

## Nationalism and populism as the driving forces of economic deglobalization, regionalism and localism processes

### Nacionalismo y populismo como motores de los procesos de desglocalización económica, regionalismo y localismo

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#### Abstract

The aim of this paper is to analyze the nationalism and populism as the driving forces of economic deglobalization processes and regionalism. The analysis departs from the assumption that the economic deglobalization processes responds to a more complex dynamic forces created by the economic, financial and the most recent sanitary crisis that blocks the continuity of the economic globalization. Moreover, at the center of the analysis is the conceptualization that both globalization and deglobalization are two faces of the same coin, but with opposite driving forces. Nationalism and populism are the driving forces of deglobalization leading to find regional and more local solutions to economic growth, social and environmental problems.

**Keywords:** economic deglobalization, localism, nationalism, populism, regionalism.

#### Introduction

During the first half of the 20th century, Europe suffered a destruction induced by nationalism and militarism. Initially, globalization processes were reduced to European countries that had democratic political structures, but there was awareness of expanding the participation of other countries that were stable constitutional democracies. Since 1945, internationalism has been promoted with economic cooperation systems supported by the Bretton Woods agreements and the emerging global governance institutions such as the General Agreement on Tariffs and Trade, as well as the Marshall Plan and the United Nations.

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Western economic nationalism provokes tensions that lead to a trade war and that leaves the global space to the east to take the leadership of the processes of globalization that promote a new global concept. However, this connectivity becomes the medium of contagion. The impact has been reflected in the resurrection of the nationalist entrepreneurial spirit that promotes the return of companies. The growing phenomenon of nationalism is manifested in different versions with identity religions, including eurocentrism, Brexit, America First, etc., which tend to undermine multilateralism and paralyze the World Trade Organization. The health crisis reaffirms the doctrine of America First as the way for companies and thus jobs to return to the United States. Globalization is widely criticized for its negative effects and loss of valuation, it has fueled nationalist and populist movements.

The processes of globalization have had devastating effects from the 2008-09 financial crisis on the jobs of workers in various sectors of the industry. The answer has been commercialism, nationalism and populism. Since 2010, nationalisms and populisms have resurfaced with force, trends in proximity trade are expanding, sustainability emerges as a concern for achieving an ecological balance between the exploitation of resources, productive activities and the effects on socio-ecosystems. For some years now, nationalist and populist governments have been promoting the reproduction of productive activities.

This paper first analyzes the implications of nationalism and populism on the economic deglobalization processes as the result of the most recent economic, financial and health crisis, leading to more regional and local alternatives to give continuity to the economic globalization. Finally, a discussion on the implications of these issues is offered.

### **Nationalism and populism**

The growing phenomenon of nationalism is manifested in different versions with identity religions, including eurocentrism, Brexit, America First, etc., which tend to undermine multilateralism and paralyze the World Trade Organization. The health crisis reaffirms the doctrine of America First as the way for companies and thus jobs to return to the United States.

Until now, the manifestations of the deglobalization processes are nationalist dynamics that, under the allegation of the principle of sovereignty, oppose international agreements and treaties through the construction of physical and tariff barriers to their national borders. Both populism, nationalism and commercialism can be threats. The old and emerging middle classes are those who consume the most with objectives that are different and that serve as an argument for populism, despite that egalitarianism as well as excessive inequality are obstacles.

Populism slows down the processes of globalization rather than correcting it, with a return to the areas of influence of the great economic powers. Nationalist deglobalization is regressive and not progressive that tends to continue interactions and interrelations with the international community of nations in a creative way to achieve a balanced relationship between the different local and international levels of the economy.

Not only do nationalist and populist governments oppose the deepening of globalization processes, but also other more open governments that demand that globalization be controlled without control. Popular discontent has turned into pressure from social movements with nationalist sentiments, the rise of ultra-nationalist and xenophobic parties.

The processes of globalization were considered as an unavoidable and irreversible phenomenon to form a community that required a reduction of nationalism to delegate powers inherent to sovereign power to give rise to the formation of international organizations capable of making mandatory, binding decisions and subject to a regime international rights and sanctions. The resurgence of nationalism is a form of reaction and rejection of the current processes of globalization to demand the annulment of local communities, their history, local traditions and customs, and the resurgence of religious and cultural ties and values that traditionally unite groups and communities.

The expanding economic globalization has brought also devastating negative effects on increasing levels of pollution in one part of the world that leads to extreme climate change and weather events and destruction of the eco systems and biodiversity. The negative effects of the processes of economic globalization have increased inequalities and economic and social inequality that are used as an argument to devalue globalization due to the emergence of new nationalist and populist movements.

The new globalizing institutions must face the challenges before nationalist and populist options roll back progress. If the processes of deglobalization intensify and are confined within the borders of the national states, and in the best of cases, regionally, they offer the opportunity to grow and develop with the implementation of their own model that require a revision internal competition systems to accelerate internal growth.

## **Deglobalization**

Economic and commercial history shows that intense periods of globalization are followed by periods of deglobalization based on the closing of the borders to international trade and the nationalist sentiment that is based on giving priority to the national before, to the foreign, both in economic matters, commercial, financial, tourist, etc. The global economy is in a process of deglobalization, manifested in the slowdown or reversal of the prevailing economic order since the second half of the 20th century, in such a way that communications, interactions and interdependencies have reached a level of exacerbation or rejection. The deglobalization process represents the end of the traditional forms of global economic and commercial relations.

The term deglobalization is a neologism coined to refer to the slowdown and reduction of the advance of the processes of economic globalization. The neologism deglobalization has been created to signify a step back that the processes of economic globalization are taking with their ebbs that reduce the commercial, financial and migratory exchanges of people and labor. However, the networks that facilitate transnational financial operations remain intact while labor has always had interruptions in its flows for its global displacement.

The processes of economic globalization reached their peak to initiate a return to globalization processes with a specific location, also known as deglobalization. Walden Bello and Focus on the Global South, coined the term deglobalization with a positive connotation by setting the objective to restructure the world economic and political system to strengthen national and local economies (Bello, 2005). Deglobalization refers to the reverse process of globalization in which the economy, society, politics and culture are regionalized. The beginning of a deglobalization phase is underpinned by a regionalization of the economies. Deglobalization is an impulse from the geopolitical situation of crisis management that intensifies economic policy and accelerates trade wars between the main powers.

Deglobalization processes involve the movement and ralentization of goods, inputs, materials, premium services, as well as people, information and ideas, as in the cases of tourism activities and higher education. Deglobalization processes present some characteristics that seem to be evident motivated more by political reasons than economic, social or technological. Deglobalization processes are characterized by a slowdown and reduction of the functions of international and supranational institutions that are in charge of regulating economic, commercial, financial, political, and personal relations, ideas that are carried out between the nations. Financial deglobalization marks a recovery of the national sovereignty of the countries that had already given part of the globalization processes.

The phenomena of reletization and economic deglobalization mark a period of reversal of globalization processes that have a high impact on economies that produce raw materials and inputs. Deglobalization is a process of weakening the economic, commercial and financial interdependence between nations. The processes of economic deglobalization can be defined as a decrease in the economic, commercial, financial, people and ideas interdependence among all the countries of the world.

The KOF index developed by the Swiss Economic Institute in 1979 measures deglobalization with indicators of exports, investments, migration, geopolitics and culture. The index has shown a constant increase in the processes of globalization, especially in the eighties with the connection of world stock markets, the dissolution of the USSR and the end of the Cold War, which motivated Fukuyama to declare the end of history in 1992. However, the globalization and deglobalization processes have been promoted and steered by the great economic and political powers to pursue their own local priorities and benefits. The demise of the World Trade Organization (WTO) concerning the trade governance is one of the relevant point to bring downward pressure towards deglobalization.

The evidences suggest that globalization is giving way to a period of deglobalization in trade and foreign direct investment (FDI) began in 2007-2008, after more than two decades of integration and increasing flows in the global market, and since then the restrictions are increasing. Deglobalization is not a new phenomenon because it had already manifested itself since the economic-financial crisis of 2008 with the fall of Leman Brothers.

The evidence that suggests that a period of deglobalization has been entered is presented (Witt, 2016) by suggesting that trade globalization flows began to decline between 2007 and 2010, while the globalization of foreign direct investment flows began to decline between 2007 and 2011 (Witt, 2019). Some analyses on economic deglobalization trend are focusing on the evidences of free flows of trade, finances and movements of people since the economic and financial crisis of 2008-2009. The trend towards the economic deglobalization of trade, financial, foreign investment and migration flows that reinforce the trend towards isolationism.

The trend of deglobalization processes that began with the financial economic crisis of 2008-09, continues with the arrival of Trump to the US government, which anticipates a change in the international economic integration processes that take shape and deepen with the coronavirus health crisis. Deglobalization as a phenomenon that was already observable before the health crisis and that is accelerating with it. The advance of a period of deglobalization intensifies with the health crisis of the pandemic having an impact and sequelae in shocks to aggregate demand and supply.

In addition, this period of deglobalization is more pressured by the economic and financial crises that broke out in 2008-2009 and has deepened with the health crisis of the corona virus pandemic. The global health crisis has deepened the already existing economic, political and social crisis that will not be able to be rescued by China like the previous financial crisis of 2008-2009.

Deglobalization is a phenomenon that has occurred several times throughout the history of the world economy, although it currently has different characteristics and due to the fact that commercial and financial activities have slowed down since 2013. The term deglobalization was coined by Walden Bello in his book *Deglobalization: Ideas for a New World Economy*.

The analysis of trends on the uncertainty of global economic development confirms an open regionalism marked by the North American-Chinese tension and the traumatic Brexit and driven by deglobalization processes under the assumption that it is preferable to have close allies with more reliable and solid economies and with more stable regulatory frameworks. Some relevant deglobalization political movements are the start point Brexit referendum in 2016, the movement of Trump in the United States in 2016 and Bolsonaro in Brazil, in 2018, and other minor movements that provide evidence of confrontation between people and the globalization processes (James - 2018: Inglehart and Norris, 2016). The de-globalization processes integrated to politics induces a shift in strategies, structures and behaviors in international business (Witt, 2019).

The implications for the trade war between China and US on the WTO moves toward further deglobalization of trade. WTO demise is becoming increasingly dysfunctional a turning point for trade towards deglobalization, which brings some pressure for global growth. The United States has declared trade war on various partners and China in particular, while the UK has pulled out of the European Union after 47 years. Both events question the integration of the global economy and open the possibilities for processes of economic deglobalization. The major economies were open and integrated into the world economy. The peak of globalization processes was reached with the trade war between the United States and China to initiate a return through a process of national localization also known as deglobalization.

The strategic competition between the two great economic powers, US and China has become increasingly hostile relationship between the largest economies fostering the deglobalization tendency with further consequences in trade, finances and technology, with implications of a trade war, as well as other additional deglobalization forces. In 2016, the United States and China launched a trade tariff war that, if it continues, could lead to the risk of a debilitating crisis of a chaotic deglobalization overreaction that can deepen the problems.

Before the emergence of the coronavirus health crisis, deglobalization was already a trend. The economic decline deepened by the health crisis is the beginning of a sustained deglobalization that slows the world economy and affects geo-economics and geopolitical changes. The uncertainty generated by the health crisis of the pandemic can lead to negative reactions to the behavior of human beings expressed in less liberal traits that can manifest themselves in the new deglobalization project (Bremmer, 2013).

The tendency towards nationalist retreat in the face of economic globalization processes has deepened with the health crisis of the pandemic and has accelerated the deglobalization processes with the consequent recovery of the regulatory functions of the State. Insourcing such as the return of factories to the country of origin and robotization are two of the trends that have been accompanying the deglobalization processes as a direct impact of the health crisis of the pandemic.

The public policies that emanate from national governments in response to the health crisis of the pandemic are very different, depending on the country in question, and they range from bailouts to large companies and banks, payment of salaries or a part of them, etc., which in many cases are dysfunctional and lead to more political and national tensions. These processes of deglobalization tend to concentrate wealth and create higher levels of poverty.

This situation of deglobalization gives rise to a paradox because the risks are global, such as the increase in economic and social inequalities, demographic and migratory imbalances, climate changes, the emergence of technologies that are disruptive, while solutions are taken to local levels where social, political and cultural activities take place. van Bergeijk (2010) analyses comprehensively the drivers and risks of deglobalization. Any excess in the deglobalization processes can generate more risks and damages than benefits to economies, especially the most advanced ones. If somebody overreacts to deglobalization processes, they can do more harm than good. However, deglobalization also poses economic risks for all countries, but more so for the more advanced ones.

The sharp drop in international credits (Financial Times, April 24, 2020) is explained as part of a long process of globalization. Credit, banking and financial deglobalization affects more the financing flows of emerging economies, which in the case of Latin America report a withdrawal of 4 percent of GDP according to Corsetti & Marin (2020) and Davis (2020).

The current global economic and financial crisis is the total sum of domestic crisis and does not offer local solutions which have to be looked for each nation, therefore the deglobalization tendency is to look for local solutions to a global crisis. Among the characteristics of the current one the globalization process indicates the increase in market volatility of financial products and currencies that increases the risk margins and uncertainty of exports and imports, the impoverishment of the middle classes due to the maintenance of competitiveness at the cost of salary reductions, and the limitations that emerging economies have to sustain economic growth despite the free trade policies adopted.

The current processes of deglobalization weaken cross-border and inter-state commercial and financial relations that, if not properly reordered, will introduce new, more chaotic problems that can significantly reduce real global GDP, affecting all advanced and developing economies.

The decentralization of policies and the growing externalities result in a deglobalization of macroeconomic and financial configurations, unlike territorial approaches focused on the deglobalization of financial entities and at the universal level through a binding international treaty that stabilizes the international financial system and avoid regulatory arbitrage and deglobalization of finances.

The decrease has been shown to have secondary effects on employment, among others. Another of the dysfunctional effects of deglobalization processes is the decrease in remittances as unemployment increases. Deglobalization processes go beyond the economic and are located in other areas such as higher education to be trapped in national borders.

Furthermore, it is difficult for the deglobalization processes to last due to the existing interconnections between the countries of the world and the now digital relationships created by economic, commercial, financial, scientific, technological and educational exchanges, etc. Physical deglobalization is encouraged by digital globalization and adopts technology to accelerate the production of food, medicine and other important commodities for regional consumption. Digital globalization encourages sectors such as business, tourism and education. The digital economic transformation transform spaces and times towards deglobalization.

Deglobalization processes have shown the deficiencies and risks that the economic globalization model has, such as the outsourcing of strategic production systems in a multilateral system in crisis. Defenders of globalization focus on minimizing the effects of disruption brought about by the period of deglobalization and aim to create the foundations for more sustainable processes with strategies that maintain the balance between efficiency, resilience and greater aversion to risk.

The direct effects of deglobalization processes are manifested in a greater increase in production and distribution costs, which affect the efficiency of companies and require a strategic change. All the changes that come with the deglobalization processes are certain to occur, but what cannot be determined is how deep and in what dimensions they will be. While some analysts believe that deglobalization will increase the well-being of the population, others consider that it will reduce well-being.

## **Theoretical approach**

The processes of economic deglobalization for the 21st century require a conceptual theoretical framework that facilitates the analysis of variables such as cooperation and integration and dimensions of development strategies through which the international community carries out negotiations to redesign a way of globalization more closely related between the socio-ecosystem and humanity.

With the processes of deglobalization, history comes into contradiction with the centripetal integrating forces. Deglobalization processes are an inverse phenomenon to globalization, it is a return to the era of nationalisms due to the failure to develop the international community based on values, ideas and a culture that are shared by local communities. The global interaction and interdependence of the economy, society and politics become forces with a more regional or local centrifugal orientation, a return to the territory of national states. Deglobalization re-embeds the economy and the market in society and not a society that continues to be governed by the market economy.

Deglobalization is a backlash against globalism supported by mixed with nationalism and market segmentation, which has been considered a transition towards globalization 2.0 as the new kind. Globalization 2.0 promotes economic integration through infrastructure of large regions instead of the populist deglobalization driven by different nationalistic issues moving towards the nation states. Deglobalization processes are a transition between economic globalization and post-globalization whose only alternative is to decrease, slow down and retract. Findlay and O'Rourke in *Power and Plenty. Trade, War and the World Economy*, argues that the world system has expansive stages of economic globalization processes followed by stages of deglobalization that are determined by geopolitics rather than geo-economics.

The nation state is receiving demands from citizens to take back control responding to the failures of the economic and financial globalization to fulfill the promises. Populist governments, from the right and from the left, have taken advantage of this discontent and providing a compelling rallying cry and to heat the deglobalization pressure. Deglobalization represents a new paradigm that presents the extreme right in a nationalist version of deglobalization that excludes immigrants and racial minorities.

Deglobalization is backed by backlashes against globalization that threaten the international order constructed in the second half of the twentieth century. The deglobalization movements around the world can be framed in the complex system theory which signals all the interdependencies among the local economies when there is a need to reduce these complex interrelationships.

Economic ideas and theories about globalizing and deglobalizing dynamics enter into contradictions and conflict, as in the case of free trade, if the results achieved in economic growth are considered, while there are economies that have grown their GDP per capita, there are others that they have not grown. According to Witt (2019) the deglobalization theories from political science are liberalism and realism both of which lead to different expectations. While liberalism visions economic visions, realism sees economic blocs.

The principle of deglobalization processes based on a logic of a construct of rigorous empirical data on the limitations of globalization processes based on multinational companies operating in a global economy and market. Decisions on the location of operations must consider the patterns of survival or investment in deglobalization processes, such as political and military patterns. Direct investment has slowed down with a direct consequence of accelerating deglobalization. The economic decisions submitted to the political deliberation of the national states advance towards processes of economic and financial deglobalization.

The dynamics of the deglobalizing processes affect each of the nations in different ways as the trend is accentuated because they have very different internal challenges and commitments in relation to the exercise of global governance. The trend of economic deglobalization moves towards the regionalization or location of production, distribution and consumption, with an emphasis on local companies and markets. Deglobalization processes are not uniform or global in the same way that globalization was because it was not fully accepted by non-governments of countries with autocratic political systems that have no affinity with the promoted values. The zero-polar world, predicted by Bremmer (2013), is the characteristic world order of deglobalization processes in which there would be no national or international power to face the challenges of world leadership.

Populist governments have had difficulty inserting themselves into globalization processes with very limited progress, which is why they are now promoting deglobalization. Many of these governments only participated nominally according to their historical-political contexts.

Deglobalization processes are the result of the globalization crisis due to cultural modifications introduced to secular values, such as, for example, intolerance expressed in norms towards certain intellectual expressions and manifestations. The excess of globalization has led to an opening of cultural values treated in normative terms such as gender.

## **Regionalism and localism**

Regionalization focuses on regions and are less interconnected than globalization. From the business corporation's perspective, it means to develop goods and services considering the habits of people living in these regions.

In the 1970s some national economies opened up by adopting the development of free trade policies and world exports increased between the different regions of the world. The economic and financial crisis of 2008 and 2009 brought negative effects to regions of developed economies contributing to some drawback in the globalization processes and connected to economic recession. The period of decline in international commercial, financial and people flows began in the years prior to 2020 after the health crisis, mainly due to the risks posed by dependence on the provision of supplies from international geographic locations. What the health crisis has done is to deepen this trend towards regional and local production.

The current situation of the global economy is only comparable in magnitude of the impact of the crisis of the thirties of the last century and there is no region that escapes this economic shock that threatens all national economies. This situation requires the generation of support mechanisms to mitigate the impact of the crisis.

Globalization can be seen as the result of regional collective action and transnational co-operations between economic regions (Balme 1996) that leads to interstate international relations system in the context of regionalism (Ibarra and Letamendia 1999). The development of economic regionalism as part of the process of



economic de-globalization is based on the promotion of regional and local alliances to enhance technological and organizational capacities for the production, distribution and consumption of satisfiers with high levels of regional content and with an orientation responsible for information management and the new challenges of sustainable development.

Globalization has benefited some countries or regions more economically than others, while it has promoted constitutional democracy and the recognition of rights and freedoms, as well as an increase in the level of education. The globalization of economic agents allows international reach and extraterritorial coverage in a process that encompasses all areas of economic competition that includes all countries and does not exclude any region (Berumen 2002: 350).

The globalization processes in the digital age are transformed and are moving towards a stage of more regional fragmentation under a new multilateral international trade model. This new multilateralism requires a profound revision or the creation of new existing institutions and regulations to build a new world order with greater capacities to regulate the new balances of power. World global cities globalization of economies play a relevant role in advanced producer and financial services increasing international interconnectedness of the corporate governance structures at the regional, national and international levels (Friedmann 1986: 70, 73 ff.; Sassen 1991: 127 ff.; Beaverstock, Smith and Taylor 2000: 125 ff.; Derudder, Taylor and Witlox et al. 2003: 876 ff.; Taylor 2004: 175 ff.; Robinson 2005: 757 ff.; Hanssens, Derudder and Taylor et al. 2010: 2ff.; Lüthi, Thierstein and Goebel 2010: 115 ff.; Sassen 1991: 65 ff.).

Economic globalization is driving economic growth with disproportioned benefits to individuals, regions and nations, bringing some negative non homogenous consequences such as income inequalities. Despite the multiple benefits, the ongoing economic globalization processes has brought complicated financial crisis, growth of unemployment, social unrests and environmental sustainability problems. Still, the global economy is going into a large-scale continues transformation processes towards different type of globalization from which all the stakeholders participating may benefit.

However, the economic globalization has not fulfilled the expectations promised for all, so that, with the exception of some, it has not delivered the expected benefits. It has been accompanied by risks, especially when the prevailing logic is to obtain the maximum benefit in economic rationality to produce in some regions of the world where cheap resources abound and then commercialize in other regions of the globe, without any sanitary controls. These effects have not been as expected and have motivated a transition towards more regional and local economic processes.

However, researchers sustain that globalization had surfaced some atypical tendencies in this wave (Karunaratne, 2012; Miskiewicz, Ausloos, 2010, Swiss Economic Institute, 2014, and Zehra 2011). The world economy is immersed in a process of regression of flows of goods and services, investments and people that have the tendency to regionalize after a hectic period of growth of global interdependence and interaction.

Economic globalization has increased the transnational economic integration through changes on the mobility of economic factors that have had a high impact on regional development and territorial consequences in investment and development of regional industries and firms. These changes affect the international competition and transform the socioeconomic conditions and the political processes. This situation is giving space to regional-local public policies to design a new economic, social, political and environmental scenario structured multilevel and polycentric forms of governance to influence development without challenging the power of nation states (Hooghe 1996; Keating and Jones 1985; Le Galès and Lequesne 1998).

Intra-regional trade relative to global trade in goods has increased in the last 7 years, reflecting the increase in consumption in emerging markets. This trend is reflected in the production activities that are located in neighboring countries inserted in the international flows of production, distribution, trade and consumption of goods and services.

The new global economic shift towards valorization of more local production and supply channels instead of the cost structure, centered on more personal service and sustainable values and principle, based on new disruptive technologies with regional value and new patterns of consumer behavior. The new phases of the globalization processes must converge in those constitutive elements that articulate all the economic, social, environmental, political, cultural elements at all levels: World, regional, national, local, community and individual.

Global international, regional and national financial centers are always in closed interrelated and in interconnected relationships with one another (Parr and Budd 2000: 605 ff.; Taylor 2004: 110 ff.; Harrschar-Ehrnborg 2002; Poon, Eldredge and Yeung 2004; Merki 2005; Cassis 2006). Clustering of financial services in financial centers in urban systems requires knowledge-intensive activities and economies of scale and scope at the global, international, regional or national levels of business operations (Porteous 1999: 3 ff.; Lo and Schamp 2001: 27; Schmidt/Grote 2005: 1 ff.; Schamp 2009: 89 ff.; Parr/Budd 2000: 605 ff.; Taylor 2004: 110 ff.; Harrschar-Ehrnborg 2002; Poon, Eldredge and Yeung 2004; Merki 2005; Cassis 2006).

The processes of reconfiguration of globalization require new alternatives, initiatives and structures for world and regional integration that promote harmonious development in multiple dimensions, in such a way that national states maintain their sovereign decisions in the face of globalization without ceasing to be functional to the world system. The alternative has been the creation of regional and bilateral free trade agreements.

Economic globalization processes are required to reach global consensus to be redesigned involving the connections between the economic systems and market impacted by socioeconomic and cultural issues, regional and local specificities, collaborative networks. A more rational globalization process must be based on the formation and integration of an international community capable of sharing values, ideas, traditions, customs, etc., that is, the creation of a more global culture while respecting the differences and diversity of regional and local cultures.

## **Discussion**

The great Western economic powers have played a preponderant role in the deglobalization processes to configure a new global order. However, the winners of the current globalization processes have been the countries known as the BRICS with China at the forefront, who may become the losers of the deglobalization processes or in the reversal of the globalization process. The deglobalization process represents the end of the traditional forms of global economic and commercial relations. Deglobalization represents a limited period in the integration of international economic relations and globalization. International cooperation aimed at maintaining prosperity and global peace is weakened by the effects of deglobalization with the reduction of the activities of the international commercial and financial systems.

The most recent stage of the processes of economic globalization is different from the previous stages due to the speed and scale of exchanges and interactions that entail other processes with negative effects with the spread of enormous risks such as the rapidity of the overwhelming contagion of the coronavirus pandemic that can accelerate the deglobalization processes of the world economy. The deglobalization process limits the circulation of goods, services, finances and people that during intense globalization only had sanitary limitations.

The processes of economic globalization have been inclined towards globalization rather than deglobalization of the economy. Globalization was intended to replace the nation states in a perverse and coercive manner and what it has achieved is a response from the populist and nationalist movements that have prevented it from deepening and that have supported the processes of deglobalization. The processes of deglobalization that are so contradictory are manifestations of new configurations of a new phase of the processes of globalization with expressions that are more exclusive, brutal and pathologically dangerous for the harmonious economic growth, inclusion and social justice, as well as the environmental sustainability of all countries.

The deglobalization of economic processes means decrease or withdrawal, it is a transition period towards a post-global period with a strong energy component. Deglobalization processes imply a decrease in commercial and financial exchange activities, movements of people and ideas with well-determined impacts on socio-ecosystems that can degrade nature. On the contrary, deglobalization processes should contribute to improving the conditions of economic growth, social development with inclusion and social justice, and environmental sustainability, which benefit individuals and communities more than multinational and transnational organizations.

The non-existence of a project and a model of deglobalization processes based on geopolitics that is based on institutions that are not entirely democratic, limits the scope to achieve economic growth, social development and environmental sustainability of the nation states. In the phase change of globalization processes to deglobalization processes, the national state recovers its functions in the face of the existence of a cosmopolitan international institutional community that was going to solve the problems. The reality has reached the international organizations formed by the nation states. The national state is responsible for intensifying rather than contracting international economic relations.

The tendency towards deglobalization, the concepts of urban development and politics have been re-localized shifting towards more functionalist concepts such as creative cities and integrating of diversity and social justice. The distances between the localities in a context of deglobalization acquire a determining role to influence the regions and countries transversally, where those most addicted to energy abundance are the ones that suffer the most. Deglobalization processes must face the profound changes that globalization produced in the economic, social, political, social and cultural transformations that affect all aspects of individual and social life.

Proponents of globalization need to be more pragmatic in managing gradual and orderly processes of partial de-globalization so that they can lay the foundations for relaunching more sustainable and inclusive globalization processes. Deglobalization processes require the redesign of a more economic, social and environmental sustainable development based on more rebalanced investments and re-invigorated technology, science and innovation. The new development model that results from the deglobalization processes must adjust to the promotion of economic decisions from the spaces of the national state to factories and businesses, which are promoting equality, inclusiveness and social justice and fostering interrelationships between the economy, society and environmental socio-ecosystems.

Finding a balance between the processes of globalization and deglobalization that allows growth and evolution, reducing the gaps of economic, social, political, cultural inequality and the recovery of local identities. Economic globalization has been identified as a generator of economic and social inequalities, which have motivated anti-globalization movements that propose the beginning of a period of economic deglobalization within the framework of the 2030 agenda to point out a period of regression in international economic

interrelations. between States, and the influence exercised by multinational companies to focus on national sovereignty with the detriment of the international standards imposed by international organizations and treaties for economic cooperation and integration.

In the case of Mexico, the entry into force of the T-MEC coupled with the trend of deglobalization accelerates the processes that can encourage and benefit the development of Mexican companies. Mexico has the opportunity to take advantage of deglobalization trends as a partner of the T\_MEC commercially integrated with the United States and Canada. The coronavirus health crisis demonstrates the relevance of proximity to the North American market in order to have more certainty in ensuring the provision of supplies for production.

The model of the deglobalized world moves away from the other possible world of the anti-globalizers. An alternative deglobalization process must be centered on populations and nature. However, the current processes of deglobalization do not offer alternative solutions and can aggravate the imbalances and contradictions that can lead to scenarios that increase social vulnerability with more inequality and injustice. The socio-political arguments are more supportive of deglobalization processes, such as avoiding the increase in inequalities with a better distribution of benefits, promoting inclusive mechanisms in technological changes and advances. Otherwise, there will continue to be discontent movements, social upheavals, trade wars, etc.

Deglobalization processes can be presented in scenarios of their future development. A first scenario is one of soft changes that do not modify the structures of international institutions but that focus on regulating distortions to free trade, as well as the conditions imposed on developing countries.

The deconstruction of globalization processes, known as deglobalization, has to be for a better reconstruction that truly integrates humanity through economic, political and social change, and does not disintegrate. This change requires weakening the hegemony of the system of globalizing institutional powers, delegitimizing its ideology and its rules.

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### Key terms and definitions

*Economic deglobalization*: Is the process of decreasing economic interdependence and economic integration between certain units throughout the world, typically nation-states. This term is widely used to describe periods in history when economic trade and investment between countries declines.

*Localism*: Local quality as belonging to a place or a territory.

*Nationalism*: Political doctrine and movement that claim the right of a nationality to reaffirm its own personality through political self-determination. Special attachment to one's own nation and how much it belongs to.

*Populism*: Political tendency that claims to defend the interests and aspirations of the people. Tendency or fondness for what is popular in all areas of the life of peoples and people

*Regionalism*: Doctrine or political tendency that defends that the government of a State must consider the way of being and the aspirations of each region.