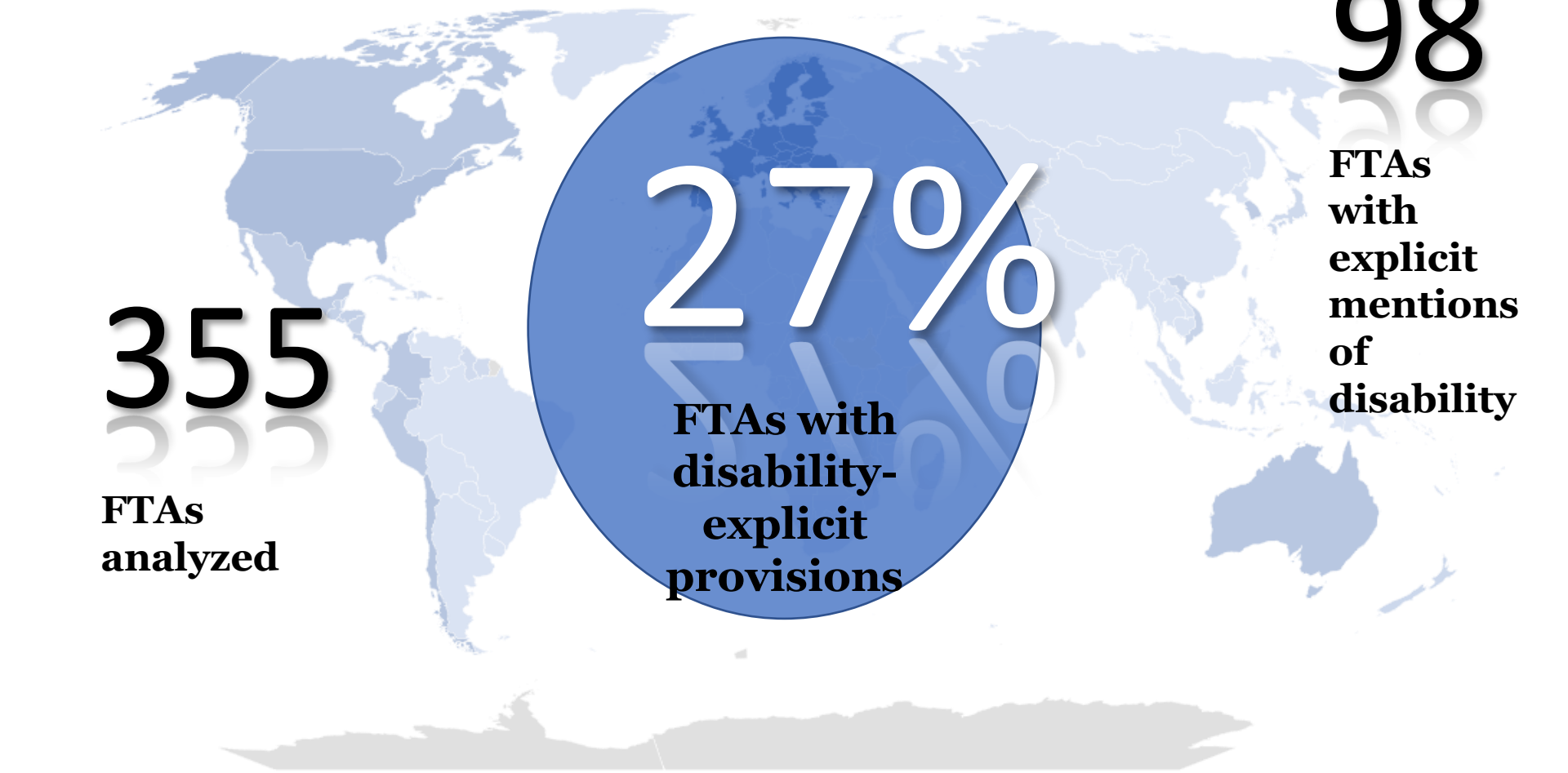
Gender Provisions in Trade Agreements (FTAs)



Explicit keywords:
gender, women, woman, female, maternity, girl, childcare, sex and others

Low High

Disability Provisions in Trade Agreements (FTAs)



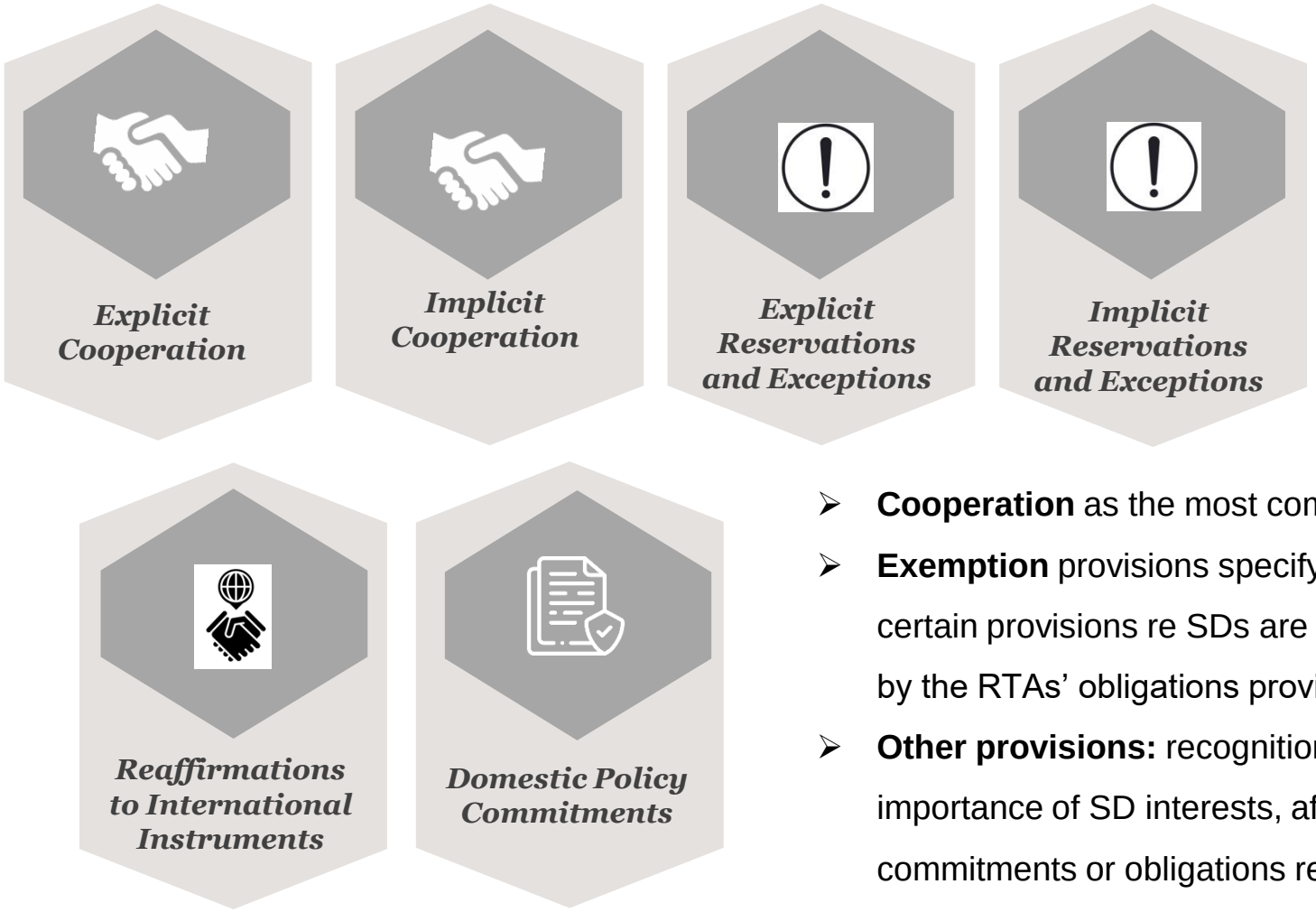
List of explicit keywords:
disabled, disability, disabilities, differently-abled, handicapped, invalidity, PWD

Low High

Location of SD provisions in FTAs

Preamble	**Australia- Chile FTA:** The Government of Australia and the Government of the Republic of Chile ("the Parties"), resolved to [...] implement this Agreement in a manner consistent with sustainable development and environmental protection and conservation
General exceptions	**EFTA- Singapore FTA,** Article 19: General Exceptions "[...] nothing in this Agreement shall be construed to prevent the adoption or enforcement by any Party of measures (b) necessary to protect human, animal or plant life or health
Chapter/ provision	**EU- Vietnam FTA,** Chapter 13. Trade and Sustainable Development.
Side agreement/ Protocol/ Annex	**EFTA- Hong Kong China** Agreement on Labour; **AfCFTA Protocol** on Women and Youth in Trade (in negotiation) **CETA** Trade and Gender Recommendation

Types of SD Provisions in FTAs



- **Cooperation** as the most common
- **Exemption** provisions specifying that certain provisions re SDs are not covered by the RTAs' obligations provisions
- **Other provisions:** recognition of the importance of SD interests, affirmative commitments or obligations related to SDs, institutional arrangement, and impact review.

Language of SD provisions

Best endeavour commitments	Legally binding provisions	Mixed language provisions
Use of 'may' and 'cooperate' or 'endeavour' together, followed or preceded by encourgage(ing), promote(ing), foster(ing), etc, [non-binding and permissive expression, keeping the provision as plainly non-binding]	The use of 'shall' or "should" or "must" or "undertake", without use of accompanying non-binding expressions [makes the provision binding in nature, which makes it enforceable if it subject to agreement's dispute settlement mechanism's jurisdiction]	The usage of 'shall' before or after 'cooperate' or "may" or "consider" or "endeavour" or "prioritize" [combination of binding and non-binding expressions, keeping the provision non-binding in nature, but has a stronger symbolic force]
Example ***Japan- Philippines Economic Partnership Agreement (2006), Article 103:*** *"[...] each Party shall strive to ensure that it does not waive or otherwise derogate from, such laws in a manner that weakens or reduces adherence to the internationally recognized labour rights".*	**Example** ***CPTPP, Article 20.17.2*** *"Each Party shall adopt, maintain and implement laws, regulations and any other measures to fulfil its obligations under the Convention on international Trade in Endangered Species of Wild Fauna and Flora (CITIES)"*	**Example** ***Canada-Israel, Article 13.3*** *"... the Parties shall develop programs of cooperative activities based on their mutual interests....Areas of cooperation may include:* *(a) encouraging capacity-building and skills enhancement of women at work and in business…."*

What remains undone?

1 Implementation & Funding 

2 Enforcement 

3 Non-binding Promises 

4 Amending the WTO rulebook? 

Re-globalize through Sustainable Development:

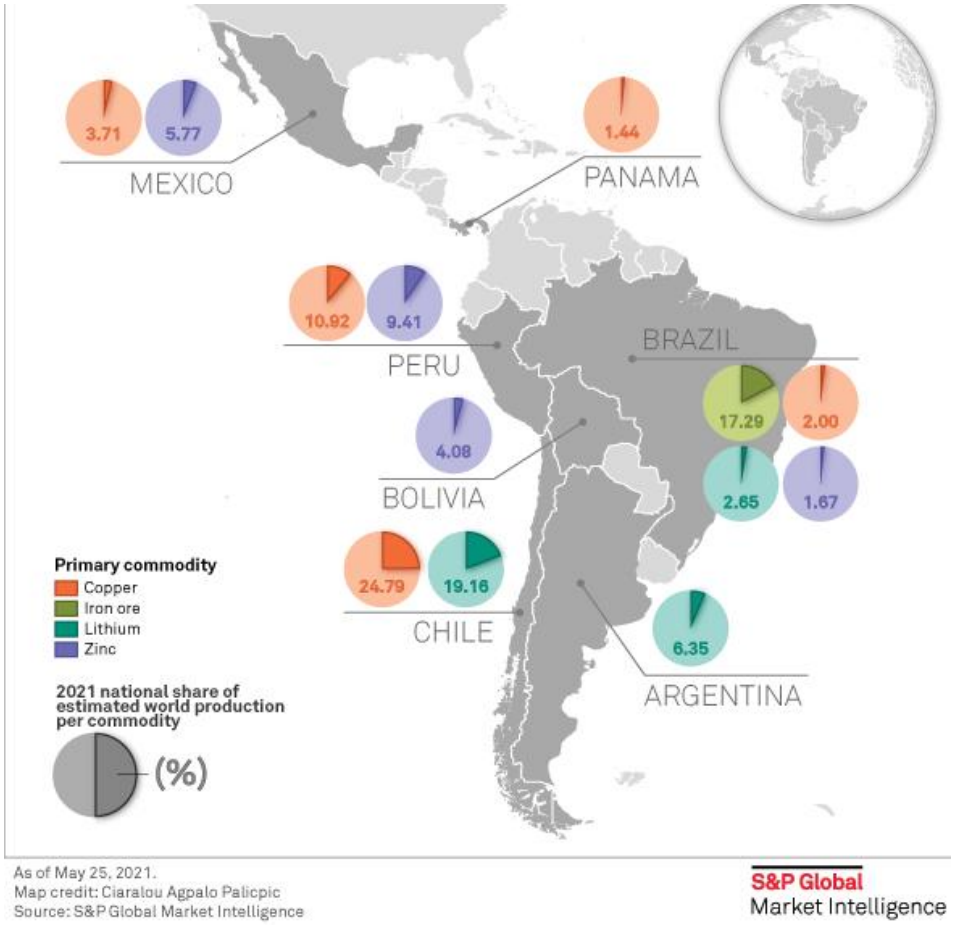
But How?

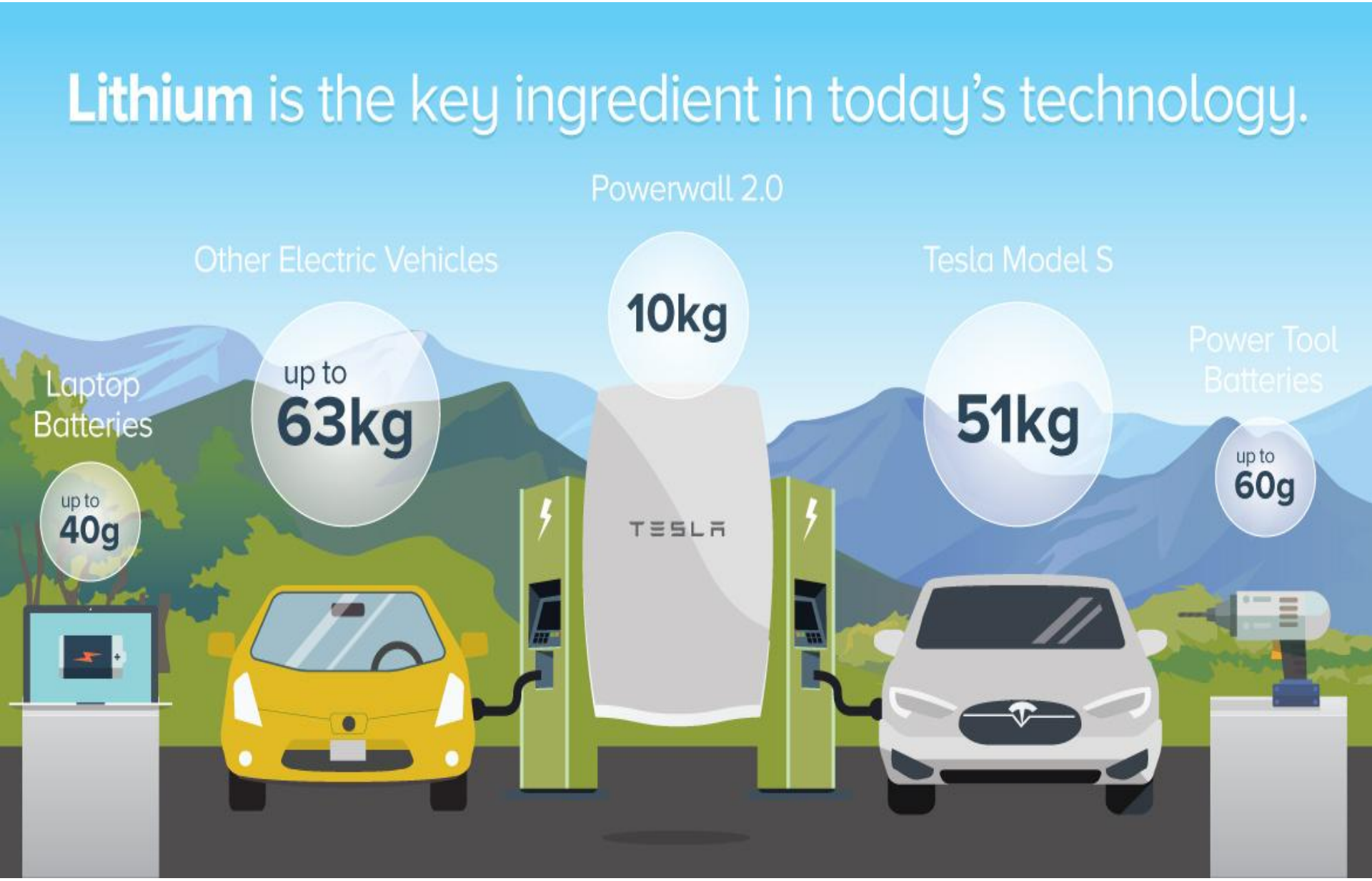
- How much should international trade in goods and service be curbed or facilitated?
- How can the global climate change challenge be met by competing, sometimes hostile nations?
- How is migration to be managed and its push factors adequately addressed?
- How are wars and conflict to be managed along with trade interests?
- To what extent should responses to health emergencies be dealt with by international organizations, and can health be balanced with economic interests?
- As COVID-19 pandemic illustrates the danger of relying on global supply chains for essential medical supplies, is it time to disconnect and be self-reliant?
- While climate change demands reductions in the enormous carbon footprint of international trade, is it time to reduce trade or move to green technology?
- Move to green technology demands critical minerals, so is it justified to mine and dig the lands of indigenous communities in Latin America to dig those minerals out and leave their lands without any resources and even water?

How to balance conflicting interests of sustainable development and trade?

Example:

Is the Race to Critical Minerals Defeating Sustainable Development Goals? The case of Latin America




Lithium is the key ingredient in today's technology.
Powerwall 2.0
Other Electric Vehicles
Tesla Model S
10kg
Laptop Batteries
up to 40g
up to 63kg
51kg
Power Tool Batteries
up to 60g
TESLA

Critical minerals mining contradicts:



Ensure healthy lives and promote well-being for all at all ages



Reduce inequality within and among countries



Achieve gender equality and empower all women and girls



Take urgent action to combat climate change and its impacts

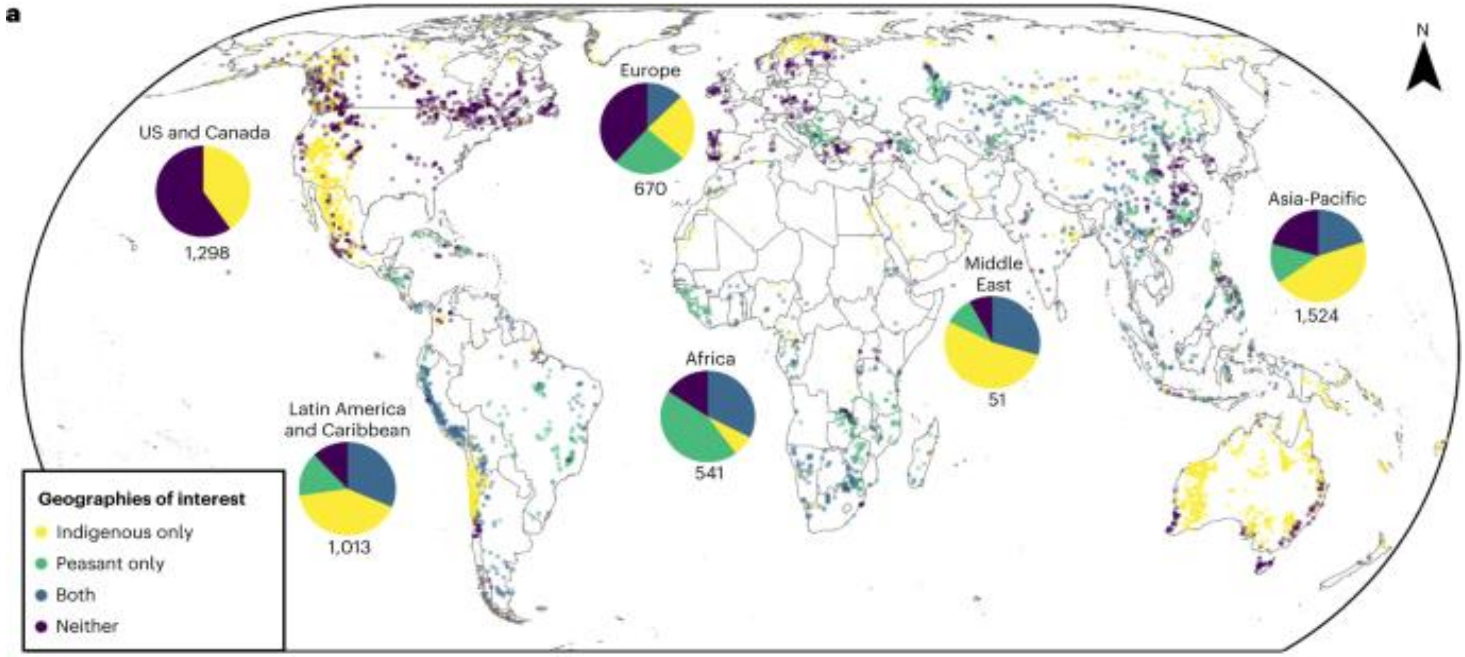


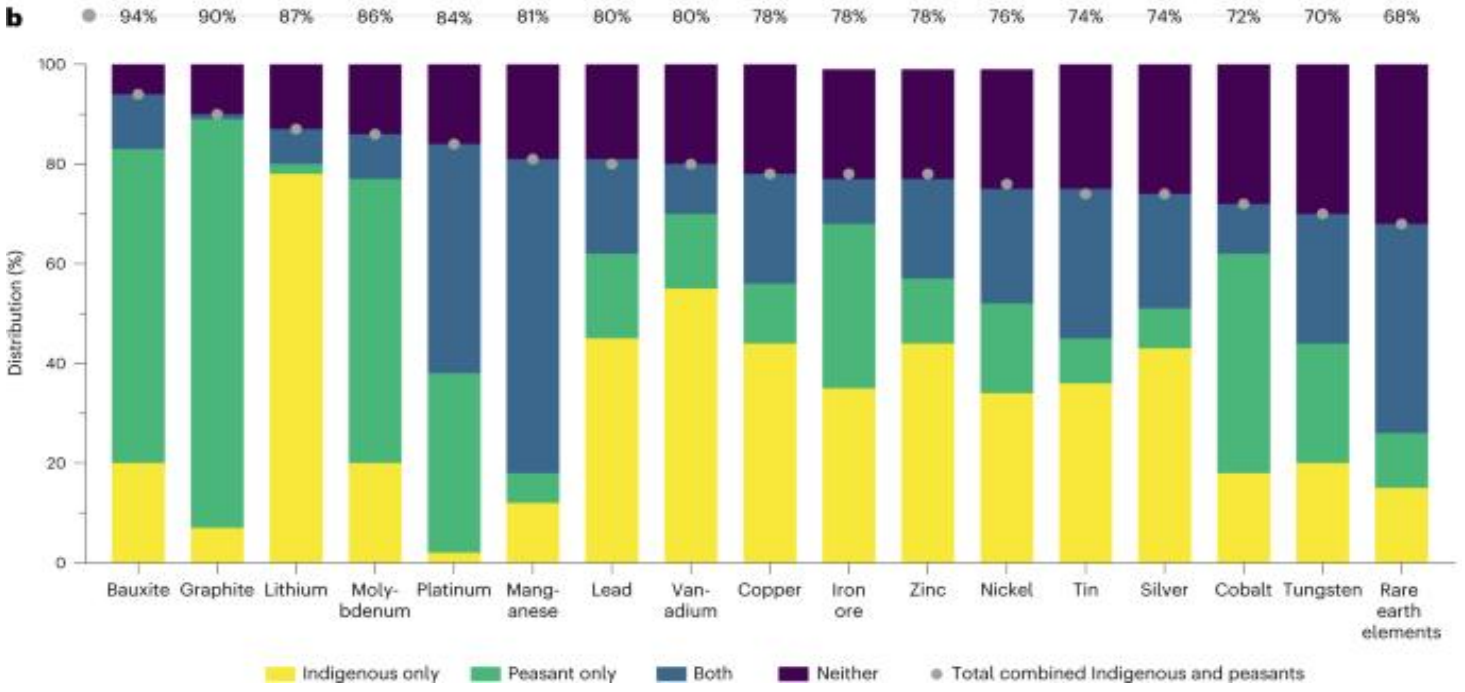
Ensure availability and sustainable managment of wáter and sanitation for all



Protect, festore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Source: United Nations. Department of Economic and Social AffairsSustainable Development





Defeating Goals 10 and 15? Minerals distribution on Indigenous lands

Source: John R. Owen et al, Energy transition minerals and their intersection with land-connected peoples, Nature Sustainability (2022).

Defeating Goals 6, 13 and 14? Lithium Mining Must Not Dry Up the Atacama Desert – The cracked and dried desert



Defeating Goals 3, 6, 13, 14 and 15? Buenavista Copper Mine turns the Sonora River Orange, Mexico



Defeating Goal 5: Mining leads to feminization of labor, unsafe working conditions, and vulnerability of women workforce

Feminization of labor





Natural disasters affecting women



Personal protective equipments in mining: unsafe for women

So which SDG is more important?

Climate change?

Nationalism?

Land rights?

Employment and business?

Clean water and air?

Public health?

Gender equality?

Green technology?

Indigenous communities protection?

Food security?

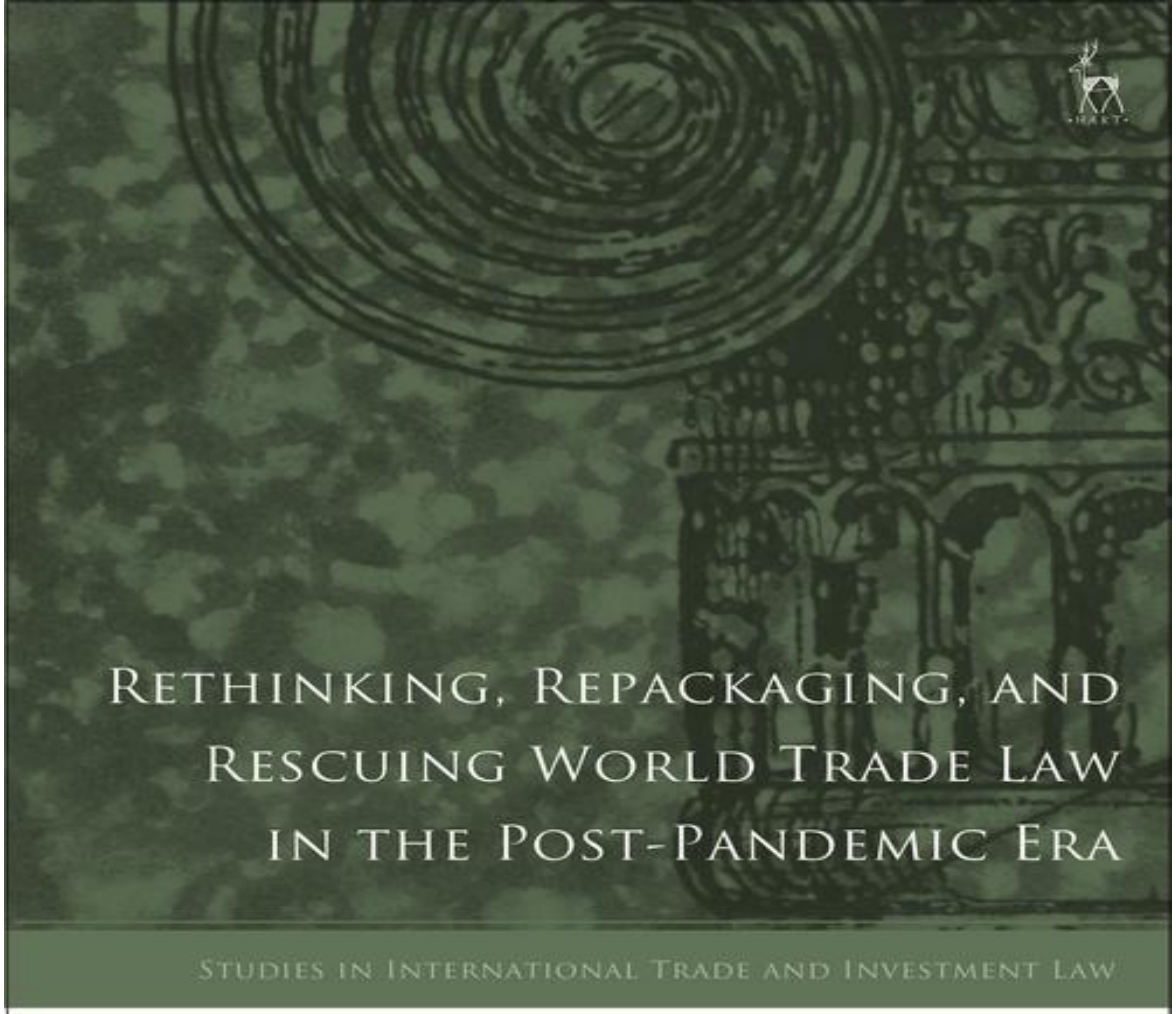
Energy generation?

Protection of natural resources?

Right to safe drinking water and sanitation?

Economic empowerment?

If you were the policymaker, how would you re-globalize?



Rethinking, Repackaging, and Rescuing World Trade Law in the Post-Pandemic Era

Studies in International Trade and Investment Law

Edited by Amrita Bahri, Weihuan Zhou and Daria Boklan