

# (De)globalization in the post- COVID world



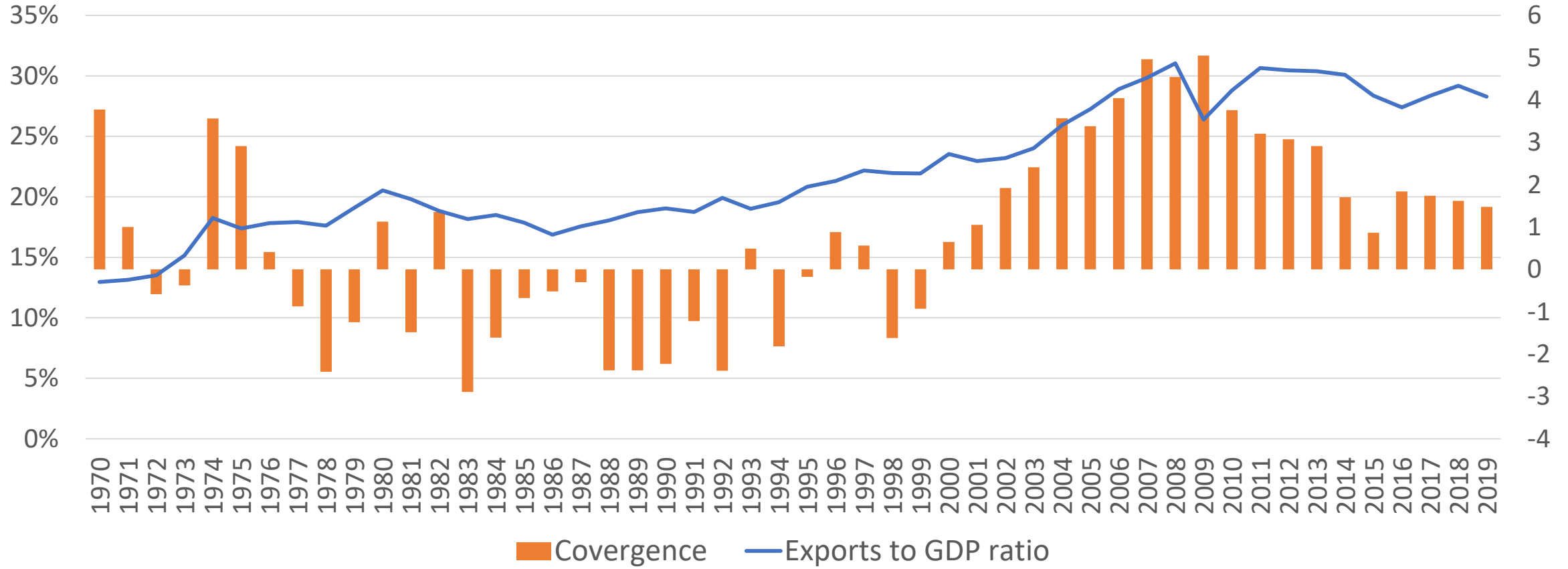
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# Globalization and convergence

Exports-to-GDP ratio and difference between rates of economic growth in low & middle income and high income countries



Source: World Bank, idea: Subramanian, Felman, 2020

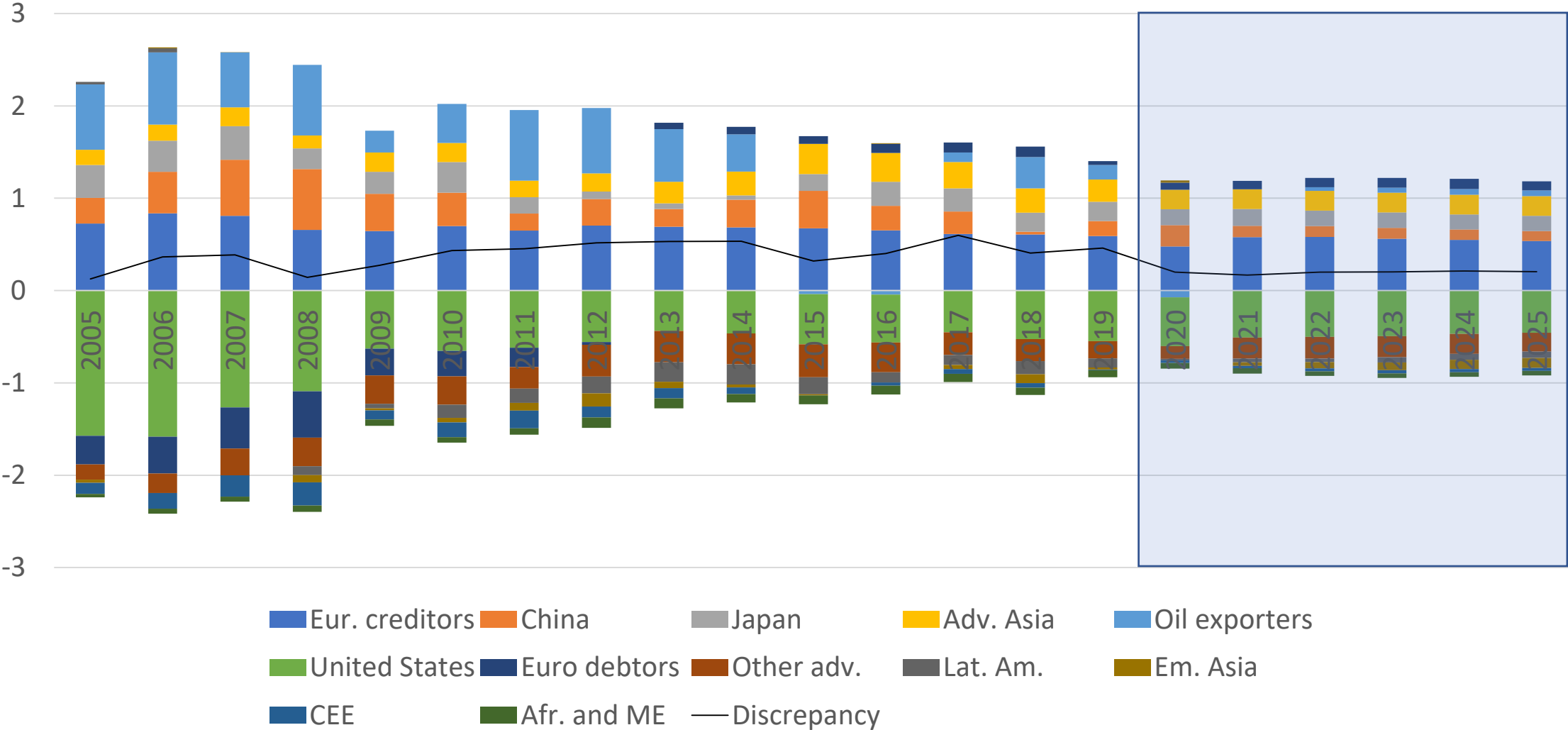
## Reasons for the rising globalization in 2000-s

- Rise of China and other BRICS countries
- Growing oil prices
- Global value chains (Baldwin, 2016)
- Rise of global current account imbalances (Freund, 2018)

## What we have for the last decade

- Deceleration of economic growth in BRICS countries
  - Rebalancing of China and narrowing of global current account imbalances
  - Backlash of global value chains (reshoring)
  - Falling oil prices
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- COVID-19 strengthened all these trends! The longer pandemic is the more deglobalization we have

# Current account imbalances, percent of world GDP

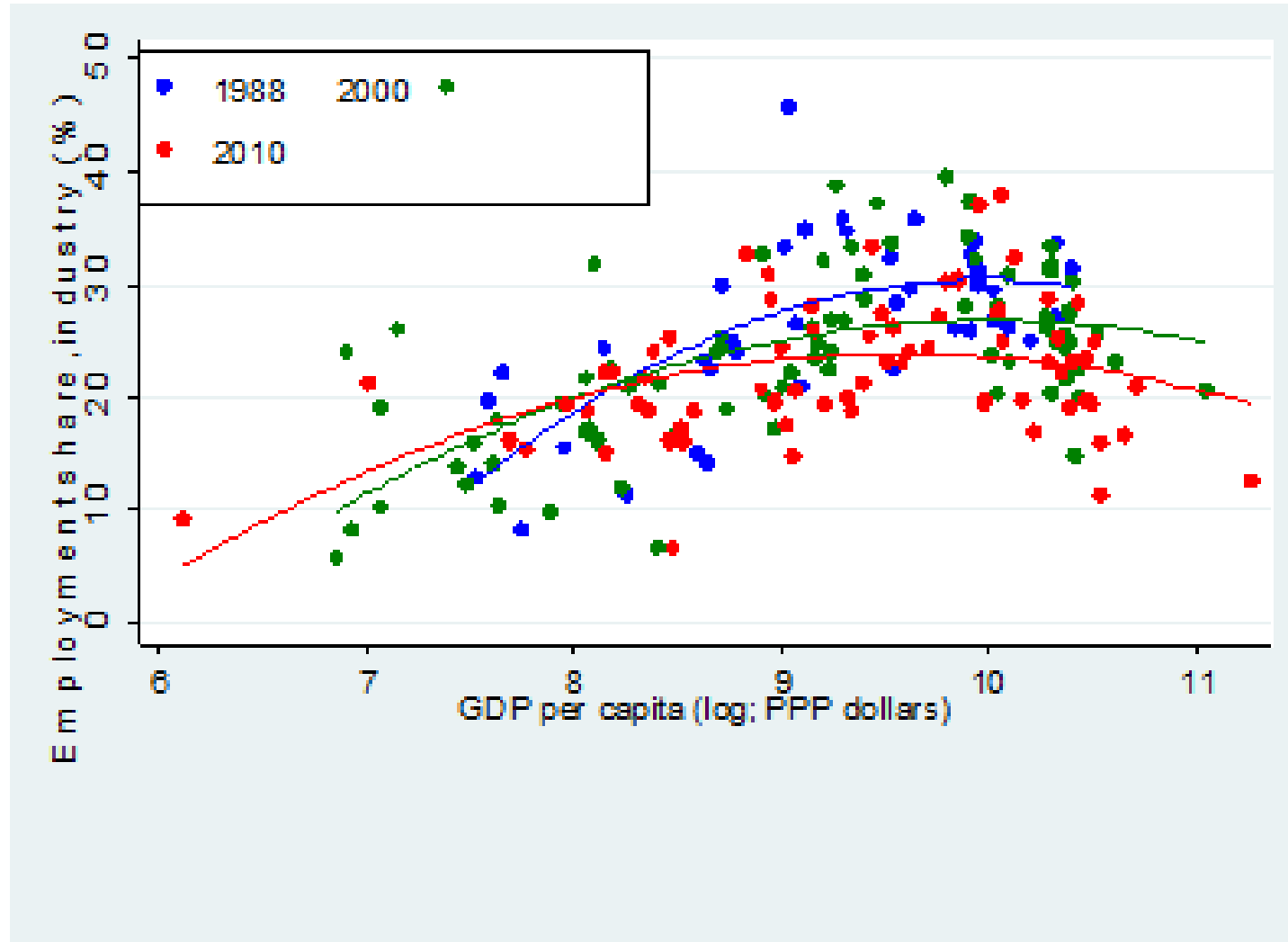


Source: IMF, 2020

# What follows from the continuing deglobalization?

- Stop of convergence, rise of global inequality
- Regionalization of trade and investment
- No working economic templates for developing countries outside of three major economic regions
- Decreasing interdependence, rise of economic sanctions and trade wars
- Crisis of global governance: it would be even more difficult to solve global problems

# Premature industrialization



Thanks for your attention  
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