

Globofriction (chap. 26)

Globofriction captures one of the most characteristic features of the current era: simultaneous attraction and repulsion between economic blocs. On the one hand, they are competing for technological leadership, aware that the associated benefits go far beyond those currently gained by the companies leading innovation. Historically, countries that have led an economic revolution have ended up consolidating themselves as global powers in the following decades. On the other hand, economic blocs remain deeply intertwined by trade and financial interdependencies. This is the force of globalisation, the benefits of which are well known and remain very present.

There is no doubt that frictions have intensified in recent years as the disruptive potential of new technologies has become more evident and the ability to lead the new economic cycle is no longer in the hands of a single power, namely the US. The increase in trade barriers on a global scale is probably one of the phenomena that best illustrates this. Although it may seem like a recent phenomenon, it is not. The number of measures against trade liberalisation began to grow more than a decade ago, during the financial crisis, and since then it has continued to increase, spanning governments of all kinds until rendering the old international order and the institutions that supported it obsolete. However, the diplomacy with which some have acted stands in stark contrast to the brazenness and disdain shown by others.

The economic and geopolitical uncertainty indices also clearly reflect the consequences of these frictions between powers. Both have shown an increasing trend for some years now, with sharp rises associated with each episode of tension. However, when viewed in perspective, these episodes tend to be relatively brief. The threats intensify until the deep ties that still unite us become evident. So far, the force of globalisation has helped to ease frictions. In 2025, the escalation of the trade conflict between the US and China ended when their mutual dependency became evident: one needs the other's critical minerals; the other needs a large market to export to in order to continue growing. This year, we expect the war in the Middle East to come to an end after it has been recognised that everyone needs goods to flow freely through the Strait of Hormuz.

The struggle to lead the new economy – or at least not to fall excessively behind – has also resulted in a significant deterioration of public finances. The pressure to implement stimulus and economic transformation policies has continued to rise, and with it so has the public debt of many leading countries, bringing it to historically high levels. Moreover, in several cases, there are no clear signs of a correction in the coming years. In the monetary sphere, political pressure on some key central banks has also intensified, although for the moment their independence remains intact.

Once again, globalisation – in this case financial – has probably been crucial in preventing greater harm. When temptations have arisen to implement openly irresponsible fiscal policies or to question the independence of central banks, the reaction of international financial markets has been swift and, at times, forceful. We only have to recall the lesson learned by Liz Truss, who lasted not even two months in office.

As long as the battle for leadership in the new economy remains ongoing, frictions between the major economic powers are likely to recur. The agreement between the US and China is valid for one year; the US threat to annex Greenland remains latent, and the chapter on Cuba could be reopened at any moment. *Globofriction* will undoubtedly have new episodes. Spoiler: all the indicators suggest that the force of globalisation will continue to impose its limits. By the way, the impetus being given by the EU – that space of economic and democratic freedom which often generates more scepticism than enthusiasm, which rarely features in predictions to lead the new economy, but which we are fortunate to live in – to free trade agreements is particularly relevant in this context.

Oriol Aspachs
April 2026