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The Political Economy of a Fractured World

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Mapping global transformation

1. Rising multi-polarity
2. Anti-globalism
3. Transnational actors
4. Institutional pluralism
5. Deepening interdependence

Rising multi-polarity

- Emergence of new countries as major powers in the World.
- Extraordinary advance in human development
 - hundreds of millions of people escaping poverty and joining the global middle class.
- The rise of Brazil, China, India, and other emerging economies puts the traditional power balance between countries.
- Global power shift also creates frictions and risks, even the possibility of war.

Anti-globalism

- Resurgence of nationalist and populist politics.
- A reaction against globalization.
- Sceptical of elites and put their faith in the wisdom of the ordinary person.
- But, have an authoritarian slant and a belief in a strong leader who mobilizes and speaks for the masses.
- appeal to those who are worried about their status within their societies because of job loss, the arrival of new immigrants, and/or changing cultural mores.

Transnational actors

- Sovereignty remains central in world politics.
- However, various trends have brought a host of non-state and transnational actors.
 - E.g digitization has reduced communication costs in a way that allows businesses to organize themselves globally.
 - and permits even small civil society groups to connect across borders.
- Climate change, migration, or others give a wide range of actors previously concerned only with local concerns an incentive to engage with global governance.
- Corporations, non-governmental organizations (NGOs), cities and other sub-national governments, philanthropic organizations, and expert and professional societies.

Institutional pluralism

- An array of nesting, overlapping, and even competitive institutions of different types have emerged – UN, IMF and World Bank.
- World Trade Organization is at the centre of the global trade regime.
- The end of the Cold War has given countries alternative means of securing economic cooperation.
- The rise of regional credit-swap arrangements –IMF
- Companies, NGOs, and other private actors:
 - set regulatory standards, arbitrate disputes, and otherwise help to govern the global economy.

Deepening interdependence

- Globalisation - economic linkages like cross-border trade and investment, but also a myriad of social ties, shared communications, and shared risks like health epidemics or the global commons.
- Societies' abilities to create peace and prosperity for their citizens are increasingly shaped by decisions made elsewhere.
 - Bad mortgages in the US can lead workers in Iceland to lose their jobs;
 - carbon emissions anywhere affect the future climate everywhere

Thank You

