

ANTICIPATION IS NOT SOLUTION

THE WORLD AS WE KNEW IT

BY DEVADAS KRISHNADAS

Over most of the last 25 years the United States has dominated the geo-political scene. It has consistently upheld its policy of promoting free trade and supporting international frameworks such as the UN, the World Bank, NATO and the International Monetary Fund or IMF where the US has the largest share of votes.

The post-world war II period referenced the perceived mistakes of the inter-war years. It also saw the advent of defining features of modern times – leadership of the United States and the promotion of internationalism.

The United States did not withdraw from the international scene but took on the mantle of leadership. It based substantial military forces in Western Europe, established the North Atlantic Treaty Organisation or NATO and introduced the Marshall Plan to reactivate the devastated economies of the West. In Japan, it similarly established permanent bases and made significant interventions – political and economic – to redirect the future of Japan away from the militarism of its past.

The United States also strongly supported the formation of the United Nations, the Bretton Woods Monetary agreement and the sustained promotion of free trade.

The United States projected its leadership through the agency of security umbrellas such as NATO, its naval fleets

deployed to the Indian Ocean, the Pacific and the South China Sea, defence pacts with Japan and South Korea.

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For more than half a century these have been the defining geo-political, geo-economic and geo-strategic parameters and references. The US led with an emphasis on shared commitment to Trade even if not always Free Trade, recognition of the value of International Order manifested in tangible frameworks, stability under a benevolent security umbrella and the preservation of moral ideals as a premise for the use of force.



Weak Signals

Weak signals are harbingers of change. Whereas in hindsight all may be clear, in foresight we take risks in detecting weak signals and in assigning them meaning.

Lessons from Disruption

In the United Kingdom, in a range of Western and Central European nations – the National Front in France, the AfD in Germany, the PVV in Netherlands – we have and are seeing the rise of the new right wing. Brexit and the Trump Presidency are perhaps the most obvious manifestations of this weak signal.

These right-wing forces are disrupting traditional political trajectories. They are anti-globalisation, nationalistic, anti-immigration, and anti-progressive. They are also unenthusiastic about internationalism and its associated frameworks.

There are several lessons to be drawn from the phenomena of the rising right.

First, political leaders and their parties have to deal with issues at the practical level and not be limited to ideas and theories. Policies need to be translated into tangible day to day benefits to the individual citizen and not merely appear desirable at the conceptual level.

Second, maintaining a large political centre is in the interest of all mainstream political parties. A growing middle class with a healthy sense of optimism is critical to ensuring a broad political centre.

Third, alongside inclusive economic growth, maintaining a broad political centre is also about pacing the change in social norms. Changing long standing social norms often results in political push back.

Fourth, acceding to rapid changes in the social make-up through immigration makes the mistake of assuming a stable society is a self-enacting phenomenon. Far from it, societies are fragile and do not react well to abrupt changes especially on the 'street level' where the world rather suddenly looks and feels different.

Fifth, managing the internal perception of how a country is being treated on the international stage can be a double-edged sword. It is better for a country to be modest about its

importance than to exaggerate it and risk building up unsustainable expectations domestically.

The lesson from rapid change in social make-up is that identity politics is visceral and animal like. Once awoken it is difficult to put back into its cage.

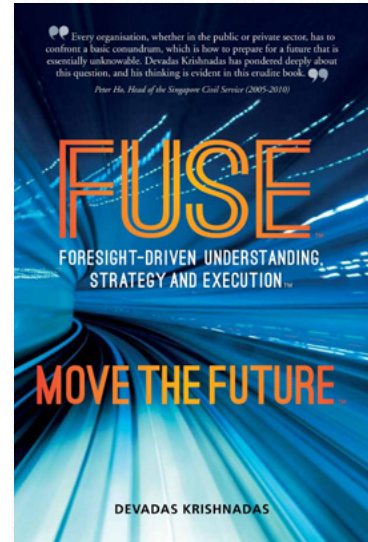
The Time of Trump

The domestic focus of the Trump administration and its explicit nationalism would imply a diminishing of US attention if not commitment to the stability and security of Europe and Asia.

The Trump administration's abrupt lurch and shifts in its foreign policy, while confusing and sometimes perplexing, indicate a general lack of interest amounting to carelessness of foreign policy.

President Trump, in one of his first actions as President, withdrew the US from the Trans Pacific Partnership or TPP negotiations when it was already at its mature stage. His 'America First' message confuses and irritates America's trading partners who understand that trade rewards all parties, even if unevenly.

The mixed messages from various institutions – the White House, the State Department and the Department of Defence – on foreign policy intent reduces the credibility of the United States and increases the danger of strategic miscalculation.



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Devadas Krishnadas Chief Executive Officer, Future Moves Group Pte. Ltd.



- Devadas is the Founder and CEO of Future Moves Group Pte. Ltd (FMG), a strategic management consulting firm. He is also an Independent Director of the reinsurance firm PartnerRe Asia Pte. Ltd. and the direct insurer, Auto & General Insurance Singapore Pte. Ltd.
- Prior to founding FMG, Devadas spent over 15 years in the Singapore Government, playing a key role in developing Singapore's security, fiscal and social policies.
- Devadas is also a recognized public intellectual and author. His latest book, The Seduction of the Simple, an anthology of his public commentaries, was released in 2016.

The Coming of China

In contrast, the Chinese increasingly appear as rational, stable and more strategic.

The Chinese are pursuing a complex and multi-dimensional strategy of extending their sphere of influence through deepening financial, economic, political and security linkages.

China has formed strategic linkages with countries who are sources of raw materials to feed its hungry economy and who have young populations who will serve as sources of demand for its products. Across Africa, in South and Central America and in South-East Asia countries are all increasingly caught in the Chinese economic net.

China is not an inert large player. It has ambitions and these are geared by a world view which is informed by history and a visceral sense that they represent a civilisation not just a country.

China's strategic perspective is truly global. In March 2017, the first freight rail link between Western Europe and China was initiated between London to Beijing. It has taken ownership or is the key operator of several major transport nodes – the Greek port of Piraeus, the Pakistani port of Gwadar, the Sri Lankan port of Colombo are only the more notable examples of China's so called 'String of Pearls' strategy.

The new transcontinental rail link and the maritime initiatives are closely associated with the better known "One Belt and One Road" strategy which represents President Xi Jinping's vision of the economically networked China and Eurasia. The Chinese are not waiting for events to shape themselves but actively driving the realisation of this grand vision. Their approach is foresight in action.

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Chinese leaders, almost incredulous over the advent of Trump and the Brexit decision, and more than a little alarmed these resulted from democratic processes, feel embolden to take advantage of the flux. It has strengthen their conviction that the centralised authoritarian model of governance is justified.

China's characterisation of itself is best thought of in terms of its historical persona of a benevolent tribute demanding 'Centre'. Those who position themselves as tribute nations will benefit while those which choose to resist or to challenge will feel the full pressure of its displeasure.

The Chinese can be expected to push for the Regional Comprehensive Economic Partnership or RCEP. This is an ASEAN wide Free Trade Agreement with Australia, China, India and South Korea.

The Asian Infrastructure Investment Bank (AIIB), the Silk Road Fund and the One Road, One Belt strategies are practical, tangible and sizable commitments China has made to the future of greater Asia.

Resetting the Compass

Countries do not make strategic realignments lightly. However, after the neglect of the George Bush years, the rhetoric centric Obama administration and the erratic nature of the Trump term, the compass needle of geo-political alignment is spinning from West to East.

Anticipation is Not Solution

Foresight requires us to confront unpalatable prospects and places the onus for action squarely upon our own shoulders. Paying attention to weak signals – political disruption from rapid change, geo-political realignments and growing uncertainty, is critical to anticipation. But anticipation is not solution. For that, we must be prepared to respond and to engage in and with an increasingly uncertain world. •

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