



Globalization in the Wake of the COVID-19 Pandemic: Nationalism in the United States Economy

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JCSP 49 DL

Exercice Solo Flight

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GLOBALIZATION IN THE WAKE OF THE COVID-19 PANDEMIC: NATIONALISM IN THE UNITED STATES ECONOMY INTRODUCTION

Globalization has been in existence since the latter half of the 19th century and its latest iteration is based primarily on trade and investment opportunities which transcend geographical borders.¹ The emergence of the COVID-19 pandemic led to tighter border control measures, thereby restricting the flow of goods and persons, dealing a massive blow to the logistical web required to facilitate globalization.² As a result, countries tended to support their own interests, and became more nationalistic;³ the United States (US) was no exception, as the nationalist mindset became more pronounced. The purpose of this submission would be to give an insight into the nature of globalization and its feasibility in the US economy in the wake of the COVID-19 pandemic and in light of its nationalistic mindset. This will be done by first looking at the concept of globalization and its state in the wake of the pandemic and globalization from the nationalist perspective of the US will be explored with some attention being paid to its sustainability.

GLOBALIZATION: INTERCONNECTEDNESS ON A GLOBAL SCALE

Globalization is a multidimensional concept which describes interconnectedness and amalgamation which transcend national borders.⁴ It promotes the flow of commerce between and amongst states and provides for additional employment opportunities and access to foreign resources.⁵ Globalization takes on multiple perspectives (economic, political, and environmental, to name a few), but for the purpose of this submission, the focus will be on the economic dimension of globalization.

Globalization as we know it is nothing new and had its origins in the latter half of the 19th century.⁶ In the 1840s, famine spread across Europe and food shortages caused the diversification of logistical chains; in the United Kingdom (UK) for example, food was imported from outside of Europe.⁷ Although this measure did not go as well as expected, it nevertheless led to civil reform and improved business acumen, causing trade and finance to improve dramatically until World War I.⁸ Following the end of World War II, the scarcity of resources once again gave rise to the integration characterized by globalization.⁹ In the 1970s, the hike in the price of oil threatened the way of life for its consumers, but this eventually led to a financial transformation in which large international financial institutions were able to

¹ Gordon Hanson, "Can Trade Work for Workers? The Right Way to Redress Harms and Redistribute Gains," *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 20.

² Harold James, "Globalization's Coming Golden Age," *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 10.

³ Giuseppe Paparella, "From (the Infrequency of) War to Vaccine Nationalism: Understanding Nationalism and Foreign Policy in the Decade of New Nationalism," *National Identities* Vol. 25, no. 2 (2023): 155–76.

<https://doi.org/10.1080/14608944.2022.2089642>; Florian Bieber, *Debating nationalism: The global spread of nations*. (Bloomsbury Academic, 2020).

⁴ Maureen Wilson, "Globalization", in *Handbook of International Social Work: Human Rights, Development, and the Global Profession* (Oxford Academic, 2012).

⁵ Iliana Vladlenova and Sun Changlong, "Philosophical-conceptual approaches to the definition of Globalization," *Journal of V. N. Karazin Kharkiv National University*, No. 64 (2021).

⁶ Harold James, "Globalization's Coming Golden Age," *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 11.

⁷ Ibid.

⁸ Harold James, "Globalization's Coming Golden Age," *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 12 – 13.

⁹ Ibid.

convert the funds accumulated by the oil producers into lendable financial resources to facilitate economic development.¹⁰

GLOBALIZATION IN THE WAKE OF THE COVID-19 PANDEMIC

COVID-19 has been considered one of the most significant health-related disasters within the past 100 years, striking at the very core of globalization. This pandemic saw countries taking the necessary measures to protect citizens by closing down borders and restricting the movement of the said citizens. With the border restrictions, supply chains at every level were adversely affected.¹¹ As such, economic activity at the global level would have slowed considerably, causing some businesses to close down, while others suffered a massive reduction in the scale of their operations.¹² This slowing of the economy would have resulted in massive job losses, as illustrated in Figure 1.

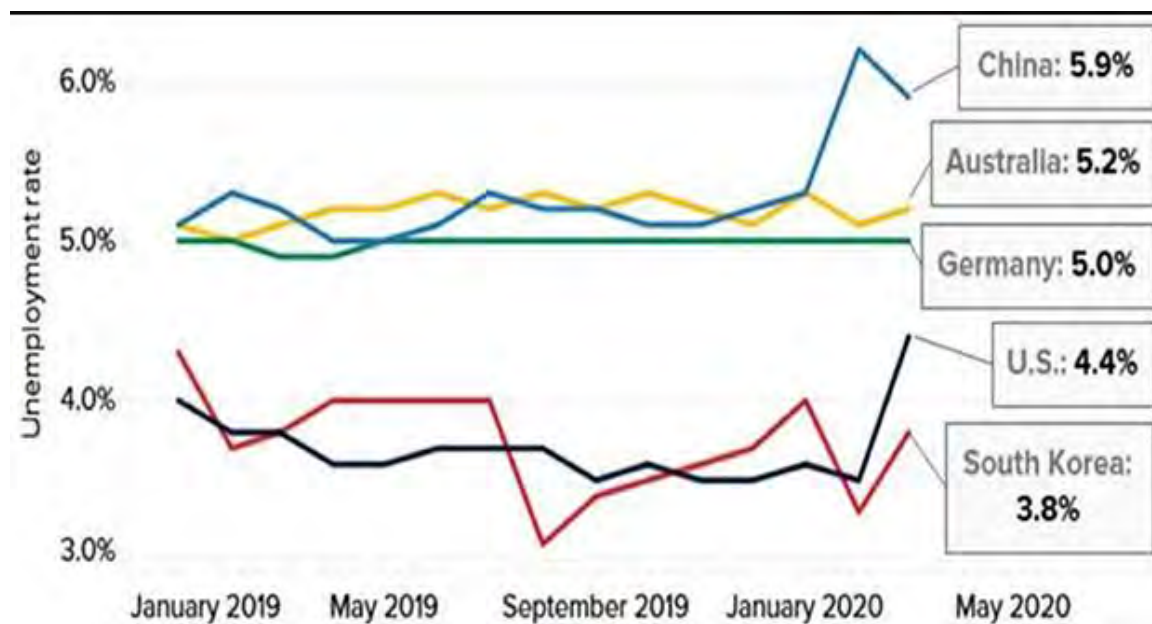


Figure 1: Job losses due to COVID-19

Source: Bureau of Labor Statistics of the U.S.; National Bureau of Statistics of China, Deutsche Bundesbank, Australian Bureau of Statistics, Statistics Korea, Refinitiv.

<https://www.frontiersin.org/journals/public-health/articles/10.3389/fpubh.2022.1009393/full>

The disruption in supply chain would have also impacted the agricultural sector. Figure 2 illustrates the supply chain from farmer to consumer and at all stages, labour requirements are needed.¹³ With the movement restrictions imposed by the pandemic, workers are not available to provide the labour needed, leading to a massive decrease in output, i.e., the

¹⁰ Harold James, "Globalization's Coming Golden Age," *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 14.

¹¹ Harold James, "Globalization's Coming Golden Age," *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 10.

¹² Saira Naseer, Sidra Khalid, Summaira Parveen, Kashif Abbass, Huaming Song, and Monica Violeta Achim, "COVID-19 outbreak: Impact on global economy," *Frontiers in Public Health* Vol. 10 (2023)

<https://www.frontiersin.org/journals/public-health/articles/10.3389/fpubh.2022.1009393/full>

¹³ Adithya Sridhar, Akash Balakrishnan, Meenu Mariam Jacob, Mika Sillanpää, and Nanditha Dayanandan, "Global impact of COVID-19 on agriculture: role of sustainable agriculture and digital farming," *Environmental Science and Pollution Research*, Vol. 30 (2023) <https://link.springer.com/article/10.1007/s11356-022-19358-w#Fig2>

products reaching the consumer.¹⁴ It should be noted that other revenue-generating, consumer-focused sectors such as entertainment and tourism would have suffered a fate similar to that of agriculture.¹⁵

Whilst the pandemic dealt globalization a blow, it also presented opportunities. Paradoxically, the global response to the pandemic epitomized globalization, as successful vaccines were developed through information sharing and resource allocation among various partner nation states.¹⁶ Telemedicine and remote health care was another opportunity provided by the pandemic; not only did patients get convenient access to medical professionals, but the technology improved the delivery of the healthcare.¹⁷

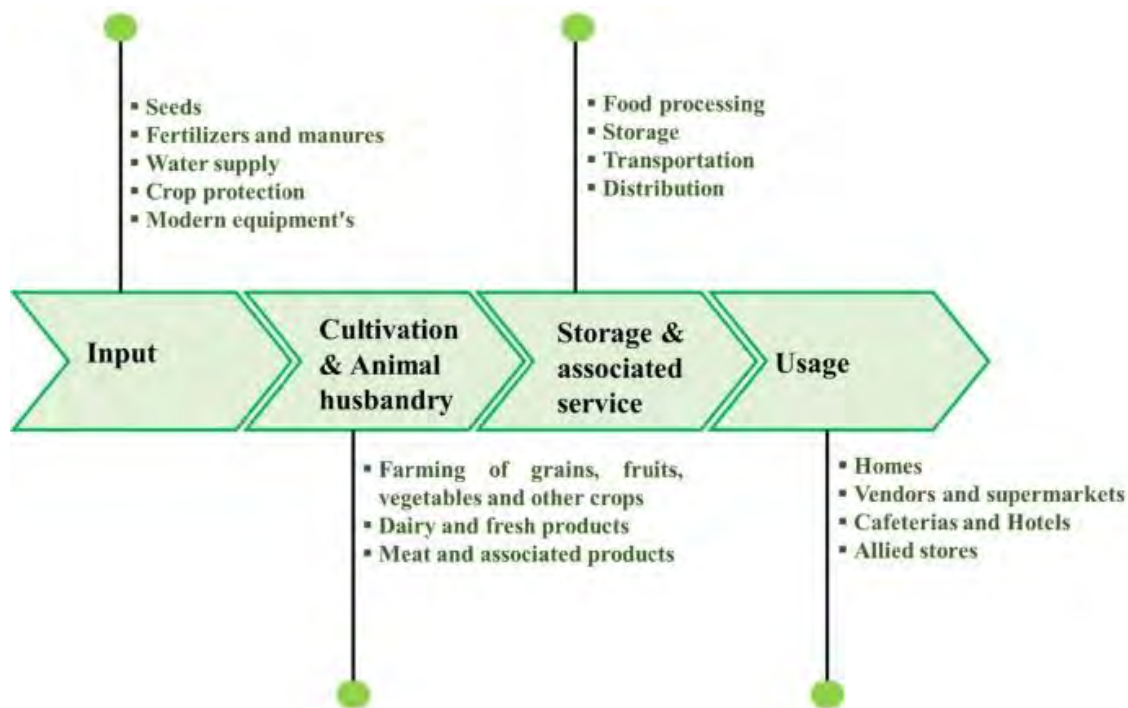


Figure 2: Agricultural supply chain

Source: Sridhar, Balakrishnan, Jacob, Sillanpää, and Dayanandan, *Global impact of COVID-19 on agriculture: role of sustainable agriculture and digital farming*.

<https://link.springer.com/article/10.1007/s11356-022-19358-w#Fig2>

A NATIONALIST APPROACH

Nationalism is a concept which carries multiple variations. It has been in existence since the early part of the 19th century and has found itself as the foundation upon which some state governments are built.¹⁸ At its base, it is the belief which places particular emphasis on loyalty and allegiance to a nation and its citizens, placing the interests of those

¹⁴ Ibid.

¹⁵ Saira Naseer, Sidra Khalid, Summaira Parveen, Kashif Abbass, Huaming Song, and Monica Violeta Achim, "COVID-19 outbreak: Impact on global economy," *Frontiers in Public Health* Vol. 10 (2023) <https://www.frontiersin.org/journals/public-health/articles/10.3389/fpubh.2022.1009393/full>

¹⁶ Harold James, "Globalization's Coming Golden Age," *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 17.

¹⁷ Ibid.

¹⁸ Siniša Malešević, *Grounded nationalisms: A sociological analysis* (Cambridge University Press, 2019).

concerned before all else, favouring political representation by the nation for the nation.¹⁹ This seems in stark contrast with a globalism, which holds interconnectedness amongst nation states at its core and has no regard for geographical borders of any type.²⁰

With the advent of the pandemic, states proceeded to enact lockdown measures in an effort to slow the spread of the virus. The primacy of the state was of the utmost importance and brought to the fore the deep-seated and inherent sense of nationalism in countries such as the US.²¹ This sense of nationalism was demonstrated by the US president Donald Trump, who had commented via social media of the need for borders (“THIS IS WHY WE NEED BORDERS!”); his supporters echoed a similar sentiment, commenting the following: “What is the point of pursuing internationalism even as an ideal, when interconnectedness itself exposes us to such serious risks? After all, the pandemic would have been far easier to manage if cross-border trade and travel were not so pervasive—if people, all along, had stuck closer to home.”²² These sentiments only serve to highlight the intrinsically nationalistic mindset of the US; it could be surmised that the pandemic was utilized as a means to justify a departure from globalization towards nationalism. The US Department of Homeland Security, for example, was empowered during the pandemic to return illegal immigrants to their home country without any due process.²³ This measure is not in alignment with any tenet of globalization, which encourages the movement of persons between and amongst partner nations.

GLOBALIZATION AND THE AMERICAN ECONOMY

Theoretically, globalization is based on the concept that jobs and capital flow between and amongst countries; contemporary globalization, however, is based for the most part on a series of major trade agreements from which all partners will benefit.²⁴ Trade among countries is valued at approximately \$20 trillion US dollars, a 1000% increase from 1980; capital flows have also grown from \$500 billion US dollars to \$4 trillion US dollars annually, a 700% increase.²⁵ Additionally, the number of people travelling in search of jobs has grown fivefold over the past 40 years.²⁶ These figures are generated by trade agreements at the regional level, as opposed to those at a global level; as such, it is closer to regionalization

¹⁹ Giuseppe Paparella, “From (the Infrequency of) War to Vaccine Nationalism: Understanding Nationalism and Foreign Policy in the Decade of New Nationalism,” *National Identities* Vol. 25, no. 2 (2023): 155–76. <https://doi.org/10.1080/14608944.2022.2089642>; Florian Bieber, *Debating nationalism: The global spread of nations*. (Bloomsbury Academic, 2020).

²⁰ Maureen Wilson, “Globalization”, in *Handbook of International Social Work: Human Rights, Development, and the Global Profession* (Oxford Academic, 2012).

²¹ Florian Bieber, “Global Nationalism in Times of the COVID-19 Pandemic,” *Nationalities Papers* (Spring 2020): 4; Gideon Rachman, “Nationalism Is a Side Effect of the Coronavirus,” last accessed 12 May 2024, <https://www.ft.com/content/644fd920-6cea-11ea-9bca-bf503995cd6f>; Ivan Krastev, “Seven Early Lessons From the Coronavirus, Views From the Council,” last accessed 12 May 2024, https://ecfr.eu/article/commentary_seven_early_lessons_from_the_coronavirus/

²² Donald Trump’s Twitter page, 23 March 2020, accessed 13 May 2024, <https://twitter.com/realDonaldTrump/status/1242092738973249536>; Nicholas Waddy, “Pandemic Nationalism,” last accessed 13 May 2024, <https://amgreatness.com/2020/03/23/pandemic-nationalism/>

²³ León Castellanos-Jankiewicz, “COVID-19 Symposium: US Border Closure Breaches International Refugee Law,” last accessed 13 May 2024, <https://opiniojuris.org/2020/04/03/covid-19-symposium-us-border-closure-breaches-international-refugee-law/>

²⁴ Gordon Hanson, “Can Trade Work for Workers? The Right Way to Redress Harms and Redistribute Gains,” *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 20.

²⁵ Shannon O’Neil, “The Myth of the Global: Why Regional Ties Win the Day,” *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 158.

²⁶ *Ibid.*

than globalization.²⁷ A study conducted by the DHL logistics company and Stern School of Business at New York University established that, “If one pair of countries is half as distant as another otherwise similar pair of countries, this greater physical proximity alone would be expected to increase the merchandise trade between the closer pair by more than three times.”²⁸ Moreover, regional agreements now govern more than 50% of the world’s trade: in Asia, the Regional Comprehensive Economic Partnership (RCEP) is responsible for the flow of commerce among 15 countries in the Asia-Pacific region, and the United States-Mexico-Canada Agreement (USMCA) has the responsibility of regulating trade in North America and settling trade disputes.²⁹

As could be seen, regional trade agreements carry with them the capacity to contribute to a member state’s economic well-being. However, a major contributor to the success of said trade agreement lies in the political support for same.³⁰ In the case of the US, the nationalistic mindset (which pervades both the domestic and foreign policies) is preventing same from being a more meaningful partner in trade agreements, thereby reducing the competitiveness of the US economy.³¹ Americans have long held strong beliefs in their country’s dominance and still hold to the notion that both the English language and US dollar are indispensable and as such,

are unwilling to recognize the need for any adjustment or change.³²

The USMCA facilitates \$1.3 trillion US dollars in trade annually and is a trade agreement among the member states of the United States, Mexico, and Canada.³³ It is the successor of the North American Free Trade Agreement (NAFTA) and has been updated to include intellectual property rights (including digital content), agriculture, and financial services, to name a few.³⁴ USMCA was designed to benefit the North American working class and businesses.³⁵ The Canadian and Mexican supply chains are able to provide preferential access for the US to some global consumers.³⁶ An example would be cars which are made in Mexico not being subject to the 10% tariff which are placed on US-made models.³⁷ As such, a Ford Focus made in Mexico costs \$3000 US dollars less in Europe when compared to a Ford Focus made in the US.³⁸ The USMCA will provide job opportunities within the region, particularly for the US. When part of the production is based in either Canada or Mexico, US-based suppliers are more likely to gain new business opportunities and capitalize on these opportunities more effectively, thereby keeping the resulting

²⁷ Ibid.

²⁸ Shannon O’Neil, “The Myth of the Global: Why Regional Ties Win the Day,” *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 159.

²⁹ Shannon O’Neil, “The Myth of the Global: Why Regional Ties Win the Day,” *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 163.

³⁰ Shannon O’Neil, “The Myth of the Global: Why Regional Ties Win the Day,” *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 162.

³¹ Shannon O’Neil, “The Myth of the Global: Why Regional Ties Win the Day,” *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 169.

³² Harold James, “Globalization’s Coming Golden Age,” *Foreign Affairs* Vol. 100 Issue 3 (Summer 2021): 19.

³³ US Department of Commerce International Trade Administration, “United States-Mexico-Canada Agreement,” last accessed 15 May 2024, <https://www.trade.gov/usmca>

³⁴ Ibid.

³⁵ Ibid.

³⁶ Shannon O’Neil, “The Myth of the Global: Why Regional Ties Win the Day,” *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 164.

³⁷ Ibid.

³⁸ Ibid.

economic prosperity within the region.³⁹ The Organization for Economic Co-operation and Development approximates that 40% of the value of US imports from Mexico originated in the US, with the figure in Canada being just over 25%; on the other hand, US imports from the rest of the world is just about 4.4%, showing just how minimal the US suppliers' global footprint is.⁴⁰ The aforementioned are just two instances which highlight the feasibility of the USMCA (and regionalization in general) to the US economy.

To improve its standing in the USMCA (and regionalization in general), the US has to improve the network used to facilitate the transport of goods and personnel; this would include rails, roads, and ports of entry.⁴¹ Additionally, the jobs provided by the USMCA will see the flow of persons seeking job opportunities amongst the partner states.⁴² As such, provisions could be made to ensure that the migration process is not hindered by excess bureaucracy and that skill-training programmes are available as required with the intent of creating a skilled labour force, thereby improving productivity.⁴³ There is still some scepticism on the part of the US as it pertains to trade agreements, as it is claimed that these agreements do more harm than good.⁴⁴ It should be noted that this claim is not supported by any facts; it is not taken into consideration the number of job opportunities generated by this venture, or how production costs are kept reduced in certain industries in the face of competition from other rival regional trade agreements.⁴⁵

CONCLUSION

Globalization is no new concept, and the emergence of the COVID-19 pandemic led to countries closing their borders in an effort to prevent the spread of the disease. This negatively affected globalization, which is based on the interconnectedness amongst partner countries. However, this was temporary, as countries eventually collaborated, the result being the vaccines against the pandemic: this is the essence of globalization. The contemporary iteration of globalization is actually more accurately described as regionalization, as most of the agreements between partner countries are rarely ever on a global scale, but the interconnectedness still exists. Regionalization has many economic benefits for the partner countries involved, but in order for regionalization to be effective, the parties involved must be willing to work with each other. As such, a nationalistic mindset would be counterproductive. The US has such a mindset and, being a partner nation in the USMCA, has a lot to gain from this regional trade agreement, but some changes need to be made. Firstly, the US' mindset would need to be adjusted: the belief in their superiority and the scepticism associated with the trade agreement would be counterproductive to the effort of the USMCA. Secondly, there would need to be the network infrastructure in place (such as roads, rails, ports of entry, etc.) to facilitate the logistical requirements of the USMCA. Thirdly, the USMCA will provide job opportunities and as such, there will be a movement of persons in search of the job opportunities. Skill training programmes could be provided for those in need of same in a effort to improve the work force, thereby improving productivity.

³⁹ Shannon O'Neil, "The Myth of the Global: Why Regional Ties Win the Day," *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 168.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Shannon O'Neil, "The Myth of the Global: Why Regional Ties Win the Day," *Foreign Affairs* Vol. 101 Issue 4 (Summer 2022): 169.

⁴⁵ Ibid.

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