

Grave New World: The End of Globalization, the Return of History

Stephen D. King (Yale University Press: 2017, 290)

Reviewed By Khurram Abbas*

Stephan D. King is known for his stimulating writing and long term thinking on global economic outlook. His writings are highly influenced by post-2008 global financial crisis and its repercussions on Europe. Hence, he is highly supportive of the argument that the Western world will likely lose its control on economic and political affairs of the world. Being an economist, he has written three books, *Why the Money Runs Out: The End of Western Affluence* (2010), *Losing Control: The Emerging Threats to Western Prosperity* (2013) and *Grave New World: The End of Globalization, the Return of History* (2017) arguing that a new wave of anti-globalization and end of Western influence has started due to 2008 global financial crisis. His central argument of this book is that Western-led globalization has been facing severe challenges. The collapse of Western-led globalization seems imminent and if so, it would lead to an increasingly chaotic world. To prove his central argument, King has divided his book into four parts.

Part one of the book discusses origins of globalization and history of its thriving, remarkable achievements and downfall. King thoroughly discusses the post-Columbus era of globalization (P. 5) and world's economic and political integration through Peace of Westphalia in 1648 and Congress of Vienna in 1814-15, and massive migration from Europe to America in 17th and 18th Centuries. (P. 7). On the basis of historical evidences writer shares his fears about the current wave of anti-globalization. King narrates

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that global financial crisis often turns the table of global power centers as evident in history. He believes that it had happened in the 19th century, when globalization emerged in 1850 and thrived till 1914 (World War I). The WW-I turned the world upside down. The world had witnessed collapse of Ottoman and Austro-Hungarian empires. (p. 20) Later, the 1930s great economic depression and its economic shocks in 1940s led to demise of British and French Empires. (P. 34) History is repeating itself in shape of lost momentum of American growth and rise of China in post-2008 financial crisis (p. 25). However, the recent era of globalization is institutionalized and Western-led influence is based on a monetary institution. Although, the world's monetary institution International Monetary Fund (IMF) is trying to avoid this oblivion through various measures such as IMF's development of Special Drawing Rights (SDRs), its increasing role as a surveillance body over financial institutions of states, and introduction of floating exchange rates in late 1970s, but it has overstretched itself over the years (p. 53). Member countries are now demanding quotas based on their share in world economy, if accepted, will lead to less monetary share for predominantly Western countries. Therefore, the writer believes that change in global financial system seems inevitable.

Part two of the book generates an academic debate about growing competition between globalization and nation state. The writer has considerably tried to develop his argument about the reason of this growing competition. The global financial crisis has altered inter-state and intra-state relationship. King argues that the global financial crisis of 2008 has given rise to populism and rightist political elite. (P. 104) Resultantly, the current Western world has been divided into isolationists and those who favour globalization. (p. 109) Elite (winners of globalization) and public (losers of globalization) are fighting for their competing interests. (P.116)

Likewise, various countries with distinctive civilizations and histories have also re-emerged such as China, India, Turkey, Brazil, Russia etc. Countries with competing histories and mythologies are not immersed with western values. (p. 131) Most of these countries had been competing political, strategically and economically with the West and their ideologies are also different to Western political and economic ideologies. Resultantly, the world is gradually returning to competing ideologies and unstable alliances as it happened during inter World Wars period and during Cold War, which is detrimental to globalization.

In part three of the book, King further extends the debate on downfall of globalization and argues that basic drivers of globalization – people, technology and monetary policies - that helped in thriving globalization across the world in past 27 years have been threatening its existence. King shares the information about migration from underdeveloped to developed countries during last two centuries. The migration of skilled workers from underdeveloped regions such as Africa and Asia significantly helped developed countries mainly Europe and the US and enhanced their production capacity and technological advancement. (p. 156) However, the second half of the 20th century and first half of the 21st century has witnessed migration of less skilled people from Africa and Asia who eventually proved as burden on Western society and economy including asylum seekers, no/low skilled labour and migrants of natural/human made disasters. Technological advancement further shrunk the prospects for migrants in Western world (p. 175). Resultantly, local public started considering migrants as their competitors. Replacing cheap labour with robots, cybercrimes, and radicalization through social media has shown dark side of technology. (p. 179) This dark side of globalization discouraged and enraged Western society towards globalization. Furthermore, absence of coordination among economic giants such as the US, China, and members of G20, on

monetary policies is another threat to globalization, highlights King. (p. 195) Though, the G20 Summit 2009 had decided for greater coordination to sustain against global financial crisis of 2008. However, they have not returned their economies on pre-2008 growth rate. (p. 197) Resultantly, China's slow growth and concentration on export-led growth has dragged lower commodity prices in the world. (P. 197) American shale energy revolution has contributed decline in oil prices. (P. 198) Hence, the misplaced collective confidence and lack of cooperation among major economies of the world has not only proved to be the major challenge for globalization but also creating uncertainty in global market.

Part four of the book offers bleak predictions and practical but highly ambitious solutions to fears of an anti-globalization wave. King predicts that the end of globalization would be a nightmare for international peace and security. Unstable borders, cross border claims and uncertainty will likely create further international challenges. (p. 224) He suggests that a global organization for financial flows (p. 235) and challenging those countries that are pursuing anti-globalization policies (p. 237) might avert the end of globalization. King suggests that at the time of financial crisis, this global organization would financially support troubled country on better terms than IMF and WB with a dispute resolution mechanism along with financial pockets. (P. 235) He also believes that through political narratives at home and abroad in favour of greater integration, the collapse of Western-led globalization can be stopped. These two solutions seem ambitious in this complex global environment. Rise of China and resurgent Russia have generated a competition between the West and the Rest. New security and economic alliances such as Shanghai Cooperation Organization (SCO), Brazil-Russia-India-China-South Africa (BRICS) and establishment of competing monetary institutions such as

Asian Infrastructure Investment Bank (AIIB) and New Development Bank (NDB) of BRICS against World Bank (WB) and Asian Development Bank (ADB) has polarized the world and shrunk Western monetary influence. Resultantly, there are less likely chances of cooperation and establishment of a global organization for financial flows. Secondly, it is hard to challenge the US who is gradually defying globalization and free market for its own economic interests. King is also aware of these developments and he hints at the end of his book that mood of the real world is different to what he has suggested (p. 243). Perhaps by suggesting these two ambitious solutions King has further verified his central argument that collapse of Western-led globalization is imminent.

Though, the debate on globalization and shifting power centers of the world from West to East is not new, yet recent developments in the West, such as Donald Trump's protectionist executive orders – levy on steel and aluminum, pulling out from Trans Pacific Partnership (TPP), travel ban – Britain's exit from European Union (EU), rise of advocates of anti-globalization on political arena in Europe mainly in Spain, France, Netherlands and Austria have fueled this debate. In this context, the relevance of the book has further increased for academia as well as policymaking circles.

The book is remarkable combination of political economy and history. The writer has maintained a delicate balance while describing the history and political economy of the world. Resultantly, the book expands its readership – economics, global politics and history - as well as maintains interest of the reader. Unlike many experts of global politics King outshines due to his writing style and compelling argument based on his professional experience as economist. Though, mostly books related to anti-globalization and global politics have been predicting a new world order based on less Western influence such as Oliver Stuenkel's

“Post-Western World: Emerging Powers Remaking Global Order”, Tom Miller’s “China’s Asian Dream: Empire Building along the New Silk Road”, etc. However, their arguments were based heavily on politics and geo-economics. Therefore, a general gap used to be felt in academia about the economic reasons of these global and economic shifts. This book primarily fills this gap and provides argument that is too worthy to ignore.