Although many factors lie behind the increasing dominance that neoliberal ideas gained in European policymaking from the late 1980s onwards, there is little doubt that the increasing internationalisation of the world economy – which came to be known as globalisation – was a key one: the perception that buttressing economic growth increasingly depended on fully opening up national economies to international trade competition, and therefore the need to equip these economies for that competition, constituted a guiding policy rationale of the 'structural reforms' of the post-Keynesian era.

In the field of social policy, this did not necessarily entail downward pressures on the levels of social protection: as I explained in an article published in *Socio-Economic Review*, an economy can seek to compete by producing at lower costs (and thereby by reducing labour costs) or by producing at higher quality. If the second option is chosen, what an economy needs is more and better public expenditure rather than less, since human capital formation constitutes a key factor in rising productivity at the higher echelons of supply chains.

However, and despite the wide array of 'varieties' of capitalism that subsisted to the neoliberal wave, European states have tended to slide towards processes of social policy retrenchment, or at least, stagnation. In the same manner, in the field of labour market policy, as skilfully documented by Baccaro and Howell's book *Trajectories of Neoliberal Transformation* (Cambridge, 2017), the common trend was towards the expansion of employers' discretionary power, and in consequence, the reduction of workers' protection. Not surprisingly, inequality has increased everywhere in Europe, as in the rest of the Western world, in the last three decades.

In fact, if social policymaking in European and Western countries has become so subordinate to the imperatives of global economic competitiveness, it was to a large extent because of the extreme version of globalisation that emerged during the 1990s, defined by Dani Rodrik as 'hyper-globalisation'.

Globalisation in retreat?

However, the tide of globalisation seems to be changing in recent times. Indeed, one of the words of 2020 will be probably de-globalisation. As Susan Lund and Laura Tyson have pointed out in a *Foreign Affairs* article already in 2018:

"By many standard measures, globalization is in retreat. The 2008 financial crisis and the ensuing recession brought an end to three decades of rapid growth in the trade of goods and services. Cross-border financial flows have fallen by two-thirds. In many countries that have traditionally championed globalization, including the United States and the United Kingdom, the political conversation about trade has shifted from a focus on economic benefits to concerns about job loss, dislocation, deindustrialization, and inequality [...] Since November 2008, according to the research group Global Trade Alert, the G-20 countries have implemented more than 6,600 protectionist measures."

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Indeed, there is no better indicator of the changing fortunes of globalisation than the current crisis – in both its legislative and judicial functions – of one of its main institutions, the World Trade Organization (WTO), precisely provoked by the main actor leading the post-Bretton Woods second globalisation era, the United States.

Of course, the 'de-globalisation' hypothesis needs be treated with caution. Indeed, rather than de-globalisation *qua* dis-integration of international markets for goods, capital and labour, what we are witnessing is a stagnation of them: while world trade grew by an average of 7.6% in the decade before the 2008 financial crisis, it has done it at the slower average of 3.5% between 2009 and 2018.

However, as was the case with globalisation, de-globalisation's real consequences may lie not so much in its 'material reality' but in the consequences that follow, from both citizens and elites perceiving it to be an accurate description of that reality. In other words, the extent to which globalisation or de-globalisation come to be perceived as external imperatives circumscribing the parameters of the political possible is discursively constructed in the field of politics. In this aspect, the political economy developments prompted by the COVID pandemic have, to a large extent, reinforced some of these perceptions of the stagnation of globalisation: with the fragility of essential supply chains being unveiled, protectionist

arguments for reshoring manufacturing have been energised, while the importance of national governments to supporting key social and economic processes is highlighted.

De-globalisation and the European Union

What will be the consequences of these changing perceptions on globalisation, in case they are reinforced in the following years, for the European Union (EU)? For the moment, a change in discourse is already perceptible at the EU level. For instance, in April 2020, Commission President Ursula von der Leyen and Charles Michel, President of the European Council, issued a paper stating the "pressing need to produce critical goods in Europe, to invest in strategic value chains and to reduce over-dependency on third countries in these areas". In turn, Thierry Breton, the EU's internal market commissioner, has repeatedly declared that governmental direct interventions are required to build up European supply capacities in a range of strategic industrial sectors (although it is not clear whether it would be legal under either EU or WTO rules), while arguing that "globalisation has gone too far". In turn, the French president, Emmanuel Macron, said in an interview with the *Financial Times* in April 2020, that the EU should regain "industrial sovereignty".

> *if the trends towards the reshoring of certain sectors are confirmed, paradigms that focus on the re-skilling of European workforces will probably be needed*

Beyond industrial policy, tendencies towards de-globalisation could reinforce the case for stronger EU integration inasmuch they will most probably by channelled as tendencies towards supranational regionalisation rather than re-nationalisation. As Bruno Maçãesargues in his book, *The Dawn of Eurasia* (Allen Lane, 2018), the nature of globalisation's next phase will probably take the form of "conflictive integration" between geopolitical blocs: that is, we will not witness the dis-integration of the world system, nor the emergence of the 'global village' or flat planet envisaged by late twentieth century liberals, but integration by way of geopolitical competition and conflict. In this context, and given the decline of the West as a dominant political concept because of the North American relinquishment of it, arguments for

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Towards de-globalisation? What are the implications for the European Union's social policy?
By Joan Miró i Artigas

greater EU integration will probably have the upper hand.

Finally, what could imply a de-globalising scenario for social policy within the EU? Again, as was the case with globalisation, de-globalisation can be discursively constructed as an imperative to either further liberalise labour market and social protection systems or to act to tame markets. However, if the trends towards the reshoring of certain sectors are confirmed, paradigms that focus on the re-skilling of European workforces will probably be needed. If this is the case, the 'social investment paradigm', already increasingly influential within EU policy cycles in the last decade, will most probably gain further influence as an strategy to cope with the socio-economic challenges faced by EU societies. In any case, the nature of globalisation's future will be a key question against which many of the most important political debates of the coming years, also in the social policy field, will be played out.

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