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Building Resilience in a De-globalised World

Roger W. Ferguson, Jr.



Transforming Africa's Trade

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Banque Africaine d'Import-Export





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About Afreximbank's Distinguished Lecture Series

The African Export-Import Bank (Afreximbank) Distinguished Lecture Series (DLS) publishes important papers that address current issues on African economic development, finance and trade. The papers are normally commissioned by Afreximbank and are usually delivered at major learning events organised by the Bank, including the Afreximbank Trade and Development Seminar Series, the Afreximbank Structured Trade Finance Seminars, Babacar Ndiaye Annual Lecture Series, and the Annual Meetings of the Bank's Advisory Group on Trade Finance and Export Development in Africa.

This lecture was delivered during the June 2024 Afreximbank Annual Meetings held in Nassau, The Bahamas.

Building Resilience in a De-globalised World

Roger W. Ferguson

Foreword

In times of upheaval, the value of clear thinking, principled leadership, and deep systemic insight becomes immeasurably clear. The 2025 Distinguished Lecture, delivered by Dr. Roger W. Ferguson, Jr., could not come at a more critical juncture. As nations, institutions, and individuals grapple with a world no longer shaped by the certainties of linear globalisation, we are called to rethink what it means to build resilience in the face of unpredictability.

Dr. Ferguson brings to this subject the rare confluence of practitioner wisdom and scholarly rigour. His career has spanned the commanding heights of global finance and public policy—from serving as Vice Chair of the U.S. Federal Reserve during one of its most volatile periods, to leading one of America’s largest financial services providers with unwavering commitment to inclusive growth.

This lecture transcends the boundaries of traditional economics. It fuses perspectives from psychology, ecology, and information technology to form a multidimensional understanding of resilience—one that is adaptive, systemic, and actionable. In doing so, Dr. Ferguson not only diagnoses the contours of our current global dislocation—from supply chain fragilities to political polarisation—but also offers a forward-looking framework for transformation. He challenges us to see resilience not as resistance to change, but as intelligent evolution.

His call to embrace “re-globalisation” rather than retreat into isolation is timely and urgent. For African and Caribbean economies navigating complex intersections of demography, debt, digitalisation, and climate, this lecture offers not only a strategic compass but also a moral imperative: to invest in people, strengthen institutions, and build systems that can absorb shocks and emerge stronger.

We are proud to present this Distinguished Lecture as a contribution to ongoing efforts across the Global South to shape a future that is not only more resilient, but also more just and inclusive.

Dr. Yemi Kale, Group Chief Economist and Managing Director: Research, Afreximbank.



Introduction

Thank you for that generous introduction. It is truly an honour to join you at the Annual Meetings of the African Export-Import Bank, an institution that has become not just a financial pillar for the continent, but a platform for thoughtful dialogue on Africa's evolving role in the global economic landscape. This is a moment of profound global transition, and I commend the organisers for convening us to think critically about what lies ahead.

Let me begin with an important caveat – I do not claim to be an expert on the political or economic structures of any individual African nation. My career has largely focused on the United States and the global financial system, including my time as Vice Chairperson of the Federal Reserve and CEO of the Teachers Insurance and Annuity Association (TIAA) of America-College Retirement Equities Fund. So, I offer these remarks not as prescriptions, but as reflections—shaped by my experience and intended to provoke discussion.

My topic today is resilience: how to understand it, how to build it, and how to sustain it in a time of global fragmentation, geopolitical rivalry, and accelerating technological disruption. We will explore the concept itself, the global shift from globalisation to what I call “re-globalisation,” and the structural challenges that challenge our capacity to remain stable, prosperous, and just.

This is not a lecture about perfection or certainty. It is a conversation about preparedness, adaptability, and the imperative of investing in institutions and people who can weather the storms to come.



The Global Imperative for Resilience

For nearly two decades—roughly the mid-1980s to the early 2000s, the global economy enjoyed a period of relatively low inflation, strong growth, and decreasing macroeconomic volatility. Economists called this the “Great Moderation.” Monetary policy contributed to promoting price and macroeconomic stability, international trade expanded, and emerging markets attracted capital at unprecedented rates.

But beginning with the 2008 global financial crisis, the foundations of that era began to crack. In the 15 years since, we faced a series of systemic disruptions:

- The collapse of major financial institutions and the deepest recession since the Great Depression.
- The COVID-19 pandemic, which halted entire economies and exposed vulnerabilities in public health, logistics, and labour systems.
- A surge in inflation, exacerbated by supply chain disruptions, fiscal interventions, and global commodity shocks.
- Military conflict with global repercussions, notably the war in Ukraine and heightened tensions in the Middle East.
- And rising political fragmentation and populist backlash against perceived failures of globalisation.

Systemic central banks, particularly the Federal Reserve, responded decisively to many of these events—slashing rates during crises, then tightening policy to combat inflation. But this cycle of emergency response has underscored a deeper truth: the global economy is now defined less by stability and more by volatility.

In such an environment, resilience becomes not just a risk management strategy, but a core operational principle. It must inform how we design institutions, allocate capital, educate our youth, and respond to crises.



What Is Resilience?

A Multi-Disciplinary View

Resilience is a term that enjoys wide use but often lacks precise definition. So let us examine it from several vantage points.

1. Psychological Resilience

In the mental health field, resilience refers to an individual's ability to recover from stress, trauma, or adversity. It includes internal traits like optimism and external support like community and family. Crucially, it is not innate—it can be learned, taught, and strengthened. This teaches us that building resilience is not simply about inherent strength, but about investing in people, structures, and relationships that support recovery and growth.

2. Ecological Resilience

In natural systems, resilience means the capacity of ecosystems to absorb disturbances while maintaining core functions. After a forest fire, for instance, the ecosystem might recover—but not in its original form. It may evolve into something new. This perspective tells us that resilience does not mean returning to the status quo. It means adapting, reorganising, and surviving in a changed environment.

3. Technological Resilience

In information technology, resilience involves designing systems that anticipate failure. No system is assumed to be impenetrable. Instead, systems are made robust through redundancy, segmentation, and real-time monitoring. In cybersecurity, for example, the assumption is not “if” but “when” a breach will occur. The goal is to limit damage and recover quickly.

So, what does this mean for us as economists, policymakers, and business leaders?

It means acknowledging that:

- Shocks are inevitable.
- Absolute resilience is a myth.
- Strategic investments in foresight, flexibility, and feedback loops are essential.
- Recovery may mean transformation, not restoration.
- And systems that learn and adapt are the ones that survive.



How to Build Economic Resilience

Let me now outline five practical pillars for building economic resilience—whether in a company, a national economy, or a multilateral institution.

1. Build Internal Capacities

Resilience starts from within. This means cultivating talent, building infrastructure, investing in digital and physical systems, and ensuring institutional continuity. Nations must strengthen their fiscal frameworks, governance models, and public health institutions. Companies must invest in leadership development, supply chain diversity, and digital modernisation.

2. Invest in Foresight and Early Warning

Too many crises catch us unprepared not because they are unforeseeable, but because we failed to listen. We need better risk analytics, scenario planning, and early warning mechanisms. Think of how early detection systems for tsunamis save lives. Economies must develop similar tools for debt crises, climate disruptions, and social unrest.

3. Map Internal and External Risks

Identify choke points. Are you too reliant on one trading partner? Is your financial system concentrated in one sector? Is your education system producing the right skills? Risk mapping must go beyond balance sheets to include climate exposure, political fragility, and demographic vulnerabilities.

4. Prioritise Core Assets

Not everything can or should be protected equally. Resilience means focusing on what is essential: food systems, energy grids, public health, financial institutions, and social trust. During the 2008 crisis, the U.S. government made difficult choices about which institutions to save. These decisions were controversial but based on systemic importance.

5. Embrace Adaptive Transformation

Resilience is not resistance to change. It is the capacity to evolve. That may mean transitioning to renewable energy, digitising services, or rethinking education. Transformation is hard. But clinging to outdated models is a recipe for fragility.

Re-Globalisation, Not De-Globalisation

Let me now turn to the notion of de-globalisation—a term often used to describe the current era. I believe this framing is too simplistic. What we are actually witnessing is a process of re-globalisation. Trade has not collapsed. It has shifted. Global supply chains have not disappeared—they have become more complex. Multilateralism is not dead—but it is under strain, and regionalism is filling some of the gaps.

Three forces are driving this re-globalisation:

1. Strategic Diversification

After the pandemic, companies realised the risks of single-source dependencies. “China plus one” strategies have given rise to new hubs in Southeast Asia, Latin America, and Africa. Regional trade agreements and industrial policy are reshaping the geography of production.

2. Geopolitical Realignment

Tensions between the U.S. and China are reconfiguring flows of capital, data, and talent. Countries are hedging by forming strategic partnerships in technology, energy, and security. BRICS, for instance, are expanding their cooperation. The EU is building digital sovereignty. And Africa, through the African Continental Free Trade Area, is positioning itself for more intra-regional trade.

3. Digital Globalisation

Even as physical trade becomes more localised, digital trade is expanding exponentially. Services, data, cloud infrastructure, and AI models are crossing borders in new ways. This creates opportunities for countries that can build human capital and digital infrastructure.

So, the question is not whether globalisation is ending—it is how we engage with a more fragmented, digital, and strategically contested world.

The Pressing Challenges to Resilience

There are at least seven critical challenges that test our capacity for resilience:

1. **Inequality**—economic, social, and geographic—undermines social cohesion and limits opportunity. Rising inequality leads to populism, polarisation, and political paralysis.
2. **Demographics**—aging in the Global North, youth bulges in the Global South—require different policy responses. One needs social insurance, the other needs jobs and education.
3. **Public Health**—from COVID-19 to future pandemics—requires investment in global surveillance, equitable access, and health system capacity.
4. **The Digital Divide**—without internet access, digital literacy, and cybersecurity, no economy can be truly resilient.
5. **Education Mismatch**—we are training students for the jobs of yesterday. Apprenticeships, coding, ethics, and AI literacy must become core curriculum.
6. **Climate Change**—affects agriculture, migration, urban planning, and risk premiums. But it also offers an opportunity: green jobs, clean infrastructure, and sustainable finance.
7. **Technology Governance**—AI, biotech, and quantum computing will reshape the future. The governance of these tools will define whether they serve humanity or exacerbate divides.

Conclusion

Let me close with three reflections.

First, resilience is not about avoiding change. It is about surviving it, adapting to it, and ultimately using it as a catalyst for improvement.

Second, resilience requires investment—not only in physical infrastructure, but in human capital, institutions, and trust.

Third, we are not powerless in the face of global forces. Leadership matters. Strategy matters. Collaboration matters.

The work you are doing—at Afreximbank, in your businesses, in your governments—is part of that global effort. Let us build systems that not only withstand shocks but emerge stronger from them.

Thank you for your attention. I look forward to the dialogue ahead.



Profile



Dr. Roger W. Ferguson Jr. is an American economist, attorney and corporate executive who served as the first African-American and 17th vice chairman of the Federal Reserve from 1999 to 2006. He had previously served as a member of the Federal Reserve Board of Governors, from 1997 to 1999. From 2008 to 2021 he served he served as president and CEO of the Teachers Insurance and Annuity Association of America (TIAA). Between 2008 and 2012, Ferguson served as economic advisor to President Obama.

Ferguson has also been appointed to the board of directors of several companies including Alphabet. In May 2021, Ferguson became a Steven A. Tananbaum Distinguished Fellow for International Economics at The Council on Foreign Relations whilst in August 2022, he joined the tech incubator Red Cell Partners as Chief Investment Officer. In February 2023 he was named as a member of the McKinsey & Company External Advisory Group.

Besides the Harvard Medal (2016), Harvard Centennial Medal (2019) and several honorary degrees, he holds a BA in Economics, magna cum laude (1973), a J.D cum laude (1979) and a PhD in Economics (1981) all from Harvard University. Ferguson is widely published and has co-authored, edited or led study groups or commissions that have produced numerous publications, covering financial regulation, financial stability, financial governance and culture and macroeconomics among other topics.

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