



GLOBALISATION OUTLOOK

by Joe Zammit-Lucia

NOVEMBER 2020

Families without parental authority are anarchic. A wolf pack that loses its alpha male or female will disintegrate unless someone else takes on the leadership role.



AMERICA CHOSE BIDEN. TIME FOR ITS ALLIES ALSO TO CHOOSE

Below is the text of an article that first appeared on [Friends of Europe](#)

The prospect of Joe Biden in the White House is starting to revive hopes of a renewed push for a multilateral world. But such success depends on America's allies as much as it depends on President-elect Biden.

The fact that the US election has raised such hopes solidifies the reality that the foundations of a globalised business world are political.

Yet much of the commentary about globalisation, international trade, and multilateralism is seen in the economics and business pages of newspapers and magazines. Business leaders plead for an accommodation with China, fearful of the short-term financial consequences of a new Cold War.

This misses the bigger picture, that the multilateral system is a political construct that can only survive and be effective in political terms. The economics flow from having a stable political framework, not the other way around.

Families without parental authority are anarchic. A wolf pack that loses its alpha male or female will disintegrate unless someone else takes on the leadership role.

Hegemons are not liked. They tend to be resented. But they are essential.

Hegemons are not liked. They tend to be resented. But they are essential

A multilateral system can only survive and thrive if a global hegemon can impose order among multiple competing, and often divergent, perspectives and interests. When discussions have been had and when everyone has been heard, strong and trusted leadership is required to find a reasonable basis for agreement, and to force decisions. This was the basis of the *Pax Americana* and, before it, the *Pax Britannica*. The politics of ‘why can’t we all just get along’ is delusional and a recipe for chaos and systemic breakdown.

Today we find ourselves in a world where US hegemony is waning. The world is breaking down into three main political blocs: the US, the EU, and China – each expanding its own sphere of influence. As far back as 1989, Paul Krugman explained that a world that consolidates into three blocs of comparable size would reduce overall welfare even if each bloc acted to maximise the welfare of its own citizens.

Who is going to be the global hegemon – the US or China?

The multilateral system cannot survive such a spread of political power and the consequent absence of overall global leadership. For those who wish to maintain a functioning multilateral system, there is only one relevant question – who is going to be the global hegemon that maintains order?

There are only two options – the US or China. The EU is not in a position to adopt global leadership. It struggles to find consistent internal agreement on foreign policy matters and it is in no place to project hard power – a situation made worse following Brexit. France is a permanent member of the UN Security Council and the only EU country with any credible military presence. But it cannot speak for the whole of the EU.

For the democratic world, the choice is now stark: whether to throw its weight behind the US, the world’s leading democracy, or to support authoritarian China as it continues to grow in power and influence – peacefully or otherwise. Hesitating and trying to keep a foot in both camps for venal, short-term commercial reasons is not an option open to any serious politician who understands the dynamics of globalisation. It is a sure way to ensure that multilateralism will continue to fracture.

For Europe and other democracies the only game in town is now balance of power politics

For Europe and other democracies, the only game in town is now balance of power politics. They do not have the power to impose their will and become global hegemons. But they are powerful enough to tilt the balance of power between the US and China. Committed Europeans may bristle at this suggestion. It is *realpolitik* nevertheless. Fantasy thinking is not helpful even if wrapped in European pride.

Some argue that the US has taken a tilt towards isolationism that will survive President Trump. That the nation can no longer be relied on to

Who do we want to lead? Stop vacillating. It's time to choose.

lead a democratic alliance. This would be a misinterpretation. The US has always oscillated between international engagement and domestically-focused isolationism. But, eventually, it has always come through on the world stage.

True, there have been missteps. But which country has not had plenty of those?

It is time that we came to terms with what matters in the political dynamics of globalisation. Time to understand that economic prosperity and multilateralism can only be built on the back of a sound political framework guided by strong leadership. That multilateralism depends on how America's allies behave, not just on America itself.

Who do we want to lead? Stop vacillating. It's time to choose.

THE BREXIT DEAL: IS IT DOABLE?

Is a Brexit deal subject to compromise or is it a clash of philosophy on which no compromise is possible?

There are a few days left in trying to close the Brexit deal. Is it possible?

The best way to frame that question is whether the outstanding issues are subject to a reasonable compromise or whether they are black and white issues around which no compromise is possible.

An example of the latter could be, for example, the 'debate' on abortion rights. That is an issue for which no compromise is possible. Those for and against are deeply convinced of the righteousness of their own position – which is absolute for each side. There is no compromise that satisfies everyone.

The UK and the EU similarly both have their red lines (which I won't bore you by reiterating here). It is quite possible that these respective red lines simply cannot meet and therefore no deal is doable.

We shall see soon enough.

But it is pointless arguing who is 'right' and who is 'wrong'. This may simply be a clash of philosophies on which compromise is impossible.

As we outlined in a previous Outlook, it may all come down to the fish.

CHINA BECOMES MORE ASSERTIVE

China continues to become more assertive in its dealings with others. Their approach can maybe be best described as Trumpian – it's my way or the highway – as shown by the recent spat with Australia.

The Financial Times comments:

"Democratic countries should watch this conflict closely and be prepared to support each other in pushing back against Chinese pressure. Without such co-ordination, Beijing will be encouraged in its efforts to divide and rule, inflicting real political and economic damage on democratic countries that defy its will."

Editorial, Financial Times 26 November 2020

About RADIX

RADIX is a non-aligned public policy think tank for the radical centre. Its aim is to re-imagine the way government, institutions and societies function based on open-source, participative citizenship. To kick-start the thinking that is needed for policy to embrace technology, innovation, social and cultural change.

Contact: hello@radixuk.org www.radixuk.org

© Copyright Radix Group Ltd. All rights reserved.