

- FORGING SYNERGIES -

A Changing Global System, Emerging Risks, and Catastrophe Dynamics.

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Guntram F. A. Werther, Ph.D.
Professor, The Fox School of Business, Temple University



Why such ODD 'modern' crises?

- 2015: And we are fighting tribes, a caliphate, seeing collapsing countries, mass human migration, near-global economic stresses, and concomitant socio-political unrest.
- A bestselling book is: *Capital in the Twenty-First Century*. (Picketty, Thomas. 2013. Capital in the Twenty-First Century. Cambridge: Harvard University Press.)

What 'World' Are We in and Who Made it?

- My Themes Today:
- 1) **Ideas Matter** → If You Build an "Order", Knowable Consequences Follow.
- 2) **Change Comes Whole** → Pursue a 'Good' and You Get the Unwanted Baggage too.
- 3) **Good Foresight comes from Good Insight.**

A Tale in Two Chosen IDEAS (1)

(1) Freer trade as successful development IDEA.

- Bretton Woods Post WWII Consensus
- → Post-Communist 1990's Consensus
- The KNOWN unwelcome baggage of freer trade = Evidence from the past...and present.

A Tale in Two Chosen IDEAS (2)

A Modern IDEA for Re-Organizing the World: From Peoples to People to Peoples (again)

- Empires/Caliphates/Tribes (Pre 20th Century).
- States (UN 20th Century) as the SOLE Peoples.
- 2007 UN Votes = All "Peoples are equal" (again)

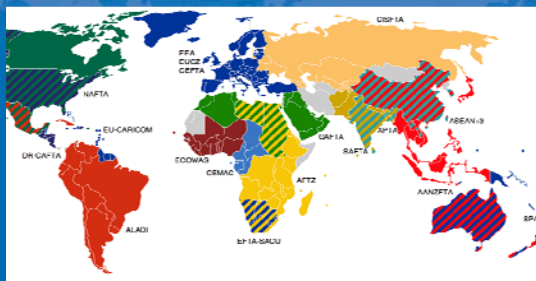
The 20th Century State as SOLE PEOPLES is an Aberration.

- 1) A “Radical” move in 1945 → The IDEA of a U.N. System of States as Sole “Peoples.”
- 2) The 2007 U.N. Vote Affirmed: “indigenous (undefined) peoples are equal to all other peoples.” → **It really did not as content, BUT...** → This is a FOUNDATION shape-shifting idea and creates FUTURE messes.

Lets See These IDEAS at Work: (1).

- **Freer Trade is ‘Good’** → An Old Idea of Predictable (Un)Welcome Consequences from Philo to Bretton Woods to Bush/Thatcher.
- “Of the Crooked Timber of Mankind, No Straight Thing Was Ever Made.” – Immanuel Kant.
- “The Only Person Who likes Change is a Baby with a Wet Diaper” – Mark Twain.

IDEA 1: ‘Freer’ trade works, & is...



...the gift that...



...keeps on giving...



...And Giving...



And Giving → Over 50 Walls: The Number is Growing Even Among TRADE Partners.



...Until the current Pope says...

- “This system is by now intolerable: farmworkers find it intolerable, laborers find it intolerable, communities find it intolerable, *peoples* find it intolerable...”

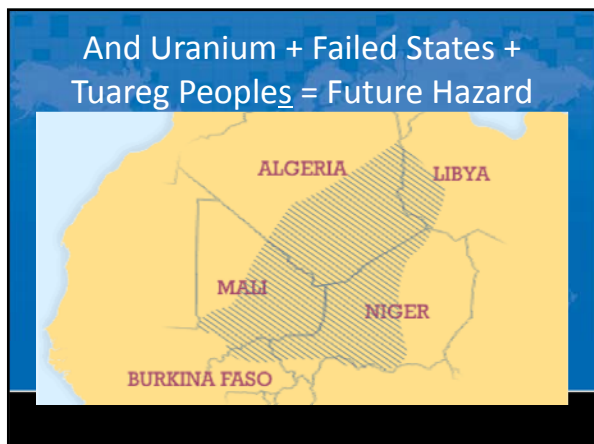
[Time Staff: Read Pope Francis' Speech on the Poor and Indigenous Peoples, Time Magazine, July 10, 2015].

...Until (IDEA #2) Happens → The United Nations in 2007 says...

- “Indigenous *peoples* are equal to all other *peoples*.”
- AND YOU, AS RISK EXPERTS, ACTUARIES AND FORECASTERS DO NOT KNOW WHY THAT MATTERS & EXPLAINS SO MUCH ON SLIDE 3...



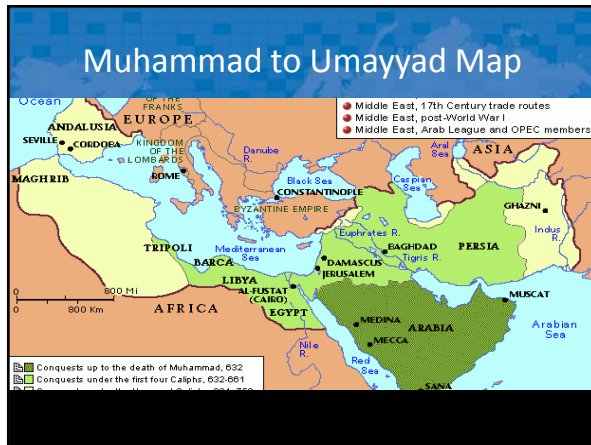




ISIS Caliphate's Desire Map - 2014



Muhammad to Umayyad Map



An Interesting Risk Assessment Future → “WRONG WORLD”

- Today, we are at war/conflict with various tribes and embedded ethnic nations (Peoples) that want out... And THEY are not losing. THEY HAVE A VALID CLAIM.
- Almost NO developed existing countries fail to accommodate embedded peoples de facto or de jure
→ The ‘classic liberal’ idea of a nation-state as one peoples is essentially dead.

This TWIN reality is now coming de jure to the developing world VIA LEGAL PRECEDENT.

- The REAL business risk is that WORLDWIDE governments DO NOT have sole claim to their internal lands, resources and peoples.
- THAT impacts resources contracts, supply chains, development dynamics worldwide.
- IT IS BILLIONS IN LOSSES AND GROWING.

HOW HAS FREER TRADE POLICY HISTORICALLY WORKED?

- Really well – Except for all the problems.
- Financial collapses, wars, unrest, human migration...
- Remember, Mexico was the ‘China’ of its day
→ Rise of the Border Patrol and the Mexican Revolution.

Shaping IDEA #1 THEN...

- “Thus through reciprocity and combination...God meant that they should come to fellowship and concord and form a single harmony, and that a universal give and take [trade] should govern them, and lead up to the consummation of the whole world.” - Philo
- “Let Christians amend themselves, let them not trade” – St. Augustine

Shaping IDEA #1 Now...

- Bretton Woods → a new global system, grounded in freer trade, modern nations, integration (globalism) and more managed harmony in relations so as to avoid the catastrophes of past trade eras...
- “This system is by now intolerable: farmworkers find it intolerable, laborers find it intolerable, communities find it intolerable, peoples find it intolerable...” – Pope Francis (2015).

How has Peoples’ Status Usually worked?

- Bull Sublimus Deus (1537) = ““Indians and other people(s) who may later be discovered by Christians, are by no means to be deprived of their liberty or possession of their property...should the contrary happen, it shall be null and of no effect.”
- “indigenous peoples (undefined) are equal to all other peoples” – UN General Assembly 2007. The declaration goes on to define rights in property, lands, resources...and propose some limits.

Some Limits and Trends

- While the U.N. Declaration is not legally binding, representatives of governments [Australia, New Zealand, USA and Canada] correctly saw “...dynamic developments of international legal norms.”
- → There are MANY changes already: Laws, policies, constitutions, etc. → \$\$\$\$ Impact.

Continuing Implications...

- The body of legal precedent and political experience from past successes is spreading...globally.
- Countries, are reshaping themselves in very foundational ways.
- THUS, putting non-state actors centrally into negotiations is increasingly good business practice yielding what I called the twenty-first century "anthropological corporation."

The Anthropological Corporation

- Legal hazard long ago moved from the 'bush' to New York City, Washington DC and the capitols and financial centers of other developed countries. It has expanded to countries worldwide.
- Surfing 21st Century Change Dynamics.

Syndromes Thinking: Seeing Predictable Order in the Disorder.

LESSON # 1) Until leaders holistically consider the significantly foreseeable consequences of purposefully chosen IDEAS, no amount of number crunching or modeling will guide one safely forward.

LESSON #2) These two, long ago seen realities are entwined, they must be better integrated in assessment, and that changes futures forecasting and any view about emerging hazard.

