



State of the World speech

Ian Bremmer, president and founder, Eurasia Group and GZERO Media

Delivered on October 23, 2024 at Eurasia Group's GZERO Summit Japan in Tokyo

We all know that the institutions, the rules of the roads, are not aligned with the balance of power that we are experiencing today.

And when that happens, you have a few different options. You can reform your existing institutions, change them to more reflect present reality. You can build new institutions that make sense in a new environment. Or you can go to war. Now, we're doing all three. But our priorities are focused more on the third. And that is not sustainable.

I want to talk a little bit about what happens as we head closer to unsustainability, but also talk about some of our opportunities. And I want to start with something that just happened. I don't want to pass it over. It makes sense for today's moment in history.

And it's a moment of congratulations to the collective of Japanese atomic bomb survivors who have just received the Nobel Peace Prize. It is essential—and it's badly overdue—for us to recognize the suffering and to honor the courageous work they have all done over many decades to try and rid our world of the one weapons that could destroy us.

That is the right place to begin, because today's lack of global leadership—this G-Zero world order—is getting worse. And we see this over a real worry over the future of nuclear weapons. At a time of expanding war, the threat from these weapons that we created, that can never be used again, is dramatically on the rise.

Russia is today threatening the use of so-called tactical nuclear weapons in Ukraine, a warning that my own White House considers frighteningly plausible. North Korea, which has become an essential Russian ally, is sending thousands of troops to fight in Ukraine and they're flexing their own nuclear muscles. When's the last time you heard complete, verifiable, irreversible denuclearization? It's gone. It's gone. The expanding war in the Middle East and Israel Prime Minister Netanyahu's winner take all approach to winning it creates the clearest possible incentive for Iran to race to the finish line in its nuclear weapons program (maybe with some help from Russian).

And if I'm South Korea and I'm Japan and I'm watching that, and I'm seeing the level of uncertainty of commitments from the United States in in the long term— am I talking about ridding the world of Nuclear Weapons? No, I'm talking about building my own program. It's not where we want to go.

We have to recognize just how dangerous today's conflicts are becoming. None of the major conflicts in the world today are presently heading towards a sustainable resolution. Ukraine is on a path to partition. Splitting it in two. The Palestinians are on a path to be removed from their territory and once again forgotten. US-China relations are heading toward confrontation. This is our present trajectory. Our geopolitical environment is not sustainable.

And yet, at the same time, today we also face the greatest opportunities in human history. The current wave of technological change offers humanity the best chance we have ever had to grow and teach and learn and imagine and create and build a more prosperous and a fairer world on an unprecedented scale.

A warning. And a hope.

Today, I want to focus first on the hope—because I want to end on disaster. And I want to talk about what I think we have to do to protect our chance to reinvent the world in years to come.

So first, despite what you may have heard and read, globalization is far from over. A visitor from another planet to the world today would be very impressed with the speed and scale of human progress in recent decades and the tools that we have created for a global middle class, which today is more than half the world's population. The number of those lifted from poverty is growing by more than 100 million every year.

Twenty years ago, just one billion people, barely 16% of the world's population, could even go online. Now, it's two-thirds. International air travel is getting cheaper—more people can travel and go to work in more places. And global trade continues to increase despite headwinds that we can talk about. expect and demand, despite the headwinds that we can talk about.

This human progress is going to continue, because developed and developing countries continue are continuing to depend on it for the growth their citizens expect—and the and demand.

Even in the most advanced technology, where the United States and China are now taking a more zero-sum approach, globalization is stabilized by an effective balance of power between the two sides. Neither side is happy about it, but it creates a buffer.

American companies today are leading the way in the world on the shift from human to AI decision-making.

The United States has the venture capital, the cutting-edge thinkers, the culture of entrepreneurship, the access to large supplies of state-of-the-art semiconductors, and the cross-cutting development that comes from a business culture of competition and collaboration. US tech companies also have relationships across different sectors with some of the world's best research universities. And that echo system has created world class leadership in Artificial Intelligence.

China, on the other hand, is leading the way toward our post-carbon energy future... investment at global scale in nuclear and wind and solar and electric vehicles and batteries and the supply chains for them, and access to the critical minerals that you need for production. And that is why by 2030, China will have far more renewable energy, both at home and for global export, than its leaders even expected just two years ago.

Now, the relationship today between the US and China today, we talk about as “managed decline.” Their stabilized relations which have actually gotten a little bit more comfortable of the last year, is not reversing that longer term trend anytime soon. That doesn't matter who wins the US election for that, doesn't matter what happens to China's economy. That long term trend is still in place.

But as with the security and commercial balance that most major countries seek between the two great powers, American leadership on AI and China's lead on post carbon energy, which are the two technologies that are truly game changers for every country in every sector, is keeping other countries from taking sides. If politicians and policy makers in Washington decide that Americans cannot buy Chinese made electric vehicles, 100% tariffs and instead that Americans have to buy expensive, poorly made electric vehicles, we are wealthy enough to make that decision, right? But the rest of the world is not going to follow America's lead on that. Other governments in Asia, Europe, the Global South, are going to work with the Chinese on electric vehicles. They're going to partner with China to move beyond hydrocarbon energy to develop solar and wind and next generation power. If we want to work with the Chinese on that, as Americans find, if we don't, it's not going to stop them.

Now the Chinese see risks that are created by the quickening development of artificial intelligence in similar ways. American companies are developing state of the art AI innovations that are making the world healthier and wealthier and more efficient, better informed. And these tools are unlocking potential in everyone who uses them on a scale we've never seen before. So what happens in China when the Chinese government decides that their own people can't be trusted with those tools? Right? Because Beijing doesn't want large language models to detail the histories of Taiwan or Hong Kong, or even of a Chinese Communist Party itself. For any Chinese system that has a smartphone, right? They don't want reams of Chinese data going to the mainly American companies that create the most powerful of these innovations.

Hallucinations are fine in China, but they have to be sponsored by the Communist Party. Okay? Chinese leaders do not want ChatGPT, they want Chat CCP, it's a very different story.

Now, just like Americans can refuse to have access to the best electric vehicles, Beijing can refuse to give their people access to the tools that are most important for improving human capital, just like they banned American social media companies and internet. They can keep doing that, but the rest of the world is not going to pay for less effective AI. They want access to the best AI they can have. And you see in the Gulf states, you see in Kenya, and increasingly across Sub Saharan Africa and in South America and Southeast Asia and India, those deals are going to happen.

So in other words, we are seeing a bilateral geopolitical structure, that would fatally compromise globalization, is becoming a near impossibility. Many in Washington and Beijing act like they fear global interdependence, but most of the world demands it.

And it's not possible in 2025, for the next American president to blow that up. Can't do it. And that is why, despite all the media hype and all the political anger, we are going to continue to see globalization in the world today. The most important trend that has gotten us to where we are is not about to fail. If there's a single piece of good news that comes out of my speech today, that's it. But I have one more.

I want to talk specifically about the new AI tools that I think deserve our attention.

Large language models are changing how we create and interpret and access information and content. And large quantitative models used by industry are transforming how we manage the physical world. Machine learning algorithms are already revolutionizing patient care with early detection of disease, personalized treatment plans and drugs.

In education, students around the world are getting individualized assessment and instruction and feedback. They're helping industrial organizations, transportation fleets, anticipate maintenance and reduce downtime. It's helping farmers more sustainably tend to their crops. Adding AI processes to robotics can help self operating robots that revolutionize entire industries.

These are just a small number of the literally 1000s and 1000s of use cases that we are already seeing early stage in AI rolling out around the world. And that is why we are on track to build a new globalization. One that moves beyond the accomplishments of recent decades in lifting billions of people out of poverty.

When I think about the last 50 years, globalization has radically enriched a small percentage of really wealthy people, and it's created a global middle class. But a lot of people haven't had access to that information. AI is absolutely going to even further enrich the even smaller percentage of the world, and we can focus on that, and that will cause challenges, but the people that were left behind suddenly are going to have far more opportunities. Because they'll get access to the education and the medicine. They'll get access to the human capital improvement, even if they are off the grid.

If you're India, of 1.5 billion people, 50 million living like Europeans, 400 million living like Indonesians, a billion living like Sub Saharan Africans. That top 50 million is going to be squeezed with AI, but that bottom billion suddenly can join the rest. They can get literate. They can have lifespan. They can work in productive, global ways. And we're going to see that all around the world. That's not just progress. That is a revolution and one that extends the promise of global development from national statistics into the lives of individual human beings.

So if you put these two things together, I'll quickly say, I think that everyone who talks about the new cold war: Overstated.

The United States and China are not capable in the near term, of fighting a new Cold War. Not only because their allies are not interested and it's very hard to fight one by yourselves, but also because the United States is massively politically distracted with its own internal challenges. And if you think that's bad—

Blinken is now in his eleventh trip in the Middle East. How many has he made to Asia? 2? No, you talk to American leaders, I go to the White house—how much time is actually spent on dealing with the long term when you've got these wars going on.

Now, think about what's going to happen after the US election, irrespective of wins, just to get through it, just to recreate a stable political environment. The United States does not need or want the kind of long term confrontation that a Cold War would require, May happen long term, but it's not right now.

The Chinese may be looking at a Cold War long term from their perspective. They right now have the worst economy in decades, if you talk to China about Taiwan right now internally, and they say 2027 is no longer the date that they feel like they have to resolve it. Could be later. They don't talk about peak China anymore. They can't do that. But they do internally now push back the date that they believe that China will surpass the United States in GDP by five years.

So if the Americans are trying to put more time into just keeping China more stable, the Chinese are focusing on just getting the economy going again. These are not two sets of leaders that are bent on block building to create a Cold War.

Maybe it would be helpful if we had more leadership?

But the reality is that the things that we've been most worried about over the last, I don't know, 20-30, years. We sat down, whether it's here in Tokyo or Davos or the Munich Security Conference, everyone would say: The thing I am most worried about is the US, China relationship, are we going to war?

It turns out what we should be most worried about is an absence of leadership. What we should most be worried about is the Americans doing nothing in the Middle East despite their influence. We should most be worried about the Chinese doing nothing with Russia or North Korea despite their influence. It turns out, through the absence of leadership, that is our concern. It is not the muscular move toward global confrontation by the Americans and the Chinese. No, that's interesting. That's unsettling for Japan, but it's a different problem than the one you thought you had.

So if that's the good news, if those are the things I wanted to spend some time talking about, that I think you have to worry less about, now I want to turn to the places that we need to worry about much more. And here, of course, I'm talking about the wars. In the Middle East. In Ukraine. And in the United States: The war between the Americans and the Americans, which is not a lot of fun.

We remain at serious risk of failing to realize the gains that come with stronger international governance, because we still lack global leadership.

My country, the United States, has abdicated its responsibility in the Middle East. It is by far the most important friend in the world of Israel, and it has used none of its political influence to bring that conflict to an end. Not sitting on the sidelines, but actively supporting Israel's capacity to wage a war that is destroying the Palestinians and now Lebanese people. I'm not talking about giving up on Israel. I'm not talking about stopping Israel from having the right to defend itself? No, we're talking about using any influence to try to create stability. I mean, the Americans say a lot of things. They want a two state solution. They want humanitarian aid. What have they done?

China has abdicated its responsibility. The Chinese say, we want a rules based order. You say we're friends of the Ukrainians. We support their territorial integrity. In Kazan today, Xi Jinping is on stage with Putin. What is he doing to try to maintain the international order? What's he doing with Putin? He's actively supporting Russia's capacity to expand an illegal invasion and to bring itself to the precipice of a war with NATO. And the rest of the world, well, we're just getting used to a higher level of instability.

So let me start with where I think Russia's going.

It's really not hard to see where this conflict is heading. Ukraine lacks the manpower and firepower to take back their territory, and I don't believe that Vladimir Putin is going to give back the land voluntarily.

I don't see a magical third option, which means that without a peace deal, Ukraine is eventually going to be partitioned, even if Ukraine and the West never recognize the new borders that Russia claims. And the real question is whether a post war Ukraine can expect a brighter future with deeper integration into the rest of the world. And that's possible, but it's hard.

Ukraine can still bring the war to stable stalemate, even if the unwillingness of either Putin or Zelensky to offer genuine concessions means that a settlement that is negotiated is beyond reach. But the ability of Ukraine to achieve that depends on how much diplomatic, economic, and security support that Ukraine receives from its allies in the United States and Europe.

On *diplomacy*, will the Europeans integrate Ukraine into the European Union. Because even if the eventual answer is yes, and they voted to say yes, the effort will take many years, and the process will only get harder as populist and nationalist and Russia friendly political parties and politicians gain more ground across the EU. And Ukraine's bid in the EU will depend on changes to the union's membership – the budgeting rules – because otherwise the size and the poverty of Ukraine would immediately make every other European Union member a net contributor to the EU budget.

Now, then there's the economics, and that's another question. The damage that Russia has just inflicted on Ukraine's energy and critical infrastructure has dramatically increased their funding needs. That's making it much harder for Ukraine just to sustain an economy, never mind to fight the war. And this is happening at a time when the United States and Europe are less willing and less capable to continue financial support at their present levels.

You've seen Trump's already said he wants to end a war. If that means he has to stop the funding of Ukraine he will stop the funding of Ukraine. Even under Harris, we're going to see a lot more pressure. Given its own budgetary problems, even Germany has cut by half their funding for Ukraine for 2025. This all makes it more important for Ukraine to come to a deal, but it makes it less likely that Putin is going to negotiate.

Which brings back the security question, and that's been unresolved for two decades. Will Ukraine be invited to join NATO? That question has only become more important as it becomes clear that Ukraine will not have enough troops to fend off Russia or North Korea indefinitely. This is the area where Western support for Ukraine is most uncertain because Ukraine's membership in NATO is such a bright red line for Putin. So it's hard to imagine that you can make it happen without further escalating the Russia NATO conflict.

Now US and European leaders recognize that the high water mark for economic and defense support for Ukraine has already been passed. And that makes it more urgent to prod them to negotiate a cease fire. But the only way that acceptable to Zelensky is to give him hard security guarantees like Ukrainian membership in NATO in return for accepting that they're going to lose land. Even if that offer is made, Russia has a veto because if there's no cease fire and Russia is still launching missiles at Ukrainian cities, then if Ukraine is a member of NATO, NATO's at war with Russia. Even though it's still a constructive step, because the trade of membership for land can earn international support that could put more pressure on Russia and the war.

So I would say, over the next two to three years, continued diplomatic support, especially for EU membership: a strong bet. Continued economic support: likely, but it's going to diminish. Formal security support: less likely, though not impossible.

And in the meantime, we should expect that Russian advances at great human cost, are going to continue, and we should expect more asymmetric warfare from Ukraine and real risks of military escalation. Russia's sovereign assets stay frozen and are going to be devoted to Ukrainian reconstruction over time, so they get seized. Western sanctions on Russia stay in place, and the G7 remains in an undeclared hybrid war against Russia. Putin gets older, gets more isolated, gets further removed from day to day decision making and more prone to impulsive mistakes. Russia's alliance with Iran and North Korea, both rogue states committed to chaos on the global order will grow stronger. But that's predictable.

So in other words, even if we can imagine that the Russia Ukraine war in the next one to two years might become more stable. Russia's broader struggle against the entire West is becoming more dangerous.

Now to the Middle East, which is exactly the opposite dynamic.

There's no outcome of the war in Gaza that is stabilizing for Israel and the Palestinians. I can't see one. But over the longer term, the regional and the global challenges are probably less escalatory than they are with Russia. Israeli airstrikes are continuing, but the Gaza war is almost over.

The Israelis are running out of targets. I mean, they've killed the leadership. They've blown up the tunnels, they've hit the caches. I mean, they've killed over 40,000 people. A lot of them are militants. A lot of them are kids, but the numbers have not gone up radically in the last couple months. The problem now is the humanitarian issue. The problem is these people can't live but the war at some point, whether or not there's a cease fire, Israel is going to announce an end unilaterally to major military operations. And they will still reserve the right to engage in strikes against targets as they see them.

But that's where we are. Most of the troops have been redeployed from Gaza. They're now focused on Lebanon, the new war. So it's true that a cease fire is probably beyond reach. I'd be stunned to see one before the election. Not that it matters at this point. And the plight of the Palestinians is beyond disastrous. But the fight in Gaza has close to ended.

Now it's hard to foresee any outcome here that is acceptable for Palestinians or their leaders. The war has radicalized large numbers of Palestinians in Gaza and the West Bank, who now have no economic prospects. And Israeli settlers in the West Bank have grabbed even more occupied territory in recent months.

So no matter what happens, Palestinians are more willing, than a year ago, to follow leaders who call for revolutionary action against Israel and the risk of deadly terrorist attacks in Israel, in the region and more broadly, has risen sharply, and I think that will be generations.

The war has also hardened Israeli attitudes towards the Palestinians. It's inconceivable to me that any Israeli government, Netanyahu or otherwise, would consider in the near future the creation of a Palestinian state. And there's no evidence that even the hundreds of 1000s of Israelis that took to the streets to call for Netanyahu's ouster would back a two state solution.

But the outlook for the Middle East more broadly, is more positive.

Abraham Accords, breakthrough agreements, boosting stability among countries that once hated each other-- still in place, right? I mean, you go to the Emirates, you see Israelis, tourists having a great time, investing, doing business. Absolutely. They don't want to end that. They want to grow that relationship. Saudi Arabia is demanding publicly that Israel allows for the creation of a Palestinian state in order to normalize the relations.

But the Saudis are also continuing to engage behind the scenes to improve economic and security relations with the Israeli government. I think that after the war is over, that process will grow.

Iran and Saudi Arabia have normalized their diplomatic relations, not because of Trump, because of Xi Jinping. They've been incredibly cautious with the Iranians about retaliation against Israel, even as the Israelis killed Hezbollah's leaders. As they crippled Hezbollah's military. As they invaded southern Lebanon. I mean, Yemen's Houthis are going to continue to carry out strikes in the Red Sea, supported by Iran, but that is not enough to ignite a broader Middle East war, which none of the powers in the region want.

So I mean, if everyone in the region knows they can't win against Israel, the Israelis are the ones that will determine the level of escalation and when it's over, and that's why oil prices are only low 70s right now. It's about China's economic challenges, America's production, OPEC's spare capacity. It's not about war in the Middle East. So the most likely long term outcome of the war is that the long standing friends and allies in the West will keep Israel's government more and more at arm's length. That relationship will become more distant.

But Israel will remain a small, asymmetrically powerful country in economic terms, military terms, and technological terms. They will continue to be able to defend themselves effectively. And the Palestinians will gradually fall from the headline, just as the Russians and Ukrainians have over the last two years.

I think that the Middle East will stabilize, because the region's most powerful actors all know that they don't want and can't afford a broader war. Very different from the dynamic between Russia and NATO.

Okay, I haven't yet spoken about my own country, so I'm going to end with a few words on the United States,

The biggest problem that we are all facing for global leadership is the crisis of democracy back in the USA.

The US elections are now less than two weeks away. I'd say, thank God, but no one's looking forward to this. I have no idea who's going to win. I mean, if you made me bet, I think it's Trump. I'm saying that to you, not with a lot of conviction, but just because most elections this year are change elections. 70% of Americans say they're not happy with where the country is going. It is very hard to vote for the sitting Vice President when that many people say, I want something different. Trump is something different. Very different. But he's also incredibly unpopular and in unprecedented ways, unfit.

The problem is not just about who's going to win. The problem is that everyone in America agrees on one thing, which is that there are major forces inside the United States that are intent on destroying democracy. Everyone agrees on that. They just disagree on which forces. And that is a serious problem.

The left argues that Donald Trump has already used political pressure and the US courts and violence to try in every way possible to overturn the results of the 2020 presidential election. Democrats show the wave of lawsuits making their way through America's judicial system. They say that every word that Trump utters is a genuine threat to the future of the Republic.

The right insists that American democracy has already been subverted because entrenched elites, the Deep State, has obstructed the will of the people at every turn. Trump regularly warns his supporters that if Harris wins, you won't have a country anymore. He claims that large scale voter fraud routinely occurs across the country, and that these people -- just like in 2016 when he said that Hillary Clinton should be locked up -- he now says that about Kamala Harris. He talks about calling for consequence free police brutality, and he pledges that he will use the US military to take care of internal enemies.

My country, the United States, is today at war with itself. Its political system is far from the envy of anyone else in the world. Deep pocketed interest groups are distorting law and policy making to create a system that represents dollars over its own citizens. And no matter who wins on November 5th, tens of millions of Americans will find evidence that their political system is broken. And they are not wrong about that.

The post election period is uniquely dangerous, as we are about to have an election whose outcome will be perceived as illegitimate by nearly half of the country. So what are we going to do about that. We will get a President in the United States. I mean, not on November 5th. We won't know on the day who's going to win. We might not know in a week.

It's most likely that it's going to be so close that both sides will say that they have won, and then there'll be lawsuits, and there'll be different lawsuits. Democrats will have lawsuits in some states where they say that there was voter harassment and intimidation they couldn't get to the polls. They'll say that there was a wrong certification by local elected officials who decided to go political. The Republicans will say that Democrats shouldn't have won in some states because illegals were allowed to vote because they had a win, and then it was overturned by vote stuffing, and it was rigged.

And the judicial system still works in the US, so those court cases will be thrown out, or they'll be overturned, but that will create an environment where the people, the voters, will say, you are stealing my election, you are subverting my democracy. And that will have effect on the political leaders. And when you finally get a president, the opponents to that President, not just the citizens, but a lot of the members of that party and the politically elected officials will say, This is not my president. We haven't dealt with that.

I say to you here in Japan, this is not such a concern for the US economy.

The dollar is still strong. Geopolitically, the American environment looks great, Mexico, Canada, couple big oceans, right? I mean, it's a good environment to be in. The dollar works. The research universities are great. The entrepreneurship is strong, the natural resources are wonderful. All of that is true. But if you think the United States has not been providing leadership over the last 20 years, you have seen nothing compared to the next five.

And Japan has to be prepared for an environment where the United States cannot be counted on for the values that it has historically stood for. What values are we talking about? Well, global security, free trade, promotion of democracy, rule of law. These are all fundamental values that the United States sometimes hypocritically, sometimes inconsistently, but nonetheless has been seen as a leader globally and has been relied on by its allies. And its adversaries have known that there's going to be a challenge there.

I mean, the uncertainty that Japan has been dealing with over the past decades has been more about the United States than other countries. JCPOA, Iranian nuclear deal, you in, you out? World Health Organization, you in, you out? Paris Climate Accord, you in, you out? Well, how about Russia-Ukraine? How about security umbrella in this part of the world? How much can you count on the United States?

Now that does not mean that Japan is no longer going to have a security relationship with the US, but it does mean that Japan has to take a greater leadership role. It does mean that Japan has to think more about how to build more inclusive architecture that the Americans by themselves won't do—which includes engaging, for example, even with the Chinese. Because if you don't engage with the Chinese in any architecture, then it looks like you're going to war with them. This is a uniquely challenging environment outside the US.

Final point I want to make is that if it were a uniquely challenging environment in the United States, the Americans would have fixed it by now.

Part of the reason why this keeps getting worse is because the US doesn't think it matters. Because they are so strong and so resilient. Because they've gotten through January 6 and there was no coup and there was no civil war, and they can get through all of these unprecedented, embarrassing political dysfunctions without feeling like their lives are changing all that much.

But that means this is going to get worse before it gets better. That's a G-ZERO world. So I go back to the beginning. Fantastic opportunities. Globalization continues. The technology is amazing. We're not on the precipice of a cold war. But we don't have leadership.

And the Japanese have quietly but nonetheless consistently relied most, not on the idea that we're going to have World War Three. You've relied most on the idea that there will be global leadership. It turns out you were wrong about that. And you know-- you do know that. I mean, the Americans were wrong about stuff too. The Americans thought that you bring in China, they're going to become Americans. Turns out, they're still Chinese. You can be wrong about things.

But being wrong about global leadership is going to require a lot of strength, a lot of courage, and a lot of hard work from Japan, from the Japanese government, from Japanese industry, from the thought leaders, from the young people. And I hope that we can count on that. I hope we can see more of it.

I know that by so many more people showing up today than we've seen in previous years, the interest is high, the engagement is high. We need to translate that into action, and we're obviously very privileged to be a part of that with you. So with all of that, my welcome, along with my friends and colleagues here to today's G-ZERO summit. I hope it's successful, and I look forward to spending some time with all of you later today. Thank you.