COVID-19 and Globalisation

Part of: GS Prelims and GS-III- Economy

What is Globalisation?

The meaning of Globalisation is usually interpreted to indicate the integration of the economy of the nation with the world economy, it is a multifaceted aspect. It is a result of the collection of multiple strategies that are directed at transforming the world towards greater interdependence and integration. It includes the creation of networks and pursuits transforming social, economic and geographical barriers. Globalisation tries to build links in such a way that the events in India can be determined by events happening distances away.

To put it in other words, Globalisation is the method of interaction and union among people, corporations and governments universally.

Effect of Globalisation in India

India is one of the countries that succeeded significantly after the initiation and implementation of Globalisation. The growth of foreign investment in the field of corporate, retail, and the scientific sector is enormous in the country. It also had a tremendous impact on the social, monetary, cultural, and political area. In recent year, Globalisation has increased due to improvements in transportation and information technology. With the improved global synergies comes the growth of global trade, doctrines and culture.

Globalisation

- It refers to the economic, social and political integration of nations. It entails the spread of products, technology, information and jobs across national borders and cultures.
- In economic terms, it describes an interdependence of nations around the globe, fostered through free trade.
- Globalisation can be further divided into subcategories based on its time frame and focus areas:
  - **Globalization 1.0**
    - It was pre-World War I globalization, which was launched by a historic drop in trade costs.
    - This globalization came with almost no government support and was without global governance.
  - **Globalization 2.0**
    - It is the post-World War II phase where trade in goods was combined with complimentary domestic policies.
    - The market was in charge of efficiency while the government was in charge of justice.
    - It saw the establishment of institute-based, rule-based international governance, specifically the United Nations (UN), International Monetary Fund (IMF), World Bank, World Trade Organisation (WTO, earlier GATT), International Labor Organization (ILO) etc.
  - **Globalization 3.0**
    - It created a new world of manufacturing in which high-tech was combined with low wages.
    - This was achieved through establishment of global supply chains as factories crossed international borders.
    - It was variously called New globalization, Hyper globalization, Global value chain evolution.
  - **Globalization 4.0**
    - It is the latest stage of globalization which involves cutting-edge new technologies like artificial intelligence (AI) that powers forward with the explosion of information technology.
    - These technologies shrink distances, open up borders and minds and bring people all across the globe closer together.
Covid-19 and Globalisation

Global leaders have reached this consensus that the pandemic Covid-19 and the crisis it has generated is a turning point in modern history.

- The crisis offers the world an opportunity to forge a new human-centric concept of globalisation.

Key Points

- The rapid worldwide spread of Covid-19 has a lot to do with the fallout of globalisation, including the travel industry, tourism and the neoliberal attack on universal health care which can be understood by the examples of South Korea, Iran and Sri Lanka.
- **South Korea:**
  - The transmission of the Covid-19 in South Korea is related to the Shincheonji Church of Jesus. This cult facilitated the transmission of the disease from Wuhan to South Korea because of frequent travel among its followers.
- **Iran:**
  - The coronavirus was introduced in Iran through globalisation-triggered international alignment and incubated through political and religious processes.
  - The economic sanctions imposed by the U.S. dominated western countries compelled Iran to develop ties with China. Which in turn, made the traders act as the carriers of the viruses.
  - The initial hub of disease transmission in Iran was Qom, a popular pilgrimage centre for Shiite Muslims from where it reached the Iranian Parliament, having strong ties with Qom.
- **Sri Lanka & India:**
  - Here the onset of the Covid-19 has a lot to do with tourism and labour migration, processes intimately connected with globalisation.
  - Both in Sri Lanka and India, the first cases were reported among foreign tourists from China and Italy respectively.
  - The tour guides became the first set of local people exposed to the disease triggering local transmissions.
  - Both Sri Lanka and Kerala in India have large portions of their labour force employed overseas.
  - Returnees from these overseas destinations have contributed to the upsurge in the Covid-19 epidemic in South Asian countries.

Challenges

- The quarantine and social distancing processes may not be totally effective in so far as the migrant workers and their families are often in between two states, experiencing difficulties at both ends.
- Both migrant workers and tourist guides already experience discrimination of various kinds because of their occupations and the risks involved and the quarantine has added to their misery.

Way Forward
The world needs to think beyond social distancing and quarantining the affected people and places.

- Broader and deeper issues like fallout from globalisation need to be analysed and questioned.
- In the recent G20 video conference, Indian Prime Minister stressed the world leaders to look at humanitarian aspects to global challenges like pandemics, climate change and terrorism, not just economic ones.
- The world needs to redefine the definition of globalisation and make it more human-centric instead of market and profit-oriented.
- There is a need to devote special attention to the needs of less developed countries as they might not contribute to the causes but face the severity of the situation far worse.