Article title: Death of Globalization during COVID-19 Era
Authors: Maria Kanwal[1]
Affiliations: Fatima Jinnah Women University[1]
Orcid ids: 0000-0003-1528-4424[1]
Contact e-mail: kanwalmaria618@gmail.com
License information: This work has been published open access under Creative Commons Attribution License http://creativecommons.org/licenses/by/4.0/, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. Conditions, terms of use and publishing policy can be found at https://www.scienceopen.com/.
Preprint statement: This article is a preprint and has not been peer-reviewed, under consideration and submitted to ScienceOpen Preprints for open peer review.
DOI: 10.14293/S2199-1006.1.SOR-.PPOSGWG.v1
Preprint first posted online: 07 May 2022
Keywords: COVID-19, Globalization, Policy Measures, Health Crisis, WHO, FDI, Global Economy, Food System, Unemployment, Economic Growth
Title: Death of Globalization during COVID-19 Era

By: Maria Kanwal
# Contents

Abstract ........................................................................................................................................ 3
Introduction .................................................................................................................................... 4
Literature Review .......................................................................................................................... 4
Objectives ....................................................................................................................................... 5
Hypothesis ........................................................................................................................................ 5
Limitations ....................................................................................................................................... 6
Methodology .................................................................................................................................... 6
Organization of Study ..................................................................................................................... 6
Background ...................................................................................................................................... 7
Effects of Covid-19 .......................................................................................................................... 8
  Global Economy ............................................................................................................................ 8
  Food system ................................................................................................................................... 8
  Unemployment Rate: .................................................................................................................... 8
  Economic Growth: ......................................................................................................................... 8
  Trade .............................................................................................................................................. 9
Realist Perspective .......................................................................................................................... 11
Will Covid-19 end the Globalization? ............................................................................................... 12
Conclusion ....................................................................................................................................... 13
References ....................................................................................................................................... 14
Appendix Data Collection Instrument .......................................................................................... 14
Death of Globalization during COVID-19 Era

Abstract
COVID-19 plague has accompanied in novel environment of ambiguity which is powering isolationism and playing within nationalist descriptions. Pandemic is threatening Globalization as government disorganize to diminish their weakness to virus by restricting movement of people and global trade. Closure of borders and by taking severe measures against migration results into disturbances in international supply chain along with disadvantageous impacts upon employment. Vital and courageous policy procedures are desired not only for saving the lives of people but also to safeguard the world from economic destructions and also for sustaining the economic development and financial steadiness. This pandemic is not only the health crisis rather it is considered as social, health and economic crisis. COVID-19 which is categorized as pandemic by World Health Organization (WHO) is harming the world at its central. Worldwide economy has been decreased up to 1% during 2020 because of coronavirus. United Nation stated that worldwide economy will be further goes in decline if limitations upon economic events are prolonged. There is a devastating decline in Foreign Direct Investment (FDI) because of COVID-19. Multinational Enterprises (MNEs), investments and local businesses have been dangerously damaged with profound economic and social consequences. COVID-19 is considered as a threat to economy as well as to public health. COVID-19 which first occurred in Wuhan city and it affects 131,020,967 people all over the world till 5 April 2021 as reported by World Health Organization (WHO). The continuing outbreak of coronavirus has developed as major threat to financial markets and global economy.
Introduction

Globalization was already under threat before the outbreak of COVID-19 because of growing nationalism compelling the governments and industries to describe novel concepts and significances. This growing nationalism results in the formation of new term “Slowbalization”. COVID-19 will further increased the uncertainties and fear in the world. Now because of COVID-19 economic interrelation which characterized the globalization is now becoming disconnected. As COVID-19 spreads internationally the world economy disabled and unemployment prevails in the world. The decline of the world economy is considered as a greatest threat to developing nations. The emerging world is at the point of not only the humanitarian crisis but as well as the devastating financial crisis. More lives are under greater threat because of ongoing pandemic. Because of COVID-19 decline in international economy is considered to be much worse than the financial crisis of 2008-2009. COVID-19 global scale and measures taken in order to get rid from this all are unique. Coronavirus had affected 131,020,967 people and 2,850,521 people lost their lives due to this pandemic till 5 April 2021 as reported by World Health Organization (WHO). COVID-19 not only results into loss of people lives but also has alarming negative effects upon socio economic. Supply chain, Tourism and Trade has been broken because of COVID-19 which in turn poses negative effect upon global economy. Worldwide GDP growth has been reduced by -4.2% during 2020 because of COVID-19 as reported by Organization for Economic Cooperation and Development (OECD). Worldwide unemployment increased up to 25 million in 2020 as reported by International Liberation Organization (ILO).

Pandemic seems to be foremost upset to existing globalization form in which it reduces the speed of globalization and might form new globalization version which is considered to be more structured. Yet globalization also be considered as responsible for the quick outbreak in all over the world. As it mainly spreads due to human to human connections so the movement of publics globally could be seen as central for the pandemic outbreak.

Literature Review

1]. In paper "The World after COVID-19 and its impact on Global Economy," author point out that measures have been taken not only to protect the lives of people but also to support the financial stability and economic growth. Author also points out that COVID-19 is not only a health crisis in fact it is social, economic and human crisis as because of CVOID-19 economy of world is continuously under decline. Because of this pandemic the global economy is declined by 1% during 2020. Moreover, not only the economy is under threat but in addition decrease in Foreign Direct Investment have been observed. This pandemic poses devastated threats to health as well as to economy. At last in this paper author discusses that COVID-19 is affecting the whole world and it originates from Wuhan city and this pandemic becomes a greater challenge towards the financial markets and in global economy.
2]. In paper "The impact of COVID-19 on globalization," author stated that our way of living has been changed because of globalization. Travel and trade are the key factors of quick blowout of COVID-19. Moreover, the incorporation of global economy and urbanization have opened the door for global interdependence. So, globalization is considered as major factor the transmission of COVID-19 in all parts of world. Moreover, in this paper author point out the effect of COVID-19 upon the globalization by describing the devastating effects of COVID-19 upon health, trade, economy and travel. In addition to these points author also highlights those countries which are greatly affected due to COVID-19 like Africa, Egypt, Russia, Italy, Germany, India, Pakistan, Iran, Saudi Arabia, Turkey, United States of America, Mexico, Brazil and Peru. In the end the author describes those strategies taken at global and at country level in order to get rid from the devastating effects of COVID-19.

3]. In paper “Globalization and the Outbreak of COVID-19” author highlights the death rates due to COVID-19 during 2020. Moreover, he highlights that coronavirus not threatens the lives of individuals, in addition this pandemic badly hits the global economy. This paper further contains the COVID-19 impact upon globalization. Author point outs that this pandemic badly effects the trade, tourism and supply chain which in turn negatively effects the worldwide economy and even precise outbreak effects global economy negatively. Effects of COVID-19 are more devastating than the 2008-2009 crisis. This paper further discusses the decline of GDP and rise in unemployment resulting from this pandemic. Author also describes the effect of this pandemic upon the globalization and role played by tourism in the development of this pandemic. Moreover, this paper contains the link between COVID-19 and globalization, it also highlights the fatality rates resulting from this pandemic and stated that this pandemic mainly spreads through movement of people all across the world.

Objectives
Main aim of study is to analyze the effect of COVID-19 on Globalization process that how COVID-19 pandemic is posing devastating threats towards Globalization.

Particular objectives are

1) To study the effects of COVID-19 upon mobility, food and agriculture, health capacity, trade, workforce, industries and academic institutions.
2) To identify the impacts posed by COVID-19 upon the worldwide economy.
3) To analyze that does COVID-19 brings Globalization to end?

Hypothesis
✓ Globalization will endure the pandemic.
**Limitations**

Aim of this research paper is to investigate the effect of COVID-19 pandemic upon Globalization. Limitations to study are

- As COVID-19 constantly becoming more dangerous, so it’s difficult to recognize that whether Globalization is ending due to pandemic or not.
- Will global economic down turn would be return to normal or becomes more severe in upcoming years?

**Methodology**

Different sources like Articles, Journals are utilized in order to gather data. Data is put forward in form of words, graphs and images.

**Organization of Study**

First chapters cover the point that globalization was under threat before the globalization but Covid-19 further slowdown globalization. Now economic interrelation which characterized the globalization is now becoming disconnected. More lives are under greater threat because of ongoing pandemic. Supply chain, Tourism and Trade has been broken because of COVID-19 which in turn poses negative effect upon global economy.

Second chapter covers the background of the topic being searched. In this chapter main point appears to be that COVID-19 poses devastating threats to lives, global economy, tourism and trade. GDP, FDI rate declines and global economy turn downs because of pandemic. And it is observed that Globalization slows down because of COVID-19.

Third chapter cover the main objectives of research and main objectives of research is to analyze the devastating effects posed by COVID-19 upon the Globalization and to know that whether Globalization dies due to COVID-19 or continue to survive.
Chapter :01

Background

Globalization is the movements and interactions of goods, human beings, technologies and cultural practices in whole world. Globalization promotes interactions among different populations and regions around the world. Trade and Travel are vital components of Globalization and considered as significant contributors for spreading infectious diseases. Throughout human history Globalization process and pandemics are connected. For example

✓ **Bubonic plague** transmitted to Europe from China through Trade routes.
✓ **Asian flu** was testified in 20 nations and spread though Land and Sea travel.
✓ **Hong Kong flu** pandemic spread broadly through Air travel.

Globalization was under threat before the COVID-19 from increasing nationalism and has results in formation of new term “Slowbalisation”. This term was given by *The Economist* for describing the declines in multinational profits, trade and foreign investment. COVID-19 pandemic seems to introduced extra uncertainty and fear among the populations. Over the centuries Globalization leads to transmission of global disease and had noteworthy implications upon economy. Consequences of pandemics not only stated in mortality terms but also describing their impacts upon daily means of support and economy. Pandemic also leads to a decrease in trade and therefore increases the poverty. At the end of 2019 novel **Coronavirus** challenged the world. It was first observed in Wuhan a city of China. this pandemic was caused by **SARS-CoV 2. World Health Organization (WHO)** on 11 March 2020 stated COVID-19 as a pandemic and as of 21 October 2020, 41 million confirmed cases and 1.13 million deaths of COVID-19 have been stated worldwide. **International Monetary Fund (IMF)** is declined by 3% during 2020. Lockdown steps increased telecommuting and telework and limited demand and supply. Developing countries are facing significant challenges and endure helpless in monitoring COVID-19 as compared to developed countries. Now the economic interrelationship and norms that globalization highlighted for creating global supply chain which leads to economic growth is facing threats. Economic interdependence characterizing the globalization is becoming separated. COVID-19 devastated the worldwide economy mainly the economies of Far East. Outbreak of this pandemic disturbed the manufacturing, supply chains and services in the whole world. this pandemic poses negative threats not only to the lives of people but also poses negative effects to trade, tourism and supply chain which in turn devastated the global economy. Worldwide GDP growth has been reduced by -4.2% during 2020 because of COVID-19 as reported by Organization for Economic Cooperation and Development (OECD). Worldwide unemployment increased up to 25 million in 2020 as reported by International Liberation Organization (ILO). This pandemic is altering the process of globalization. Because of this pandemic globalization not ends completely rather it slows down or alters into new form.

However, the negative impact of the COVID-19 outbreak is not limited only to the loss of lives insofar as it has short and long-term socio-economic effects throughout the world. Developing world is not only on the point of humanitarian crisis but also of financial crisis. COVID-19 pandemic expands the current tensions in global governance and world economy. “Globalization Paradox” becomes obviously visible during current emergency.
Chapter: 02

Effects of Covid-19

Global Economy
Impact of pandemic on economy could be observed from lockdown in all over world from travel bans, slowdown of the economy and airline suspensions. Due to COVID-19 global GDP is affected between 2.3% to 4.8% and Global foreign direct investment shrinks by 5%–15% during 2020. According to International Labor Organization (ILO), almost 25 million people in whole world lose their jobs. This pandemic is considered as worst worldwide crisis since Second World War as stated by International Labor Organization (ILO). COVID-19 have deep effects upon developing countries and most susceptible nations are those having weak health infrastructure and depending upon trade and tourism. Controlling COVID-19 epidemic will recover the economy but the danger of continual financial tension is high after the 2020 as reported by the World Bank. According to United Nations Development Programme (UNDP) developing countries are going to face income losses more than $220 billion.

Food system
Pandemic is imposing negative threats upon whole food system. Closure of borders, restriction upon trade and quarantine steps have
✓ Preventing the farmers from opening markets for purchasing inputs and to export their food,
✓ Agricultural labors from harvesting the crops and therefore troubling the domestic and International food supply chains and also reduced the access to safe, healthy and diverse diets.
Pandemic has destroyed jobs and positioned millions of incomes at risk. As employees lose their jobs so the food safety and nutrition of millions of people are under danger mostly of farmers and native peoples.

Unemployment Rate:
As economic activities slow down due to COVID-19 so as a result poverty rate increase. Because of Covid-19 unemployed people number increased significantly in the world. U.S. Bureau of Labor Statistics stated that rate of unemployment in US arose to 14.7 % during April 2020. International Labor Organization (ILO) pointed out that worldwide unemployment increased by almost 25 million during 2020. Immigration will decline in order to provide jobs to own citizens. So, this would result into deglobalization.

Economic Growth:
Long term maintainable Economic Growth is considered as one of most vital goal of any nation. Lockdown imposition during Covid-19 makes the nations to stay in isolation which in turn reduces the economic movement levels. There is life-threatening doubt about economic growth prediction in the world. According to World Economic Outlook global economy decline by −3 % in 2020 which is considered to be worse than financial crisis of 2008–09.
The graph shows the periodical world GDP which is divided into Advanced and Emerging markets and Developing Economies. This graph represents that economic consequence of COVID-19 is adverse in advanced economies as compared to emerging and developing economies. During economic decline people buy mostly necessary goods and do not want to devote money upon luxurious goods. When economic growth declines then nations would be in downturn which reduces the economic activity and leads towards deglobalization.

**Trade**

In the wake of COVID-19 countries banned and imposed restrictions upon social, interpersonal interactions, international trade and cultural exchange. WTO reported decline of -0.1% in volume in world merchandise trade during 2020. All regions face drops in trade volumes during 2020 along with exports from Asia and North America hit rigid. Firms are unified through trade. According to **WTO**, global merchandise trade falls by between 13 and 32% during 2020 because of COVID-19.
Graph shows the future performance of trade as predicted by WTO with two different scenarios:

✓ **Optimistic Scenario** who stated that drop in trade will recover in second half of 2020 and the recovery would be strong enough for bringing the trade close toward its pre-epidemic movement. This scenario is represented by dotted yellow line.

✓ **Pessimistic Scenario** who stated trade decline with incomplete recovery. The Pessimistic scenario imagines partial recovery.
Chapter: 03

Realist Perspective

In the viewpoint of Realist International Politics values remain same. International affairs remain power struggle between the self-interested states. According to realism human beings are selfish by nature and they are not in favor of cooperation rather they give the priority to competition. Moreover, the states are considering as the primary unit in international system and maximize the power for achieving the security. It directly predicts that national self-help symbolizes the global supervision of Covid-19 and also its results. Bans on travel, international accusing, competition between great powers and pharmaceutical protection are global.

Member states of European Union voluntarily violate if not sacred cooperation values. Because of border closing the capitals of European Union developed into complete nationalist implement. Many countries of European Union closed borders and also commanded export bans without European Union consultation procedure. Like when Italy which was badly hit the COVID-19 asked the European Union members for some medical supplies after few weeks it faced what the realists imagined that its foreigners damaged European Union single market life by commanding export bans upon the pharmaceutical equipment.

Beijing not desires to be perceived as the origination point of Covid-19 pandemic and desires to be known globally as accountable for providing the communal health goods in the non-appearance of United States control for getting progress to its final objective of complete power buildup comparative to Washington. United States was not only absent in leadership terms but also engaged in patriotic self-help at the expenditure of others. Trump tried to decoy the CureVac which is a firm of Germany and was forming COVID-19 vaccine skills for relocating COVID-19 development and research division to United States. Trump looked for blocking the masks sale to Canada by United States formed firm. United States also looked for restructuring the worldwide supply chain for avoiding the dependence upon China.

According to Realist perspective World Health Organization (WHO) now becoming politicized like due to PRC’s rejection to admit Taiwan as an independent state the World Health Organization (WHO) neglects experience of Taiwan upon COVID-19 research and development. World Health Organization (WHO) also rejects the strategies proposed by Taiwan upon pandemic. These all shows that how national ideology forms the foreign policy choices in China and delays the international cooperation.
Will Covid-19 end the Globalization?

Covid-19 not marks the end of Globalization rather it alters the process of Globalization. As Globalization is defined as process of collaboration of trade, business, and numerous other activities between different nations. COVID-19 poses negative threat to Globalization. Many countries depend upon others for survival. In the wake of this pandemic many European nations and US are repentant upon not possessing the industries for satisfying needs of countries as they depend upon China for pharmaceutical products and masks. COVID-19 narrows down the Globalization.

World order has been altered due to Covid-19. Nations controlling COVID-19 fastest would going to recover economic loss quickly. After pandemic is controlled in the world numerous Western nations are foreseen to become involved in major collapse like USA whereas Eastern nations would raise economic growth like China.

Globalization was already under threat before the outbreak of COVID-19 because of growing nationalism compelling the governments and industries to describe novel concepts and significances. Moreover pandemic occurs during era of increased Interstate Strategic Competition and Trade Wars which broken trust which serves as foundation for Globalization. So Covid-19 is only latest argument. Globalization survived after many past crises like World Wars, Global War on Terrorism. It survived pandemics and epidemics like Spanish Flu in 1918, SARS in 2003, H1N1 in 2009 and 2010, and Ebola. So, Globalization is everlasting, although it weakens during Covid-19 period but it will not end completely and we are not sure that what novel form Globalization will take in future.
Conclusion
In a nutshell it is to be concluded that during the COVID-19 the globalization process slows down. COVID-19 results in the decline of global economy, Foreign Direct Investment and Gross Domestic Products. It is poses devastated threats to lives, global economy and result into poverty and unemployment in all the countries. Although measures have been taken by the administrations in order to save lives and to safeguard world economy but still this pandemic is slowing down the Globalization process. COVID-19 does not result into complete death of Globalization rather the process of globalization will endure this pandemic and will continue in some forms.
References


Appendix Data Collection Instrument
Figure 1
World growth outlook for 2020 in the best- and worst-case scenarios, as of late March 2020

Source: UN DESA.