

A DEGLOBALISING WORLD: TURBULENCE IN THE WORLD ORDER AND IMPLICATIONS FOR PAKISTAN

Javaria Shaikh^{*1}, Ehsan Ahmed Khan²

^{*1,2} PhD Scholar of International Relations, School of Integrated Social Sciences, University of Lahore

^{*1}jaweriasheikh835@gmail.com, ²ehsanahmedkhan471@gmail.com

Corresponding Author: *

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ABSTRACT

The global environment is transitioning through an era of uncertainty and a pervasive flux. The fostering of globalisation that converted the polar world in more networked village seem to be going through a phase of a hard reset viewed in the form of an onset of “deglobalisation” also referred to as “slowbalisation”. The phenomena of deglobalisation is mostly evaluated on the bases of ret-rogation in economic, trade and interconnectedness indicators. Using both qualitative and exploratory research methods, the study examines whether deglobalisation is an emerging reality by analyzing deglobalisation phenomena from a more geopolitical prism rather than a geo-economics lens. The theoretical framework thus uses the classical IR theories of liberalism and realism to debunk the myth or reality of deglobalisation. The liberalist viewpoints underscore the erosion of international institutions and the diminishing interdependence among nations while the realist perspectives highlight the strategic power shifts and national security concerns prompting states to prioritize sovereignty over global cooperation. The paper also posits to unpack the implications of deglobalisation across the globe in general and global south i.e developing and underdeveloped countries that heavily depend on supply of raw material and human resource for the developed north facing demographic decline. The paper would also derive the implications on international security architecture especially narrowing it down to its consequences on national security interest of Pakistan. It explores how shifts in global trade, investment patterns, and geopolitical alliances affect Pakistan's economy, political stability, and regional influence. The findings aim to provide a nuanced understanding of how deglobalisation shapes the future for countries like Pakistan, balancing national interests with the challenges of a transforming world order.

Keywords: (De)-globalization, Trade Protectionism, Labour, Transnational Security

INTRODUCTION

“I recognize that globalization has helped many people rise out of poverty, but it has also damned many others to starve to death. It is true that global wealth is growing in absolute terms, but inequalities have also grown and new poverty arisen.”

Pope Francis

Globalization is difficult to define and a consensual definition amongst scholars remains elusive. Although interconnectedness remains a common key

characteristic of globalization, it is multifaceted and has a wider scope ranging from domains of (but not limited to) national international economy to global politics. (PAUL, 2021) Professor Emeritus Theodore Levitt (1925-81) is credited for the first, widely applied and differently interpreted, use of word Globalization through his 1983 Haward Bussines Review Article “The Globalization of Markets” and defined the term as “changes in social behaviors and

technology that allowed companies to sell the same product around the world” (REPORTS, 2006). Though the phenomena of “Globalisation” is considered to have begun post 19th century Industrial Revolution, however, the phenomena itself is believed to be a much primitive. Immanuel Wallerstein’s world system theory explains how in a Eurocentric sense, strong global players established trade with far weaker partners exploiting resources in an asymmetrical relationship (Kerig, 2023). Although historical evidence of trade between geographically distant economic centers exist it was only after the invention of airplane that the blueprint of a truly “globalized economy” was laid (Stobierski, 2021). Globalisation benefited in greater economic growth through enhanced access to human and other resources and providing opportunities for nations to lean into economic strengths. It also accentuates cooperation as increased flow of goods, services, capital and people reduces the probability of violent interaction between mutually dependent states (Li, 2020).

The rise of globalization was bookended due to the two world wars followed by 60 years of increased globalization (Meeting, 2023). After a period of hyper globalization between 1990-2008, financial crisis, trade wars, disenfranchised middle classes in developed economies and rising concerns about over-reliance on trade with single partners led to a period of relatively stagnant "slowbalisation" which appears to be moving towards deglobalisation (Meeting, 2023). Disruptions in global value chains witnessed during COVID-19 pandemic, Russo-Ukraine war, growing interstate ideological differences, green transition and more recently disruption in trade route in Red Sea by deliberate attacks by Houthis have prompted governments and corporations to reconsider external dependencies. The shared agenda of collective growth influenced the need to have collaborative security mechanism and multilateral institutions to respond against common threats. Post-Cold War, especially in the 21st Century the trends of geo-politics are at the cross roads of uncertainty and potentially violent paradigm that is characterized with nationalistic fervour taking center stage in domestic politics with ripples impacting in global integration and a significant impact on contours of international security.

THEORETICAL FRAMEWORK

Contemporary global politics is witnessing the real-time growth and decline of worldwide interconnection. On the one hand, ongoing digital advances are facilitating ever faster and more large sharing of data. Climate change is progressively making itself felt across the world, even the remote and the continent of Antarctica is facing it. On the other hand, global FDI, a key measure of global financial flows, became highest at US\$2 trillion in 2015 but decreased significantly to US\$1.5 trillion by 2019, partly due to the crises of COVID-19, it fell by 42 per cent from 2019 to 2020. (PAUL, 2021) Growing evidence suggests that we may live in a period of deglobalisation that began after 2008 financial crisis that indicates a stall but not a collapse of globalization. (James, 2018). The drivers of globalization include, the capability to shorten distances in terms of both communication and transportation, a obligation of states to formulate and then stick to rules, standards which guarantees that all goods, services, capital and labor can move freely across the globe and the incentive of consumers and firms to push the boundaries in the ever-present quest to achieve profit. (Dover, 2022). Deglobalization is considered as real and persistent. However, the supremacy of politics plays a key role as a driver of de-globalization, while, on the other hand, technology and its effects on the decreasing costs of transportation and communication, enables globalization.

Two major opposing schools of thought, liberalism and realism, explains the development of globalization. Both points to different processes driving globalization and leading to its reversal (which is de-globalization). The school of thought of Liberalism states that domestic political pressures against globalization is the main reason of deglobalization. Whereas, realism perceives the rise of China as a global competitor of US and the end of US hegemony, as a trigger of deglobalization. The two school of thoughts provides two different scenarios for the interpretation of deglobalization for the future of the world economy with different implications. (Witt, 2019)

This paper seeks to define deglobalization, and explores through data that how deglobalization may already be a reality using theories of liberalism and realism. Further both schools of thoughts lay out the

general mechanisms, for explaining deglobalization and its outcomes. The paper seeks to, in first part unpack the phenomena of deglobalisation from a liberalist and realist prism. In second part the paper evaluates the impact of deglobalisation globally with focus on its effects on developing countries and lastly the paper seeks to juxtapose the phenomena and its impacts on Pakistan to identify implications.

DEBUNKING THE MYTH: IS DEGLOBALISATION REAL?

Deglobalisation is a movement towards a less connected world, characterized by powerful nation states, local solutions, and border controls rather than global institutions, treaties, and free movement. (Wallace, 2022) According to Barclays Corporate and Investment Bank Report "In response to COVID-19, Russia's war with Ukraine and climate change, governments and global companies are seeking security and resilience over the benefits of global value chains. There are strong signals that the era of globalisation is coming to an end. Today, "slowbalisation" appears to be moving towards deglobalisation. Recent disruptions to global value chains such as the COVID-19 pandemic, the war in Ukraine, growing ideological differences and the green transition have prompted governments and corporations to reconsider external dependencies. They are looking closer to home and to trusted partners for more resilient growth models". (Meeting, 2023)

In theory, deglobalization suggests that states policies can protect domestic industries, create employments locally and can manage to reduce economic inequality within a country. This is because policies of deglobalization including protectionist trade and restrictions on imports, can successfully limit the sum of foreign competition which domestic industries of the state faces, which according to some scholars, can help states to remain competitive and protect jobs. Furthermore, these policies can also boost local production and consumption, which lead to the development of more resilient and sustainable local economy. However, negative point associated with deglobalization is that it has the potential to reduce overall economic growth of the state by constraining the flow of goods, services and people, restricting innovation, and threatens many forms of international cooperation

that make nations less interdependent and more inclined to resort to armed conflict. (Dover, 2022) Defining deglobalisation is paradoxical as conformation of the events is subjects to the lens from which it viewed. The phenomena is viewed differently by social scientist and political scholars. The field of International Relations has given two major theoretical frameworks that addresses the question of deglobalisation: liberalism and realism. It is necessary to lay out the main concepts proposed by these theories before moving on to the questions of how they relate to deglobalization and the future each theory predicts.

Liberal Approach

The proponents of liberalism advocate positive view of human nature reflected in international relations in the form of cooperation, progress and transnational ties at levels of inter-states to people. 17th century 'John Locke' theorized great p that humans progress lie is capitalist modern civil society and free market economy, on the other hand, Jeremy Bentham claimed that modern liberal nation states can bring greater happiness for large number of people. Globalization is fostered by the liberal international order, which is adapted to dynamics it, and it keep major global political disturbances in check. However, its resilience and ability to absorb global politico-economic turbulences is being tested. In recent times many anti-liberal forces have gained momentum and electoral support in states, like United States, Brazil, India, Turkey and Hungary. Most of them lead to protectionist policies and economic nationalism. This has broken the supply chains that downgraded economic globalization. Many authoritarian rulers worldwide taken steps to strengthen their grip on power at home and implemented increasingly closed policies with respect to economy, abroad. (PAUL, 2021) However, when US, the former chief defender of globalism and liberal order took the lead in their destruction under the Trump administration, the liberal ideals of global governance become weak and can be brushed aside even more easily. The transforming liberalism's characteristics that vindicate deglobalization are as follows:

Eroding Inter-connectedness.

A retreat from the high levels of global interconnectedness seen in previous decades is set in, impacting the economy in trade, investment, supply chains, labor markets, and economic growth. Protectionist policies, such as tariffs and trade barriers, discourage cross-border commerce. With global trade agreements becoming harder to negotiate, there is a shift towards regional trade blocs. As countries prioritize domestic industries, there is a decline in FDI. This trend is evident in the decreased investment flows from developed to developing countries, affecting growth prospects in the latter. Reduced trade and investment flows generally lead to slower global economic growth. The International Monetary Fund (IMF) and the World Bank have both highlighted the potential negative impacts of deglobalisation on global GDP.

Reduced Investment.

Companies are increasingly focusing on localizing their investments to mitigate the risks associated with global supply chain disruptions. This is evident in the shift towards reshoring and nearshoring of manufacturing and production facilities, as seen with several Western companies moving their operations closer to home. The COVID-19 pandemic highlighted vulnerabilities in extended global supply chains, prompting companies to rethink their reliance on distant suppliers (Wallace, 2022). There is a growing emphasis on regional supply chains to reduce dependency on single countries or regions. This trend is exemplified by the US and EU efforts to develop more self-sufficient supply chains in critical sectors like semiconductors and pharmaceuticals. The sharp decrease in foreign direct investment, for instance, is likely to have severe repercussions. It is expected almost to halve investment flows to Africa, Asia and Latin America.

Populism and Nationalistic Economies.

Populism is linked to distributional inequalities and discontent among certain sections of electorates. Lockdowns of 2020 and 2021 introduced in response to the COVID-19 pandemic are further widening the gap between rich and poor an aspect thrived upon by populous leadership. Countries are adopting more nationalistic economic policies, prioritizing self-sufficiency over global integration leading to

inefficiencies and reduced economic dynamism. Uncertainty around trade policies and economic nationalism contributes to volatility in financial markets reflected in more frequent and severe currency fluctuations, impacting international trade and investment. Reduced interstate collaboration across borders and technology denial is potentially slowing technological advancements. This is particularly concerning in high-tech industries that rely on international collaboration exasperated due to protectionist policies (Witt, 2019)

Constricted Labour.

Tightening of labour migration rules is another manifestation of economic nationalism. (Paul, 2021) The relocation of manufacturing and production can lead to job losses in countries that previously benefited from offshoring. Conversely, countries adopting reshoring strategies may see job growth in certain sectors. The transition from a global to a more localized economy is exacerbating skills mismatches in labor markets, requiring workforce retraining and upskilling initiatives. The severity of impact would perhaps be most visible on migrants from underdeveloped countries seeking livelihood in West or other stringer economies. Contrary to hopes of fulfilling the Sustainable Development Goals, millions of people could be thrown back to poverty (Witt, 2019). While the numbers of refugees are already at a record high, significantly more people could join the global refugee surge. Societal unrest and more authoritarian tendencies in host states could be the result.

Democratic Backsliding.

Democratization is key mandate claimed by the liberal international order, implements all types of restraints on the use and abuse of power. Democracy with the passage of time surpassed other forms of government being the only legitimate rule as liberal international order evolved over time. However, there is sufficient 'democratic recession' in recent times. According to Freedom House 2020 was the 15th successive year of decline in freedom worldwide. In 2020, democratic recession was particularly noticeable, 'Nearly 75 percent of the world's population lived in a country that faced deterioration last year (PAUL, 2021).' In sum, the defenders of 'democracy sustained heavy losses in

their fight against authoritarian foes, opening up space for democratic backsliding or authoritarianization.

Global Governance.

Liberal international order postulated more and more global governance covering aspects such as health, environment, migration, science and technology, human rights etc. Challenges in global governance, including the perceived ineffectiveness of international institutions such as the United Nations and the World Trade Organization, have undermined confidence in the ability of multilateralism to address pressing global issues. Lack of consensus and coordination among nations has hindered efforts to promote global cooperation and address transnational challenges.

Realist Approach

The realist theory reflects the pessimistic view of human nature that characterizes the conflictual nature of international relations. National security and state survival form the core of realist paradigm which is hinged on anarchic nature of interstate relations, struggle for power. States are marked as unitary, rational actors, with domestic politics considered irrelevant for their actions and behaviour in the international system. In the anarchic international order, the prime objective of foreign policy is forces on nations by the structure of the international system, whereas, securing survival is mainly a function of hard power. In specific, states need to acquire sufficient military power to defend themselves militarily and economically against other states.

Michael A Witt has explained anti thesis to globalization by using the sub concept of realism “hegemonic stability theory”. (Witt, 2019) This theory maintains that globalization happened when powerful states or “hegemon” makes sets of international institutions to govern trade and investments., for its own benefit, Once the hegemon fails the system becomes unstable. Hegemonic stability theory associates the openness of the international economic system to the mass of the most powerful states, which is US in recent history. Conversely, de-globalization accompanies a decline in power of hegemon or the strongest state, not mainly in absolute terms, but relatively to other

states. However, if such decline is present, one can expect de-globalization.

Relative power of the US can be compared with the rest of the world, in two main dimensions that are fundamental to the realist concept of power i.e. military strength and economic power. While economic power can be operationalized through measure of GDP, measuring military power is a complex variable. As a proxy extent of military spending can be used though infested with imperfections and informational deficiencies. Findings to such an analyses indicate US share in global GDP peaked in 1985 at 34.6% which has reduced to estimated 26.3% of world GDP in 2024, a drop of 24%.. In contrast China’s share in global GDP in same period (1980-2024) surged from 2.5% to estimated 17% an increase of over 600% of China’s share in the global GDP (Lu, 2024). However, one can argue whether the US was an economic hegemon in 1985, it does not occupy the same status in 2024 being Challenged by China. While China itself clearly is not (yet?) an economic hegemon, either. (Lu, 2024). In terms of military spending SIPRI Military Expenditure Database provides an insight into regional and national military expenditures 1949 onwards. The data indicates a linear increase in US military expenditure from US\$ 760 Bn in 1989 to 880 Bn in 2023 showing an increase of 16%. In same period (1989-2023) Chinese military spending increased from US\$ 21.2 Bn to 309.5 BN. (SIPRI, 2023)

The empirical evidence in support of hegemonic stability theory thus confirms that statistically the global order is at the tipping point of deglobalisation where by one hegemon is likely to secede power to another rising power. In addition, other key factors that characterize deglobalisation under a realist structure are:

Strengthening State Sovereignty.

Realism posits that states are the primary actors in international relations, operating in an anarchic system where no central authority exists. Deglobalisation reinforces state sovereignty by allowing states to reassert control over their economies, borders, and political decisions. This resurgence of state-centric policies aligns with realist views that prioritize national interests and security over global cooperation.

Accentuated Security Dilemmas.

Deglobalisation exacerbates security dilemmas, a core concept in realism where the actions taken by one state to enhance its security cause insecurity in other states. As states retreat from globalization and adopt protectionist measures, strategic rivalries intensify. For example, the US-China trade war and technological decoupling reflect heightened security concerns and competition, leading to an arms race in trade and technology sectors.

Invigorated Bilateral and Regional Alliances.

Realism emphasizes the importance of alliances and balance of power to maintain stability. Deglobalisation signifies a shift from global multilateralism to bilateral and regional alliances. States may seek to secure their interests through regional cooperation and bilateral agreements, as seen in the growing importance of regional trade agreements like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and bilateral security pacts.

Surging Nationalism and Protectionism.

Realism acknowledges the role of nationalism in shaping state behavior. Deglobalisation purports nationalist sentiments, as states prioritize their domestic industries and populations over international commitments. This protectionist turn is evident in policies such as Brexit and the "America First" doctrine, which emphasize national sovereignty and economic independence.

Decline of Multilateral Institutions.

Realists are often skeptical of the efficacy of international institutions, viewing them as tools used by powerful states to maintain their dominance. Deglobalisation undermines multilateral institutions like the World Trade Organization (WTO) and the United Nations, as states become more inward-looking and less willing to cede authority to supranational bodies. This aligns with realist critiques of global governance structures.

Examples and Case Studies

The strategic and economic rivalry between the US and China illustrates how deglobalisation can intensify security dilemmas. Both nations have imposed tariffs and sought to reduce dependencies,

reflecting realist concerns over relative gains and power balance.

The United Kingdom's decision to leave the European Union underscores a shift towards national sovereignty and control over economic and political affairs, resonating with realist principles of state autonomy and skepticism towards supranational governance.

The increasing importance of regional alliances, such as the Quadrilateral Security Dialogue (QUAD) and AUKUS involving the US aligning with Japan, Australia, UK and India, highlights how states are pivoting towards regional cooperation in response to deglobalisation and changing power dynamics.

Having unraveled deglobalization as a phenomenon in progress, the answer to question of it being a myth or reality remain elusive. However, the trends described through liberalist and realist paradigm confirm that globalization has indeed peeked with global system tweaking itself towards a more nationalist and regionalist approach yet unwilling to give up on low hanging fruits of globalization. The drive to adopt a more nationalistic economic model, protectionism and divergent political aspirations especially amongst the contending and contesting great powers, if subjected to politico economic shock, may have a catalytic impact in hastening the deglobalisation process which would be determined by rationale or a not so rationale knee jerk reaction from any of the antagonist. Moreover, while some may argue that deglobalisation is necessary to address inequalities and vulnerabilities inherent in the current global system, others contend that it could lead to economic stagnation and geopolitical instability with consequence for resilience in international order.

IMPACTIONS OF DEGLOBALISATION

Impacts at Global Level:

The second part of this paper analyses deeper into the implications of deglobalisation. Though, deglobalisation, like globalization, has a global outlook, its implication will remain different at different levels of analysis. It remains certain that deglobalisation with its far reach impacts will expose the world as a singular entity in a different manner as compared to states as unitary actors and within states differently to global north and south. The impact of deglobalisation on the global economy and

international relations is a subject of considerable debate. The scholarly work on the subjects remains divergent on positive or negative perspective of deglobalisation at a global level in the context of international relations, particularly considering the global economic slowdown:

Positive aspects of deglobalisation:

The positive impacts on the global world are particularly linked with National Sovereignty of the states. By providing nations with greater hold on domestic policies and economies, deglobalization enhance the sovereignty of nations. This increases the states autonomy over national decision making and also protect states from external economic shocks and foreign interventions.

Apart from enhancing national sovereignty, deglobalization also plays major role in leading the world towards fairer distribution of wealth between north and south. Deglobalization reduce global economic inequalities as individual states prioritizes indigenous industries and local workers over MNC's and international workers. Furthermore, deglobalization also maintains individual states resilience towards global disruptions including geopolitical tensions, natural disasters and pandemics etc. Enhanced localization and domestic productions boost domestic capacity and decrease vulnerabilities.

Negative aspects of deglobalisation:

Negative Impacts of deglobalization is mainly connected to global economic growth. Deglobalization may asphyxiate economic growth by enhanced restrictions on trade, foreign investments, and innovations. Preventive trade policies, protectionism and localization may consequently increase inefficiencies and lead to in-competitiveness in the global market. Disintegrated world also leads to lack of international cooperation on critical problems like global security, pandemics and climate changes etc (Li, 2020). Furthermore, intensifying protectionism and nationalism may generate geopolitical tensions, which consequently leads to enhanced battles over resources, increased markets competitions etc. in this way deglobalization might disturb global supply chains and impact industries that rely on global markets.

Moreover, localization of production and nationalism also impacts migration and mobility, as individual states restrict migration and mobility to guard domestic labor markets and ease societal conflicts. This leads to increased impacts on global demography, cultural exchanges, technological interchange and innovations. This further impede collective global growth in all sectors.

Security Challenges in Deglobalizing World

Security interests play a substantial role in adding to the phenomenon of deglobalization by prompting countries to prioritize sovereignty and protection over international cooperation and integration. National security concerns are shaping policies and practices that prioritize sovereignty, protection, and security over international cooperation and integration. Addressing these concerns requires a balance between national security imperatives and the promotion of inclusive and sustainable global governance mechanisms.

National security concerns often end up in stronger border controls and immigration laws. To thwart potential security concerns, countries strengthen their border security, impose visa limitations, and tighten immigration controls, to prevent international movement and integration. Furthermore, individual states impose visa requirements, boosts border security measures, and stiffen immigration policies to avoid the entry of possible security threats. These procedures can hamper the movement of people, goods, and services across borders, consequently reducing international mobility and integration. Governments impose tariffs, quotas, and trade barriers on goods on the basis of national security concerns, that further lead to disruptions in global supply networks and fragmentation the global economy (Li, 2020).

National security concerns related to technology have also become more pronounced, in a digitalized world. Individual states seek technological sovereignty by limiting FDI's in critical sectors, implementation of export controls on sensitive technologies, and enhancing cybersecurity, this all leads to dissociation of global technology markets and contributes to deglobalization. Besides this, geopolitical tensions and military alliances further aggravate national security concerns and contribute to deglobalization. States usually form alliances to

counter apparent threats, creating blocs of few countries by marginalizing others. These factors further amplify mistrust, intensify military spending, and undermine international cooperations.

Deglobalization also fragment international alliances and partnerships as countries prioritize national interests and nationalism over every kind of cooperation and collective security. In recent times, traditional alliances like NATO, struggle to maintain solidity as member states increasingly adopting nationalist policies and leading towards nationalism. These factors can potentially aggravate geopolitical tensions between major powers, escalating competition for resources and mounting military posturing and conflicts (Reed, 2023). The intensification of cybersecurity threats and information warfare poses substantial challenges to global stability. Individual state adopt measures to protect their infrastructure and data from cyberattacks and foreign interference, together with restricting cross-border data flows and monitoring information within national borders, resultantly contributing to the fragmentation of the digital space. Furthermore, deglobalization also challenges the international institutions like the United Nations and the World Trade Organization, subsequently, hindering efforts to address global security challenges. Lack of cooperation states, hampers conflict resolution, peacekeeping, and humanitarian assistance, aggravating instability in conflict-affected regions (Reed, 2023). Moreover, deglobalization also create opportunities for non-state actors, including terrorist organizations and criminal networks, to take benefit of power vacuums and weak governance. These actors may also promote their agendas in disjointed security environments, leading to increased terrorism, insurgency, and transnational crime.

IMPACTS OF DEGLOBALISATION ON DEVELOPED AND UNDER-DEVELOPED STATES

Deglobalisation have numerous implications for developing and underdeveloped countries, particularly through the lens of dependency theory, according to which “the global economy is characterized by structural inequalities that lead to the dependency of less developed countries on the developed ones. However, deglobalisation worsens

economic dependency by curbing the access of individual states into global markets and international trade. Restrictive trade policies and barriers to FDI can also further embed the supremacy of developed countries in some critical sectors, buttressing the economic dependency of under developed states. In addition, mainly all the developing and underdeveloped states frequently rely heavily on exports of key commodities including minerals, natural resources and agricultural products etc. the decline in global demands of such commodities occur, as a result of deglobalisation, and that decline further lead to states economic hardships for the export dependent countries (James H. , 2017).

The inadequate distribution of technological capabilities between developed and underdeveloped states is another concern. This technological dependency become worse when restrictions increased on transfer of technology, knowledge and innovation between developed and developing countries, as a result of deglobalization. Moreover, restrictions on technology transfer and intellectual property rights also hinders the capacity of developing and underdeveloped countries to achieve advanced technologies, impeding global economic development and industrialization. Furthermore, economic instability because of deglobalization leads currency depreciation, increased financial dependency, debt crises and capital flight and all this resultantly restricts the sustainable development (James H. , 2017)t.

By emphasizing the unequal power relations between developed and under developed states. Dependency theory also highlight the political dimensions of economic dependency. Deglobalization buttress political dependency by limiting the ability of developing and underdeveloped countries to assert their interests have global influence. The disintegration of the global economy and erosion of multilateral institutions may worsen power imbalances, making it further difficult for underdeveloped states to convey favourable trade agreements, have access to financial assistance from developed states, and to address global challenges such as natural disasters etc (James H. , 2018).

However, despite of the fact that deglobalization offers certain benefits in terms of sovereignty and resilience, the negative implications of it in the form

of economic growth, global cooperation, and geopolitical stability cannot be disregarded. Establishing a balance between national interests and international cooperation is crucial in deglobalizing world. Deglobalization further deepens the dependency between developing and underdeveloped countries, by increasing intensifying disparities and vulnerabilities in the global economy.

IMPACT OF DEGLOBALIZATION ON PAKISTAN

As the global world changing from globalization to deglobalization, the implications for developing countries like Pakistan are significant and diverse. Deglobalization, which focuses on diminishing the international trade, restricted capital flows, and economic nationalism (Dadush, 2022), cause considerable difficulties to Pakistan's economy, society, and security. This analysis is based on empirical facts, investigating the possible implications on Pakistan and align them with Pakistan's National Security Policy 2022-2026, which prioritizes comprehensive national security.

Economic Impact

Pakistan's economy largely depends on international trade and foreign investment. Deglobalization may disturb global supply chains, which resultantly can lower the demand for Pakistani goods, and restricted entry to international markets, consequently leading towards drop down in exports, loss of revenue and economic loss and slowdown. Furthermore, deglobalization may also deteriorate already frail economic conditions through increased inflation, rampant unemployment and poverty rates. Moreover, reduced FDIs may jeopardize Pakistan's long-term efforts of achieving economic growth and development, by increasing social inequalities and political instability.

Furthermore, a transition from US dollar as the primary global currency, in a longer run of deglobalization can have momentous implications for smaller states like Pakistan like, a deterioration in the dollar's value can lead to amplified volatility in Pakistan's currency, making it incapable to handling inflation and managing economic growth. If dollar loses its position as the primary global reserve currency, it may decrease foreign investment flows into Pakistan this will limit economic development

and employment opportunities. Moreover, being in the situation of inflation, a weaker dollar can make it more difficult and expensive for Pakistan to borrow money from international lenders, which as a result may increase Pakistan's debt.

Besides this, geopolitically, US dollar's supremacy has given US significant geopolitical influence globally. A waning of dollar's position can diminish US influence and possibly lead to multipolar world order. In this scenario, Pakistan may need to form new alliances with other states in order to secure its economic and security interests in a new world order.

Trade and Industry

Pakistan economy heavily rely on export-driven sectors like textiles, which account for over 60% of total exports. Thus, decline global trade because of deglobalization may diminish these export markets, consequently leading towards revenue losses and sector downsizing. Deglobalization will disrupt global supply chains, resultantly raising costs and increasing delays in businesses that are entirely based on imported raw materials, particularly in the automotive and electronics sectors. By deglobalization the Foreign Direct Investment (FDI), a major source of finance for growth and development, is expected to fall, further lowering GDP growth of developing states like Pakistan. According to World Bank a predicted growth rate of 3.4% in 2023, could be further influenced by deglobalization (Rana, 2022).

Social Impact

Through deglobalization the export-oriented industries may decline due to reduced demand, resulting in considerable employment losses. In Pakistan, textile sector alone employs millions of people, and if it gets collapsed it will worsen unemployment. The enhanced unemployment may lead to economic disturbances, drive more individuals into poverty. According to the Asian Development Bank, 24.3% of Pakistan's population would live below the poverty line in 2021 (Bank, 2021). However, growing economic disparities and fewer job prospects can lead to social discontent, conflicts and political instability.

Security Implications

Deglobalization may directly influence Pakistan's national security, decreasing regional stability and amplifying security risks. The fragmentation of international alliances and cooperations and partnerships may result in complex geopolitical tensions in South Asia, mainly in respect to Pakistan's ties with neighboring India and Afghanistan. Additionally, deglobalization may hinder Pakistan's attempts to combat transnational security challenges such as terrorism, extremism, and organized crimes. Economic disturbances arising from deglobalization also have an indirect influence on national security by creating social and political instability. Economic hardships and disparities may worsen complaints and unrest among underprivileged groups, resulting in social unrest, protests, and even bloodshed. Moreover, economic insecurity may hamper Pakistan's capacity to successfully handle security concerns, threatening national security.

National Security

Economic declines may limit Pakistan's capacity to have more defence spending, lead towards compromising military preparedness and modernization. Expected defence spending 1.804 trillion in financial year 2023-2024, however this figure might be decline due to economic constraints (Assad, 2023). Moreover, economic challenges can also increase internal security issues such as terrorism and insurgency, making marginalized groups more susceptible to radicalization. As a result of deglobalization, reduced economic interconnectedness may lead to growing geopolitical rivalries in South Asia, especially with India. Pakistan's strategic partnerships and security cooperation also required to be reexamined in a less linked global world. However, maintaining strategic autonomy becomes difficult when economic ties change. Pakistan should handle progressively difficult interactions with global giants such as the United States and China.

Alignment with National Security Policy of Pakistan 2022-2026

Pakistan's National Security Policy 2022-2026 establishes a comprehensive approach to security that includes economic, military, and human security

sectors. NSPP (2022-2026) also provides some key solutions for mitigating the effects of deglobalisation include:

Encouraging regional trade by improving trade links with adjacent nations and regional blocs to counterbalance some of the losses from global trade decrease.

Investing in home sectors to lessen dependency on imports and enhance self-sufficiency is also important.

Mounting social protection services to assist disadvantaged people during economic changes, along with focusing on education and skill development, are important for preparing the workforce for new economic certainties.

Sustaining a balanced approach in relations with the US and China to guarantee strategic advantages while retaining autonomy, accentuation cost-effective military strategies, and pursuing international defence cooperation to sustain security capabilities, are also vital strategies.

Conclusion

Deglobalisation, characterized by diminishing global interdependence and integration and is increasingly seen as fuelled by host of factors, including (but not limited to) resurgence of nationalist policies, protectionist trade measures, the impacts of the COVID-19 pandemic, and the geopolitical rivalries that challenge the cooperative frameworks of globalization. The world has witnessed an increasing trend toward reshoring manufacturing, stringent immigration policies, and trade wars, all of which suggest a retreat from the hyper-globalized world of the past few decades. Globally, the consequences of deglobalisation are profound. The reconfiguration of global supply chains leads to higher costs of production and goods, contributing to inflationary pressures worldwide.

From the prism of theories of liberalism and realism, deglobalisation presents a complex and multifaceted phenomenon that can be seen as both an unavoidable reality and a suspicious myth. Liberalism, which emphasizes the benefits of economic interdependence, international cooperation, and global governance, views deglobalisation skeptically. Liberals argue that the interconnectedness fostered by globalization promotes peace, prosperity, and collective security.

Thus, the current trends towards protectionism and nationalism are viewed as temporary setbacks rather than a fundamental shift away from globalization. In contrast, realism, which prioritizes national interests, power dynamics, and state sovereignty, interprets deglobalisation as a logical and unavoidable response to global uncertainties and inequalities. Realists assert that states are inherently self-interested actors seeking to maximize their security and power. The resurgence of protectionist policies and the retreat from international cooperation are seen as rational strategies in an increasingly multipolar world marked by geopolitical rivalries and economic competition.

The impact of deglobalisation on the world as a whole is significant. It threatens to reduce economic growth, increase costs, and disrupt global supply chains, with advanced economies facing slower growth and developing countries experiencing heightened economic instability. Developing nations, reliant on global trade and investment, are particularly vulnerable. They face increased poverty, unemployment, and reduced access to technology and markets, exacerbating economic disparities. Developing countries, in particular, are hit hardest by deglobalisation. These economies often rely heavily on access to global markets for their exports, foreign direct investment, and technological transfers. With the contraction of global trade and investment flows, these countries face increased poverty, unemployment, and economic instability. The withdrawal of multinational corporations and the decrease in foreign investments strip these economies of vital resources needed for development and growth. Moreover, the lack of access to international markets and technology hampers their ability to compete on a global scale, further entrenching economic disparities.

The transnational security implications of deglobalisation are equally significant. The retreat from multilateralism and international cooperation weakens the global capacity to address shared challenges, such as climate change, pandemics, and terrorism. In a deglobalised world, countries prioritize their national interests, often at the expense of collective security and stability. This shift leads to an increase in regional conflicts and geopolitical rivalries, as countries become more inward-looking and less willing to engage in cooperative security

frameworks. The erosion of international institutions that mediate conflicts and foster cooperation further destabilizes the global order, making the world a more unpredictable and volatile place. The stressed and creates space for nefarious and non-state actors to exploit the fissures and inherent weakness of the global system leading to weakened international institutions, reduced cooperation on global challenges like terrorism and climate change, and heightened regional conflicts.

For Pakistan, such an environment means navigating a more unstable regional security environment, especially with its complex relations with India and Afghanistan. Economic hardships due to reduced trade and investment can exacerbate domestic unrest, while diminished international cooperation may leave Pakistan more isolated in addressing its security concerns. Economically, Pakistan could face significant hardships due to the reduction in global trade and investment flows. The country's reliance on foreign aid, remittances, and exports means that any contraction in these areas could exacerbate existing economic challenges, such as unemployment and poverty. These economic pressures can fuel domestic unrest and weaken the state's ability to maintain internal stability. Reduced international cooperation and weakened multilateral institutions could lead to increased regional tensions and conflicts. Pakistan may need to navigate a more complex and unstable security landscape, balancing its relationships with major powers like the United States and China while addressing regional security threats while safeguarding its national interests.

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