Hyperglobalization is Dead. Long Live…? 

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October 30, 2023 
PIIE Event on Is Globalization Really in Retreat
Hyperglobalization is Dead

Global Exports as share of Global GDP (%)

Gross Exports

Value-added Exports

De-globalization in manufacturing

Slower but continuing globalization in services

Post-Hyperglobalization: Two-Track Globalization?

Global Sectoral Gross Exports as share of Global GDP (%)

- Manufacturing
- Services
Two-Track Globalization?

2-track globalization also true evident in value chains

De-globalization in manufacturing

Slower but continuing globalization in services

Gross Exports to Value-added Exports
Why De-Globalization? Role of “Gravity”

Policy restrictiveness

Financial deglobalization

Ideological reversal of neo-liberalism

Geo-politics and self-reliance

Gravity: A more equal world trades more
End of Disruptive North-South Trade

Average income level of manufacturing imports

Post-global financial crisis, imports from South into North have exerted less “pressure”
CHINA
Post-global financial crisis, the China shock in the US persisted without apparent impact on manufacturing employment.
China’s …

Internal trade-GDP ratio nearly halves…

Global export market share nearly doubles

Both a puzzle and a clue to the future
Future of Globalization

• Geo-politics and ideas (rejection of neo-liberalism) will be “serpents” in the paradise of globalization. But …

• Cardinal sin of forecasting is extrapolating the recent past

• Trade today is far from potential: 20 percent relative to 100 percent

• Technology and income differentials still a potent force

• The China and India globalization “stories” are far from over: Electric vehicles (China) and Global Capability Centres (India)
Ideas are fickle and self-serving.

Hyperglobalization was a golden era of poverty reduction and convergence for developing countries.

Purveying of inwardness is a neo-imperialism that developing countries should reject and the world should resist.

Future of Globalization

Globalization and Convergence

Difference in per capita GDP growth between developing countries and rich countries

World export-GDP ratio; rt. axis