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Tony Blair is right - globalisation is a fact not a choice

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Don't laugh, Brexiteers. But Tony Blair was in Washington DC this week lecturing Americans on the need "to argue the case for democracy from first principles". In a think tank speech pushing "moderate" politics, the former prime minister and now "People's Vote" champion was at his triangulating worst, particularly on Brexit.

Asked how he would counteract current "populist" moods, Blair spoke of addressing "grievances" that led to the UK's referendum result. That means "dealing with" immigration, he said boldly, in his characteristically unspecific way. The former PM still, amazingly, seems unable to conceive that anyone might want to leave the EU for constitutional or political reasons.

As ever with the former Labour leader though, survive the sound bites and eventually you'll hear a pearl of wisdom setting him apart from most current MPs. Blair's recognition of the importance of technological forces set to transform politics and society was a refreshing change from our usual dull political debates. But it was on global economics where he was perhaps at his most profound. Echoing other speeches, he once again observed that "globalisation is a force of nature, not a policy: it is a fact".

He's right. A central failure of Western politics is the presumption there is a political answer to all issues. That everything is the result of some government decision or plan. Globalisation is no different. Opponents of "globalism" like to pin the blame of our ills on policy. Trade deals and liberalisation, it is said, have helped hollow out industry. Migration policy failures have transformed communities and put pressure on public services. Corbynistas say free capital flows have contributed to a transient, short-termist business sector, and one that would constrain the party's ability to deliver the activist state its supporters desire.

There is partial truth in all this, of course. Trade protectionism has fallen significantly in recent decades and the extension of free movement to eastern European economies within the EU did result in huge inflows to Britain. Policy across Western states was indeed predicated on integration and the resulting specialisation of economies, based on strong evidence this would enhance prosperity. That, inevitably, affects industries' structures and business ownership patterns.

Yet Blair is right that globalisation is about so much more than policy. The greater economic interconnectedness we see reflects the free decisions of people in the face of new technologies as much as the actions of governments. Though states shape all sorts of personal decisions through

policy, the increased cross-pollination of ideas resulting from culture, travel, study and the internet is not something that can be reversed or boxed away. Globalisation is thus a reality, not a set of policies.

Consider some remarkable trends. According to the OECD, the number of foreign students engaged in higher education worldwide has risen dramatically from two million in 1999 to over five million in 2016. That has enhanced the exchange of culture and ideas. UN data show the number of outbound students of certain populous countries increasing particularly rapidly. China and India, for example, saw 120,000 and 54,000 people leave to study abroad in 1998. By 2013, that had jumped to 712,000 and 182,000. Even the US saw a rise from 38,000 to 60,000 over that period.

As disposable incomes have increased and transport costs fallen, global tourism has boomed too. World Tourism Organisation data show a 138pc increase in the number of people worldwide travelling to a foreign country between 1995 and 2016.

This is not just a rich country phenomenon either. The share of total global travel undertaken by residents of high-income countries declined from 72pc to 60pc over that period. The OECD forecasts that by 2030, emerging economies will enjoy 57pc of the market share of international arrivals, way up from 30pc in 1980. This is little surprise when one considers modern transport can allow us to access the most difficult-to-reach areas of the globe in just one and a half to two days. One hundred years ago, the equivalent journey time would have been more like 40 days.

It's not just physical movement of people to study and visit. The internet and social media are creating new networks and flows of information. In just nine years, between 2007 and 2016, internet use rose from just 5pc of the Indian population to 26pc, 9pc of the Chinese population to 50pc and 4pc of the Nigerian population to 47pc. Increasingly people around the world are consuming more and more of their news online, and from foreign sources.

Social media is perhaps the best example of this networking effect. As of June 2017, it was estimated that 26pc of the global population has a Facebook account. Companies are now using these platforms to advertise products and build new markets overseas. These networks, for better or worse, are also shaping politics. They have provided communication outlets for revolutions, as in Tunisia, and have proven a useful vehicle to provide insights on the ground from the human catastrophe in Venezuela.

Populist forces might well see success in their push back against the trade and migration policies of the past two decades. As Bank of England Governor Mark Carney warned last week, the world might now be set for a period of deglobalisation on trade given the possibility of a no-deal Brexit and the ongoing US-China trade war. But any government would find it extraordinarily difficult to take away the ability to travel, study, interact and freely exchange information from those who have already tasted that freedom.

On this, Tony Blair is surely correct. Where globalisation is concerned, the genie is out of the bottle. Global integration will continue shaping our economy and our politics, whether we like it or not.

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