Monumenta – Exhibition Huang Yong Ping
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« Empires »
Pascal Lamy

Jean de Loisy talked to Pascal Lamy, Director-General of the World Trade Organization from 2005 to 2013, President Emeritus of the Institut Jacques Delors, and currently inter-ministerial representative for the French bid to host the Universal Exhibition in 2025.

Jean de Loisy – When he was a student in the early 1980s, Huang Yong Ping (HYP) was struck by the rapid transformation of the Chinese landscape, notably the development of port facilities, where mountains of shipping containers suddenly appeared. How and when did this transformation take place?

Pascal Lamy – This transformation was all the more striking in so far as China was previously a closed country – which had not always been the case. For example, China was open during the Ming dynasty, when great navigators such as Zen He sailed as least as far as the Indian Ocean, eastern Africa, and the western Pacific. Then suddenly in the 15th century one emperor forbade his subjects to build vessels or to leave the country, which put an end to the policy of discovery, trade, and establishment of trading posts. At that time, China had a larger share of the world economy than it does today – perhaps equivalent to the share it will have in ten years or so. The moment that China shut itself off, its mass began to shrink in relative terms, whereas the rest of the world's mass was growing.

When it comes to modern China, it was only in 1979 that Deng Xiaoping declared that shutting itself off had been a major historical mistake. He advocated re-opening the country, which led in 2001 to China's joining the WTO [World Trade Organization]. It took a little time, because two camps clashed, as often happens: on one hand conservatives worried about succumbing to capitalism and losing sovereignty, while on the other hand there were reformers such as the Chinese premier, Zhu Rongji, with whom I dealt as the European negotiator. Zhu's position might be expressed as follows: "The economy has to grow if the Party is to retain legitimacy and popular support; if the economy is to grow, reforms have to be made; although Party authority can take us two-thirds of the way toward reform, the remaining third will not be

covered unless others supply the required political energy. So we will accept foreign constraints for the good of the Party."

J. L. – I believe you've written that the invention of shipping containers in the 1950s was a key tool of globalisation, like the internet.

P.L. That's right. For the moment, Malcom McLean's name has not gone down in history, but in fifty or a hundred years he will be famous among historians. Even though his idea wasn't a scientific discovery, it was revolutionary. He began shipping products in containers, which meant overall gains in space and storage capacity. His inspired idea triggered a revolution in methods of transport, and it cut the cost of shipping a ton of goods by roughly a factor of 50. These facilities reduced the cost of long distances, as did agreements that limited tariffs on international trade, triggering an explosion in value chains. A value chain is a multi-localized process of production of goods or services. For something like an automobile, the bumpers will be made in one location, the windscreens in another, and the engine somewhere else again. A car manufacturer is therefore above all an assembler. Similarly, your average pair of jeans is made, all in all, in ten different places, because the zip, the buttons, the embroidery, and so on are made in various places and only assembled at the end of the chain. A smartphone, for instance, is probably made in 12 or 13 places and then assembled in the Foxconn factory in Chengdu, which had 150,000 employees. Why in Chengdu? Firstly because its location is logistically ideal for assembling chips and other electronic components arriving from Asia, America, and Europe. Only second came the low cost of labour.

The snake and containers that HYP is installing in the Grand Palais are also just that: they are a long chain with elements that are linked and interconnected, fitting together like the backbone, ribs, and scales of a serpent.

What HYP is showing is the current wave of globalisation, which follows previous waves, almost always based on technological advances in the realm of transport: the stern-post rudder, the jib on caravels that allowed them to sail upwind, steam, electricity, automobiles, aeroplanes, the internet, and so on. Distances are not shrinking, but the time it takes to cross them –hence their cost – has dropped, leading to huge savings. Nowadays, information technologies are also collapsing distances, becoming almost instantaneous.

Note, however, that globalisation is not always about more international trade. Africa conquered the world musically through jazz, which spawned the beat of today's pop music, yet reaped no material wealth from it. The opposite occurred with Coca-Cola: the commercial aspect is the most visible part of that phenomenon, because it embodies the need to make deals, thus to be known, trusted, and understood in order to close a deal. But all that trade can also cause upheaval in human communities, damaging them. We call that the Ricardo-Schumpeter model,[1] which is highly efficient. It increases efficiency by remodelling the web of production, transforming and recomposing that web – which is painful. It works because it hurts, and it hurts because it works.

J.L. – To get back to HYP's work, do you think a "will to power" is the engine driving these developments, as his installation seems to suggest?

P. L. – Yes, but the will to power has been with us, as Rousseau put it, ever since someone said, "This plot of land is mine." Which, for that matter, accompanied the transition to agricultural settlement. The assertion of property made the world more acrimonious. But I'm more convinced by Yuval Noah Harari's theory in *Sapiens.* He states that the real engine is doubt – doubt means questioning, challenging, critiquing, saying NO! *Der Geist der nein sagt:* "The mind that says no," that's Goethe, that's Faust.

Furthermore, the Neolithic revolution of human sedentarization created a need for trade, since a local settlement inevitably produced just part of one's needs, and some people did some things better than others. It was no longer groups of humans who moved, but goods and services. Trade became necessary, and it created specialisations, that is to say everyone concentrated on making what they knew how to do, obtaining from others what those others did better. You do something better than me, I do something better than you. Then, rationally, trade is in our mutual interest. I benefit from your skills, you benefit from mine. The more this is done, the more everyone will make what they do best and the less what they don't do so well. Specialisation, the division of labour within an area, thereby developed. Whether that area is "national" or "international" now matters little. "Made in the World," is what HYP displays. Borders, which concretized distinctions, are now just a fiction or symbol – they're the vestiges of Rousseau's fenced plot of land.

[1] Named after two economists, David Ricardo and Joseph Schumpeter.

J.L. – This situation may seem positive, but isn't it a little idyllic?

P.L. – The word *commerce,* meaning trade, begins with *com-* or *co-,* as in *cooperation.* So it's a question of sharing or cooperating. As in *com*petition, before trading evolved from a free activity to a mercantile one, at which point there was suddenly competitiveness. Montesquieu, after long reflection, referred to "gentle commerce", implying that if trade crossed borders, armies wouldn't. Which is more or less true. When I was director of the WTO, I got into the habit of comparing maps with a friend who was the UN high commissioner for refugees. My map showed members of the WTO everywhere across the globe except in an arc stretching from Afghanistan through Iran, Iraq, Syria, and Lebanon to the horn of Africa. On his map, his job was focused right on that same arc! Wherever there's a lower propensity to trade, there's more conflict.

This leads to the complicated question of knowing the exact dialectical link (the snake) between geopolitics (the hat) and geo-economy (the containers), which takes us back to HYP's installation. Will politics win out over self-interest? War over peace, the hat over the container? The snake holds the answer!

J. L. – HYP also seems to feel that there is a connection between his installation and the game of Go.

P. L. – Yes, of course, this space and these pieces are, in a way, a model of economic relations. The dialogue between Asia and the West is marked by games of strategy, which still remain relevant today as models. Let's just say the Americans play chess, while the Chinese play Go. The Americans think about capturing one more or less important and powerful piece by another one, playing on the hierarchy of pieces, each of which has its own way of moving. Whereas Go is a flat, territorial exercise, in which each stone is of equal value. The strategy entails encirclement. It's Clausewitz versus Sun Tzu.

But trade relations between countries cannot be reduced to such overly war-like metaphors. I prefer the idea of a puzzle, because market capitalism's system of integration involves a system of assembling components made in different areas.

J. L. – Historically, much of this trade has been regarded as trade between major cities, major regions, or major nations. Nowadays, the power of major corporations seems to be almost equal to that of nations. Is that inevitable?

P.L. – As far as lawyers are concerned, today's world is still the one devised in 1648, as set out in the Treaty of Westphalia, which brought the wars of religion to an end. War became a question of nations – people no longer went to war over religion, they went to war to become a greater nation-state than their neighbour. Ever since, the organising principal behind international life has been based on the existence of these sovereign molecules called nation-states, which decide whether or not to do a deal, to work together, based on agreements called treaties, to create international organisations in which they decide to cooperate or not. So it's been *Homo homini lupis* with one exception, which is cooperation.

That exception has steadily expanded with the progressive shrinking of the planet, including the major world wars. The recent novelty lies in the end of the monopoly of nation-states, due first of all to the re-emergence of cities. Cities played a major organisational role in the economic world before nation-states arose, and they have begun to do so again because 50 mayors on this planet have more power than three-quarters of the members of the UN's General Assembly. They have more power because the relationship between their power and their legitimacy is tighter than that of leaders of nation-states. Furthermore, if you look at where national leaders have come from in the past twenty years, you'll notice a big rise in the number of former leaders of cities or regions. Next, it's due to the fact that multinational corporations are organised as value chains. And finally, to the fact that opinions are forged by NGOs that are also multinationals, and are organised as such. Frankly, there's not much difference in organisation between Greenpeace, the WWF, Doctors without Borders, Google, General Electric, L'Oréal or Danone. They're all structured in the same way, organised in a global fashion: they have their strategic centres and their forward-planning teams – they're real pros at lobbying and pressuring.

J. L. – So that's the current view of the world stage?

P. L. – I believe so, yes. It's what I call poly-governance, as distinct from multi-governance. Poly-lateralism as distinct from multi-lateralism. Multi-lateralism involves states. Poly-lateralism

concerns systems and networks, some of which are public, while others are private, corporate, civil, web-based, or academic.

J. L – In the 19th century, the railway revolution was depicted by artists such as Monet in his Saint-Lazare Station. *Nowadays, HYP is allegorizing a kind of great mutation. Do you feel that major human developments provide, by nature, an occasion to invent new aesthetic approaches?*

P. L. – Everything is liable to become part of an aesthetic world that constitutes a certain vision. So whether aesthetic forms are physical – whether we listen to them, see them, or touch them – they concern the realm of art, the world of aesthetics. Today's structural and technological transformation of trade will continue to alter our landscape, at a faster or slower pace, and artists will continue to take an interest in it.

For instance, the current pace of extending value chains has slowed down a little. Its impact has been temporarily absorbed, and it's encountering certain constraints. But if we suppose that someday we'll set a price on carbon, which will impose the cost of the externalisation of climate change on the system of production itself, then that will reshuffle the deck, because relative costs will change and thus also the territorial distribution of systems of production.

New aesthetics – new approaches – will also spring from technologies for producing and perceiving light and sound. New sensorial experiences are being explored, closely watched by me and the team preparing France's bid for the Universal Exhibition of 2025.

J.L. – So will this new technology mean a redistribution of the landscape – and the pain?

P. L. – Of course. Trade is a driving factor in these changes, which is why it's blamed for part of the pain they bring. It's how human systems become contaminated with the new technologies and processes that destroy old ones. But such destruction is creative. The ethical – hence political – challenge lies in managing the winner/loser equation, the balance of inequality, and in transforming this crucial human equation through scientific progress.