
Restructuring of supply chains and extraction of value following the invasion of Ukraine : the Biden hypothesis, heir to Franklin Delano Roosevelt?

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Abstract

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Two major upheavals have been observed since the pandemic:

First, a restructuring of the supply chains of multinational firms taking multiple forms. Multinational Corporations are re-orienting their focus to prioritize availability over cost-optimization. This process manifests in three major ways: regionalization (moving supply chains closer to key markets.) Nearshoring (shifting supply chains to neighboring centers of production.) and reshoring: (reversing, in part, the cost-saving offshoring of previous decades.)

Janet Yelen used the expression "Friend-shoring" in April 2022, suggested that it is not realistic, if we want to understand the origins of these developments, to extract them from their geostrategic context.

A second upheaval concerns the resurgence of inflation, forgotten for more than 40 years.

This paper will make the hypothesis that understanding the origin of these two upheavals implies that one wonders about the torn apart systemic relationship between the United States and China, qualified as decoupling, and more precisely on the major strategic orientations desired by the new American Administration under the Biden presidency.

Just to remember, President Biden frequently quotes Franklin Delano Roosevelt, alias "FDR", 32nd President of the United States from 1933 to 1945: FDR thus appears to Joe Biden as both an ideological compass, historical filiation and reference model. Symbolic gesture: one of the first things Joe Biden did when he arrived at the White House was, in the Oval Room, to hang Roosevelt's portrait there, just in front of the "Resolute Desk"...

The claimed legacy, however, appears very ambitious: Roosevelt indeed became president in the heart of the Great Depression, while the country was facing considerable economic and social difficulties, he will be in charge, within a few days, throughout the Second World War. However, at the end of his presidency, the United States had acquired a world hegemonic

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monetary, economic, commercial, military position... Roosevelt may be therefore one of the greatest Presidents of the United States.

The analysis made in this paper will consist in revisiting the first two years of Joe Biden's mandate in the light of this historical heritage, it is therefore Grand Strategy that will be discussed, integrating geopolitics, economics and international finance and History.

As such, the war in Ukraine is not only a regional conflict. Thus, if the presidency of Roosevelt gave the United States a hegemonic position at the end of the last world conflict, we will hypothesize that Biden, heir declared, does not intend to lose it to China and Russia. Both countries combining state capitalism and a totalitarian political system, like from 1933 to 1945, the Empire of Japan and the German Third Reich.

New clash of blocks or cold war, call into question 30 years of globalization, ongoing economic and financial decoupling, this is what multinational companies must now take into account: Are the restructuring of supply chains, inflation and new forms of value extraction the unavoidable consequences of this new geostrategic context?