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The process of globalization and its management are going to become more complicated in the years to come. We can think of this in terms of five different forces that are going to be working, not necessarily in the same direction, and have to be balanced and managed.

The first one is the economics; the law of comparative advantage has not gone away. It still suits corporations to think of having a supply chain around the world that enables them to be effective and to produce their products as cheaply as possible. Technology and trade have now expanded out into services, so the same kind of globalization is happening in finance and other areas. Also, a huge investment has been made in global supply chains, so it would be very difficult to unwind them, even if the political forces want to do that. Therefore, the economics is going to push us in that direction.

The second big force that is going to keep pushing us is changing demographics. There has been a lot of discussion in Europe recently about the shortage of truck drivers and how that is holding up the transport of vital goods. Shortages of labor are going to be a feature of European life for decades to come because the labor force is shrinking. At the same time, in other parts of the world, notably Africa, the population and labor force are growing. The African population will double and then increase again by the end of the century. On top of that, conflict and environmental degradation will trigger significant movement of people around the world. Therefore, demographics are going to lead to a lot of global movement of people, and in this area, we are the least developed in terms of how to manage it. Our systems are not good at coping with the movement of people. We have developed a capacity to regulate the movement of goods, services a bit less, but not people.

However, against this another political objective pushes us to globalize, and that is the rise of global public goods. There is a growing recognition that our lives are impacted by events that can only be managed through global coordination. Obviously, the pandemic, and increasingly clearly, climate change. However, beyond that, we must consider AMR, rules on the use of artificial intelligence, cyberterrorism, biological terrorism. All of these will require rules that have to be global in scope, at least covering a large part of the global community.

At the same time, we must look at the difficulties we are having today in coming up with an effective global response even to the current pandemic problem. This shows that there are other forces that stop us from moving in response to the factors that are pushing us to coordinate globally, namely the populist backlash from left and right. Although they come from very different values and their visions of society may be very different, some of the problems that drive these reactions are similar. There is inequality, the sense that the rules do not

benefit everyone, and some people get left behind. It is the sense resulting from the financial crisis, and I think that people are still recovering from the shock of 2008. I would also say that it is also a sense of not being in control of one's own destiny and feeling that your life is controlled by some abstract group of people or an institution with which you do not relate. That is why it is created the desire to take more control. So much of this is driven by the slogans around taking back control and putting yourself first. Of course, evidence shows that all these attempts to take back control are more rhetorical than they are real, but rhetoric matters.

The final force is the growing rivalry between the United States and China. From Washington, it is very hard to escape just how all-pervasive this rivalry with China is in thinking about policy, and that makes cooperation quite hard. To give you a case in point, when the White House hosted a global summit on Covid with 100 countries and partners, China, the largest producer of vaccines, was not present at that summit. For another example, China's Foreign Minister Wang Yi, responding to John Kerry's plea to cooperate on climate, said "The US side hopes that climate cooperation can be an oasis in China-US relations, but if an oasis is surrounded by desert, it will also become desertified sooner or later." The big question is, how can we find ways to coordinate and cooperate effectively when the two major economies are rivals in ways that spill over into this effort to cooperate and coordinate?

Where does this leave us? We have to recognize that the management of globalization is not simply going to be a matter of economics and finance left on its own. It has to be much more integrated into thinking about domestic and international considerations of political reality and security. Trying to bring those things together will make the process much more complicated and will require whole of government engagement in managing the elements of globalization, that up to now, we have tended to leave to some parts of government and mostly to the private sector.

**Jean-Claude Trichet, European Chairman of the Trilateral Commission, former President of the ECB**

Thank you, very much, Masood. It was very clear, and I liked your stress on these global public goods that we have to preserve and the fact that global governance is increasingly complex, particularly with the political element that is stepping in.