

Globalization – Learning From the Past

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I Introduction

We are living in a time of change. The world suddenly feels like a complex, dangerous and unfamiliar place. Migration and refugee crises compete for attention on the news with rising religious fundamentalism across multiple continents. Tensions between Washington and Moscow, Riyadh and Doha, the Sunni and Shi'a, Beijing and Delhi show an age where confrontation seems to be replacing cooperation, where rivalries and hostilities are rising and collaboration receding.

Nowhere is this better shown than in the case of the United Kingdom voting and now working out how to leave the European Union, or the withdrawal of the United States both from the Paris climate accord and from the Trans-Pacific Partnership Agreement. Aggressive and in some cases unrealistic promises made by politicians of all political persuasions are one of the dominant themes of the present day – fuelled by the sense of fear, but also by the fear of change.

These anxieties have multiple triggers. One, of course, is the reality of terrorist attacks and the uncertainty of how to best protect citizens in the developed world. But another comes from environmental change, both because of the uneven and in some cases devastating impact it will have on significant parts of the world's population in the near future, and also because of the realization that climatic variations affect us all, whether through drought or flood, pollution or contamination, or from the massive dislocations that can be caused as a result.

And then there are the rapid technological advances that are changing the way we gather information, and also how we live, shop and travel. There is a growing awareness too that these advances have a dark side: Unsettling cyber-attacks, state-sponsored and otherwise, have become both increasingly common and increasingly large-scale, targeting businesses and infrastructure, from transportation networks to hospitals and health-care providers. The role of digital technology as a disruptive influence, from interference in elections to the dissemination of "fake news," means that we are suddenly aware that the ways that we are connected are a great deal more complicated than just whether we like each other's holiday photos or can book a flight while out jogging, or ordering a slightly cheaper copy of the book you want to read and having it delivered to your door.

Change is all around us. But thinking that we are living through a particularly trying and difficult time would be a mistake. While it is tempting to think that we are in uncharted territory, that the problems we face are unique, doing so is dangerous – for two reasons. First, it prioritizes emotional conclusions, based on anxieties and on fears of the unknown, which in turn prompts the question of how to return to something "normal," of how to turn back time, of how to avoid dealing with reality. Second, it prioritizes our own age, and discards valuable lessons of the past that are not just revealing but absolutely essential.

II Globalization as Political Capital

As Machiavelli put it in his *Discourses*, "Wise men say, and not without reason, that whoever wishes to foresee the future must consult the past." Perspective and context matter, because they allow us the chance to better understand similar periods of change and transition, and provide the opportunity to anticipate the challenges and opportunities of the present and of the years to come. For while history does not repeat itself, looking back at previous periods for examples, parallels

and analogies can prove richly rewarding. Nowhere is this more apparent than in the question of globalization.

In the summer of 2016 when campaigning for the US election was at its height, Donald Trump, the Republican candidate for the presidency, delivered a speech in Monessen, Pennsylvania. His aim was to appeal to the workers at a metals recycling facility – by explaining to them why their world was changing. Life for all American workers was becoming more difficult, he said. He had a plan, he declared at the start of his address: “how to Make America Wealthy Again.”

The working class in the United States, he stated, had been betrayed. “Our politicians have aggressively pursued a policy of globalization, moving our jobs, our wealth and our futures to Mexico and overseas.” He was himself partly responsible for this, he admitted, though after experiencing a Damascene revelation, about which he did not provide any details, he was no longer to blame. “Globalization has made the financial elite, who donate to politicians, very, very wealthy. I used to be one of them. I hate to say it, but I used to be one.” (This was edited out of the transcript released by Trump’s campaign team).

Globalization had “left millions of our workers with nothing but poverty and heartache.” The “leadership class” in the US that “worships globalism over Americanism” had destroyed the country. Proud craftsmen, tradespeople and factory workers had seen the “jobs they love shipped thousands and thousands of miles away.” The middle classes too had suffered terribly, he said. “This wave of globalization has wiped out totally, totally our middle classes.” As a result, many towns in Pennsylvania that had once been “thriving and humming are now in a state of disrepair.”

The art of politics is to refine a message that resonates with the electorate, and to be able to articulate both what the problems are and to offer solutions to them. As such, it matters less whether Donald Trump’s speech in Monessen – and many others like it during the election campaign – was fair and accurate than whether his words fell on fertile ground. The fact that he was elected in November 2017 was in no small part due to his appeal to “Make America Great Again.” Trump did not pull his punches when it came to identifying who had gained as the United States had lost. The Chinese are “using our country as a piggy bank to rebuild China,” he said on another occasion; “we have to stop our jobs being stolen from us.” For many voters, the perception of the recent past is that the US has been losing ground while others have benefited at its expense – and that it is time to reverse that trend.

In the US, globalization has become a convenient catch-all to demand change in the face of the calls to stop “jobs being stolen” and to help raise GDP and standards of living – to breathe life back into towns that are no longer “thriving and humming.” As is so often the case in politics, of course, the data tells a different story.

III The Real Effects of Globalization

In fact, per capita GDP has risen steadily in the last decade – just as it did in the decade before, while the unemployment rate has fallen steadily and consistently since 2010.

US GDP (per capita)

2010	2011	2012	2013	2014	2015	2016
\$48,347	\$49,791	\$51,450	\$52,787	\$54,499	\$56,207	\$57,467

Source: World Bank.

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US Employment rate

2010	2011	2012	2013	2014	2015	2016
9.9%	9.1%	8.3%	7.6%	6.3%	5.5%	4.9%

Source: US Bureau of Labor Statistics.

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Perception and reality are two very different things. What has changed dramatically has been the level of income inequality, where the earnings and assets of the top 1% have soared disproportionately, while the incomes of the bottom 50% have not changed for decades. The issue around globalization, at least in an American context, is not about the impact on jobs or on economic growth; rather it is the effect it has had on the distribution of income within society. Globalization has brought rewards, in other words. The problem is that these have not been shared equally.

Average post-tax in the US: Bottom 50%

1980	2014
\$21,000	\$25,000

Source: Piketty, Saez, Zucman, 'Distributional National Accounts: Methods and Estimates for the United States', NBER Working Paper No. 22945 (December 2016).

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Average post-tax in the US: Top 1%

1980	2014
\$344,000	\$1,000,000

Source: Piketty, Saez, Zucman, 'Distributional National Accounts: Methods and Estimates for the United States', NBER Working Paper No. 22945 (December 2016).

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Perhaps not surprisingly, therefore, others have been quick to pick up on this. Vladimir Putin, for example, has noted that globalization has caused problems precisely because it has exacerbated imbalances between the rich and the poor, stating that “it is essential to transform globalization from something for the select few into something for all.”

Others, however, take a different view. Angela Merkel of Germany sees globalization as a mechanic that can and should make the world a better place for all. It is vital, she has argued, that it is calibrated correctly: This is why the Paris climate accord is so important, she said. This is “not just any old agreement, but a central agreement for shaping globalization.” Creating a stable global environment, where carbon emissions, pollution and global warming are tackled properly is vital for the future of all of us. Globalization is not part of the problem; it is part of the solution.

Then there is President Xi Jinping of China, who used his speech at Davos in 2017 to offer a robust defense of globalization – and to pre-empt any efforts to throttle trade by imposing tariffs or putting up barriers or other artificial protection to shield industries and jobs. “The problems troubling the world,” he said in a thinly veiled barb at President Trump, “are not caused by globalization.” Any effort to curtail exchange, he warned, would be futile: “No one will emerge as a winner from a trade war.”

Globalization, then, is front and center in the political mainstream at the moment. It is used by world leaders as a catch-all to blame for domestic, economic and geopolitical problems, but also as a vital matrix to enable the exchange of goods. The word itself is one that is heavy with meaning, used by some to champion free trade and openness, but also by protestors as a driver of inequality, unfairness and a raft of other criticisms.

IV The Historical Context of Globalization

Part of the reason for these wildly differing views is that the word itself is an unwieldy and even meaningless one. It is generally understood to refer to the process by which states, but also multinational businesses and agencies, develop international influence, conduct exchanges and have connections not just nationally or across neighboring countries, but across different continents too. It sounds reassuringly new. It is not.

For more than three millennia, the world has been connected. Traders and travelers brought goods, fashions, languages and ideas across thousands of miles. Glass beads recently discovered in Denmark bear witness to trade between Egypt and Mesopotamia in the late Bronze Age – that is to say in the 14th to 12th centuries BC. When Darius the Great, King of Persia, built a magnificent palace at Susa two and a half thousand years ago, he did so not with materials from the surrounding area; rather, he used the best that money could buy – from all corners of the world. Ebony and silver were brought from Egypt, fine gold and lapis from central Asia and ivory from India.

Darius was not alone in trying to source the best products – and the best craftsmen. Our global past has been shaped by the search for information, but our natural curiosity by our desire to find things that are new, rare and (therefore) valuable. This extends across every sphere, from military technology to architecture, from fashion to food. Historians writing two thousand years ago record the demand in China for things like Red Sea pearls, jade and lapis, but also for onions, cucumbers, pomegranates and pistachios. Peaches that came from Samarkand were highly prized in China two millennia ago, famed for being “as large as goose eggs”; thanks to their rich, yellowy color, they were known as “Golden Peaches.”

Two thousand years ago, demand for gold, frankincense and myrrh was not limited to the three kings who arrived in Bethlehem: They were immensely popular in East Asia too, where high prices were paid for all three. Trade linked peoples and cultures from east to west as well, bringing textiles like silk but also ceramics and other highly crafted objects from China and South East Asia.

Of course, Europe, Africa and Asia sat apart from the Americas until ocean-going vessels were able to cross the Atlantic, and not long after the Pacific Ocean too. But long before the journeys of Columbus, Magellan and others, traders, explorers, holy men and travelers established connections that allow us to talk of globalization not as a modern or even a medieval concept, but one that dates back far into the classical age.

In the late 19th century, the German geographer Ferdinand von Richthofen came up with a name for the networks criss-crossing the spine of Asia and linking the Pacific Ocean in the east with the Mediterranean and Atlantic coasts of Europe and Africa in the west, and spanning from the Indian Ocean to the Baltic and North Seas. He called them “the Silk Roads” (die Seidenstraßen).

Like all names and labels, the name is as useful as it is problematic: Richthofen could have chosen any number of goods to describe the connections, and indeed he could have used ideas, beliefs, faiths or fashions too. It is also the case that popular imagination has now made the Silk Roads into a holiday idea for adventurous tourists, keen to go off the beaten track and see something unusual in Central Asian republics whose names ooze with exoticism.

The aim of coming up with a single name, however, was to try to explain precisely the connections that facilitated, enabled and even stimulated exchanges of all kinds across great distances. In truth, most such exchanges were local – especially those that were frequent: Travelers like Marco Polo and Ibn Battuta in the later Middle Ages were rare examples of individuals who made long journeys themselves. But that is not to say that trade did not find its way from one side of the world to another – for it did.

In the Roman Empire, for example, vast quantities of goods reached the Eternal City from the east. These included fashionable shoes, tasty recipes but also silk. So much material was being bought by the women of Rome two thousand years ago that some commentators complained about the decidedly un-Roman styles: They revealed far too much of a woman’s curves; others were concerned about the cost. It was appalling, wrote Pliny the Elder, that money was being spent on silk that was made outside the Roman Empire. Not only did this mean that there was little benefit to the domestic monetary economy; it also meant that those of Rome’s neighbors – and potential rivals – were being enriched.

These parallel concerns about globalization were as difficult to answer in the age of the Caesars as they are today. It was all very well proposing tariffs, raising taxes and trying to stifle trade; but this would simply serve to deprive those in Rome of the things that they wanted. The Romans recognized that blocking consumers spending their money on the things they wanted was neither practical nor sensible.

It was not just silk that was traded. So too were all manner of goods, notably spices. Tamil literature talks of ships splashing foam across their prows as they sailed through the Indian Ocean bringing merchants keen to buy pepper. Such was the scale of exchange between the Mediterranean, primarily through North Africa, but also via Syria and Palestine, that coins in the Indus valley began to be struck that looked and felt like Roman coinage, weighed the same and was worth the same: effectively a single, global currency to enable quick and easy trade between peoples wanting to buy from and sell to each other.

Globalised trade and communication routes



Source: Ancient History Encyclopedia

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V Exchange in the Past, Present and Future is not just about Trade

It was not just goods and money that coursed along the Silk Roads. So too did faiths and beliefs, with Christianity, Buddhism and later Islam spreading – sometimes through force and conquest, but more often through persuasion and, above all, through subtle combination and elision with existing religions. Priests and holy men competed with but also borrowed from each other to explain how to worship and how to win God’s goodwill, and also how to answer profound questions such as what the meaning of life was and what happened after death. Many religions found common ground with each other in terms of basic concepts: The halo, for example, is used in Buddhist art, as it is in Zoroastrianism, which was the dominant religion in Persia, just as it is in Christian visual art. Globalization is not just about commercial trade. It is also about cultural, intellectual and spiritual exchange.

In fact, casting the net as wide as possible allows for the best possible answers to understand and explain the causes and effects of what happens when people’s horizons expand from their village to their local region, from their region to their political center, from their political center to neighboring realms and from there to the wider world.

In the ancient world, Chinese diplomats were extremely interested in understanding the world beyond the frontiers of the Heavenly Kingdom, keen to gather information about other people and the benefits and challenges that could come from dealing with them. This included finding out about Rome – an empire where “the walls of the towns are made of stone,” where “pines and cypresses” were very common, and where the people were “tall and honest.” This found an echo in Rome itself, where the Emperor Augustus commissioned surveys of the towns, ports and trade stations across the spine of Asia, both by land and by sea.

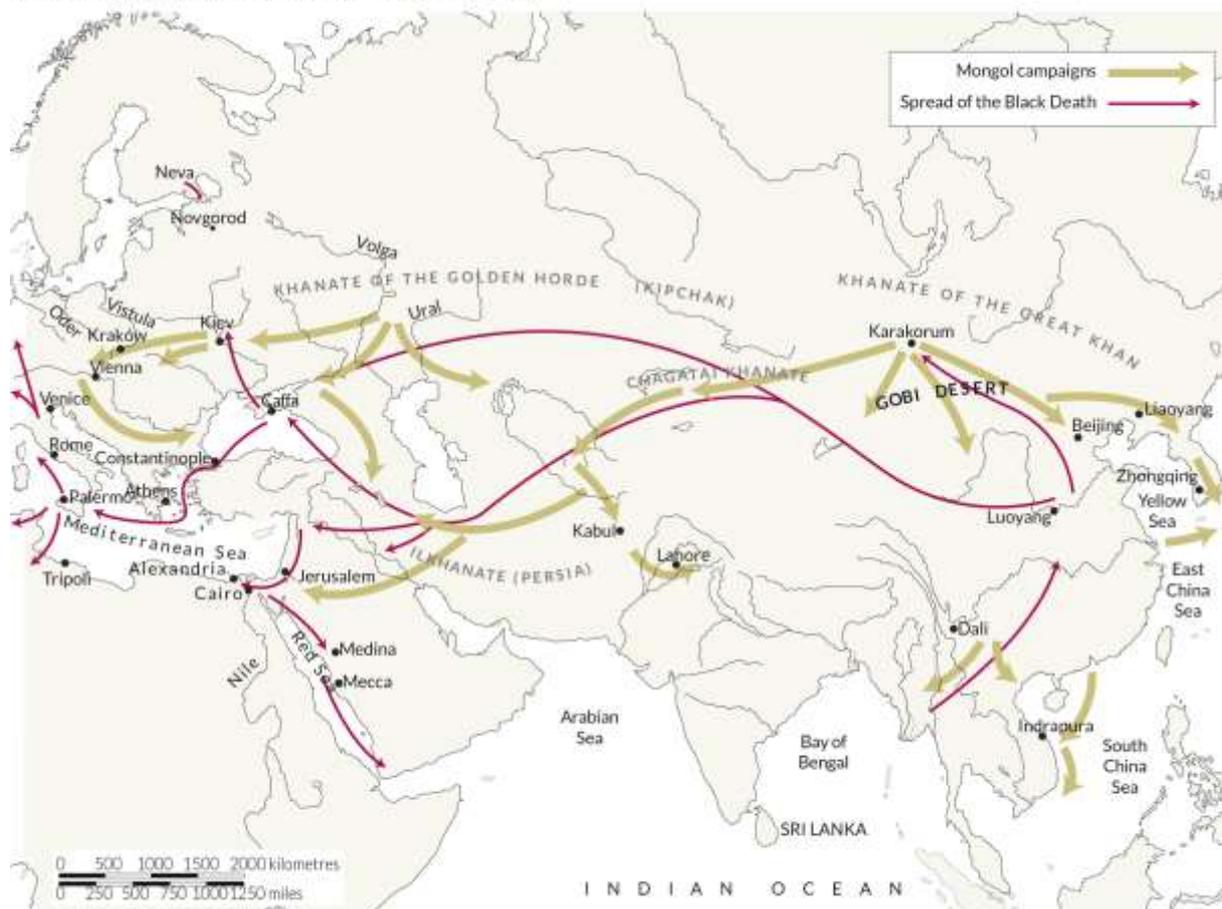
The connections were vectors for the spread of technology. Of course, there was particular interest in military advances – both because these could bring decisive advantages, but also because there were real risks in being behind the curve and potentially at the mercy of others who had invested in scholarship, innovation and the military. One example comes from the keen interest that the

Mongols took in siege warfare practices that they came across when their armies reached Syria in the 13th century.

Just as global trading patterns facilitated the transmission of goods and ideas, so too were they vectors for the dissemination and spread of other things – such as pathogens. The Black Death which ravaged the Middle East and Europe in the 1340s followed exactly the land and maritime routes linking the plague foci of Central Asia, inadvertently carried by caravan and by ship, infecting ever greater numbers along the way. The same is true in today's day and age: The spread of recent cases of avian and swine flu have mirrored exactly domestic and inter-continental travel routes. Understanding and assessing globalization involves a great deal more than simply focusing on trade and commerce.

Pathogens spread by the way our ancestors travelled and moved in the past could have dramatic and devastating effects – as was the case not only with the bubonic plague, but with smallpox in Central America in the 16th century. So too were flora and fauna changed by new species being introduced, deliberately or otherwise. Recent archaeology shows how the bur clova spread from North to Southern Africa in the 8th century, thanks to movements of people. Today, similar examples can be demonstrated by the arrival of the larger grain borer beetle, native to Central and South America, which has spread across Eastern and more recently Western Africa, with devastating effect.

Death and destruction in the 13th and 14th centuries



Source: Frankopan, Peter. *The Silk Roads: A New History of the World*. London 2015.

The effects of invasive pests being brought in consignments of goods are eye-watering. One recent survey put the annual costs to farmers at nearly half a trillion dollars thanks to the devastation of indigenous crops, the impact on domesticated animals and more general wildlife and the resistance to existing pesticides. These unexpected and often unnoticed effects of globalization are as damaging and important as the headlines concerning rising inequality or the sense of a rapidly changing world that seems unfamiliar to so many.

VI Reassessing Global Paradigms: Change as Normal

And therein lie the two most obvious and powerful conclusions. First is that geopolitical change is normal – and cannot be halted. Attempts to maintain a notional balance of power end badly, as the First World War proved. Attempts to effect regime change to install a more reliable, more pliant or more corruptible leader also end badly – as the case of Iran in 1953, Iraq in 2003 and, most recently, Syria have shown. It is impossible to turn the clock back, to reset to a time that seemed and felt happier, simpler and easier to recognize.

Much though Trump, Brexit and other movements across Europe like to promise a world that restores the glory days of the past, the truth is that it is not possible to recapture history. What matters is being able to adapt, to be able to engage with and understand the world and why it is changing – rather than fight the fact that it is. The World Bank estimates that 800 million people have been removed from below the poverty line in China alone. But many other countries too have been transformed in recent decades – above all in Africa and Asia. Not one of the fastest growing economies of the last fifteen years has been located in the western hemisphere.

It is not so much wishful thinking as naïve and potentially reckless when people blame globalization, try to propose barriers or try to reverse the process of change in the assumption that slowing growth in India, China or elsewhere means diverting growth to their own country. Trade tariffs serve to deprive oxygen, rather than encourage its availability; tariffs protect and reward weak businesses by giving artificial support, which in turn removes incentives to innovate and compete. In the worst case, they create an unbalanced playing field that is itself the basis for escalation of antipathy and even hostility that can lead to direct action. The underlying causes of war are always linked to asymmetries between the needs of countries and the demands they impose on their neighbors and commercial rivals: We need only think about how the rapid economic growth of both Germany and Russia in the late 19th and early 20th centuries underpinned what became the worst conflict in human history.

Globalization is not new. What is significant about the world of today is the acceleration in the way we are able to trade goods, the speed at which we can gather information and even move from A to B. Air routes, digital networks and the ability to use multiple currencies instantaneously present specific fragilities. None are dangerous in themselves; and in fact they are even necessarily dangerous taken together. They present problems in the same way that driving a car presents a problem. As long as the driver is competent, there should be no difficulty. But if the car is moving too fast, then the risks rise extremely sharply.

VII Conclusions

The primary problem with globalization is less about winners and losers and the challenges posed by new technologies. Rather it is about the ability to react promptly and effectively. It is difficult for those in political life to make decisions that are positive and make the world a better place. Politics

is relentless, difficult and often even thankless. What politicians can do, however, is avoid making bad decisions. The better informed, the more open-minded and intellectually curious those in leadership positions are, the better the chances they can avoid mistakes that have long-term consequences which can in some cases be disastrous.

There is as much chance of reversing globalization, meanwhile, as there is of being able to turn back time. Those who complain most and loudest about globalization are those who feel – rightly or otherwise – that the place they wanted to have in the world is not being delivered to them as expected. As such, anti-globalization is neither an unreasonable nor an illogical response: After all, who would not prefer to be richer, have better prospects and the chance of a better life than currently seems likely? And yet, as *The Financial Times* noted, the stark reality for those aged 18 to 30 and growing up in Europe today is that they are all but certain to be less well-off than their parents. It is the first time for several centuries that this is all but inevitable – in the absence of major global dislocation.

The correct response, of course, is to engage with change by first understanding it, and then working through its likely consequences. We are singularly poorly prepared to do so in Europe as a result of the way in which we look at the world around us – starting with the way we look at history. Our students at schools and university spend little or no time learning about Persia and Iran, about the Middle East at its apogee, about imperial China or Mughal India. These are footnotes to the standard story that focuses on the greatness of Europe, its generals and its leaders.

There can be little doubt that in much of the developed world, globalization has a bad name. It is blamed for rising inequality, for a galloping pace of change that many find uncomfortable and even for the mechanism by which the environment can be improved (or damaged) for future generations. In the developing world, the opposite is the case: For huge numbers of people – numbering not in their millions, their tens of millions or even hundreds of millions, but in their billions – globalization has been positive and transformational.

To change perceptions of globalization, the single most important thing to do is to educate – from the youngest age – about the connections that have made our history. Explaining that while communities have sometimes sought each other out to fight over resources, they have much more often and more successfully worked out how to trade with and borrow and learn from those with different commodities and skills and different ways of living, praying and speaking, and how to cooperate and collaborate to build stable, prosperous and tolerant relations.

One of the greatest challenges we face in the modern world – especially in the developed world – is the laziness we have in looking to other regions, other continents and other peoples and taking the time to learn about them. We expect others to mould themselves in our image, and we take offense when they do not do so. It seems obvious to us that the rest of the world should want to be like us in Europe and the United States, because our perception of ourselves is one that is sugar-coated and superficial.

We forget that the greatest atrocity in human history, the Holocaust, took place in Europe. We forget that Europe's engagement with most parts of the world was a poisonous one, where settler colonies in the Americas, Australia and some parts of Africa led to the effective extermination of the indigenous populations. We forget that the west's history of persecution of minorities because of skin color, gender, sexuality and religious persuasion have been intense – and in some cases came to an end only recently. Women in Uzbekistan were allowed to vote before their counterparts in Britain were given the same rights; segregation for black Americans was something that had not

formally ended by the time of the deaths of Marilyn Monroe and John F. Kennedy; same-sex marriage is still uniform across the European Union. Our own tolerance and enlightenment are recent – and it is important to recognize that fact.

Globalization is the *mot de nos jours*. It is a word that evokes strong responses. But there is no “choice” in whether it is something we like or do not like, a process we can speed up or slow down. We have always been connected. And history shows that while those connections can present problems – particularly when it comes to disease or, in the modern world, the way that cyber-criminals or would-be terrorists can communicate – we should also remember that globalization is the way that has allowed human beings to share ideas about science and art; it is the way that has enabled us to create and preserve objects of singular beauty; it is the way we have been able to learn, share and build civilization together.

It is often the case that we are scared of things we do not understand. It is worth taking the time to think and reflect before we reach for simplistic words and terms that we can blame for everything and anything that we do not like. The world is changing. Trying to stop that happening does not seem to be either a sensible thing to try to do, or a realistic option.

VIII Recommendations

- Politicians, policy makers and strategists need to have a better and wider understanding of global affairs and, in particular, a stronger grasp of inter-connections between and across other continents. The narrowness of focus on European affairs means that the big picture is not only lost, but that some of the inevitable consequences of globalization are not being recognized – and will be dealt with too late.
- Education must adapt starting in primary school in order to better prepare children and the next generation of leaders – in business, the private and public sectors, charity and within individual families – for the world around them. The fact that university graduates in Europe cannot name an Indian film star, a Chinese singer, a Nigerian novelist or a South American contemporary artist tells its own story. I wonder how many at the Trilogue can do so. And if they cannot do so, why can they not do so?
- The European Council, EU Commission and EU member states have proud histories and a strong record of cooperation. This should be expanded exponentially into neighboring states and beyond: For example, non-EU students from the developing world – including states whose futures matter to those of Europe for good and/or for bad – should be encouraged to study at leading European universities. Fees for non-EU students are set at a level that rarely attracts on merit. Widening bilateral scholarship programs is a priority. The EU does much good work on education; but it should do more. A lot more.
- Europe is at a crossroads – institutionally, economically, socially and culturally. It is impossible to assess what can, should and might happen next without understanding what has brought us to this point in time. In the first instance, that requires us to take a new approach to learning about the past. Politicians and policy makers revert to the truisms about the 19th and 20th centuries that they learned at school. The time has come to demand those in public service be better informed about all the world, rather than our own, small and once irrelevant little corner of it.

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