

GLOBALIZATION OR DEGLOBALIZATION: THE RESULTING PROSPECTS AFTER COVID-19

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ABSTRACT

The global financial crisis of 2008–09 had already slowed globalization to the point of 'slowbalisation,' and the world had yet to fully recover when the shocks of the coronavirus offered fresh obstacles. It prompted concerns about globalization's future. The De-globalization Trend has gained momentum as a result of this pandemic. Globalization defined as well as united the world into a single market, but COVID-19 has exposed it to danger. To deal with the circumstance, competitiveness rather than comparativeness is essential. Various development models have been addressed in this paper that could aid in returning to the globalization era, or to put it another way, the beginning of the Re-globalization era. Making oneself Self-reliant or the concept of 'Aatm Nirbhar' is good but is not the solution to solve the De globalization problem. There is a need to focus on the competitiveness, productivity of abundant products, using Swadeshi Products. The need is required to focus on rural and vulnerable society, stress is given to create a new development model with the inclusion of the Gandhian model and PURA model. There is a need for to 'Make in India to be Make in World' concept.

Keywords: Globalization, Deglobalization, Global Village, LPG Model, Models of Development.

Introduction

Globalization is a process by which the entire international financial system gets integrated with the rest of the world. The motto of people, as well as possessing identical struggle-solving approaches in all the countries, is a free waft of product and offerings, capital, era, and information. Globalization is the term used to describe the spread of transnational locations. The term globalization" refers to the amalgamation of marketplaces. Products and services purchased in a variety of overseas locations Globalization has aided this process. The entire worldwide market is to be treated as a unified marketplace, with collaboration and cooperation. They need to work together. Various restrictions on the items and offerings that can be traded from one country to another have been lifted.[1]

Ji refers to the process of reducing interdependence and integration among distinct entities around the world. It refers to the period during which financial change and funding are decreasing. It is a comparison to globalization between worldwide areas. The integrating time for exclusive units is longer. [2]

De-globalization is defined by a reduction in financial exchange and funding between exclusive international places. Reduced underscores the fact that our money has allowed us to participate in the global financial Ji relaxation. It can influence the economy, society, political environment, technical environment, and keep an environmental dialogue going, as well as women's employment, security, and farmers. It will have an impact on India's financial development and may jeopardize the welfare of Indian citizens. [3]

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According to Wikipedia, the globe is becoming more interconnected as a result of the spread of media and technology across borders. Marshal McLuhan was instrumental in coining the term. A 'global village,' according to Thomas Friedman, is a collection of globalized marketplaces and villages linked together. . It could be viewed via the lens of an internet example. With the help of global village behavior programs that promote cultural awareness, we can engage in face-to-face conversations as well as online discussions about global and cultural challenges. Residents in one country can analyze multiple governments thanks to the media's engagement and may demand more international cooperation and freedom in the same way that citizens of other countries do.[4][5]

Liberalization, privatization, and globalization are all terms used to describe the process of LPG. The process of financial reforms began in 1991. This was done to get the country out of its financial issues and to speed up the country's improvement. It became the focal point of financial reforms, also known as the New Economic Policy (NEP), which was launched by Dr. Manmohan Singh to dedicate the Indian financial system to globalization it a new focus on market orientation. Second, to bring down the rate of inflation, third, to build sufficient Foreign Exchange Reserves, fourth, to achieve financial stability and eliminate unnecessary regulations, and finally, to allow free flow of products, offerings, capital, labor, and technology all over the world with minimal regulations. [6]

The competitiveness advantage concept refers to a strategic edge that one company has over another. It aims to address the critiques of comparative advantage. An agency makes acquisitions to surpass its competitors. It enables businesses to develop power and better position themselves within the organizational context. In 1985, with the help of Michael Porter, the idea was proposed. It demonstrates that governments and businesses must work together to develop policies that encourage the production of high-quality goods for sale at high prices. Because the Internet acts as an intermediary, it allows businesses to connect with their final customers via websites, giving them a competitive advantage over their competitors. [7]

Nep Reforms /LPG: The Introduction to Globalization

In 1990, the economy transitioned to a new model of economic changes known as liberalization, privatization, and globalization, intending to bring the Indian economy up to speed with the global economy. It included reforms in the business, manufacturing, and financial industries to bring the economy back to profitability.

- **Liberalization**

It is the relaxation of presidential norms during this period when the state relaxes some limitations on non-public activities? It implies that once one thing that was before prohibited is no longer prohibited, or when government laws are reduced.

- **Privatization**

It implies that something is being moved from the public to the private sector. The government is in operation, and services are being privatized. The government sells off state-owned businesses to private investors.

- **Globalization**

Interaction and integration of people, businesses, and governments all across the world. To achieve the collaboration of local and national economies into a global world, it should be referred to as a capitalized enlargement. It has fully developed as a result of advancements in transportation and communication technologies, which have resulted in the expansion of international trade concepts and culture. [23]

Effect of Globalization before-and-after pandemic

Globalization was impactful with the introduction of a new economic policy in 1991. After that, businesses in less industrialized countries can exercise more and larger markets all over the world. Developing countries have Greater access to finance, technology, and human capital as well as lower cost and broader export markets. China Transformed into a worldwide economic powerhouse due to globalization. It is because of globalization that a variety of items are available to consumers to have more options and benefits from increased quality and lower price, the standard of living of people increased, increase in FDI, more jobs were created.[34]

Effects on Globalization after the Outbreak of Covid-19

The covid-19 pandemic has sped up the emergence of new barriers. As a result, changes that have been in the works for some time will most certainly accelerate, leading to a new different, and more

limited version of globalization. Undoubtedly and underscore the dangers of being overly reliant on global supply chains. Every every country suddenly struggles for its survival. Due to pandemic unprecedented strain on the global economy, health Care and globalization was discovered it's respect to travel, event cancellations diversion of employment workforce, food chain, academic, and healthcare, etc. This period proved to be an opportunity for various countries like Indian and America to take the first-mover advantage and become the leading hub. As America took an initiative slogan 'America first' and India with the concept of 'make in India' and 'Aatm Nirbhar Bharat 'make itself sufficient and self-reliant.[35] [36]

Literature Review

As stated by Karunaratne,2012 'the digital divide' has helped in the devastating change in the ICT with the overcoming of 'tyranny of distance'. The globalization and Deglobalization puzzle resurface to trade flows, cross-border capital mobility, technology diffusion. [8] As stated by Kersting and Wynne, there can be two possibilities for a decline in international trade, they can be first, trade flows can be associated with trade Finance being dying out to the limits of the crisis, secondly protectionist measures breakdown. [9]

Hillebrand's suggested that the negative aspect of globalization can be dealt with by improving Trade adjustment assistance, more security on health, new international agreements that can be Beneficial for all countries. [10]

Flejterski examined that opponent globalization has increased dryness in the world, growth and Development got diminished, raised unemployment, the natural environment got hampered, Human solidarity got destroyed, increased corruption, taken to the hell's path. [11]

Miskiewicz ana Ausloos,2010, suggested that entropy measure which is based on entropy Manhattan distance can characterize globalization which was reached during 1970- 2000, and at This time the de-globalization process has been observed. [12]

Garcia-Herrero 2019, suggested that now the globalization Trend has turned to deglobalization. The strategic competition between the US and China has played a vital role in fostering the Deglobalization Trend. The most important point towards deglobalization is the end of the WTO. It has brought Global growth into a downward position. [13]

Postelnicu, et al 2015, considered measuring Deglobalization either being a long-lasting trend or adjusting short-term turn in the world economy. It has been measured with the help of the 'Globalization index' to help in defining the meaning of new trends in reshaping the international Economic relations and business environment as well. [14]

Eimandjra 2000, discovered that the key International issues can be solved with the help of a Single superpower with other major States' combinations. The USA is considered a soul state With Supremacy in economic, military, diplomatic domains. Has the power to reach and is capable of promoting its interest virtually. All over the world. [15]

James 2018 investigated that during the 2008 financial crisis, the data indicated a stall but not in the collision of globalization. There are protectionist measures, but they did not reduce trade. There has been advancement in political Deglobalization. [16]

Walden Bello 2009 considered deglobalization as an opportunity, he forwarded deglobalization as a broad model to replicate neoliberal globalization a few years ago. It is an alternative for Developing countries. The Deglobalization model is not considered relevant to the central Capitalist economy. [17]

Walden Bello 2008 argues in his book about the fundamental shift towards a decentralized Pluralistic system of global economic governance to follow development strategies to own values and mix constraints and opportunities. [18]

Bost, Leriche 2018, with the help of a diagram clarifies the places of globalization and Deglobalization in the world. He characterizes it into two movements, first aid the process of opening up to the world, second state the retrenchment and closing off from the world. [19]

Tuca 2013, shows distances to suggest that economic globalization has reverted to the upward Trend that characterizes it before the crisis. The Global crisis has resulted in the shaking of the process of globalization, then also it cannot be treated as the end of globalization. [20]

Danyang, 2017 in his paper argues that legislation trends in the west are due to many factors. The main point is the inadequate management of negative aspects. Of globalization, it can be solved Only if we widen the scope of globalization. [21]

Discussion

The Great Depression of 1930 was not forgotten, as the COVID-19 epidemic began to reveal its true colors not long after. The Great Depression was primarily an economic disaster, but COVID-19 is a health and economic crisis that has impacted nearly every country on the planet. Due to restricted economic activities, deepening recession, and increasing ambiguities, the health system, as well as the economy around the world, are flabbergasted. Pandemics appear to be more harmful because they cause invisible disruptions in demand and supply throughout the planet. This could cause the globalization process to slow down, causing the world to enter into the Deglobalization era.

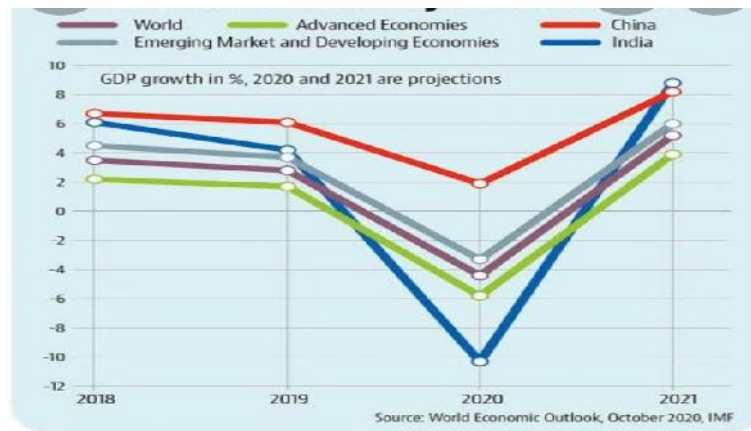
In recent years, all countries around the world have raised their voices in support of national products. Former US President Donald Trump campaigned on the phrase 'America first,' while India's Modi government emphasized the slogan 'Make in India.' None of the countries are attempting to find a solution; instead, they are charting their course. India has created an 'Atma Nirbhar Bharat' scheme, similar to China, Italy, and the United States, which are all singing their songs.

China is a major producer in the world. China provides over 70% of the product's basic materials. China's blockade and limitations have a significant impact on global supply networks. To stop the virus from spreading, almost every country has closed its borders and shut down its economy. The government, corporations, and customers had problems producing essential drugs and resources. Every country relocates its headquarters from China to its native country. PM Modi also introduced the Atma Nirbhar Bharat concept, which aims to make India self-sufficient and produce high-quality goods in the domestic market. [22]

Despite well-crafted fiscal and monetary policy support, India's economy contracted by 7.3 percent in FY21 because of the COVID-19 epidemic. In FY22, growth is predicted to be closer to the lower end of the 7.5-12.5 percent range, nevertheless placing India among the world's fastest-growing economies.[37]



GDP in India got a second drip from 369.4 to 443.8 but with an increase of 20.1% during 20-21.



GDP growth as compared to other countries like China and advanced economies had a major fall in 2020 like other economies during a pandemic but in 2021 it had a devastating change and India's GDP grew to 6% much higher than different countries' economies.

Comparative vs Competitive: Which one to Prefer?

- **Comparative Advantage**

It was founded by David Ricardo, who linked the cause and benefit of international trade to differences in the opportunity cost of manufacturing the same commodities in different nations. It makes compelling arguments in support of free trade and cross-national specialization. The major goal is to show how international commerce benefits people. Specialization in an efficient occupation, whether labor-intensive or capital-intensive, benefits every country. It makes compelling arguments for both free trade and laissez-faire trading. Although the country's real income may increase as a result of free trade, not every household or individual would profit. Folks may lose their jobs. If the product is produced anywhere else which they produce. [24]

India became product intensive in producing PPE kits, masks, sanitizer and started exporting to Other countries. China being a producer country, other countries stopped taking raw material and products from it. During Covid-19, India produced drugs such as hydroxychloroquine (HCQ), which was first developed in India for malaria treatment and is also useful for Novel coronavirus, Sars, and Cov2 for blocking cell attachment. Former US President Donald Trump, as well as other countries, supported HCQ as a cure for covid-19. [25]

- **Porter's Competitiveness Theory**

The competitiveness of a country is dependent on industries that are constantly trying to develop and innovate. Because of the strain and challenge, companies make aggressive gains. The nation's role has expanded as a result of the shift in competitiveness toward the introduction and consumption of information. Values, culture, monetary structure, institutions, and history all play a role in determining competitiveness. In any industry, nobody will be aggressive. It's most forward-thinking, active, and demanding. Businesses can make a lot of money if they innovate aggressively. Some people come up with new business opportunities to cater to a specific market segment. [26]

Even though it is a poor and developing country, India has made rapid progress in information-based entirely on services. The provider sector contributes to GDP growth. It has a strong international presence. In the IMD aggressive index 2020, India is ranked forty-third. It was ranked 58th in the annual Global Competitiveness Index conducted by the World Economic Forum in 2019. (WEF). This record determines a country's maximum capacity to provide excessive affluence to its population. [27]

Will Covid-19 - End the Globalisation Era?

- **Negative Aspects**

After the outbreak of covid-19 India started to take early decisions level to save the economy Level and country from major downfall like:

- In Jan-Feb, Chinese exports came down to 17.2 %, and imports lessened by 4%.

- Many industries suffered nuclear reactors, electric machinery, and equipment, plastic organics, but many Industries also grew up like agriculture and medicine. India handled much better in these two sectors like Healthcare and Agriculture than any other country.
- The cooperation of other countries broke down every country thought of singing their song and the network broke down, international borders were sealed. Global value Chains (GVC) links have been disrupted which connected producers across countries(28)

Positive Aspects

- It may not be true to say that covid-19 is an end to globalization, but it has accelerated Digital globalization. If we talk of the US predicting to be deglobalized, it is all due to its Policies. Globalization has accelerated four key trends like automation or robotics, Customization immediacy and protectionism. The situation which was in January to March is not the same in July – August.
- The pandemic will lead to repricing of all assets for rethinking investment decisions And dessert in a new wave to merger and acquisition.
- The government is back now with new strategies to manage the situation and there is a need to strongly collaborate globally.
- The quality of growth is improving in all aspects of health and the economy.
- AI, robotics, and automation are proving to be a blessing at the time of pandemics not only Corona but also there are many future risks like natural disasters, cyber-attacks, financial risks, economic risks in which there is a need for global authority coordination and cooperation with all over the world. [29]

Various Theories and Models of Development

• Gandhian Model

It is a Collaborative model that believes in inclusion and development with dignity where everyone is equal and benefited equally. The measure of success is up to which we can manage the partnership. In this model, stress was given a note on the development of rural areas. [30]

• Singapore Model

It points to a structural approach and leads away from a current neoclassical ascendancy in a developed economy founded' imperiously' in part of representative government success as one of the four East Asian Tarragon. [31]

• Pura Model Theory/Neo Gandhian Approach

It refers to. Providing urban amenities in rural areas was started by APJ Abdul Kalam as a 2020 vision. It includes 5 things:

- Agriculture and food processing up to 360 ton's food to be produced
- Electricity
- Education and Healthcare
- ICT
- Strategic factors like nuclear defense to be focused on.

It has a structure of four connectivity with inclusion to clusters of villages: Physical, electronic, knowledge, economy. [32]

Conclusion

After the covid-19, china emerged as a factory for the whole world. But this crisis has stopped every country to rely on the Chinese Government and Chinese factories. The world after covid-19 is looking for alternatives to China as a manufacturing hub – it can be a new opportunity for India which we lost to China in 1990 as that time china made reforms earlier than India and became the superpower.

Now is the moment to create a new economic model. "Jan bhi Jahan bhi," Prime Minister Modi stated. India's economy will not be harmed by Covid-19. It is therefore imperative that India use all of its resources on combating Covid-19 and not lose trust in its potential and opportunity to thrive in the post-Covid future. [33]

Gandhi's self-reliance model and A.P.J Abdul Kalam's PURA model could be combined in the new development model. We can't be self-sufficient in every area. We need to improve in a few areas. There is a requirement for a global alliance. We can export items like herbs and pharmaceuticals, which we have plenty of. We should make an effort to bring wonderful things or products from other countries. Try to improve the quality and then export it to other countries. Focus on rural and vulnerable communities, competitiveness, and the production of more and more commodities at a lower cost. Indians should use Swadeshi products, and other countries should be aware of their relevance for export.

At last, I would conclude that this covid-19 pandemic has allowed India to 're-globalization' concept. We can think of making the world a 'Global City' and there is a need in 'Make in India' to 'Make for the world' an initiative in making India a global manufacturing hub.

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