

FRIEND-SHORING: A STRATEGY FOR SECURE TRADE OR A GLOBAL SETBACK?

In recent years, events in the global economy and politics have become very dynamic. International trade has been facing a number of shocks, such as the trade conflict between the United States and China, the COVID-19 pandemic, the growing geopolitical tensions and sanctions.

To reduce risks, companies are increasingly choosing “friendly” directions when making decisions about the location of production, establishing cooperative relationships, entering new markets and ensuring supplies. The focus has now shifted to decoupling and fragmentation of the Multilateral Trading System into 2 or 3 trading blocks. There are moves to support reshoring, nearshoring and friend-shoring. The new catch phrase is that of “secure trade” [1].

Friend-shoring can be defined as a supply chain strategy where businesses source or produce goods in countries with shared values. These values can include political stability, economic practices, and cultural standards. The goal is to work with trusted allies instead of risky partners[2].

Although friend-shoring has the benefit of reducing risks, such cooperation can negatively affect both individual enterprises and the global economy as a whole.

This policy leads to getting away from globalization that has been the prevalent force shaping international trade in recent decades. Given the intricate global value chains built during the globalisation period, it is inevitable that some economic costs will accumulate in the friend-shoring era. Estimates indicate that friend-shoring may lead to real GDP losses of up to 4.7% in some economies [3].

In a lecture in Sydney in 2022, DG Okonjo-Iweala stated: "As the world navigates the polycrisis — climate change, the pandemic, wars, economic slowdown, inflation, food insecurity, monetary tightening, and debt distress — we need multilateral cooperation and solidarity more than ever." [4]

It is necessary to consider the world's largest economy which sets trends for the development of the global economy. When the United States abandoned the idea of localization due to high labor prices and restrictions in the production and resources extraction, it began to advocate for the support of friends as a strategy to increase sustainability of the economy. In practice, this is an American protectionist policy that is aimed at breaking the existing global supply chains and creating a completely new production and trading system dominated by the United States.

Former US Treasury Secretary Janet Yellen was a big advocate for pushing the idea of shifting production out of China toward allies such as India and Vietnam. Thus, on February 14, 2025, the US President and the Prime Minister of India met, reaffirming their warm relations. N. Modi announced the development of a mutually beneficial trade

agreement "Mission 500" with the aim of doubling bilateral trade to an unprecedented 500 billion dollars in five years by 2030 [5].

From the other side, friends don't always stay friends. Brexit exemplifies this, reshaping the relationships between the United Kingdom and its European allies. The decision to leave the European Union marked a significant shift in political and economic ties, leading to new trade agreements, border policies, and diplomatic dynamics.

In the current landscape, friendshoring increasingly revolves around national interests. Countries focus solely on their own advantages and disregarding the perspective of the global community are exposing the world to new challenges. Beyond negative consequences such as technological gaps between nations, inefficient use of natural resources, and inflationary pressures, the greatest concern is intensifying global polarization may lead not only to trade wars but also to military conflicts.

Amid rising trade tensions with China, the United States has been actively working to establish supply chain agreements to reduce dependence on China and protect national and economic security interests. A key achievement was the signing of the Indo-Pacific Economic Prosperity (IPEF) Supply Chain Sustainability Agreement which took effect on February 24, 2024 [6].

To reduce the negative effects of friendshoring, developed countries should promote inclusivity by involving developing countries in global economic structures like the G20 and WTO. Establishing working groups for technology transfer, incurring experience exchange, and developing standards can enhance access to global markets and technologies. Additionally, promoting sustainable development with a focus on economic responsibility and moral aspects is key to avoiding inequality and instabilities, contributing to a more balanced and sustainable global economy.

In conclusion, friend-shoring is a rather ambiguous phenomenon that presents certain advantages by reducing risks and fostering cooperation among allied nations. However, it also contains many negative aspects. Addressing these challenges requires a concerted effort towards inclusivity and sustainable development in the global economic landscape.

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THE CONTRIBUTION OF NELSON MANDELA'S POLICIES AND THEIR IMPACT ON THE GLOBAL ECONOMY

The world economy and social movements have been significantly affected by the activities of Nelson Mandela, a prominent South African leader and human rights fighter. Mandela began his career as a lawyer before becoming a key figure in the struggle against apartheid in South Africa. He served as the country's president from 1994 to 1999, becoming the first black leader since the end of racial segregation.

Mandela implemented a dramatic change of course from previous governments that had supported a system of apartheid and racial discrimination. He established the Truth and Reconciliation Commission, which investigated human rights violations and promoted national healing.

The Apartheid era in South Africa (1948-1994) was defined by racial segregation enforced by the all-white National Party government. Non-white South Africans faced separation from whites and restricted access to public facilities. Following the 1948 electoral victory, laws formalized this segregation, classifying citizens into four racial groups: black, Indian, coloured, and white. Millions of black South Africans were forcibly relocated to tribal homelands, while whites controlled urban areas.

The regime adopted Afrikaans as the official language, disenfranchising black citizens and relegating them to low-wage labor. Political organizations emerged to challenge this dominance but faced severe repression.

By the 1980s, internal dissent and international pressure prompted a reassessment of policies. Ultimately, the regime conceded to reform, resulting in the release of political prisoners and the establishment of a constitutional democracy in 1994, emphasizing non-racialism.

Former South African President Nelson Mandela actively protested against apartheid for most of his life, becoming one of the world's most famous political prisoners. His activism never faltered; he delivered powerful speeches, wrote letters from prison, and, after his release in 1990, engaged in negotiations with government officials to end apartheid. Mandela's leadership was pivotal in the transition to a democratic South Africa, promoting reconciliation and nation-building.

Mandela's efforts not only dismantled apartheid but also had a profound impact on the global stage. His commitment to human rights and equality inspired movements worldwide, fostering a greater awareness of social justice issues. Economically, the end of apartheid opened South Africa to international trade and investment, leading to