

Why Do People Oppose Globalization?

Populists thrive on blaming immigration, trade for economic woes rather than automation and quests for modern connections

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Invasive species: Opponents of globalization reject foreign influences, cultural or economic – Hindu extremists oppose the celebration of Valentine's Day, and US workers reject export of jobs.

NEW BRUNSWICK: Nationalistic politicians rising around the globe, in varying degrees, espouse an “our country first” mentality displaying skepticism or outright hostility toward globalization.

Globalization’s ills can be described not only in terms of loss of jobs through imports and multinational companies, but also the transmission and blending of ideas, lifestyles, cultures and phobias communicated by the internet. In 2017, 3.5 billion humans access the internet. Bandwidth, less than 4.5 terabits per second in 2005, has escalated to 400 terabits per second.

Humankind is developing an emerging “global consciousness” – a collective sensitivity to noble thoughts as well as to phobias and ignoble protectionism. The same channels that transmit the latest décolleté styles from Milan or Gangnam music from Seoul to farm families outside Bombay or Basra also relay cultural unease or ambiguity.

Anti-globalization sentiment springs from varying sources. In developing nations, the reaction stems from threats to tradition due to an influx of foreign products and ideas. Valentine’s Day is an example. Valentine, 226–278 CE, of Italy was relatively obscure among the more than 10,000 Catholic saints until the 1850s, when American entrepreneurs began marketing greeting cards. In the mid-20th century, Valentine’s Day was unknown outside the United States or Britain. Nowadays, every February

14, crowds throng malls in Asian cities, book restaurants and shows, and loosely celebrate a near mythical figure from centuries ago and a continent away.

Middle-class Asians like additional holidays, but not all. Demonstrations against Valentine's Day in India involve vandalism of shops and harassment of couples. Hindu fundamentalist groups protest the incursion of foreign practices as eroding traditional culture. A few generations ago, markers of identity in India and other developing nations were based on local religion, traditions and familial relationships. Today, children squint at small screens, and "all the world's a stage."

In richer nations, laid-off workers in the rust belts of Ohio or France blame globalization for misfortunes, job losses and economic stagnation. An analysis by the McKinsey Global Institute concludes that in six industrialized nations, the majority of households over the last 15 years saw a flattening or drop in their wages and investment income, a legitimate concern that some politicians latch onto and magnify.

Employees in the US and Europe work harder and are more apprehensive because of greater competition in the labor market, aided by a relentless drive for productivity gains. There is a psychological letdown because after two centuries of economic progress, generations can no longer assume they will be better off than their parents.

The angst is real, though politicians grossly overstate diagnoses by blaming international trade, offshoring of production and immigrants taking jobs. For every one US job lost through international trade from 1980 to 2016, researchers conclude that about four jobs have been lost because of automation, robotics, information technology and other productivity boosters.

Automation more than international trade has boosted US productivity, and three groups benefit most from these gains: consumers who pay lower prices, managers who earn higher salaries and shareholders enriched by dividends and equity growth. Labor has not benefited; union membership in the US and France, for example, has fallen to less than 10 percent of the workforce. The most workers now hope for is to keep jobs at the same pay levels as before.

On the import side, International trade has undoubtedly resulted in some job losses, but far fewer than from automation. The pain of import-induced job losses tends to be geographically concentrated in certain regions, sometimes with disproportionate impact on elections. By contrast, the benefits of low-cost imports are widely dispersed. On the export side, international trade creates millions of new jobs.

Most studies concur that immigrants, on average, produce a net benefit for countries over the long run. This is small comfort to anyone laid-off, many unskilled with lower incomes. The pain of job competition is concentrated among a few while the benefits

of immigration and imports – from low-cost goods to innovations – are spread over entire populations.

Immigrants comprise up to 14 percent of the population for countries with the largest numbers. In the United States, the H1-B visa quota for 2017 is a fraction of a percent, 85,000 slots in a workforce of 124 million. All immigrants, legal and undocumented, constitute about 13 percent of the overall US population. Germany, France and the UK have similar percentages. Nations with vast territory including Canada, Australia and Saudi Arabia are the exception, welcoming selected immigrants to boost GDP.

An irony of the victory of anti-globalization forces in the US presidential election and Brexit vote was that in areas where immigrants are scarce, such as Wyoming or Lincolnshire, residents are ideal targets for scaremongering and votes went to nativist politicians. By contrast, metropolitan areas, prosperous with more educated residents than in outlying areas, are less threatened by multicultural ideas and ethnicities.

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In cold-blooded actuarial terms, the likelihood of an American being killed by a foreign-born terrorist is miniscule – lifetime odds, roughly comparable to tornado or lightning-strike deaths, are 1 in 60,000. But fear sells products and political platforms. In the year 2000, Americans received most news from reliable sources such as *The New York Times*; the British public relied on the BBC and the *Times of London*. Today, many turn to Facebook, Twitter, family and friends. Trust in media institutions has eroded to the point where politicians can openly mock traditional news to thunderous applause.

Algorithms for social media sites deduce preferences and steer users toward news sources liked by their social network. Such algorithms perpetuate self-reinforcing “filters” that attract and keep viewers by presenting facts they like, while downplaying news that is dissonant or uncomfortable for the particular viewer. Algorithms thus increase views and advertising revenue, but segregate the public into separate camps, polarizing audiences in the US, Europe, and even Turkey and India. Do not blame the internet for this institutional failure, but rather the drive for profits superseding journalistic duty to serve the public interest.

Globalization is not in retreat regardless of such trends and though trade growth has slowed since 2005. Increasing nationalism may result in greater protectionism for some categories of products. Immigration may level off or decline in certain countries. But nations welcome incoming foreign investment. Cross-border data and communication flows grow rapidly. While sections of America and Europe engage in bouts of angst, many developing nations optimistically forge ahead. China's and India's giant domestic markets are far from a saturation point for foreign products and ideas. China's One Belt, One Road, designed to connect China with Europe and

Southeast Asia, adds thousands of kilometers of rail and road along with a string of ports along the Pacific and Indian oceans. The Asian Infrastructure Investment Bank, with 70 emerging countries as members, has subscribed capital of \$100 billion to sponsor projects in Asia and Africa.

Globalization is accused of causing job losses, culture shocks and xenophobia, but modernization of lifestyles and industries alter work and life patterns more fundamentally. Politicians who blame globalization are really alluding to larger socioeconomic issues – 25 years of hyper-competition, with intense focus on company stock values and profits. The power of unions has shrunk – tilting the social balance in favor of capital investors, managers and consumers who demand better products at low prices. Before the 1980s, unions in several manufacturing sectors were perhaps overly strong, resulting in inefficiencies and meager profits. Each society must find the proper balance for allocating benefits among labor, consumers, management and shareholders.

Globalization is a symptom of human desire and ambition leading to ever-increasing connections that brings prosperity, but also pain and opposition. The focus on only negative consequences amounts to throwing the baby out with the bathwater.

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