

# 2020 outlook: Blue skies or storms ahead?

Tommy Koh

I think the year 2020 will have both blue skies and stormy weather. Since I am an optimist, let me begin with the three positive trends and developments.

**FIRST POSITIVE TREND: ASIA'S RISE CONTINUES**

The first positive trend that I believe will continue this year is the steady rise of North-east and South-east Asia. Although China's growth rate has come down to about 6 per cent, this is still about three times faster than the United States' growth rate and five times faster than the European Union's growth rate. If this trend continues, it is a matter of time before the Chinese economy will surpass that of the US economy in size.

This is not surprising since China's population is four times the size of that of the US. China's per capita income of US\$10,000 (S\$13,500) is far behind that of the US, which is US\$64,000. China is, however, a very bright spot in the world economy. This prognosis assumes that there will be no war between China and the US. War is unlikely, but not unthinkable.

The second bright spot is Asean. On average, the 10 economies of Asean are growing at about 5 per cent per annum. Collectively, the Asean economy is already the fifth-largest in the world. Many analysts predict that by 2030, the Asean economy will be the fourth-largest in the world. In my speech to the Institute of Policy Studies' Bicentennial Conference last October, I had suggested the need for a whole-of-country reorientation to Asean.

Japan is Asia's most advanced country. The people are highly educated and industrious. The private sector is vibrant and has produced some global champions. Abenomics, however, has not produced the results Prime Minister Shinzo Abe had envisaged, because the Japanese economy is a mature economy, the population is ageing and shrinking, and Japan is unwilling to import large numbers of foreign workers as Singapore has done. Japan is, nevertheless, the world's third-largest economy and is a source of creativity and innovation.

My message to Japan is to come back to South-east Asia. South Korea is also a developed country with a mature economy and a shrinking population. It is the world's 12th-largest economy and has produced global champions such as Samsung. Its current growth rate is the same as that of the US, at about 2 per cent. South Korea has considerable soft power. Korean music, television, movies and cuisine have been embraced by the world. We welcome President Moon Jae-in's New Southern Policy, which aims to elevate South-east Asia to the same importance as the US, China and Japan.

**SECOND POSITIVE TREND: FREE TRADE AND MULTILATERALISM WIN**

The second positive trend emerges from an ongoing struggle between two opposing forces.

There is a contest between free trade and protectionism, between unilateralism and multilateralism, between international cooperation and self-sufficiency, between globalisation and economic nationalism, and between the rule of law and the rule that might is right. I will call the struggle one between light and darkness.

To use an analogy from Star Wars, I am sorry to say that the United States has gone over to the dark side. Fortunately, the rest of the world has not followed it. Thus, no other country has followed the US out of the Paris Agreement on climate change, the Trans-Pacific Partnership or the Joint Comprehensive Plan of Action on the Iran nuclear programme.

On the contrary, the countries of Asia, Africa, Europe and Latin America continue to support free trade, regional economic integration and multilateralism.

A recent example is the mega free trade agreement called the Regional Comprehensive Economic Partnership, concluded by the 10 Asean countries and China, Japan, South Korea, Australia and New Zealand. India has, unfortunately, decided not to join the agreement.

**THIRD POSITIVE TREND: WOMEN'S EMPOWERMENT**

The third positive trend is the global movement to empower women, to end violence against



Above: Protesters in Beirut, Lebanon, last Saturday, demanding an end to widespread corruption and mismanagement by the political class. The sudden eruption of mass protests in various parts of the world is a negative development, says the writer. Below left: Flooding in Antananarivo, Madagascar, last Wednesday. The accentuation of global warming and climate change, the massive loss of biodiversity, and the warming and acidification of the world's oceans is another negative trend, he says. PHOTOS: ASSOCIATED PRESS, AGENCE FRANCE-PRESSE



women and to combat sexual harassment.

Women's rights are human rights. The struggle by women for equality and justice is the longest struggle in the history of human rights.

In many parts of the world, including Asia, women are still treated as second-class citizens, are frequently the victims of domestic violence and subject to sexual harassment, including rape, by men, especially by men in power, in peacetime and in wartime. Although I am a man, I support the struggle of women for equality and justice.

**FIRST NEGATIVE TREND: US-CHINA CONFRONTATION**

The first negative trend is the continuing competition between the world's first- and second-largest economies, namely, the United States and China.

Although the two countries have reached a partial trade agreement, which will be signed on Jan 15, this is not a game changer. The new paradigm of US-China relations is a comprehensive contest between the two countries for power and influence.

The best way to understand the new US policy towards China that enjoys bipartisan support is to read the two important speeches of US Vice-President Mike Pence on China. The first was delivered on Oct 4, 2018, to the Hudson Institute, and the second on Oct 24 last year to the Woodrow Wilson Centre.

What is the US policy towards China? It is to prevent China from becoming a superpower. It is to decouple these two economies. It is to frustrate China's ambition to

dominate 10 high-technology industries by 2025. It is to stop China from making East Asia a Chinese sphere of influence.

If my analysis is correct, then I do not expect to see any fundamental improvement this year of the relations between Washington and Beijing. This will have ramifications for us. For example, Asean will find it increasingly difficult to be friends with both.

**SECOND NEGATIVE TREND: ENVIRONMENTAL CRISES WORSEN**

The second negative trend is the accentuation of the three

**Women's rights are human rights. The struggle by women for equality and justice is the longest struggle in the history of human rights. In many parts of the world, including Asia, women are still treated as second-class citizens, are frequently the victims of domestic violence and subject to sexual harassment, including rape, by men, especially by men in power, in peacetime and in wartime.**

environmental crises that we face: global warming and climate change; the massive loss of biodiversity; and the warming and acidification of the world's oceans.

Of the three crises, the world's attention has been focused primarily on global warming and climate change.

Notwithstanding the alarm bells rung by Greta Thunberg, climate scientists and the United Nations, the governments of the world have been unable to summon the necessary political will to deal decisively with this climate emergency.

According to the experts, the national pledges made under the Paris Agreement are not sufficient to enable us to cap the increase in global temperature to below 2 deg C. The 25th Conference of Parties of the United Nations Framework Convention on Climate Change, held in Madrid and chaired by Chile, was a disappointment. COP 26 will be held in Glasgow this year.

**THIRD NEGATIVE TREND: PROTEST MOVEMENT GOES GLOBAL**

The third negative development is the sudden eruption of mass protests in various parts of the world, including France, Chile, Lebanon and Iran. What is the common thread that unites these movements? What are they protesting against?

They are protesting against the high cost of living. They are protesting against inequality and the unfairness of the system under which they live. They are protesting against the fact that the

top 1 per cent in their countries own and earn more than the 99 per cent put together. They want a fairer distribution of wealth. They want their leaders to pay more attention to the welfare of the ordinary citizens.

I do not include Hong Kong in this group because the objectives of the protest movement there are primarily political and not socio-economic.

However, we should not be complacent.

All the ingredients are present in Asia: high cost of living, inequality and a widening gulf between the top 1 per cent and the rest. Watch the award-winning South Korean movie Parasite.

**CONCLUSION**

I shall conclude. My outlook for 2020 is that we will have both blue skies and stormy weather. On balance, I think the positive will outweigh the negative. I believe that the world is becoming more peaceful, more prosperous and more equal. If you do not believe me, I ask you to read a wonderful book entitled Factfulness by Hans Rosling.

stopinion@sph.com.sg

Tommy Koh is Ambassador-at-Large at Singapore's Ministry of Foreign Affairs and a professor of law at the National University of Singapore.

This is an edited excerpt of a speech delivered at the Bank of Singapore's Beyond 2020 event yesterday.

**Demonstrators taking part in a protest against femicide, gender violence and mistreatment of women in Managua, Nicaragua, last month. The global movement to empower women, to end violence against women and to combat sexual harassment is a positive trend, says the writer.** PHOTO: AGENCE FRANCE-PRESSE