

Globalisation in reverse?

As the shock of the global credit crunch subsides, the next phase inevitably kicks-in: steeply rising unemployment and growing domestic political pressure for a return to protectionism. As the global economic hangover hits home, the world's nations, like a bunch of recalcitrant teenagers, sink into their morose, self-centred protectionist sulks.

But is greater protectionism – each nation for itself - the answer, or should free trade and open markets be maintained? That's the question facing governments, trade unions and citizens alike - or so they think. But answers to the financial crisis, as well as to global warming, poverty and many other global problems do not lie in changing the mode of trade. That's because protectionism and free trade are equally flawed and equally contradictory. Neither offers the answer.

The problem with free trade is that the free movement of capital forces nations to compete destructively to attract footloose global investors, resulting in a race to the bottom as each nation competitively de-regulates and dismantles environmental and social safety nets. And it is that competitive de-regulation, we now realise, that fuelled the financial recklessness and risk-taking which led to the global financial crisis in the first place. Little wonder that over the last twenty years of de-regulation the rich got richer, the poor got poorer, and climate change was left to run rampant.

It's been clear for some time that free trade has reached its limit. Years of failure to reach agreement in the Doha round of WTO trade liberalisation talks have shown that already. But reverting to protectionism is not the answer. For that simply unleashes a competitive, beggar-thy-neighbour raising of retaliatory tariff barriers, anti-dumping suits or other more subtle forms of trade or employment discrimination. Protectionism only raises international tensions and, as many astute commentators have noted: where goods are prevented from crossing borders, armies soon will. Moreover, when it comes to protectionist policies, almost no government is beyond reproach, so any government complaining or litigating against others only risks looking hypocritical.

The problem with both free trade and protectionism, then, is that they're both predicated on the same unsustainable premise: on an underlying state of destructive competition between nations; on a vicious circle no nation can escape. The answer lies not in competitive free-trade nor in competitive protectionism but in something quite different: in co-operation. It lies not in the mode of international trade but in changing the mode of international *politics*.

The hangover the world's teenager-nations suffer is, for the first time ever, global. That's why fiscal stimulus policies carried out on a nation-by-nation basis won't be effective, as Gordon Brown repeatedly points out. Even China, once thought to be the undisputed winner in the global economy, suddenly finds growth faltering and thousands out of work as global demand for its exports chokes off. Unlike the 1930s, no nation is immune and we are all in this together. We live in a global world and only global solutions will do. So, like it or not,

nothing short of global governance can cure simultaneous national hangovers. All the while the global economy remains riddled with conflicting interests, undermined by tax havens and dogged by the ability of corporations and the rich to avoid paying taxes, traditional national governance cannot hope to solve our problems.

We should remember that the emergence of national market economies in the 17/18th century produced similar national hangovers: periodic recessions, bank runs and adverse social and environmental fall-out. None of that is new. So how were those problems overcome? By crisis! That fall-out eventually drove each national society to demand its government to regulate its growing domestic market. When they did, the problems were largely solved. The fall-out we see globally today is no different – and neither is the solution. Global problems will soon become so dire that governments will eventually be forced to regulate *transnationally*. So Gordon Brown and Barack Obama are absolutely right to call for international policy co-ordination. But given the current framework of competitive international relations and the fact that governments, economists, business-people and trade unionists are all still asking themselves the wrong “free-trade vs. protectionism” question, politicians haven’t the slightest clue how to achieve it.

Some of you may fear that global governance means yet another level of distant, burdensome government bureaucracy, or that our national identities will be lost, or that national governments will lose their freedom to act. But it is the very *lack* of cooperation between nations - the *lack* of a seamless global regulatory regime – that caused this crisis in the first place and is now preventing nations from acting adequately to halt it. Far from limiting national freedom of action, co-ordinated policy across national borders would actually enhance *everyone’s* freedom of action. While individual governments today fear taking any action that might displease the rich or the markets, co-ordinated action would at last allow them to reign them in decisively without fear of them moving elsewhere. Co-ordinated international action across a multitude of issues would allow the world’s nations to deal decisively with today’s global problems. But would we be wise to wait patiently in the hope that politicians will make that a reality? Would we be wise to think politicians can achieve this on their own?

Happily, citizens who support the Simultaneous Policy (Simpol) campaign aren’t waiting around to find out. Simpol is a unique global campaign which allows citizens to use their votes in a completely new way to drive the world’s politicians towards implementing the right global solutions - simultaneously.

The basis of Simpol is that all or sufficient nations are to implement the needed stringent measures *simultaneously*, so avoiding the fear that first-mover nations would lose investment and jobs to other countries. By posing no-risk to any nation’s economy or its international competitiveness, simultaneous action removes the excuses for inaction and delay and opens the way to far more robust policies being adopted than relatively weak agreements we see governments trying to implement today, such as the Kyoto Protocol to curb global warming. Not only could simultaneous international action open the way to solving the global

recession, it would allow global warming and a host of other global problems to be solved too.

Announcing his support for Simpol, Lembit Opik, one of a growing number of MPs who support the campaign summed it up when he said, “We live together at once, on the same small planet. There are some things we should do together, at once, on this same small planet. The compelling logic of Simultaneous Policy is really collective common sense – it’s a campaign to find out how common sense really is!”

But what about nations that refuse to cooperate internationally? To secure sufficient international political will for the implementation of the Simpol, citizens around the world who support it, known as Adopters, not only decide the global policies to be implemented, they tell all the politicians in their constituency area that they will be voting in future national elections for *any* candidate, within reason, who has signed the pledge to implement the policy alongside other governments. Or, if they have a preferred party, they encourage that party to support Simpol. In this way, citizens are seizing the political initiative, firstly, by taking the task of global policy-making out of the hands of politicians and, secondly, by intensifying the competition between candidates to a point where politicians who fail to support Simpol risk losing their seats to those who do.

This new way of voting even though adopted by only a relatively small number of people has already resulted in 27 UK MPs and countless candidates pledging to implement Simpol alongside other governments. With more and more parliamentary seats and even entire national elections being won or lost on fine margins, it needn’t take many of us to make it in the vital political interests of the main politicians and parties to support Simpol, thus offering Adopters the opportunity of driving even uncooperative governments to sign on.

Ambitious, no doubt. But do we really think politicians are going to save the world for us? Do we really think they can achieve international cooperation on their own? It’s not just politicians who need to grow up and take responsibility: it’s us, too. What Simpol offers is a powerful way for us to do that; a powerful way for citizens to show our politicians that “when the people lead, the leaders will follow”.

John Bunzl, March 2009.