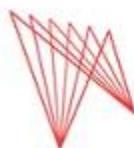


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## BRIDGING THE DIVIDES: TRUST IN GLOBALISATION

### WEBINAR Victoria Virtual Forum

Bridging divides in the wake of a global pandemic

Thursday, Sept. 3, 2020 (9:00PT, 12:00 EST, 1600GMT)

Rapporteur : Sara Ronco – EMEA Researcher

The panel was moderated by the **Rt Hon Lord Jack McConnell**, Co-Chair of the UK All-Party Parliamentary Group on the UN Global Goals for Sustainable Development, Vice President of UNICEF UK and Chair of the McConnell International Foundation. The speakers were: **Professor Rym Ayadi** Founder and President, Euro-Mediterranean Economists Association (EMEA); **Dr. Yasuyuki Sawada** Chief Economist, Asian Development Bank; **Mr. Erol Yayboke**, Deputy Director, Project on Prosperity and Development, Centre for Strategic and International Studies.

### Introduction

The key theme of this webinar was how do we move forward and capture the benefits of globalisation without its negative corollaries, whilst considering the uncertain consequences of COVID-19 on trade and the movement of people and capital. How can globalisation be reformed to be more equitable across regions and countries, and amongst groups of citizens within a country, as well as being more sustainable for the planet?

### Panelist Presentations

**Mr. Lord Jack McConnell:** After introducing the speakers, Mr. McConnell presented the webinar. He stressed that the COVID-19 global pandemic shocked international economies and travel. He said that global, concrete solutions are critically needed and that this constitutes a big challenge for policymakers, diplomats, academics and policy leaders around the world.

**Prof. Rym Ayadi:** She started by saying that the Covid-19 pandemic put globalisation and anti-globalisation trends in the spotlight. The current global health crisis required a policy response to contain it, which is causing major economic disruptions. The current global forecasts by international organisations on globalisation trends are a cause of concern (a 13-32% decline in merchandise trade -WTO; a 30-40% reduction in FDI -UNCTAD; a 44-80% drop in international airline passenger numbers in 2020 -ICAO; more than a 20% drop in remittance flows in 2020 -WB; a drop in tourism revenues; a dramatic reduction of migration flows; and dramatic job losses). Prof. Ayadi said that these negative data forecasts may not mean a total collapse of international market integration, if the traditional definition of market global integration is revisited through new dimensions (digital solutions, crypto currencies, etc.) She moved to analyse the way forward, mainly: monitor the role of global organisations and how they manage the pandemic, because they will drive the future of globalisation; rethinking regional and GVCs, looking for the appropriate trade-off between redundancy and reshoring (from efficiency to resilience); the global political economy will continue evolving between

frictions and vulnerabilities; tractions and lower flows of people triggered by protectionism and anti-migration movements; technological shift and digitalisation trends (health, conferences.. etc.) will change the way we look at things; the capacity of international organisations to provide a renewed stable, resilient, inclusive and sustainable approach to multilateralism, anchored in global solidarity, that leaves no country and no one behind. EU has shown that regional integration matters and the recovery plan is clear evidence of regional solidarity, whilst the green deal will provide a lifeline out of the crises. The EU also played a crucial role, she said, in smoothing out the tension between China and the US. As for Africa, even if the African Free Trade Agreement and the new EU-Africa partnership I drives regional integration forward, Africa has to benefit from global/regional solidarity in order to recover and invest in digital infrastructure. She concluded by saying that, whilst caring about correcting previous globalisation models that were anchored in extreme capitalist philosophies, we need to deal with inequality and pollution-led growth models respectively, via global social protection schemes that are accessible to all and to have clear plans to comply with the Paris climate targets.

**Dr. Yasuyuki Sawada:** He started by talking about benefits from globalisation. Post World War II, many countries in Asia, China and India more than others, have benefitted from globalisation. Especially by the 1990s, most Asian economies liberalised trade and investment using FDI as a source of capital and new technology. Global and regional trade has entered a new phase since early 2000, when free trade agreements proliferated and when China and other countries joined the WTO, leading to more integration into GVCs for Asian countries. He stressed that, for Asia, the benefits coming from globalisation were very clear: growth grew substantially, and poverty declined significantly. In 1980 in Asia, around 70% of people were living below the poverty line, now it is less than 7%. He said that the major part of this strong income growth and decline in absolute poverty can be attributed to globalisation. Bangladesh became a frontline case of the rapid Asian growth, despite the COVID-19, with certain industries leading the export sector (the apparel industry amongst others) which, furthermore, created a dramatic improvement of women's conditions (since women are largely employed in the sector). Globalisation benefits intensive labour industries (mortality rate declined, education in women increased, etc.). He stressed that Bangladesh represents a case in which labour-intensive industry growth benefitting from globalization has created social improvements. In any case, he added that it is necessary to pay attention to labour standards and safeguards around industrialisation. He then started to mention the costs of globalisation, starting from the increase in income inequality and inequality in opportunities and in access to technology (i.e. large gap between skilled and unskilled labour). He moved on then to globalisation and COVID-19 issues. At the initial phase (March and April) many countries in the world suffered from a shortage of PPEs, whereas now they are largely available and at a low price, representing a big benefit from globalisation. Nevertheless, COVID-19 led to a loss in globalisation benefits and negative impacts persist in some areas, particularly the reduction in tourism and in remittances. He said that, in his opinion, globalisation should return but in

a different form, strongly supporting regional integration and cooperation. He concluded by saying that there are many challenges in the post-Covid era, particularly the digital platform, taxation and public health access.

**Mr. Erol Yayboke:** He started by saying that we need to think about the impact of COVID-19 as an opportunity to rethink globalisation. Particularly, migration is being strongly affected with huge consequences on the overall economy. Related to migration, he stressed some main critical issues and opportunities are emerging from this topic. Populism and anti-migrant sentiments are increasing everywhere. Generally, people are not moving now, including labour migrants, leading to serious economic consequences, since they fill very important gaps in the labour market in the broader economy. Related to that, he raised a concern about the reshuffling of migration destinations, with migrants from poor countries that will have to go to neighbouring ones or stay in their countries but are, in any case, accepting jobs with low labour standards and generally poor conditions. Another huge concern he raised is about the fact that remittance flows are higher than total ODA around the globe, if migrants are not able to move and send money back to their families, remittance flows will fall with serious economic consequences. This is linked with the fact that inequalities in countries and between countries will rise. Because of COVID-19, most people are either not working or working in precarious conditions, whilst there are others, the minority, who are able to work safely from home or have safety nets. A lot of labour migrants don't have safety nets, or any kind of social protection. He concluded by saying that he believes in globalisation, but some of the pre-Covid challenges need to be deeply rethought - inequality in particular - to allow globalisation to benefit more people.

### Closing Remarks

**Prof. Ayadi:** She said that the COVID-19 global pandemic needs a global response through a global solidarity model that must be transparent, resilient and inclusive. In her opinion, this is a great opportunity to improve the image of globalisation.

**Mr. Yayboke:** In his opinion, it is fundamental to rethink migration, to re-trust globalisation and engage, for a better understanding of it.

**Mr. Sawada:** In his opinion, globalization will return after COVID-19 in a different shape, with stronger regional integration and cross-border regional public goods. Globalisation and the digital platform, moving hand in hand, need a framework to correct the digital divide, social protection and a redistribution of policies. He stressed the need for a profit sharing digital economy and a coordinated effort on tax agreements to modernise globalisation.