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TRANSFORMATION

FROM ECONOMIC GLOBALIZATION
TO REGIONALIZATION

JOERGEN OERSTROEM MOELLER

ISEAS YUSOF ISHAK
INSTITUTE

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30 Heng Mui Keng Terrace
Singapore 119614

Email: publish@iseas.edu.sg
Website: bookshop.iseas.edu.sg

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Preface

Since my last book, *The Veil of Circumstance: Technology, Values, Dehumanization and the Future of Economics and Politics*, published in 2016, the world has undergone dramatic changes. Digitalization has undermined and replaced well-known structures, forcing nation-states to develop new technology, to figure out how to use it, and to analyse the interactions with the established parameters of power. The power game is increasingly about gaining the technological edge.

The winner may not necessarily be the nation-state in possession of the “best” technology. The interaction between technology and human beings may be more important than the technology itself. How to mobilize and maximize the skills of people with the technology and how technology is used to rally people around a common purpose will be the crux. This is becoming increasingly difficult because of the diverse social networks and the diffusion of power.

The cocktail of “capitalism, technology and globalization” worked wonderfully for decades, but the number of social losers and disenfranchised people has grown, sowing discontent and frustration. A gap has opened up between the elite and the discontented. The global financial crisis disclosed the fragility of the existing economic model and political system. The negative side effects of globalization are becoming increasingly evident.

Statistics for economics, trade and investment show a tendency for stronger regionalization. The drive for the technological edge has pushed superpowers to look for partners in the region, with the result that countries in the region have been pushed towards a stronger link with the regional superpower. These superpowers have scaled down their commitments to the global system, as they are unable to offer the same level of “protection” as they had in previous decades.

In Asia this is visible in China’s drive for its Belt and Road Initiative (BRI), and even more so in its tremendous efforts to be a global technological leader in such areas as artificial intelligence and 5G, and perhaps also biotechnology. As globalization fades, it will be difficult to thrive outside an economic space—impacting on technology, communication, energy, and possibly currency—defined by China. India, Japan and Southeast Asia may not be large enough to contest this development, but they are strong enough to prevent China from becoming too dominant—the dependency is not one way, as China needs them almost as much as they need China.

The outlook until around about 2035 will be framed by relatively well-known elements. Beyond that time frame, the reaction of people to the fundamental question of what kind of relationship human beings want with one another in an age of digitalization and biotechnology may produce a world picture completely different from the one we see today.

The adage “it is difficult to predict, especially about the future” is credited to my Danish compatriot Niels Bohr, who was awarded the 1922 Nobel Prize in Physics “for his services in the investigation of the structure of atoms and of the radiation emanating from them”. There is however no proof that he was the first to discover this principle, but he may well have been the first scientist to use it.

This book presents proof that it is indeed difficult to make predictions. It tries nonetheless to do so through a mixture of analysis and projections. Working with our knowledge of how the world currently is can take us some of the way towards meaningful predictions. However, it is rare for the curve for the comings decades to follow the trajectory of the past decade. Indeed, seeking to predict beyond five to ten years, or even shorter intervals nowadays, compels the author to move into uncharted waters. The challenge is to guess at what point the curve will break. I have tried to make these projections by combining guesswork

with emerging trends, relying on interdisciplinary and sectoral models, and by using history as a guide. The result is bound to be a personal view. Other observers might draw different conclusions from the scant and uncertain knowledge available.

Many friends in Denmark and from around the world have helped me. But, writing after more than twenty-two years spent in Singapore, I have mainly profited enormously from my Singaporean friends who have been willingly to make themselves available to listen to and participate in brainstorming and discussions. Many ideas and points of view have passed across the table. My friends have shown indulgence, even if sometimes we went over the same ground again and again. Any flaws, mistakes, wrong interpretations or hazardous predictions are my own fault.

I am grateful to the ISEAS – Yusof Ishak Institute for housing me from 2018 to 2020 to conduct research and to write this book. Let me also thank ISEAS Publishing for their excellent help in publishing it.

My wife, Thanh Kieu Moeller, has supported me with all her love, without which the book would not have been written.

Joergen Oerstroem Moeller

