



Japan Economic Foundation  
Global Risks Symposium 2017

# “Global Geopolitical Risks: Present and Prospects”

Tuesday, 11 July 2017

The International House of Japan

KOMATSU RESEARCH & ADVISORY

Principal Dr. Keiichiro Komatsu

# Today's Premise

- Focus on various factors that could influence the international situation as **facts, regardless of whether they could be beneficial or disadvantageous to Japan, the USA or Russia for example.**
- Use of old-fashioned dichotomies such as **“pro-American” and “anti-American”, “pro-Russian” and “anti-Russian”, or “right-wing” and “left-wing”** will be avoided.
- Please follow the **Chatham House Rule** throughout the symposium.

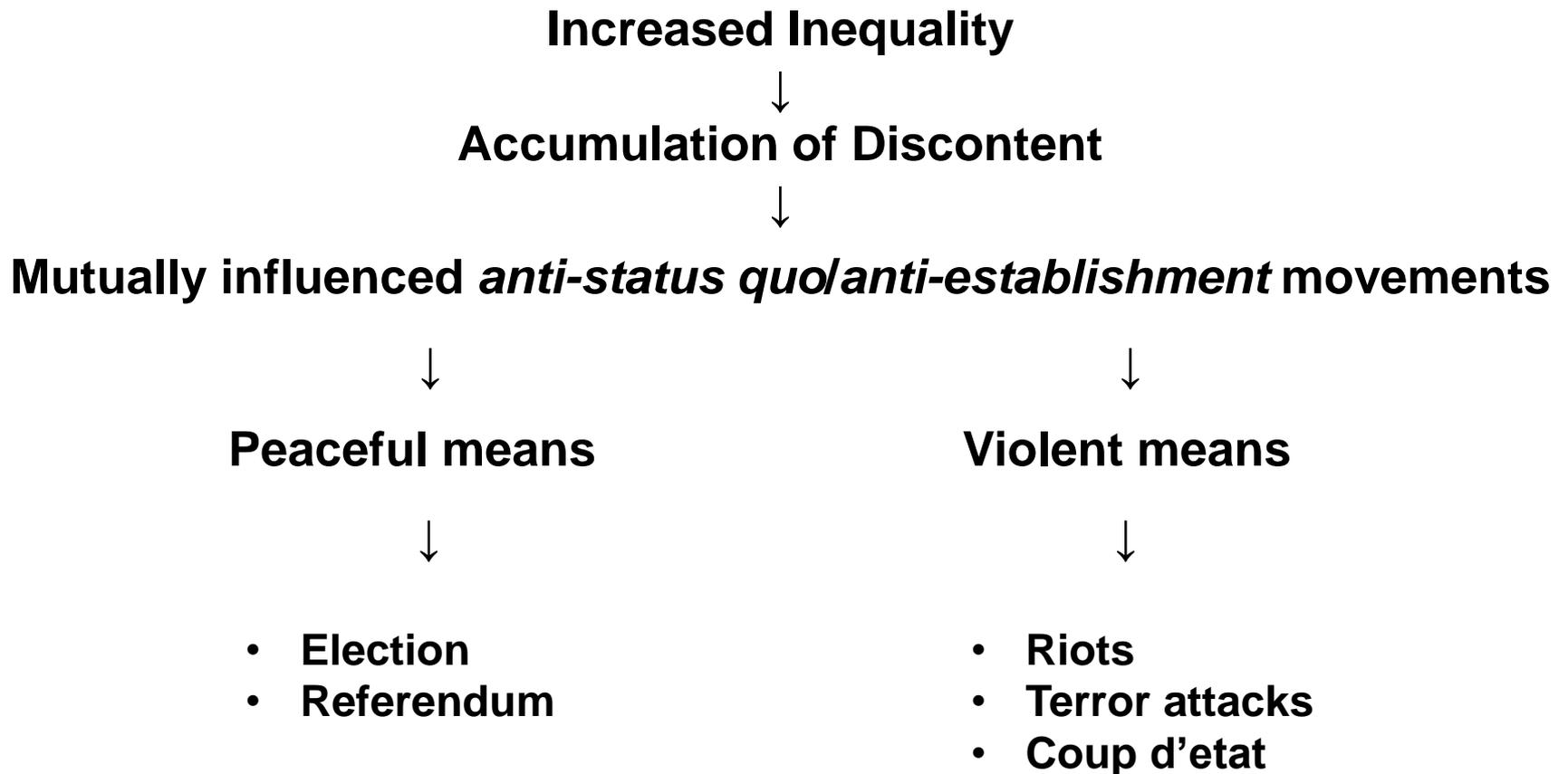
# The era of “New Normal”

- Significant historical shifts mean that what used to be “unprecedented” occurs all the time: This is the “New Normal”
- Bretton Woods / Smithsonian systems since the end of WWII  
⇒ ended with the end of the Cold War
- 9.11 Terror Attacks ⇒ War Against Terror ⇒ The unipolar world system under the USA is shaking
- Global Standard (=Western standard) is shifting towards a New World Order
- Heading towards a multi-polar world or a non-polar world?
- Simultaneous occurrence of global incidents (partly linked to each other)

# **Simultaneous occurrence of global events**

- the spread of anti-inequality movements -

# Increased inequality behind the *anti-status quo* movements



# Toward a fundamental change of the global landscape: increasing *anti-status quo*

2008	Global Financial Crisis
December 2010	“Arab Spring”
2011	Global <i>anti-status quo/anti-establishment</i> movements
June 2014	“Islamic State” occupies Mosul (Denial of the border between Syria and Iraq created by UK-France elites)
September 2014	Close outcome in the Scottish independence referendum
June 2016	UK decides to leave the EU through referendum
November 2016	US Presidential Election – election of Donald Trump
May 2017	French Presidential Election – election of Emmanuel Macron
June 2017	UK General Election – Conservatives lose majority

# Madagascar

(Under coup d'état government between 2009 and January 2014)



(Storage House burning)



◀ (Shopping Mall burning)



26 January 2009, Photos by Dr Keiichiro Komatsu

# “The Arab Spring” (December 2010 – 2011)

Tunisia→Egypt→Yemen→Libya

→Syria (Bashar al-Assad government still holding onto power)



Tunisia



Egypt



# “The Occupy Movement” of 2011 (anti-inequality movement)



Photo by Dr Keiichiro Komatsu, 10 November 2011, Washington DC

# “Anti-status quo” movements following increasing inequality

- Common thread among events such as Scotland Referendum, (UK Labour Party Leader) Corbyn phenomenon, Brexit, Sanders phenomenon, Trump phenomenon, Macron’s victory, UK Conservatives losing majority
- The world has entered an era where post-WWII experiences cannot be used to predict the future.

Are we in an era where the previously  
taken for granted notion of  
“national borders are fixed” is obsolete?

# Major separatist parties in the UK



Scottish Gaelic name :

*Pàrtaidh Nàiseanta na h-Alba*

Scottish name:

*Scots Naitional Paitie*

English name : Scottish National Party (SNP)

Welsh name *Plaid Cymru*

English name : The Party of Wales

Irish name : *Sinn Féin*

(Meaning: ourselves)

Cornish name: *Mebyon Kernow*

English name: The Party for Cornwall (claiming autonomy)

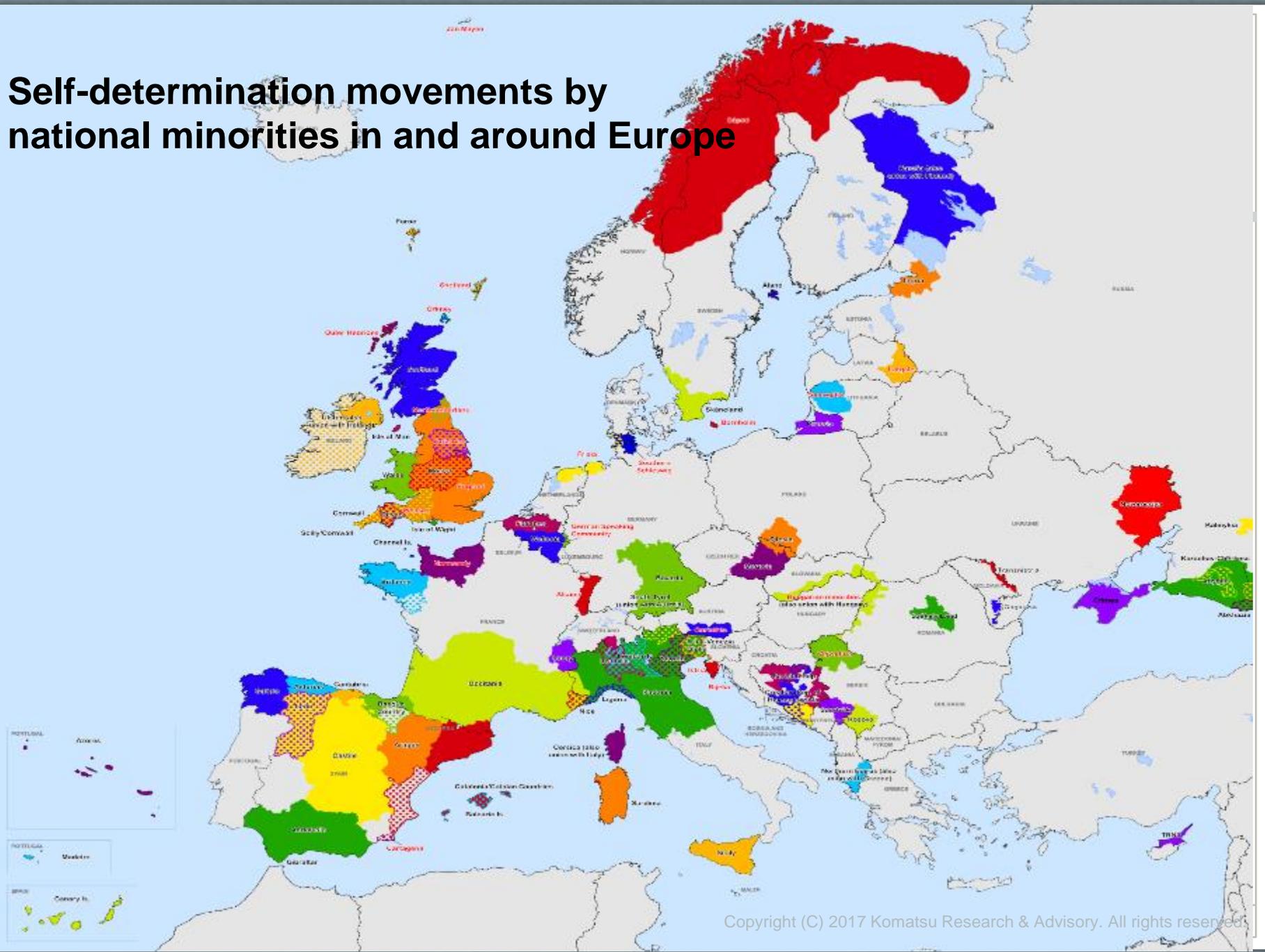
Cornish name: *Party Kenethlegrek Kernow*

English name : Cornish Nationalist Party (CNP)  
(claiming full independence→autonomy)

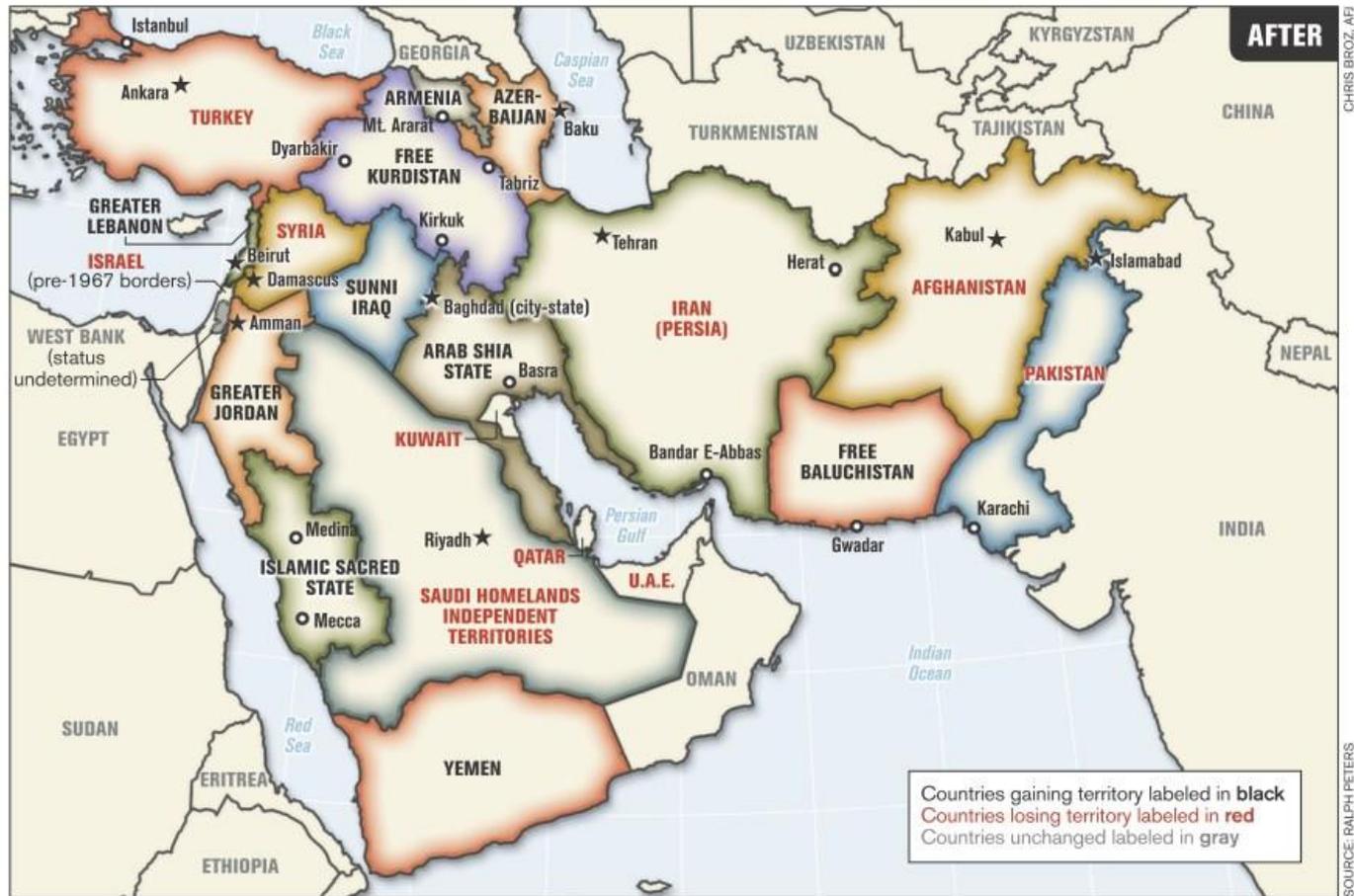
Manx name: *Mec Vannin* (claiming full independence)  
(Meaning: Sons of Mann)

Manx name: *Liberal Vannin Party* (claiming autonomy)

# Self-determination movements by national minorities in and around Europe

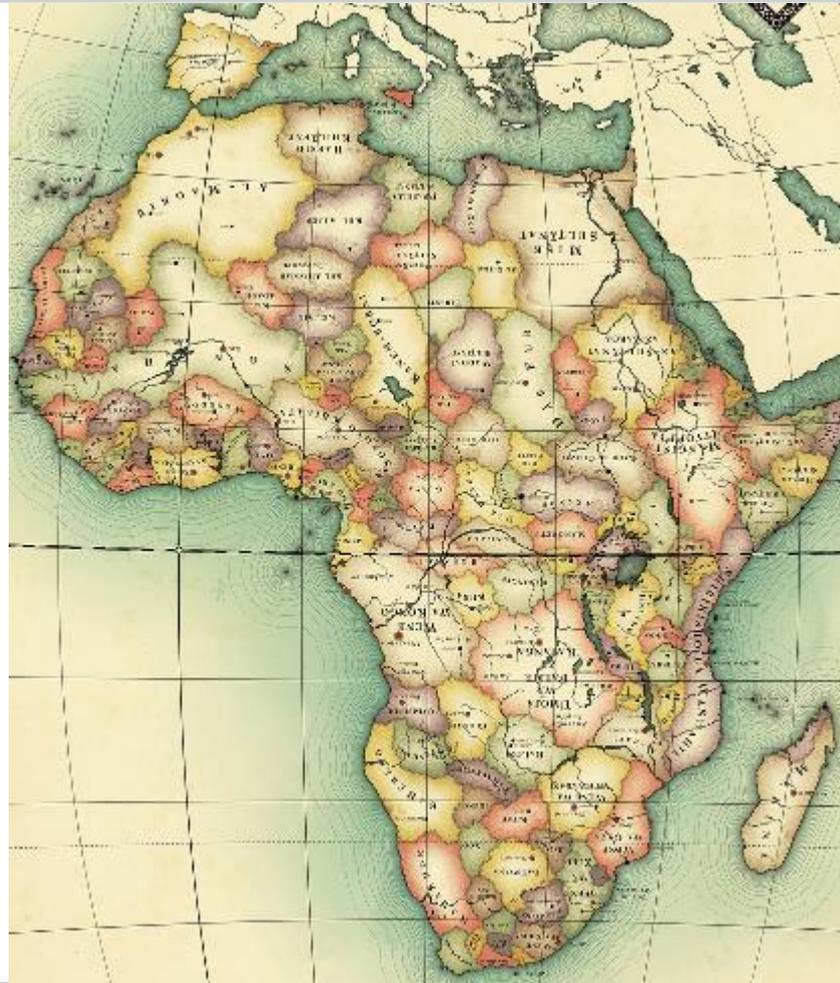


# National boundaries to be redrawn in the Middle East ?



# Africa in 1844

Map of Africa, had it not been colonised...



# Responding to the era of New Normal

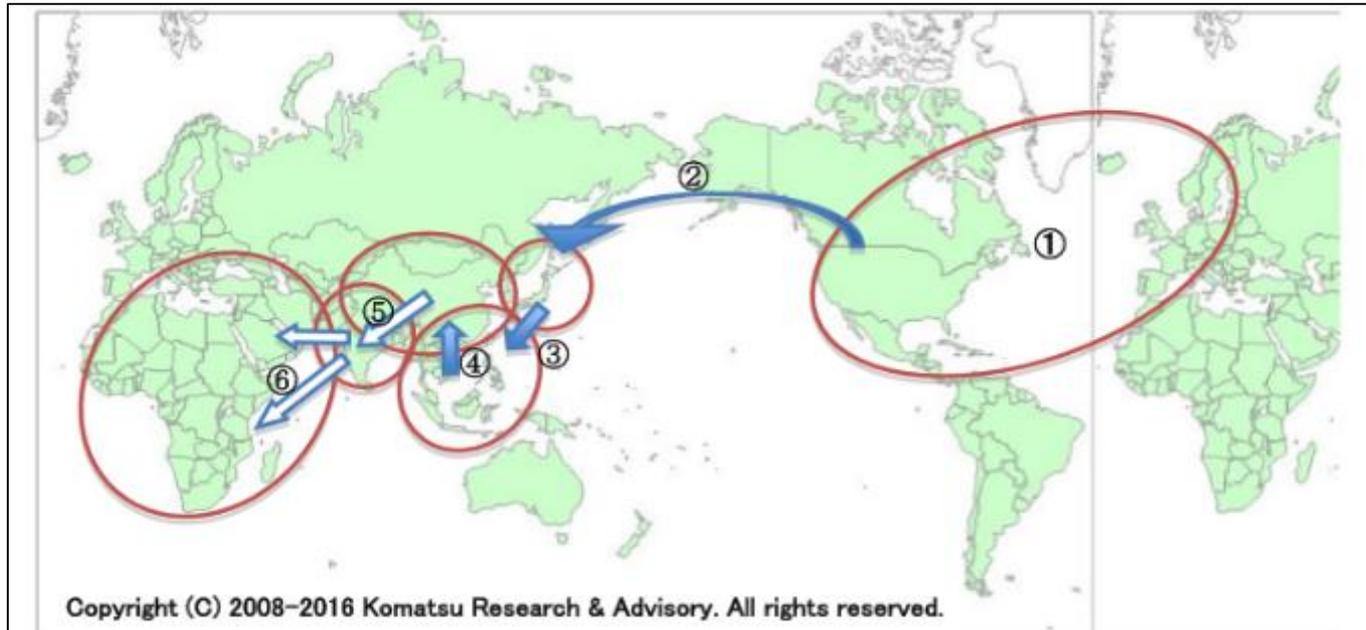
Need for a shift in values and mindsets

⇒ new ideas and solutions will be urgently required



# Crises and Opportunities as seen from industrial structures

# Shift in centre of economic growth (shifts happening over Centuries)

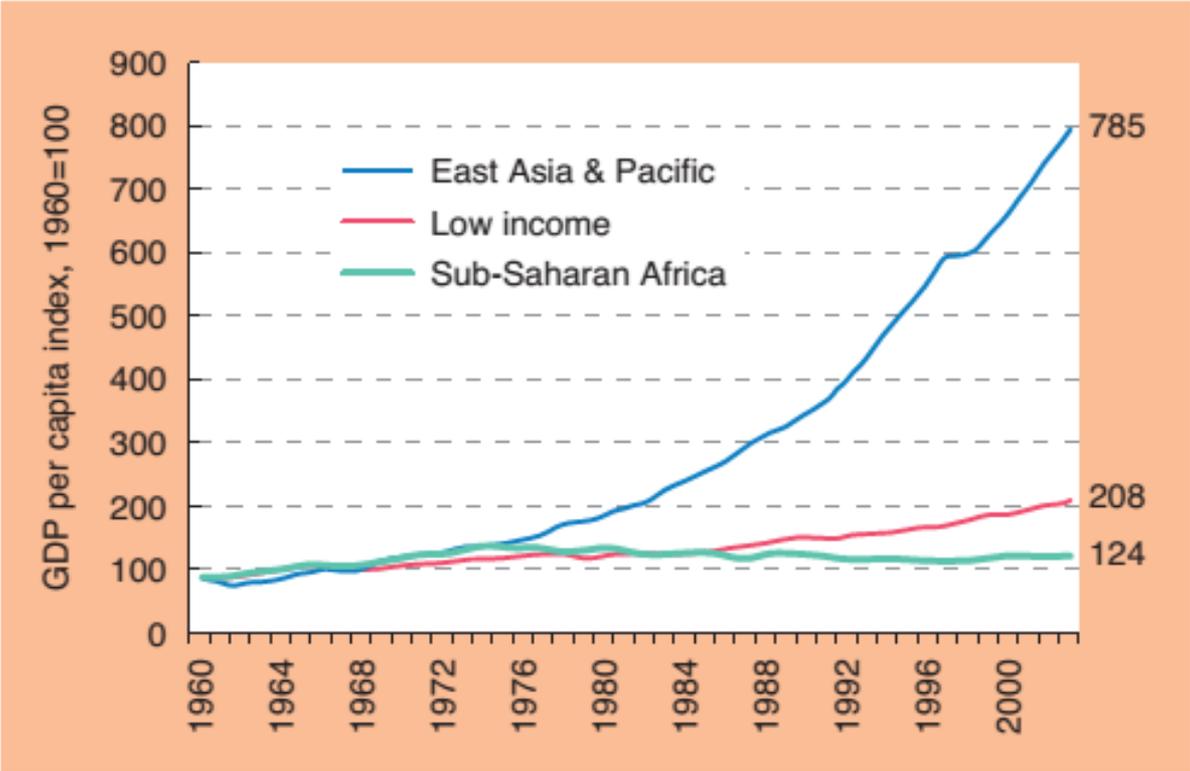


- ① Late 19<sup>th</sup> century to 1960s: Hegemony of the West
- ② 1960s to 1980s: Rapid economic growth of Japan
- ③ Late 1980s to 1990s: Rapid economic growth of South East Asia
- ④ 2000s: Rise of China
- ⑤ Late 2010s?: India develops into growth centre faster than China
- ⑥ Late 2010s?: Growth of Central and West Asia, Middle East and Africa

Era of the Atlantic Ocean region  
↓  
Era of the Pacific Ocean region  
↓  
Era of the Indian Ocean region?

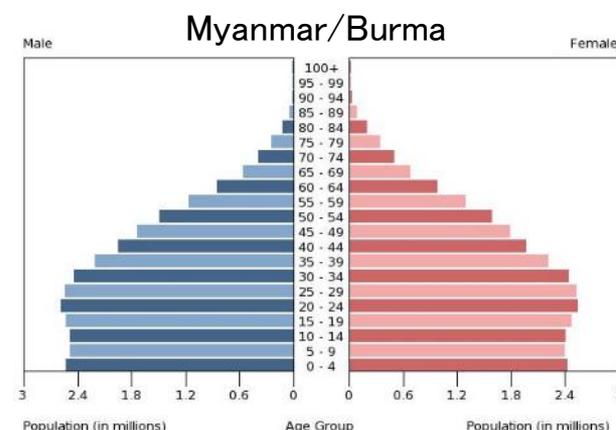
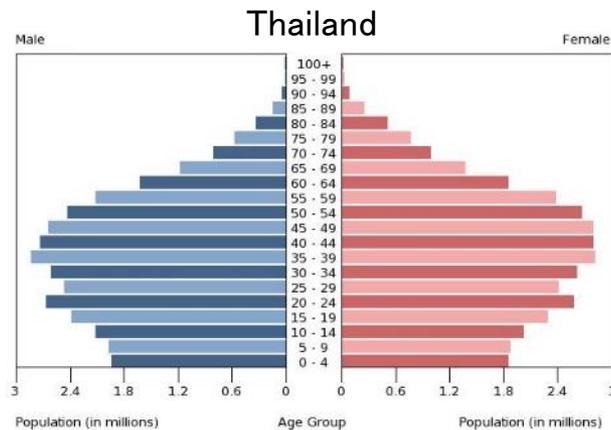
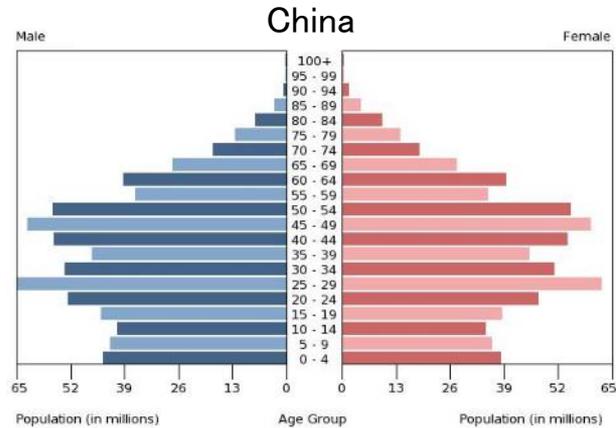
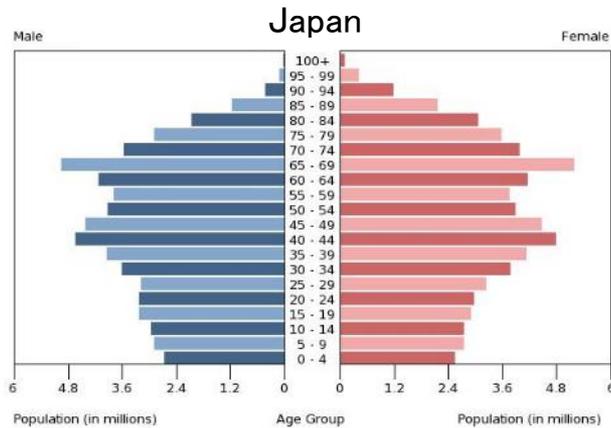
# South East Asia's sudden take-off, leaving Africa behind

Comparison of per capita income growth paths

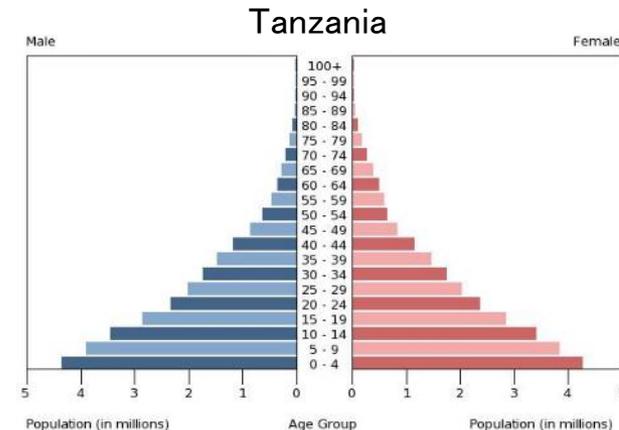
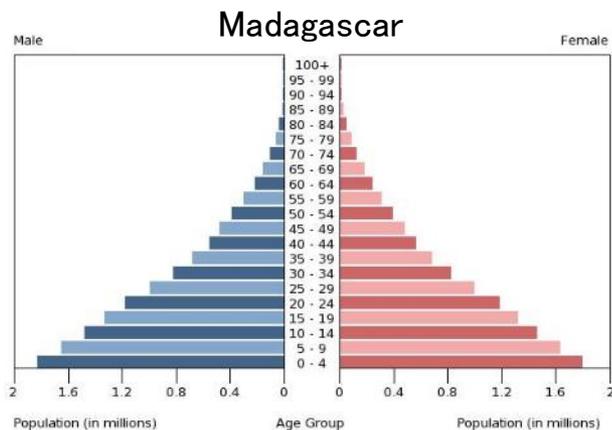
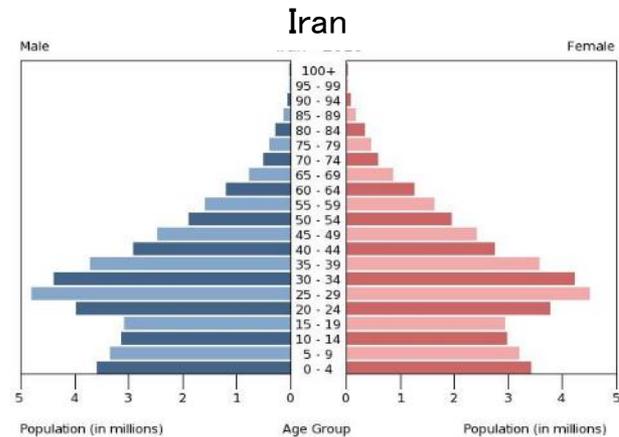
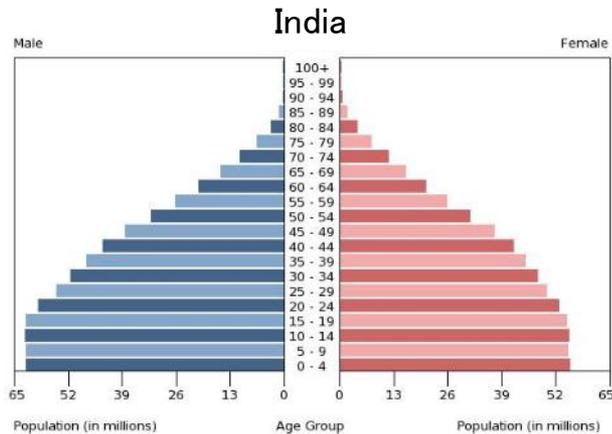


Source: Benno Ndulu et al., *Challenges of African Growth: Opportunities, Constraints and Strategic Directions* (The World Bank, 2007)

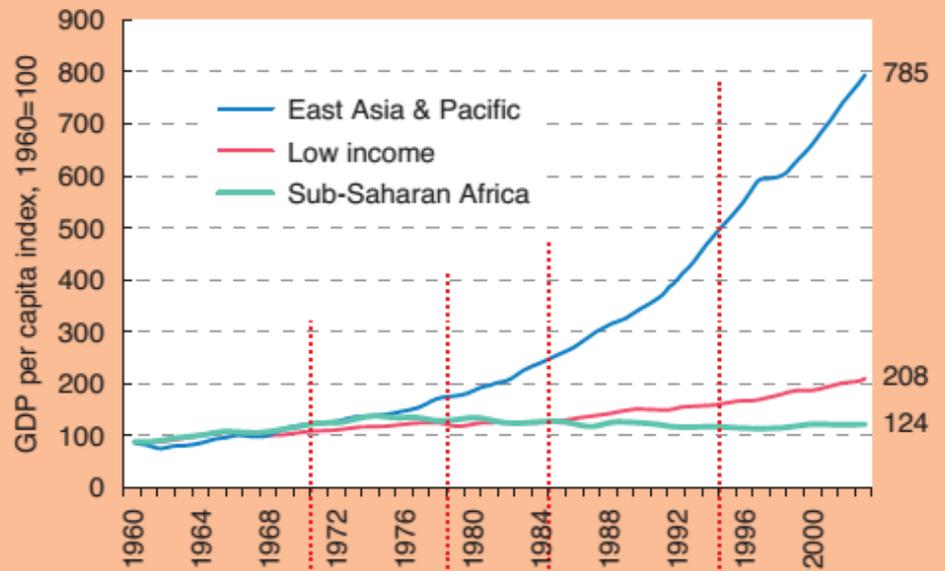
# Growth potential seen from demographic structure



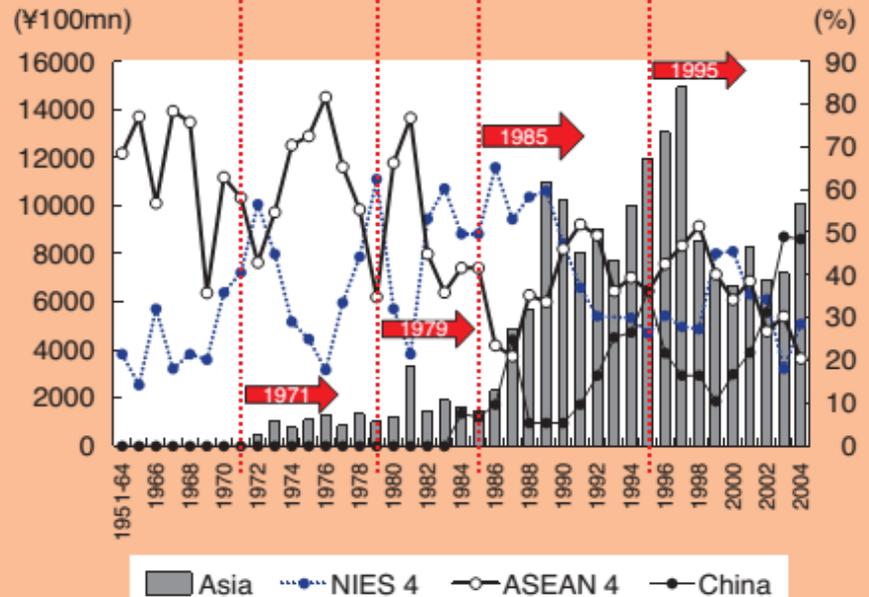
# Growth potential seen from demographic structure



South East Asia's GDP per capita growth rate and the 4 waves of large-scale Japanese investment into the region match

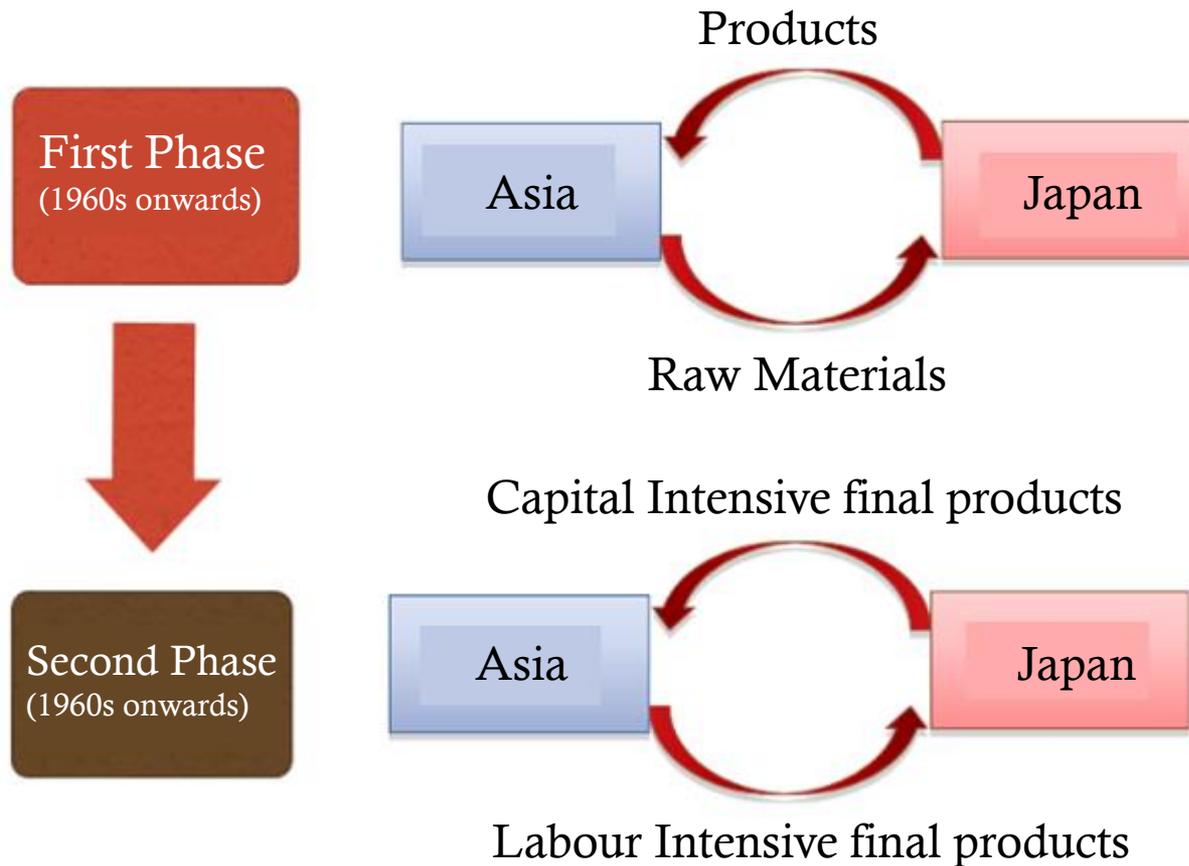


The 4 waves (red arrows) of Japanese FDI into Southeast Asia:

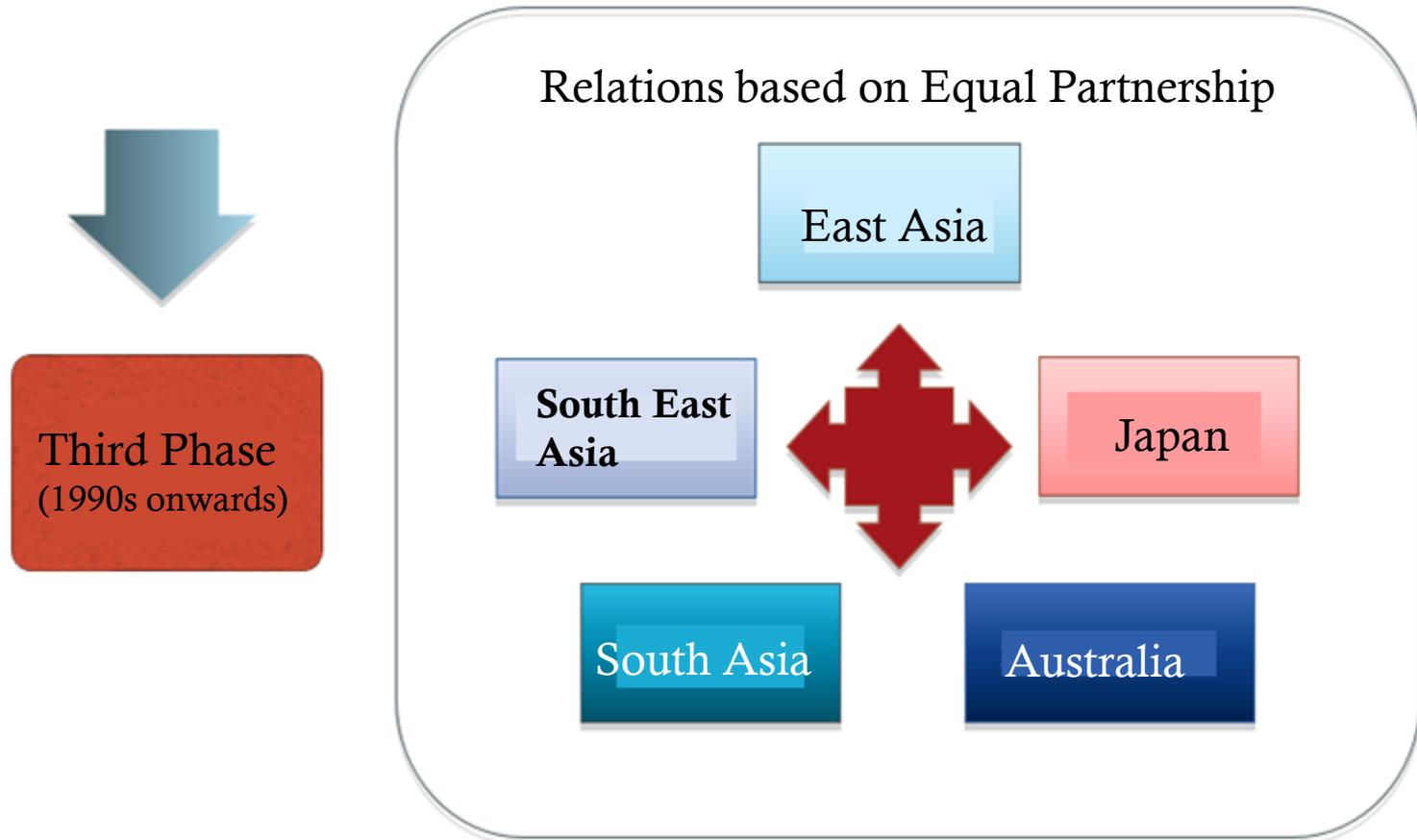


Source: created by KRA by combining graphs from (top) Benno Ndulu et al., Challenges of African Growth: Opportunities, Constraints and Strategic Directions (The World Bank, 2007) and (bottom) Kengo Ikemoto, "A perspective on achieving sustainable growth of the East Asia region" (Institute for International Policy Studies), IIPS Policy Paper 316, February 2006

# Japanese industries entering the South East Asian market (First and Second Phases)

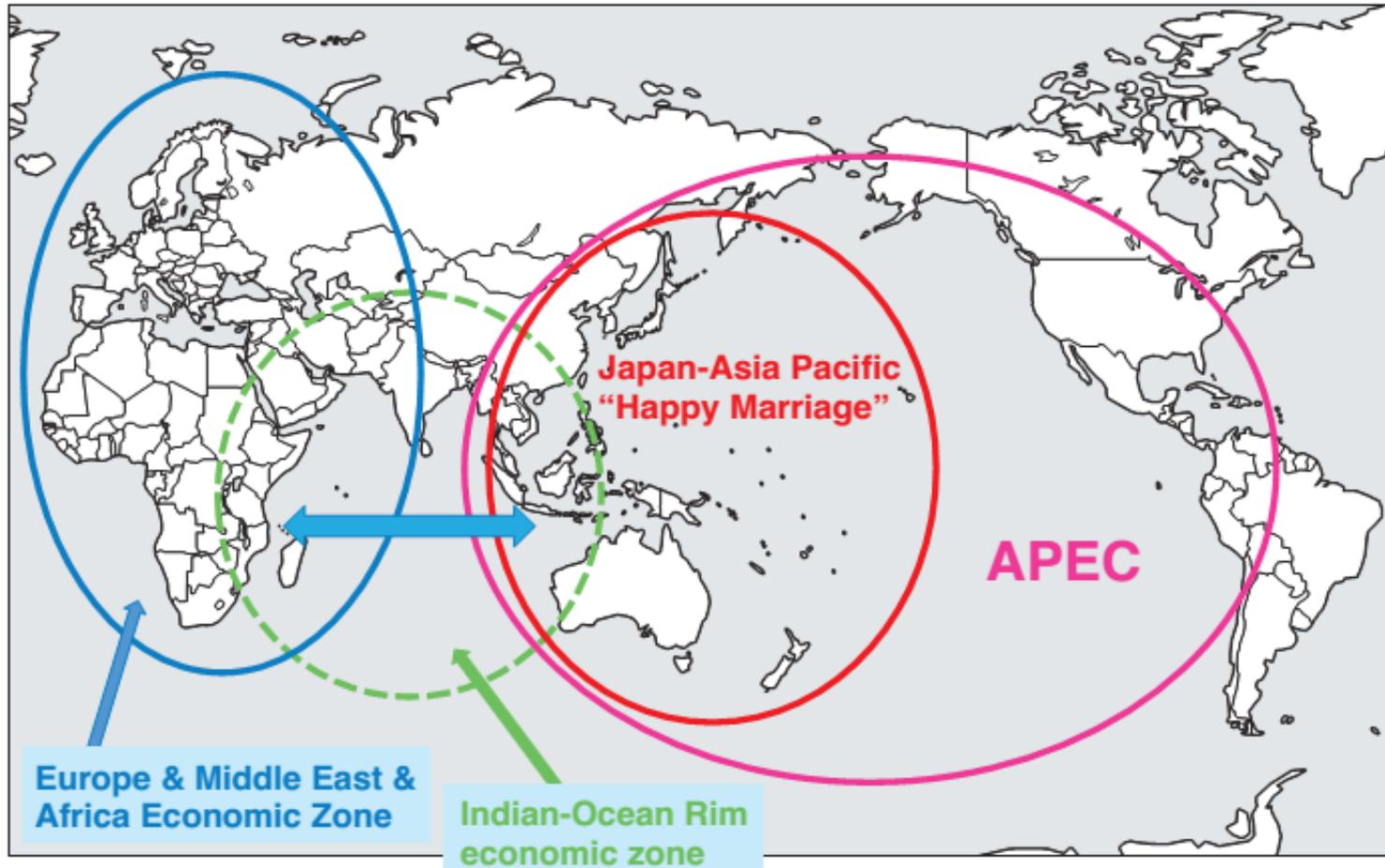


# Japanese industries entering the South East Asian market (Third Phase)



# Beginning of new business opportunities?

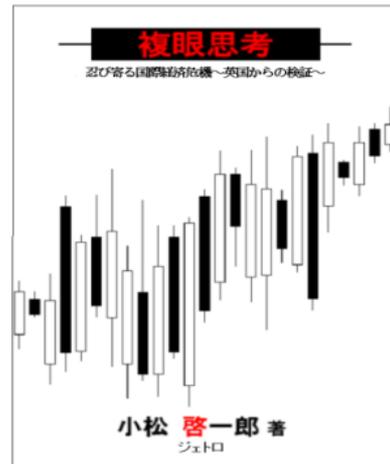
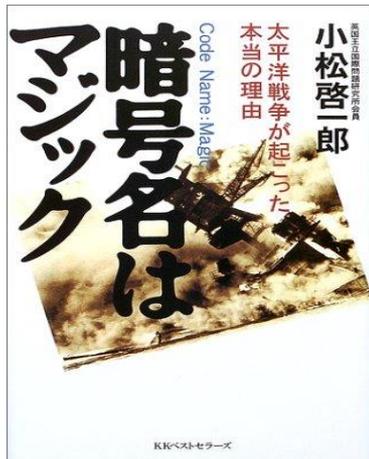
Creating an Indian Ocean Rim Economic Zone  
to connect the Asia-Pacific to the Middle East & Africa



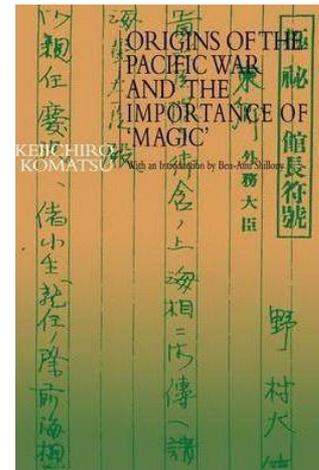
Source: KRA

# Food for thought

In Japanese



In English



Global Politico-Economic Crises

The pragmatic approach

COMING  
SOON!!!

For information on how to purchase please contact KRA ([info@komatsuresearch.com](mailto:info@komatsuresearch.com))

# THANK YOU !



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