

## VLADISLAV INOZEMTSEV

Director of the Center for Post-Industrial Studies in Moscow, Special Advisor to Middle East Media Research Institute's Russia Media Studies Project in Washington, DC.

**Masood Ahmed, President of the Center for Global Development, former Director of the Middle East and Central Asia Department of the IMF**

What I want to come back in a second round is to get your views on how are we going to actually make any progress on addressing these things and, if we do not make progress, how will we manage without the right set of rules still to have interactions? What is the consequence of all this?

I think it would be useful to see where the impetus for change is going to come from. It cannot just be to preserve the past, because of all the problems you have just outlined with the past.

Therefore, starting with Madame Touré and then, Pierre, your last set of comments shows us here are all these sets of problems with the way we currently manage our relationships, and we are not very clear on how we can actually move those forward. I think, if we could think a bit about that set of issues, we will come back to that.

However, before we get there, I have still got two more colleagues to give their perspectives. Vladislav, now, I want to talk to you, please. Vladislav Inozemtsev, from where you sit, how do you see this whole conversation?

**Vladislav Inozemtsev, Director of the Centre for Post-Industrial Studies in Moscow, Special Advisor to Middle East Media Research Institute's Russia Media Studies Project in Washington, DC.**

Thank you so much, dear Chairman. It's a very interesting question, a very intriguing topic and I have reflected on this.

First, to my mind, the question of new World Economic Order seems to be more a question of a new framework – because the word 'order' is, I think, too "strong" for describing the current economic conditions and the trends we all can observe.

The framework for both economic cooperation and economic competition has changed many times in the last 100 years, and so what I see now is that globalization – which was also called "The end of history" because it has been seen as unification of the world – is a little bit exhausted, primarily because no "order" can be universal. Order is an antonym to disorder, so they exist only together, and if one expects any universal order to appear, these hopes will backfire.

Therefore, the major challenge for globalization is its own globality because the world is too different, and it will not become universalized any time soon. Many parts of it differ too much from each other to be ruled and to be governed with one set of rules – especially as all these



parts interact with others and are not subjugated by some of them, as it appeared in the era known as the Age of Westernization, now blamed for its colonial legacy.

Consequently, I think that what we are seeing now is not so much the emergence of multipolarity and global competition between different centers of power, but rather a new kind of regionalization inside a largely globalized world. This regionalization would be managed by the major economic powers – for example, the United States and Europe on the one hand, and China on the other hand. However, there would not be so many political differences but a difference in economic models and of the major societal doctrines embodied in these centers of power (it was in some sense predicted by Parag Khanna in his book “The Second World”).

Therefore, it all is not about Asian Century or Pacific Century that will come instead of the Atlantic Century. The Pacific Rim is in itself very different: if one compares the combined GDP of all the nations of North and South America plus Australia and New Zealand (so to say, the non-Asia part of the Pacific) to the same figure for all powers located on the other shore, from Russia through Japan and China to Indonesia and Malaysia, the non-Asia part will prevail over the Asian one. To my mind what we are witnessing now is not so much the competition between different “centers” but rather a competition between information/post-industrial economy and a commodity/industrial one.

I would say that the United States and Europe may rely on their innovative economy, on production of sophisticated and high-profile goods, which express if not someone’s superiority, but individual self-expression. When one looks at the United States these days, the most successful companies are Apple, Tesla, and SpaceX, which embody the most sophisticated innovation. If you look at Europe, the biggest European company by capitalization is LVMH, which specializes in producing unique and prestigious goods, embodying the creativity of the European people.

My point here is that Europe and the United States will produce an economic model which is based on, first of all, the sense of belonging to the “golden billion” and on individual self-expression while China and most of Asia will pursue the economic model built on mass production of cheap and high-quality goods, which would have a huge demand in many parts of the world which are not as wealthy as Europe or the United States. It will be a competition between “being” and “possessing”, between the post-mass consumption society and more traditional industrial economies.

So, I think these models can coexist peacefully while competing. They can expand their region of influence without engaging in political confrontation which was often seen in the 20<sup>th</sup> Century.

I would also point out that competition between information/post-industrial countries and resource-oriented or industrial economies will definitely go in many rounds because what we are talking about is a kind of catching-up development. I would say that, since the 1930s, there has been no change in the world’s economic leader. The United States led the world for over 100 years. Prior to this, the change on the top look very natural as France overtook Holland in the 17<sup>th</sup> Century, as Britain overtook France in the 19<sup>th</sup>, and as Germany arose as Europe’s top industrial power, then the United States came. However, for the last 100 years, there were a lot of attempts to challenge the American hegemony – like by the Soviet Union in the 70s, by Japan in the 80s, and now by China, but all the previous ones had failed, and China, I would argue, will follow their path.

Therefore, I would not say that we are now approaching some new economic order because, for this to happen, it should be proof that some countries can overtake the leader – which is, I would say, the United States or the Atlantic civilization. It is hard to believe that it can happen

because, if one remembers the end of the 80s, everybody talks about the end of the Cold War and the dissolution of the Soviet Union, but the economic shock in Japan that happened at the same time, was not less important for the world's economic dynamics. In the late 80s, the whole industrial system went into crisis, both in its Soviet version and its Japanese version. This was the first step of a new economic reality – of the dominance of the post-industrial model which seems to possess good chances to continue for rather a long time.

I would finalize by saying I cannot see any New Economic Order emerging. I can see another circle of economic change approaching. However, this shouldn't be counted as a new order. There will be different frameworks, different models competing, and it is nice to say that these days, economic issues and economic power are more significant than political and military ones, which is quite contrary to what we have seen in the early 20<sup>th</sup> Century. Hopefully, this transition – whatever it might be – will be more peaceful and more complex than it was before and during the First or the Second World War.

### **Masood Ahmed**

Thank you very much. You have got this vision of multiple coexisting frameworks that govern relationships amongst groups of countries, and I think that will raise the question of whether countries will be forced to be part of one framework or the other, or whether they can be part of multiple frameworks at the same time. And whether countries are willing and ready to be forced to take sides and join one framework or the other.

I think maybe when we come to Madame Touré – I mean, in a way, in Africa today, a big issue for many countries is that they are being asked to take sides and they do not want to. How does one manage that as well? We will come to that.