

A NEW AND FAIRER GLOBALIZATION

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Relevant Information

This document summarises the key point of one of the round tables held at the [Fide Foundation 2nd International Congress at Oxford, on Nationalism, Populism and Identities: Contemporary Challenges](#). The key topic was the Impact of nationalism and populism at the national level.

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About the Fide Foundation

The Fide Foundation is a legal-economic think-tank based in Spain, committed to involving the civil society in all major legal and economic developments in Spain, the EU and abroad.

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E. A NEW AND FAIRER GLOBALIZATION

ABSTRACT

This Chapter describes the process of globalisation of the world economy, the impact of this process for the economies in Europe and the US and, in particular, the distributional effects of such trends. It examines how different social groups were exposed to, and affected in their identity by, the globalisation of the economy, and fuelling the re-birth of nationalism and protectionism.

The Chapter describes these developments, but also discusses the causes of these changes and the negative implications of protectionists policies for economic growth. It also contains recommendations for a new and fairer globalization by considering how to move back to a multilateral world, where trade across regions and, in particular, between the North and the South is re-energised while ensuring that the benefits of such a multilateral order are better distributed between people and better respecting sustainable development goals than they were in the past.

1. INTRODUCTION: THE FACTS

Four dominant issues must be considered: the distributional effects of Trade, offshoring trends, immigration flows and movers versus stayers.

The idea that trade liberalization, as one of the pillars of globalization, benefits society and the economy is deeply rooted in economic thinking. The advantages of international trade have been highlighted in classics such as *The Wealth of Nations* of Adam Smith and *On the Principles of Political Economy and Taxation* of David Ricardo, just to cite two founding fathers of trade economics. The idea that trade (and, consequently, trade liberalization) is beneficial for nations has been pervasive in the development of international trade law, from early bilateral trade agreements and friendship, commerce and navigation (FCN) treaties during the 19th century up to the establishment of trade multilateralism during the 20th century (notably, with the creation of the Bretton Woods organizations, the adoption of the General Agreement on Tariffs and Trade of 1947 (GATT 1947) and, much later, the creation of the World Trade Organization (WTO)).



This notwithstanding, it seems clear that trade liberalization does not leave everyone better-off. Indeed, by liberalizing trade, some national industries suffer from increased competition with negative effects for the economy and workers. As pointed out by some scholars, not everyone will be better off under trade liberalization, and the protection of special interests, among others, may lead countries to adopt protectionist measures¹, to environmental damages, shortages of supplies, or placing essential facilities in undesirable or abusive countries. More specifically, increased competition (following trade liberalization) may cause the loss of jobs in some sectors.² Some recent studies on the effects of international trade on the economy of the United States have highlighted that the economy as a whole has benefitted from trade but these benefits have been unequal.³ Notably, households with different income or wealth levels have been affected differently, as trade liberalization and increases in trade affect not only goods and services offered (and their prices) but also labour markets.⁴

As a result, it has been noted that, while international economic institutions have been built on and have promoted the principle of “growing the pie” and “raising all boats”,⁵ the advance of trade liberalization’s opponents may be explained precisely in light of the absence of trade liberalization’s promised economic benefits for many.⁶ Along these lines, already in the 1990s a number of studies had stressed that the economic and technological changes brought about by trade liberalization would affect some categories of workers and open the door to political backlash against free trade.⁷

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¹ P. Van den Bossche, W. Zdouc, *The Law and Policy of the World Trade Organization: Text, cases and Materials*, (Cambridge University Press: Cambridge, 2017), pp.25-26.

² N. Pavcnik, *The Winners and Losers from International Trade*, International Institute for Strategic Studies (23 January 2019), <https://www.iiss.org/blogs/survival-blog/2019/01/winners-losers-trade>.

³ D. Carroll, S. Hur, *The Winners and Losers from Trade*, Federal Reserve bank of Cleveland – Economic Commentary 2019-15 (30 September 2019), pp.1-2, file:///Users/gabrielegagliani/Downloads/EC_201915.pdf.

⁴ *Id.*, p.2.

⁵ H. G. Cohen, *Editorial Comment: What Is International Trade Law For?* 113 *American Journal of International Law* 2 (2019), p.326.

⁶ *Id.*, pp.328-329.

⁷ E. B. Kapstein, *Winners and Losers in the Global Economy*, 54 *International Organization* 2 (2000), p.360.



And navigating popular discontent, populist politicians have been among the strongest trade liberalization opponents.

With some caveats and important nuances, these trends have concerned both developed and developing countries alike. The general, progressive lowering of tariffs has been accompanied by a technologically driven higher efficiency in supply chains and lower transportation costs. This has led, in turn, to a massive offshoring of industrial and productive activities: since production costs in developing countries have generally been lower (due to generally lower labour costs and less stringent social and environmental standards to be complied with), lower tariffs have meant that goods produced abroad could be easily exported to developed economies. This offshoring trend has generated, however, a certain degree of economic insecurity in a number of industrialized countries⁸, and not only in these countries. Also, the massive off-shoring of industrial activities has been connected by some to deindustrialization processes in both developed and developing countries (a point which is, however, subject to debate in the economic literature).⁹ It spurs new forms of domestic movements of population, and of immigration to countries and areas that are the winners of the new game, and these movements of population are creating major tensions in society, including between the movers and the stayers, both in the areas affected by economic insecurity and in areas that are the primary beneficiaries of trade liberalization. As a consequence, all these factors bring concern among both economic “winners” and “losers” groups on the preservation of their cultural identity. And these multiple tensions are fuelling populism and nationalism.

This notwithstanding, overall, concerns over the effects of trade liberalization for low-skilled workers should not necessarily lead to refuse trade liberalization altogether: as a case in hand, some studies

⁸ W. Milberg, D. Winkler, *Globalization, Offshoring and Economic Insecurity in Industrialized Countries*, DESA Working Paper No.87 (November 2009), p.5 ff., <file:///Users/gabrielegagliani/Downloads/1597341761.7356.pdf>.

⁹ S. M. Shafaeddin, *Trade Liberalization and Economic Reform in Developing Countries: Structural Change or De-Industrialization?*, UNCTAD Discussion Papers No.179 (April 2005), p.17 ff., https://unctad.org/system/files/official-document/osgdp20053_en.pdf.

show that high-skilled workers are more likely to benefit from off-shoring and outsourcing.¹⁰ Besides, it should be noted that the current system of regulation of international trade does not represent the “only possible world”. As a case in hand, concerns on the effects of trade liberalization were expressed during the negotiations of the Charter of the International Trade Organization (ITO) (the s.c. Havana Charter) by the United Kingdom and Latin American countries.¹¹ With the Havana Charter failing to be adopted, the GATT 1947 was kept as the Agreement enshrining multilateral rules on trade in goods. And while compared to the Havana Charter the GATT 1947 reflected a liberal vision of the world economic order, some scholars have highlighted that key Contracting Parties – notably the United States, the United Kingdom, and France – agreed on the possibility for them to intervene to promote full employment.¹²

The international regulation of trade may have moved in a different direction from the ideas animating the GATT 1947, the WTO and its Covered Agreements being, among others, the result of the Washington Consensus of the early 1990s and its emphasis on open markets.¹³ But the past proves that a different course and regulatory choices in the field of international trade and globalization are possible.

In this context, it may be worth mentioning the Lakner-Milanovic graph, otherwise known as the “Elephant Chart”, revising the global income distribution between 1988 and 2008.¹⁴ The study carried out by Lakner and Milanovic shows that in the twenty years assessed, China was the country that grew the most, both in terms of average income growth and change in income inequality, and India also

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¹⁰ H. Görg, *Globalization, Offshoring and Jobs*, in M. Bacchetta, M. Jansen (Eds.), *Making Globalization Socially Sustainable*, (International Labour Organization and World Trade Organization: Geneva, 2011), pp.21 ff., 36 ff., https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_144904/lang--en/index.htm.

¹¹ A. Lang, *World Trade Law after Neoliberalism: Re-Imagining the Global Economic Order* (Oxford University Press: Oxford, 2011), p.24, 27.

¹² *Ibid.*, p.29.

¹³ C. VanGrasstek, *The History and Future of the World Trade Organization*, (World Trade Organization: Geneva, 2013), pp.19-21.

¹⁴ C. Lakner, B. Milanovic, *Global Income Distribution: from the Fall of the Berlin Wall to the Great Recession*, The World Bank Policy Research Working Paper 6719 (December 2013), <https://openknowledge.worldbank.org/bitstream/handle/10986/16935/WPS6719.pdf?sequence=1&isAllowed=y>.

registered a positive growth, though slower. Moreover, interestingly, the study shows mixed results in Latin America, Europe (where some EU member States were among the biggest winners while others among the biggest losers) and Sub-Saharan Africa. The Elephant Chart has also led to conclude that there exist great differences, in terms of winners and losers of globalization, between social groups (elites, upper middle classes and middle classes, and the extreme poor). Nonetheless, it should be noted that recent studies have challenged some of the findings of the Elephant Chart.¹⁵ In addition, changes in global income distribution may not be due only to trade and trade liberalization. Several factors of a different nature may concur to explain these changes. Notably, internal, and external political dynamics, internal and external economic and social changes, as well as problems and/or questions of any sort influencing may affect the income growth (or lack thereof) and (in)equality within a country.

The digital and technology revolution has expanded the ability of businesses to geographically disperse their businesses and to design and deliver goods and services in new ways. For example, the emergence of Internet-based platforms has created competition and, in some sectors, has eliminated traditional physical activities. Furthermore, it has also allowed completely new production methods crowds and open-source software projects that have allowed a significant reduction in costs.

From the observatory of companies and multinationals, sustainable supply chain design (Frota Neto et al., 2008; Koberg and Longoni, 2019) is a new emerging approach that arise in response to this situation and tries to embed economic, environmental as well as societal decisions in supply chains at design time. To make a step change when dealing with supply chain sustainability, innovative frameworks and governance for collaboration and sustainable supply chain planning are required, to support decisions and help organizations manage economic, environmental, and social efforts of their supply chains in a more collaborative way. This approach has been classified by UN in WIR as investments aimed at improving supply chain resilience (WIR, 2021). In the short-term resilience will not lead to a rush to reshore but will rather lead to a gradual process of diversification and

¹⁵ H. Kharas, B. Seidel, *What's Happening to the World Income Distribution? The Elephant Chart Revisited*, Global Economy & Development Working Paper 114 (April 2018), Brookings, <https://www.brookings.edu/research/whats-happening-to-the-world-income-distribution-the-elephant-chart-revisited/>.

regionalization therefore implying new investments. Policy pressures and recovery plans implemented by various countries and nations could influence the speed and breadth of this evolution.

In any event, though for the time being no new trend is in sight, it is currently discussed whether the digital and technological revolution (thanks to the advent of the data economy, Artificial Intelligence (AI), 3D printing, Internet of Things (IoT)) will lead to re-shoring in the future¹⁶ and to reducing current tensions between “winners” groups and “losers” groups, including on cultural identity.

2. THE RE-BIRTH OF NATIONALISM AND PROTECTIONISM

Since the end of the Cold War, the collective worldview presumed that democracy, free-market, and individual freedom had won the war of ideas for good. The first half of the 20th century was far too tough to object to that belief once and for all. As stated by Francis Fukuyama, “we had reached the end of history”. Recent events, however, have shown that there is still some history to be told, ideas should never have been underestimated. The concept of “us” as something naturally different from “them”, the collective identity entailing a village, a region, a nation, a group of people who share the same ideas and customs, remains one of the key elements determining the destiny of humans and societies.

A kind of tribalism (the stayers against the movers), in the form of populism and nationalism, has gained such strength that we can no longer be sure whether democratic cosmology is actually the last stage of our social evolution or just another step on the road, heading towards something worse, or simply different. There are certain issues that are, beyond any doubt, perfect victims for populism, such as race, gender, sexual orientation, or national pride; and there is no better tool to divide humans between “us” (the victims) and “them” (the offenders): political correctness. Perhaps, Mr. Orwell should have warned us that his was not a fiction book. However, there is one topic that has an unrivalled

¹⁶ This is one of the forecasts of the World Trade Organization, *World Trade Report 2018 – The Future of World Trade: How Digital Technologies Are Transforming Global Commerce*, (WTO Publication: Geneva, 2018), p.107 ff., https://www.wto.org/english/res_e/publications_e/wtr18_e.htm.

cross-cutting nature in everyday politics: protectionism and commercial balance, as it touches everyone's pocket. "Chinese products compete unfairly with ours", "The EU weakens our export potential", "America first".

There was a time where globalisation was appealing, progressive, attractive. But it is no longer so. Governments around the world are starting to shift back to protectionist trade systems by ending free trade agreements, exiting international organizations, and raising taxes on imports. The name says it all: "protecting" national economy should be a major concern for any government. A quick look around easily demonstrates this new reality.

Starting in the British Isles, UKIP-led Brexit supporters repeated a series of key (unproven) ideas that everyone should firmly believe in, including that the EU stole UK's sovereignty in trade deals, which means a reduction in exports. The legal consequences of this wave are known to all: the UK is undergoing the biggest change of legal system that any European country has ever experienced in the 21st century. Will the UK be able to adapt their exports to a new system based on bilateral relationships?

On the other side of the ocean, Donald Trump announced that one of his main foreign policy action lines would be a firm commitment to US industry, meaning that imports were to be sharply curtailed in favour of domestic trade, hitting the EU and China with millions in direct losses. These were the origins of the so-called trade war, where custom tariffs can play the role of guns and bombs, without bloodshed.

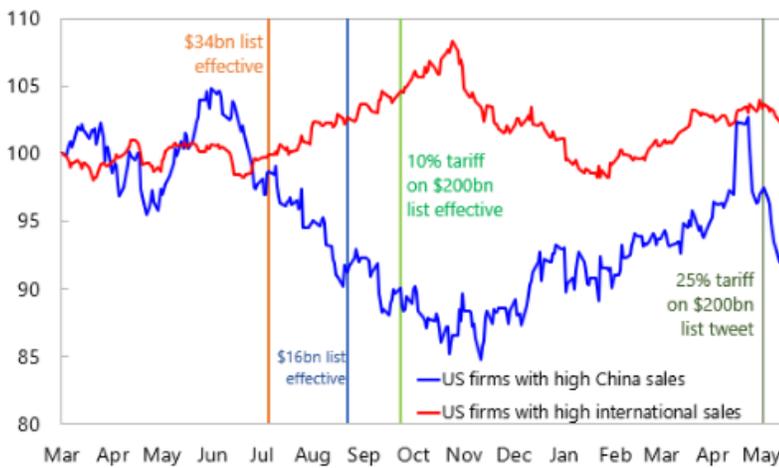
Since the beginning of 2018 the Trump Administration adopted a more belligerent tone in trade policy: it increased tariffs on Chinese imports worth 250 billion dollars. In 2018, the US imposed tariffs sequentially on three "lists" of goods from China, targeting first \$34 billions of annual imports, then \$16 billion more, and finally an additional \$200 billion¹⁷.

¹⁷ <https://blogs.imf.org/2019/05/23/the-impact-of-us-china-trade-tensions/>

Those tariffs were largely passed to US consumers, while others were absorbed by importing firms through lower profit margins.

The impact on US producers with significant exposure to Chinese markets was also captured in stock market valuations. For instance, the equity price performance of US companies with high sales to China underperformed relative to US businesses exposed to other international markets, after tariffs linked to the \$34 billion retaliation list by China were implemented.

The gap narrowed at the beginning of 2019 and reopened again after the US tariff increase to 25 percent on the \$200 billion list. (Chart 1)



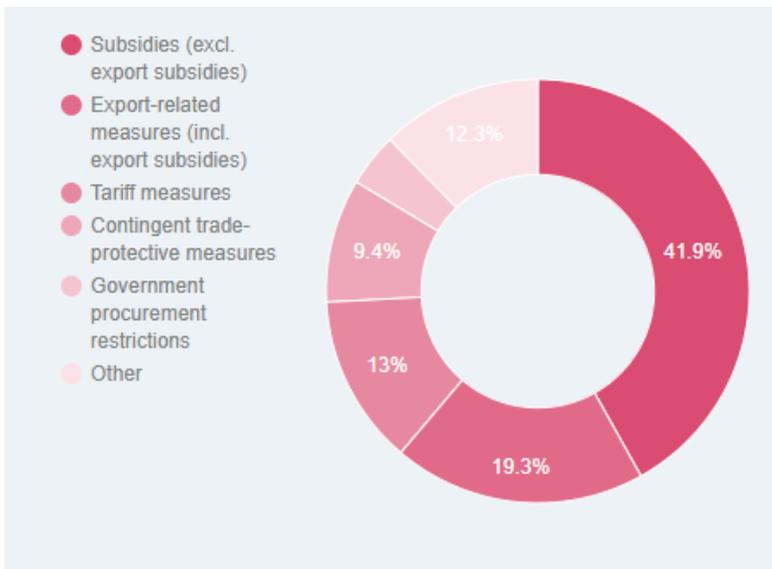
Sources: Bloomberg L.P.; and IMF staff calculations.

In net terms, estimates also suggest that the positive effect on the economic activity is less than the direct negative impact. Very often, foreign countries that have been the subject of the tariff raise tend

to respond by imposing similar measures. As a result, global trade has been affected by this distortion as shown in the Global Trade Alert Database ¹⁸.

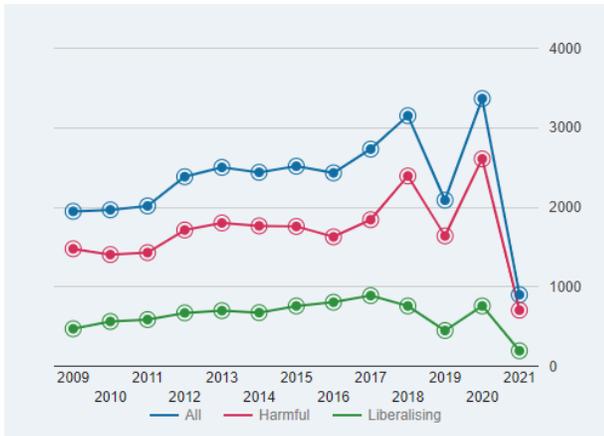
According to data from this database encompassing traditional and non-traditional trade measures, the number of new discriminatory actions announced by G20 economies has risen steadily since 2012 and surged further in 2018 (see charts below showing the number of interventions per year and the type of “harmful” interventions). Anti-dumping measures and import tariffs were the two most widely used instruments, together accounting for around 30% of all of measures imposed. The use of indirect measures, such as state loans to exporting companies, has also increased gradually.

By 2017 more than 50% of exports from G20 countries was subject to harmful trade measures, up from 20% in 2009. Accordingly, trade growth has decelerated more sharply in those sectors in which extensive discriminatory measures have been adopted than in sectors that have benefited from trade liberalization.



¹⁸ https://www.globaltradealert.org/global_dynamics

As shown in the chart above, the number of interventions in 2021 has decreased significantly. Biden election in the US created a wind of hope to revive the [values of multilateralism](#) and while that could be true in certain areas, it is not in trade. The stance of the US authorities has not changed, just the rhetoric, and authorities are working on alternative ways to counter China¹⁹. An example of this is the EC [regulation](#) to address distortions caused by foreign subsidies in the single market, which builds on the 2020 FDI screening mechanism and the aim to safeguard the EU industrial policy.



Research from Caixabank²⁰ published in July 2019 forecasted a GDP growth decline between 0.3% and 0.8% depending on scenarios of medium and high tariffs.

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What are the true causes of these dangerous trends, that can also prompt a change in paradigm? Populism and Nationalism are nothing but expressions of unfulfilled egos and unsuccessful government social and economic policies but built-in part on legitimate concerns. We have a duty to show that protectionism is merely a regression of rights and a long-term damage to our economies. Those who believe in the rule of law, individual freedom, democracy, and free market must act accordingly. Irrationality can only be fought with rationality, i.e., with education focused on excellence,

¹⁹ <https://www.ft.com/content/e4c7dfla-5048-4cfl-8a2d-c9a2d721ba92>

²⁰ <https://www.caixabankresearch.com/en/economics-markets/activity-growth/threat-protectionism-global-economy>

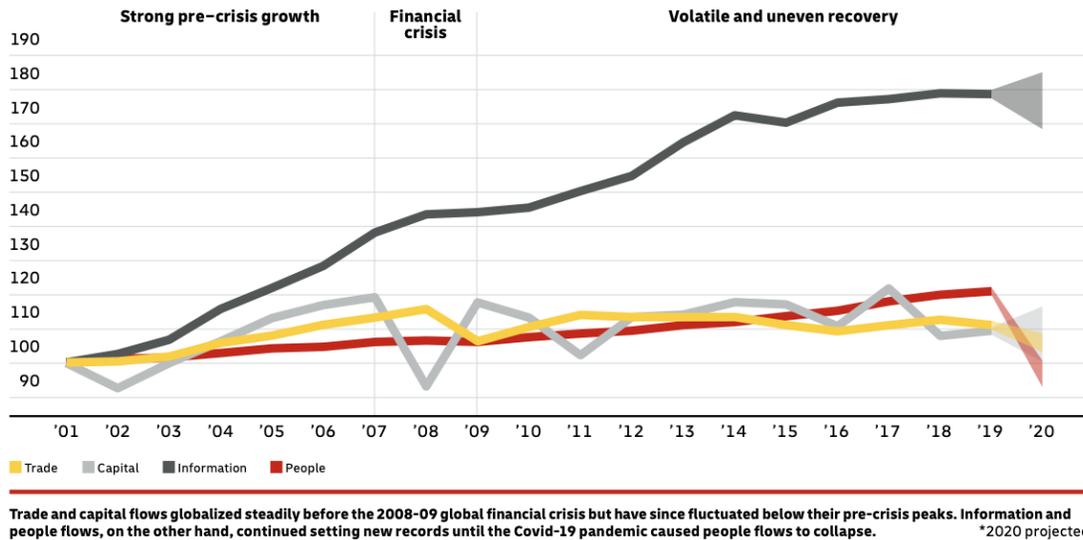
substantiated information, and sound institutions, also by facing the real drawbacks, and a few problems and addressing the legitimate concerns. It is time to take responsibility in the battle of ideas in order to effectively reduce the influence that certain immaterial ideas have in our daily life as a society. Globalisation and social media have contributed to damaging our perception of humanity's achievements until the second half of the 20th century. Let us now use them to our advantage to remind new generations not to take such achievements for granted. It has cost us a lot of time, blood and suffering to get this far, but it can easily and quickly be lost if we forget how and why we did it.

The ECB, besides of documenting the multiple and adverse consequences of the rising protectionism in the economic activity, and the amplificatory effect of the uncertainty factor, stated²¹ that “Trade liberalization within the framework of multilateral cooperation has been a key factor driving global economic prosperity. Trade integration helped to drive economic growth in advanced and developing economies in the second part of the 20th century, while also helping to pull hundreds of millions of people out of poverty. At the same time, although free trade is often seen, even in some countries that are largely beneficial of the globalisation (e.g., Germany and the Netherlands, but also in particular Poland) as one of the factors behind rising inequality both within and across countries, winding back globalisation is the wrong way to address these negative effects: it may be that globalisation in itself is insufficient. A retreat from openness will only fuel more inequality, depriving people of the undisputed economic advantages that trade and integration bring. Instead, countries should seek to resolve any trade disputes in multilateral fora. By encouraging regulatory convergence, multilateral cooperation helps to protect people from the unwelcome consequences of openness, and therefore remains crucial as a response to concerns about the fairness and equity of trade. The distributional and social effects of greater economic integration should also be addressed by targeted policies that achieve fairer outcomes, including, for example, redistributive policies or adequate training and educational measures”.

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²¹ https://www.ecb.europa.eu/pub/economic-bulletin/articles/2019/html/ecb.ebart201903_01~e589a502e5.en.html#toc2

However, as a matter-of-fact globalization has not gone to the reverse. According to DHL that on a yearly base measures the global connectedness index, it shows a world where people, companies and countries continue to connect and do business with each other even if it COVID pandemic could mark the “end of globalization.”, as per figure below.



3. A NEW AND FAIRER GLOBALIZATION

Globalization has been the call of capitalism and the neoliberal ideology in the twentieth century. It has generated immense benefits for the world, and its potential benefits are even larger now given the growing connectivity and impact of technology. The proponents of the neoliberal globalization did not consider there to be a trade-off between policies that generated economic benefit and those that generated socially desirable outcomes because the benefits of globalization were expected to automatically ‘trickle down’ to the individuals. However, as explained earlier [ref to section 1/2] this has not been the case. Globalization has not benefited all stakeholders in equal measure and has dramatically raised the importance of address inequality. This is primarily because globalization has been fuelled by the principle of freedom and meritocracy and maximization of total welfare, rather than fairness and justice and promotion of equality, and so has consistently prioritized economic considerations over social considerations of access to resources, equity, participation, diversity, and human rights. In addition, the rules of the game are set by powerful players, both within and between



nations, thereby leading to a ‘democratic deficit’²² in policymaking which is unsustainable. It is therefore unsurprising that we have seen a rebirth of nationalism and protectionism in the past ten years.

There is hence an urgent need to rethink some of the fundamental principles underlying globalization. We argue that there is no reason to assume, particularly given the evidence, that neoliberal globalization as it stands today will automatically generate the socially desirable outcomes,^{23,24} and merely insisting on globalization while denying the new problems that have arisen is not the solution. We therefore propose that globalization policies need to be designed from the outset in a way that they uphold the principles of fairness, justice, equity diversity and respect for all people, to all countries and to all cultures, particularly with respect to minorities.²⁵ Only then can we limit the negative externalities of globalization, and ultimately arrive at a sustainable future.

²² “A fair globalisation: creating opportunities for all”, World Commission on the Social Dimension of Globalisation, ILO, 2004.

²³ “The marketplace, by itself, cannot resolve every problem, however much we are asked to believe this dogma of neoliberal faith. [...] Neoliberalism simply reproduces itself by resorting to the magic theories of “spillover” or “trickle” – without using the name – as the only solution to societal problems. There is little appreciation of the fact that the alleged “spillover” does not resolve the inequality that gives rise to new forms of violence threatening the fabric of society. It is imperative to have a proactive economic policy directed at “promoting an economy that favours productive diversity and business creativity” and makes it possible for jobs to be created and not cut. Financial speculation fundamentally aimed at quick profit continues to wreak havoc. Indeed, “without internal forms of solidarity and mutual trust, the market cannot completely fulfil its proper economic function. And today this trust has ceased to exist. The story did not end the way it was meant to, and the dogmatic formulae of prevailing economic theory proved not to be infallible. The fragility of world systems in the face of the pandemic has demonstrated that not everything can be resolved by market freedom. It has also shown that, in addition to recovering a sound political life that is not subject to the dictates of finance, “we must put human dignity back at the centre and on that pillar build the alternative social structures we need”. “The twenty-first century “is witnessing a weakening of the power of nation states, chiefly because the economic and financial sectors, being transnational, tend to prevail over the political. Given this situation, it is essential to devise stronger and more efficiently organized international institutions, with functionaries who are appointed fairly by agreement among national governments and empowered to impose sanctions”. When we talk about the possibility of some form of world authority regulated by law, we need not necessarily think of a personal authority. Still, such an authority ought at least to promote more effective world organizations, equipped with the power to provide for the global common good, the elimination of hunger and poverty and the sure defence of fundamental human rights” (Fratelli Tutti).

²⁴ “Maximizing profits is enough. Yet by itself the market cannot guarantee integral human development and social inclusion. At the same time, we have “a sort of ‘superdevelopment’ of a wasteful and consumerist kind which forms an unacceptable contrast with the ongoing situations of dehumanizing deprivation” (Laudato Si).

²⁵ “Nonetheless, there are attempts nowadays to reduce persons to isolated individuals easily manipulated by powers pursuing spurious interests. Good politics will seek ways of building communities at every level of social life, in order to recalibrate and reorient globalization and thus avoid its disruptive effects. It follows that “it is an equally indispensable act of love to strive to organize and structure society so that one’s neighbour will not find himself in poverty” (Fratelli Tutti).

CONCLUSIONS AND PROPOSALS

The Working Group proposes this can be achieved by a multi-pronged approach, which we describe below.²⁶ The six working directions recommended may represent six working areas that question us, and deserve debate:

1. **Expanding the scope of the policies:** we propose that the framework of rules under which exchange of goods, labour, investment, and know-how occur can be expanded to include fairness considerations.
 - a. First, we propose that policies should ensure that individuals not only retain the right and liberty to remain rooted to their own traditions, religion, culture and, generally, *ecosystem* but also this is considered a goal in itself. If the different aspects of fairness (such as fair-trade regulation towards national or local cultural heritage and traditions, the environment, social equality, etc.) are not taken into consideration the risk is for globalization to provoke violent, populist and/or protectionist reactions. This means also enhancing sustainable development values in and through trade regulation. Along these lines, since sustainable development animates already (at least, in part) international trade law, for rules on international trade to factor in the interests of all stakeholders even more than what is currently done, we propose: a revision of exceptions provisions in multilateral trade agreements (so as to make it easier for countries to comply with them – this would ensure that exceptions may be effectively used by countries to pursue legitimate goals while concurrently preventing abuse); a revision of flexibilities and special and differential treatment provisions in multilateral trade agreements; and an enhancement of technology transfer and technical training to developing and least-developed countries needing help in taking advantage of the multilateral trading system

²⁶ We take inspiration from [management of globalization by Jacoby and Meunier]

with specific attention to economically and socially disadvantaged communities within these countries.

- b. Second, we propose that global policy should be more sensitive to local needs. Given the large differences in economic and social fundamentals between countries, global policies should also allow the right degree of local autonomy. Trade and migration policies should also be aligned with local policies on, for example, education which promotes certain basic and universal values while is also respectful of diversity.
2. **Exercising regulatory influence:** we propose that global or European regulatory institutions can be reinforced to ensure that globalization is fair, including thanks to bottom-up participation of citizens. Such institutions – which tend to comprise of agencies, courts and ombudsmen - are already common at a national level, and we believe can help countries work together to achieve fairness goals. These institutions can be given large powers to enforce regulations and facilitate damages actions if the objectives of the new paradigm are not met. They may also hold politicians accountable, demanding honesty and competence and draw the appropriate consequences for the lack of it as long as citizens are sufficiently involved.
3. **Ensuring fine-tuned governance of international institutions for empowering them:** in addition to new regulatory influence, we propose that international institutions that are already active in the regulatory space should both get their governance fine-tuned with larger and bottom-up citizens' participation, so that they be empowered to engage more with the new paradigm. This could of course involve regulation, supervision and enforcement, and the power to seek compensation of unfair acts of exploitation, while in any case avoiding over-regulation: the big concept to be drawn relates to better implementing rules rather than constantly and overwhelmingly norm-setting.
4. **Engaging corporates and multinationals, as well as NGOs:** in the perspective of fostering policies implementation at micro level, we propose that corporates and multinationals that are already actively involved in programs aimed at implementing in their organization UN SDGs (i.e., through supply chain redesign) can be empowered to engage more with the new

paradigm, in cooperation with civil society NGOs. This could imply early involvement in design phase and at a later stage in implementation and revision. Public-private-NGO partnership would indeed prove useful to meet this working direction.

5. **Redistributing costs of globalization:** we propose that active measures can be taken to ensure that the costs of globalization can be redistributed in a fairer way. While nations have made some efforts to redistribute these costs within their country, there are also significant differences in how different European countries bear the cost of globalisation, in particular, driven by differences in saving patterns or the composition of GDP. The gap is wider when we consider countries outside of Europe, where the differences in policies and labour costs may be starker. To address these, additional measures are needed. For example, there can be non-reciprocal trade benefits to help disadvantaged countries, improved market and financial access for developing countries, funds and training for workers who lose their jobs due to trade and technology dynamics, technology transfer schemes further developed and streamlined, and increased corporate social responsibility to level the playing field for businesses located in developing countries.²⁷ It is important however to put in place efficient mechanisms that ensure that the funds flows to the less developed countries are effectively devoted to the end for which they exist avoiding *leakages* to incompetent or corrupt intermediaries and politicians. Connected to this issue, we propose that active measures do not only focus on redistributing costs of globalization between countries but should also focus on redistributing costs of globalization within countries and within the European Union. On the flipside too, we must ensure that such a redistribution, and an asymmetric application of targeted policy instruments does not generate other costs. In this regard, redistribution must be aligned with the effects of other policies, for example, policies related to climate change, so we can minimise additional frictions.

²⁷ For e.g.: the Dutch Child Labour Duty of Care Law- Wet Zorgplicht Kinderarbeid 2019- and the French Law on Parent Corporations' Duty of Care -Loi Relative au Devoir de Vigilance des Sociétés Mères et des Entreprises Donneuses d'Ordre 2017 inserting art L 225-102-4 and 225-102-5 in Code du Commerce 1807.

Education for all and promotion of a new attitude. The political, economic, and technocratic paradigms must be subservient, at various playground levels, to an authentic anthropocentric, humanistic approach. Hyper-consumerism must be curbed and disciplined as it fosters individual selfishness, superficiality and violence and erodes natural resources in raw materials and the environment.

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NATIONALISM, POPULISM, AND IDENTITIES:

CONTEMPORARY CHALLENGES

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