



**State of the World**  
Speech Transcript  
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## **Covid-19: The GZERO Accelerant**

"A pandemic is a lot like a forest fire. If caught early, it might be extinguished with limited damage. If allowed to smolder, undetected, it can grow to an inferno that can spread quickly beyond our ability to control it.... To respond to a pandemic, we need medical personnel and adequate supplies of equipment. In a pandemic, everything from syringes to hospital beds, respirators masks and protective equipment would be in short supply. If a pandemic strikes, our country must have a surge capacity in place that will allow us to bring a new vaccine on line quickly."

That was President George W. Bush in November 2005.

Here's another one:

"There likely will come a time in which we have an airborne disease that is deadly. ...To deal with that effectively, we have to put in place an infrastructure -- not just here at home, but globally -- that allows us to see it quickly, isolate it quickly, respond to it quickly... So that if and when a new strain of flu, like the Spanish flu, crops up five years from now or a decade from now, we've made the investment."

That was President Barack Obama in December 2014.

American presidents are not the only leaders that saw this year's disaster coming. Senior Japanese officials I've spoken with have discussed pandemic preparation for many years.

We knew it was coming. The only question was when.

And when it came, how did world leaders respond?

Because coronavirus created the biggest crisis since World War II, we had reason to hope for a new kind of international cooperation. After all, when the global financial crisis erupted just a decade ago, world leaders worked together to avert an even larger catastrophe: a global depression.

We knew in 2009 that the US and its G7 allies weren't going to solve that problem on their own. We needed to work with China and other emerging countries to restore confidence in financial markets to get the global economy back.

And hard as it was to get the G20 countries, a group that includes both democracies and dictatorships, free market economies and state capitalists, to work together, all recognized a common threat and were able to act together.

That's the last time the G20 has accomplished much of anything.

There are also the increasing and painful divisions in the United States. In the years since the financial crisis, American politics have become even more dysfunctional, and China has become even more assertive. Country-first populists have upended politics in Europe and Latin America. The EU's sovereign debt crisis, the Arab Spring

unrest and civil wars in Syria and Libya, waves of refugees headed for Europe, a revisionist Russia, Brexit chaos, and the presidency of Donald Trump in the United States have shown us just how divided our GZERO world has become.

In that light, it's no surprise that this coronavirus hasn't persuaded enough world leaders—or the citizens of their countries for that matter—that it's safer to build bridges than to build walls.

Today the pandemic is far from over, but we can already see how it will change our world. Coronavirus hasn't invented a new global challenge.... For better and for worse, it has simply accelerated the most important global changes that were already well underway: Growing inequality, eroding democratic legitimacy, outdated global institutions, and ever-faster levels of technological disruption.

### Inequality

Let's begin with "inequality." This is not just a story about gaps in income or wealth, but the broader differences of opportunity that lead to sharp divergences in quality of life. In the United States, Americans today face a "K shaped recovery," one that will come far more quickly for the well-educated and digitally connected in the KNOWLEDGE economy than for everyone else. The pandemic's lasting impact will continue to fall most heavily on society's least well-off. While recessions are always hardest on poor people, the job losses and sharp economic contraction created by Covid-19 created the most unequal recession in modern U.S. history.

In the pandemic's early days, Congress responded with strong fiscal stimulus, but the animosities created by a contentious election season soon brought bipartisan cooperation on the economy to a halt. Economic conditions worsened as unemployment insurance dried up. The number of foreclosures is soaring. Temporary furloughs are becoming permanent job losses.

We see big differences in the United States among rich and poor people in access to health care and in the kinds of jobs most likely to be disrupted by the coronavirus crisis. At Eurasia Group, almost all of our employees can report for work simply by opening a laptop computer, but we know that many of our fellow citizens in New York, Washington, London, Sao Paulo and even here in Tokyo are not so lucky.

Political leaders around the world have been forced to consider whether they could afford to spend more money to help millions who have lost their jobs. The virus has also created incentives for employers to employ fewer people and to invest more heavily in workplace automation, machine learning, and 3D printing, because robots don't need sick leave or health insurance. It isn't just workers in wealthier countries who are displaced; poorer countries, the destinations for many outsourced jobs, found themselves with fewer new jobs too.

In short, in 2020, we have focused, for good reason, on the human health damage wrought by coronavirus. In 2021, the most severe impacts are likely to be economic, particularly as debts soar in developing countries and as international lenders themselves have less to lend after largely effective emergency responses so far this year.

### The Crumbling Legitimacy of Political Institutions

Coronavirus has also accelerated the loss of public confidence in the national and international institutions that are supposed to keep us safe.

In the United States, deep division and public anger at the nation's political establishment have been building for years. The president, Congress, the civil service and especially the news media (and social media) have become targets. Democrats and Republicans have divided sharply on how best to balance the needs of public health and economic vitality—and on whether a virus that has killed over 250,000 Americans constitutes a serious health risk.

Foreign interference in the 2016 US presidential election had already undermined US public confidence in the integrity of elections more broadly. Before this year's election, the pandemic encouraged President Trump to wage an all-out assault on vote by mail at a time when fear of viral infection left many voters afraid to vote in person. President Trump's refusal to acknowledge his election loss and his repeated attacks on US democratic institutions will further undermine confidence in the ability of future leaders to build consensus on even the most important issues.

In all these ways, the coronavirus has further undermined American public confidence in the presidency, in Congress, in institutions like the Centers for Disease Control and Prevention, in local governments, in the news media, and even in the nation's justice system.

Faith in the integrity of these institutions has been eroding for many decades; this isn't suddenly new under Trump. The United States isn't becoming authoritarian. Joe Biden's victory shows that the US hasn't become Viktor Orbán's Hungary or Recep Tayyip Erdoğan's Turkey. It's far too divided for that. But the US also doesn't have the healthy civic democracy we see in Japan, Germany, the Nordic countries or Canada.

That said, the problem of political polarization and damaged confidence in political institutions is accelerating not just in the United States but globally. From Brazil to Nigeria and even in Australia and Germany, many countries have seen furious protests against Covid-19-created lockdowns. In fact, there have been more than 30 major protests against government-imposed pandemic-related restrictions across 26 countries in the past month, both democracies and dictatorships. In these and other countries, some have demonstrated against leaders who seem not to take the public health threat seriously. Governments aren't seen as keeping their end of the social contract. Political movements built around crackpot conspiracy theories are on the rise, all over the world.

#### Shifting Geopolitical Architecture

The pandemic has also accelerated shifts in the architecture of international politics. The global economy moves in cycles. Geopolitics do too, but they are measured not in financial quarters but in decades. Unless they've been substantially reformed over time, multinational institutions reflect the balance of power and the prevailing values of the elite and the countries at the moment they were created. Global values and the international balance of power changes, and changes more quickly than the institutions themselves. Those with the most influence within these institutions tend to be good at resisting reform.

Today, the UN Security Council, the World Trade Organization, the International Monetary Fund and other institutions continue to represent the world largely as it existed before the emergence of China and many other important developing countries. Japan and Germany should be permanent members of the Security Council. (The only reason they're not is because they lost World War II. Let's be clear; that's a stupid reason). Japan, South Korea, and Australia need to be members of an alliance, a military alliance, multilaterally with the United States. How do you do that with NATO, focused on the North Atlantic? That's why, even before the arrival of the coronavirus, the world had entered a period of "geopolitical recession," a time in which international leadership and cross-border cooperation were evaporating.

Until today's public health catastrophe, there had been no international crisis dangerous enough to expose this problem, and leaders of the world's most powerful nations felt free to focus on domestic challenges.

In fact, this pandemic—and its economic and political effects around the world—has revealed just how damaged the current international system really is. Our Cold War-era multinational institutions are no longer adequate. They were built to govern a world that no longer exists.

Nor can we look for global leadership from fast-rising China, which remains unready to step into the breach. China has recovered much more quickly and more completely from its coronavirus outbreak than any other country (at least, once they admitted to having one). It will be the only major economy in the world to grow in 2020. A recent report from Pew Research found that a plurality of respondents in the 10 leading European economies and Australia now consider China, and not the United States, to be the world's lead economic power. The pandemic has grown China's self-confidence compared to what its people sees as incompetence and increasingly bitter polarization in the United States and the growing dependence of other countries on economic ties with China.

Coronavirus has accelerated Beijing's ambition to present itself as an alternative to Western leadership, including by developing and marketing an affordable vaccine that will find its way across much of the developing world, a big challenge for Pfizer and Moderna that require much more advanced infrastructure.

Yet, coronavirus has also accelerated international mistrust of China, that had been rising long before the pandemic. Beijing's efforts to cover up the original coronavirus outbreak in Hubei province and to silence Chinese doctors who tried to warn the world of its dangers badly damaged China's image. That same report from Pew Research found that majorities in all those countries, plus Japan and South Korea, do not trust President Xi Jinping to "do the right thing in world affairs."

In short, Covid-19 has accelerated both perceptions that China is the indispensable economic partner but it has also accelerated suspicion of China's plans. Because of Covid-19, we are more divided today, not more united. Our geopolitical order is more fragmented. than it was before.

#### Disruptive Technology

Finally, Covid-19 has accelerated global investment in artificial intelligence. The pandemic has decimated the engines of the 20th century economy in the rear view mirror— think about factories for manufacturing and brick-and-mortar retail—and it has turbocharged the engines of the 21st century, like AI, information technology and digital retail.

As with every important technological advance in human history, the digital revolution—accelerated by the ways that Covid-19 has changed the ways we work and live—creates winners and losers. Over time, these and other technological advances will unlock more human potential by creating unprecedented opportunities for distance learning, the practice of telemedicine, advances in more efficient agriculture, and the breakthroughs that create the "smart cities" of the future.

Unfortunately, these technological changes, which have helped push markets to record highs, will leave many people behind in both rich and poor countries. That's a problem that will generate far more political turmoil in coming years. The virus has accelerated that trend too.

In short, Covid-19 didn't create our problems. It has accelerated their growth. And it is now robbing us of the time and resources to solve them.

With so much damage done, and especially in a time of such intense polarization both inside so many countries and globally, it's easy to blame individual leaders of governments. China's leaders hid the truth. Leaders like Donald Trump, Brazil's Jair Bolsonaro, Britain's Boris Johnson and many others failed to take the dangers seriously. Leaders who have imposed lockdowns are blamed for shuttering schools and lost jobs.

But the search for scapegoats misses the bigger picture. The problem is the GZERO. It's our collective inability to see that the challenges to come are global challenges, and they will require global strategies to find global solutions.

And we must make certain that lessons learned from our failures collectively in fighting the virus can help us chart a way forward. In Japan. In Europe. In the United States. And together around the world.

I do have some good news. As I said a moment ago, the economic damage that the pandemic has inflicted around the world will speed our transition from the 20th century model of commerce and growth toward a more dynamic 21st century economy. That's important.

Imagine a very different crisis, one in which a massive cyberattack hit the online economy, disrupted global financial markets, fatally and undermined confidence in the security of our individual digital identities. If that had happened, the impact would have been on the most innovative companies that would have been incredibly damaged and unable to respond to 21st century challenges in the future.

Instead, the coronavirus crisis that we are presently experiencing has actually shifted power toward the world's most innovative companies, those that can change the way we share information, grow and distribute food, and consume energy.

Think for a moment about climate change. Yes, it's true the pandemic has diverted national and international attention away from coordinated progress on the bold action we'll need to limit the warming of the planet. But by forcing people around the world to gather, work, shop, and learn online—and by providing indispensable new tools that help with everything from testing and contact tracing to the development of treatments and vaccines—the pandemic has empowered the companies that already have the deepest commitment to climate-friendly action.

Big important countries have set bold new climate policies this year. China, Japan and Korea all set net-zero targets. The EU treated the pandemic recession as an opportunity to invest in clean energy and technology and set a new path forward. Most recently, the United States elected a president who ran on the most aggressive climate plan – by far -- in American history.

These policies are chasing market behavior, not the other way around. The world's largest financial institutions, capital pools and firms have made climate change responses a matter of core business strategy.

In short, Covid has accelerated the energy transition too. It is not moving fast enough to avoid the most harmful effects of climate change many of which have long been baked in, but we're picking up speed as we head into 2021. The economic damage inflicted by Covid-19 has also sharply reduced demand for the fossil fuels that pump so much carbon into the atmosphere and the building of infrastructure that is reliant on them, and it will give

governments, and the oil and gas companies themselves, new reasons to increase investment in renewable energy.

What about political leadership? Without question, the most positive geopolitical consequence of Covid-19 is that European leaders stepped up to show American and Chinese leaders how to cooperate.

The coronavirus rolled across the European continent in several waves. In response to the first wave, most European countries locked down far more effectively than the United States did and without the lasting damage to personal privacy that we've seen in China.

And after all the fights over funding that followed the sovereign debt and migrant crises of a decade ago, EU leaders, with the support of all 27 EU member states, agreed earlier this year on a recovery package worth more than €2.36 trillion. That money will go toward Covid-19 recovery, strengthened social safety net protections for workers, businesses and member states, and to expand the 2021-2027 EU budget to help ensure a lasting economic reconstruction.

That political accomplishment still has challenges as we've seen from Hungary and Poland concerned about the conditionality and rule of law but even so, it has been, without question, the most important example of international compromise, cooperation, and coordination that the world has seen in a generation. And it didn't happen in spite of coronavirus, it happened because of coronavirus. And to those who say that no amount of money can, by itself, rebuild societies ravaged by infectious disease, try helping displaced workers, businesses, and governments without it.

To accomplish this, German Chancellor Angela Merkel and French President Emmanuel Macron pushed a pro-European integrationist agenda, the very same agenda that, before the pandemic, infuriated taxpayers in wealthier EU countries, fed resentment in poorer states in Europe, alienated the former Communist members, and boosted Brexit.

In the process, Merkel and Macron weakened Euro-skeptic arguments across the Union, and many member states got help they badly needed. I was chatting with my friend the Greek Prime Minister Kyriakos Mitsotakis just a few weeks ago and he told me that he considered this to be a "Marshall Plan" for his crisis-plagued country. It will be many years before all of that money is distributed, but the bold and unanimously agreed emergency response demonstrated as nothing else could the value of shared sacrifice at a time when country-first populism had thrown the very future of the European Union into question.

Another point: These financial packages also include stimulus for investment in green technologies and for regulations that require non-EU countries that want to trade with Europe to align with European technology standards or else face higher taxes.

And that will strengthen European influence in the all-important area of technological and environmental regulation. The EU, which remains the world's largest common market even after Brexit, lacks the game-changing technology firms, the strong military, the strong banks, and the abundant natural resources that you find elsewhere. But it's not irreverent! The EU does have the world's most capable rule-makers, and the US and Chinese governments in particular will be smart to start learning from them, and especially from Europe's lead on climate, and technology regulation, and construction of a social safety net that is built for the 21st century.

Now how about some bad news. The big piece is that we need a collective international response to meet global challenges, and we don't have one. Not even close. Each nation has suffered unnecessary harm this year because there isn't enough compromise, cooperation, and coordination among world leaders. Even Covid-19 (the worst crisis of my lifetime) has not come close to persuade global leaders that we need a new international architecture to help us escape GZERO. For now, we're still headed in the wrong direction.

T2

The election of Joe Biden as US president will slow the erosion of the this GZERO geopolitical order. But this won't be a return to the Obama years (to be clear), and certainly not to the post Cold War 1990s. Covid-19 and its economic fallout will intensify in the United States, political polarization will deepen, and anti-establishment anger will continue to rise. Biden won't have the congressional and public support he needs to return the US to the Transpacific Partnership, a trade deal he helped design, even after the announcement of RCEP, the world's largest multilateral trade deal to date and one that doesn't include the US. And congressional gridlock is going to sorely test his ability to act on climate change, a top priority for his administration.

US allies in Asia and Europe will sigh relief as they face an American president with a friendlier face, but they'll soon discover that the new doctor's wide smile can't cure America's chronic problems or slow the fraying of US-led alliances. The GZERO world will remain with us for some time to come.

But... there is a power dynamic emerging alongside the GZERO which will, over time, radically transform the global landscape. It's grounded in the world of disruptive new technologies.

There are two emerging technology superpowers in the world: The United States and China. Let's call this the T-2.

Geopolitically, Beijing is still no match for Washington, mainly because China remains a regional, not a global, military power. Its economic influence is fast gaining ground, but China still lacks a convertible currency and the rule of law needed to build a system of international standards. Its cultural influence (globally) can't compete with those of the United States's.

Yet, technologically, China's innovation capabilities are now competitive with those of the United States, including in some key sectors that really matter for the global economy and national security. The US still has more well-trained scientists, but Chinese companies are generating vastly more data. American companies invest more money in basic R&D, but their Chinese counterparts invest more heavily in business operations and applied research, with a much tighter strategic focus. While the US lags behind in figuring out how to leverage advances in fintech, Beijing is pushing the envelope on digital currency development and deploying blockchain at scale.

The emerging parity between the US and China is in core areas of artificial intelligence research and their application for the digital economy, global infrastructure, energy, and human behavior. Here the two countries are already comparable and indeed competitive—and globally, the United States and China are in a league of their own.

But the T-2 isn't yet a geopolitical concept—it's not a G2—because there are still many stakeholders active inside the arena. In the US, most of the tech innovations, data, surveillance capabilities, and influence belong to a group of private-sector corporations, and the regulatory environment from the government is still weak. In China, the state selects national champions, and a stronger regulatory impulse sets the shape and direction of the sector.

This dynamic will shape every aspect of the US-China conflict over technology, and the competition over who should build and operate 5G infrastructure will remain at the core of this rivalry. The power to monitor network traffic—to access critical infrastructure related data, in addition to names, keywords, relationships and locations will become a critical tool for state intervention.

It's also the weapon of the future, because anyone who can credibly threaten to shut down any crucial piece of infrastructure running on 5G will have extraordinary leverage within the international system.

For now, a Washington in transition isn't yet fully engaged. Team China, including national champions like Huawei, Alibaba Cloud, and Ant Financial, dominates the landscape in Africa, the Middle East, and Southeast Asia. Under President Trump, the US response has been to use American financial, economic, and intelligence-sharing power to influence all those who would align with Team China, while Washington and its allies develop a strategic alternative.

But look forward 5-10 years. New technologies will monitor your street, your home, your car and even your body, and the data that's generated will sit on a small number of corporate servers. That isn't dystopia necessarily, but it is certainly a radical rebalancing of power within and across societies.

In China, much of that power will accrue directly or indirectly to the state. In the United States, there are two broad possibilities: either the state will build a strategic relationship with tech companies (and they will become national champions or the power of tech companies will continue to erode state sovereignty).

For now, as a consequence China is "winning" the T-2 competition, not because its companies' capabilities are superior—we can't say that yet—but because they can use them with more strategic effectiveness within constructs such as Belt and Road Initiative and Digital Silk Road. Both Americans and Chinese are generating extraordinary insights into how the world works, but only China is willing and able to deploy those insights for state power. Under Xi Jinping, these capabilities are now more tightly aligned with the interests of the Chinese Communist Party.

Another key example where US policymakers are behind the curve is financial services. Chinese companies are pushing for global dominance in the mobile payments arena, while Beijing plans to push out its sovereign digital currency along Belt and Road countries to establish an alternative financial system and undermine the long-term dominance of the dollar. Beijing is also supporting innovation in the blockchain technology space, showing much more willingness to craft a regulatory structure with a long-term strategic vision, one that maintains controls but unleashes innovation and gives Chinese companies a leg up in a space with right now, very low barriers to entry.

Risks from this technology Cold War are limited because we still have very strong interdependence of the US and Chinese economies. Supply chains for advanced manufacturing and services will shrink, but they remain robust and global, and China's \$3 trillion manufacturing juggernaut and logistics networks are not easily substituted out of China. Once the pandemic recedes, global travel and tourism will resume. The United States will export ideas and commodities to China (that's still going to happen). Chinese consumers and their government will continue to pay. During the Biden presidency, the GZERO and the T-2 will co-exist.

But we can't yet say for how long this status quo is sustainable. I have three concerns.



First, the global economy will become is becoming more deeply dependent on unrestricted and increasingly massive data flows and related technologies in coming years, particularly as 5G and the Internet of Things network rollouts accelerate. As a result, global competition for economic power will become more zero-sum, less win-win.

Second, as the tech/data sectors erode state power in the United States, there are two distinct possibilities: either the US government treats these companies as their most important patriotic companies, forcing them to choose sides: the blue supply chain pill or the red supply chain pill. Like the dominant energy companies of the 20th century, the winners will be those that make the right strategic choice. Or the tech companies will become increasingly independent actors, fragmenting the global power balance.

Third, the digitalization of the global economy is redefining national security away from conventional and nuclear military capabilities toward cyber/information warfare capacity. That will level the security playing field between the US and China, make Russia a marginal power, and persuade all these actors to rethink the value of alliances.

These are the most important ways in which the global power balance is shifting.

It's also important to recognize, that the US can still play a critical role in restoring international cooperation. After all, though China is rising, the United States isn't falling. There is still just one superpower in today's world, one country that can project political, economic, and military power into every region of the world. That superpower is the United States. The country has lots of lasting advantages.

The US still enjoys the blessings of favorable geography. Though the security of its southern border will remain a hot political topic, the US faces nothing like the pressures that Europe can expect from future waves of desperate people struggling to escape their realities in the Middle East and North Africa.

There are newer US advantages, as well. In 2008, even before the financial crisis slowed the US economy, the United States produced just 5 million barrels of crude oil per day. Then, after years of innovation in exploration and production, that number soared to a record 12.3 million in 2019.

Many of the US companies that have contributed to the oil boom are smaller firms that can dial production up or down so much more quickly than the traditional super majors in responses to swings in price, that makes them much more resilient than their competition. The Saudis and Russians learned that lesson again in 2020.

Then there is food production, which will matter even more in a world facing both a coronavirus-forced re-emergence of poverty in many countries and the damage that climate change will inflict on agriculture. Only China and India produce more food than the United States, which has far fewer mouths to feed than these giants. That's why the US has long been the world's number one food exporter and ranks third in the world, behind Singapore and Ireland, for "food security."

The US is still the world's financial superpower. The coronavirus put banks everywhere under tremendous strain as default risks skyrocketed. But prices for credit default swaps during the crisis suggested that investors considered large European banks to be at greater risk than their Wall Street counterparts, in part because the largest US banks had much more capital before the crisis began.

There is also the continuing "exorbitant privilege" that Americans enjoy thanks to the continued dominance of the dollar as the world's main reserve currency.

But the greatest US advantage for the post-Covid-19 future is the continuing dominance of its tech companies. It's not just that 11 of the world's 13 largest internet companies are American. It's that the US produces far more of both the biggest digital platform companies and the startup "unicorns" that drive innovation in artificial intelligence, big data, cloud computing, autonomous vehicles, drones, and other of the cutting-edge technologies that will dominate global economic development in decades to come.

In fact, the novel coronavirus has enhanced their advantages, thanks to their central importance in restarting shuttered economies. Think geo-tracking for contact tracing, development of immunity passports, and the ability to do business while maintaining our social distance. US companies are setting new standards in all these areas.

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But if we're going to find our way out of the GZERO, it will take much more than a restored US engagement. To create a new international architecture and to defend the international rule of law on which our security and prosperity still depends, the world needs compromise, cooperation, and coordination among all the world's leading democracies.

Unfortunately, this need comes at a time when two of our most experienced and capable leaders are leaving the stage. Germany's Angela Merkel has now reached the twilight of her political career, and it's not clear how any successor can offer the kind of steady hand that she has provided Europe for the past 15 years. Japan's Shinzo Abe has already departed. In his first months in charge, Prime Minister Suga has distinguished himself as a formidable policymaker, but he has not yet had time to build the important international relationships that his predecessor meticulously constructed over many years. In fact, depending on the timing of Merkel's departure, the next time the G7 meets, Canada's Justin Trudeau will be the longest-serving leader at the table. And the need for leadership is urgent.

Japan

That said, much will be expected of Japan's new Prime Minister. As I have mentioned in the past, it's important to me that the GZERO Summit takes place in Tokyo, at the heart of the great nation of Japan. I'm very much looking forward to our gathering next fall when we can all be in Tokyo together.

Because we badly need the leadership of the world's healthiest advanced industrial democracy, a country with strong political leadership, which continues to avoid the polarization, inequality, declining institutional legitimacy, and political alienation that has poisoned the politics of many other leading democracies.

My own personal experience shows me that Japan's private sector remains innovative and dynamic. Japan will benefit as its political and private sector decisionmakers welcome the surge of talent, creativity, and hard work that will come from women in the workforce, including in senior positions.

Thanks to the progress toward Society 5.0, Japan can help guide the world toward sustainable economic growth. Prime Minister Suga's plan to make Japan carbon-neutral by 2050 will demand big changes in the country's energy use—and that's exactly the kind of bold step we need to see from many more countries and coordinated among them.

I also hope that, under the prime minister's leadership, Japan can develop a digitalized government service delivery system that can become a model for efficiency and the protection of personal privacy for countries around the world. It can help lead Asian economies away from their dependence on coal and that's for the good of the global environment.

I believe that Japan can boost cooperation and more importantly limit conflict between the United States and China at a time it will be badly needed. (and this role will be welcomed by the incoming Biden administration)

Japan can lead the way in providing and coordinating the distribution of humanitarian aid in a world that needs it now more than ever.

Finally, Japan can strengthen multilateral institutions, for the good of Japanese companies and for the entire international system, and that will require working with allies in Europe and the Americas to lead on global rulemaking for trade, data transfer, and innovation policies.

Japan's leadership is essential, and not only because of the absence of such leadership around the world; it's also because the nature of the challenges are new and the rules have not yet been written. This will only grow in the era of climate change, institutional erosion, and technological disruption.

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We still live in a GZERO world, a world without leadership that people can trust and count on. The great dangers ahead of us threaten all of us at once—climate change, growing inequality of opportunity, the political and economic effects of cross-border flows of people in search of a better life, and the impact on our lives of disruptive new technologies.

No one nation, however powerful, can meet these challenges alone. We all must play a role. Leaders of different political systems and with starkly different values will have to work together. Business rivals will have to consider how can cooperate to meet common challenges, including by working with non-governmental organizations.

We must all play our part. People in power. People with influence. People like you and me.

For the good of each of us. For the good of all of us.

Thank you for listening.