THE BREAKDOWN OF GLOBALIZATION AND THE NEW AI/ HUMAN ORDER

Natalia Hatalska, CEO and founder of the infuture.institute, explores the trend of deglobalization, emphasizing that while global tensions, such as the COVID-19 pandemic and geopolitical conflicts, challenge interconnectedness, total deglobalization is unlikely.

INTERVIEW BY SEAN REYNAUD

WBJ: Recently there has been talk of friendshoring, or nearshoring, of a breakdown of globalization. How do you see global trade in future?
Natalia Hatalska: We have observed for some time now the trend called deglobalization, but total deglobalization is not possible. The COVID-19 pandemic, the war in Ukraine, and the ongoing situation in Israel, have all demonstrated that the global order is experiencing significant stress. However, it's important to look at this issue from a broader perspective, including the role of the United States.

Currently, internal polarization within the United States is contributing to a weakening of its role as a leader in the Western world, which in turn affects global dynamics. This situation is both a political and an economic issue.

Economically, the COVID-19 pandemic disrupted supply chains, and subsequent events like the war in Ukraine have forced companies to address the negative impacts of these disruptions. As a result, many businesses are turning inward to strengthen regional supply chains. These forces are contributing to the trend of deglobalization, but still total deglobalization remains unlikely. Our world is too interconnected for total disengagement.

So what do you think of China's movements to dump products on European shores, of unfair trade practices?
I prefer to view China's trade practices within a broader perspective, particularly in the context of a technological arms race primarily between China and the United States, and in terms of China's influence over Western parts of the world. For example our research, which involves analyzing over half a million patents each month in various languages, reveals that China consistently files the largest number of patents, followed by the U.S. This highlights the intense competition in technological innovation. However,

this rivalry extends beyond technology; it's also about influence and the potential erosion of sovereignty. For example, many Western nations, like the U.S., UK, and Australia, have resisted implementing Chinese 5G technology. Yet Europe faces a unique challenge, as approximately one-third of its 5G infrastructure relies on Chinese hardware. A similar situation is emerging with electric vehicles, where China's rapid technological advancements are part of a broader strategy to assert global influence.

We know that 5G routers from China have chips from other countries, including the US, Taiwan and even Germany.
Yes, it is true. This is also why the United States is trying to regulate and control the flow of chips.

We have seen as well that western chips have found their way into Russian missiles.
This is globalization. It's impossible to deglobalize the world.

How much of a role will humans have in the production process considering the widespread use of AI?
There is a scenario that imagines an AI takeover, where the entire human workforce is replaced by AI. A survey of over 800 AI experts a few years ago suggested that such a total takeover could happen in about 200 years. However, this doesn't mean that the entire human workforce will be eliminated in 200 years; rather, it indicates that this scenario is highly improbable according to AI experts.

Of course, currently we see rising number of layoffs. There is this website - layoffs.fyi that shows live data, every month, of layoffs from around the world. If you analyze this data and look at it you will see that, of course, that the largest number of layoffs are in technological companies, which is partly due to the AI revolution. But this is also a reflection of what is happening economically. The economy is still being influenced by CO-

VID-19, the war in Ukraine, in Israel. So, companies are looking for cost cutting.
Do you think the trend will reverse?
I don't know. These forces are really strong. On the one hand you have economic forces, on the other technological forces, and we can see what's happening as a result. Even in Poland, we are seeing a change from favoring employees in the market towards one that now favors employers. This is especially true in IT. It's a very tough situation. Of course the AI transformation also requires new jobs, and we see new people coming into this field. But on the other hand, we see automation of human tasks.

You often say that you cannot predict the future but you can prepare for the future. So what degrees should young people be preparing for?
A recent report in Poland asked what employees thought about their education. Over 70% said that school programs did not prepare them for the job they wanted to pursue. This is very alarming for me. However, it's not alarming in terms of a bad educational system but in how we view education. We are living in the AI era. And the AI era has automated more tasks than at any other time in technological history. We have automated physical tasks before, and are automating cognitive tasks now. If we still expect education in the AI era to prepare us for a single skill, then it means we intend to become mere labor machines.. It cannot be like this. We cannot expect education to prepare us just for a job. Education should teach how to think and how to learn. This is the most important aspect of education. I think we need to change the way we perceive education in this new era.

Ray Kurzweil talks about the "Singularity" that we will come together with AI, to become part human, part machine. He's very positive about it. How will this play out?
I know Ray Kurzweil is using this term Singularity, but if you look at how

other experts talk about that, they use another word: AGI, artificial general intelligence. So, the Singularity and AGI are almost the same. AGI is the more emerging term. Kurzweil says it will happen around 2040, Elon Musk says it will happen around 2029. The survey I mentioned earlier, with the AI experts, also mentioned AGI/Singularity, and those experts imagined that it will happen in thirty-seven years. Again, what is important is not when it will happen, but that the AI community thinks that AGI is possible. So, it could happen.

The problem with AGI is that we will then no longer be the most intelligent species on earth, which has huge consequences for us.

Will there still be room for humans?
Hopefully. There is a theory that we are like bees that pollinate technology, that we serve a purpose in creating these new technologies as workers. But what is important about AGI is that it can make high quality decisions, and the systems are autonomous. We cannot as of now say how AI makes decisions. Some systems are trained through a reward system, to create desired outcomes, and punished for undesirable outcomes. However, how they come to their outcomes, the AI, is achieved autonomously. Hypothetically, we could tell AI to find a cure for cancer, and it's reward oriented, meaning it wants as many rewards as possible. Well, if the AI wants to it could decide to eliminate humans entirely as a cure for cancer. No humans, no cancer.

To prevent something like this we need to have a system aligned with human values, which is hugely difficult to achieve. We need a broader discussion on that since there are many misconceptions about what these human values are, and whether we can agree on them. Additionally, these values change over time. On the other hand, we should work on systems that are autonomous but corrigible, which means they take instruction. ●