



Now. Bridge. Reboot. Thought Paper Series

Leading through the chasm and into the future economy

Global leadership in the post- COVID-19 era



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I have attended many international conferences around the world, but one particular episode sticks with me. It was at the 2017 APEC Economic Leaders' Meeting in Da Nang, Vietnam. APEC offers a festive venue organized to reaffirm the values inherent in seeking joint prosperity and collaborative problem-solving in the Asia Pacific region. On this day, with global CEOs in the audience, Chinese President Xi Jinping asked them to "contribute to the One Belt One Road" initiative. And President Donald Trump closed his remarks with an indelible line, "God bless the United States of America!" Not surprisingly, the gloves came off in an open trade war between the G2 in the following year.

The world had been growing more dispirited with protectionism, nationalism, and unilateralism when the tsunami of COVID-19 overwhelmed our shores. The global order that served as the levee instantly collapsed. The United States turned to fight its own health, social and economic issues, while leadership was sucked out of international organizations as support and funding dried up. At the same time, there are resounding outcries about the adverse impact of globalization and prophecies of deglobalization. Countries are drifting apart as each floats on its own; no other country has your back. Take hold of any flotsam log, because we are all at the mercy of the raging water. However, if it wishes to be rescued from this distress, the world needs a sense of direction. So, where shall we be headed?

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"A temporary retreat from globalization may be inevitable. However, the problems harbored by globalization can be resolved only through the advancement of globalization. In whatever shape or form, countries that have defended multilateralism will harvest the fruits of their labor."

First, no matter where one tries to make the argument, the final resting point is the multilateral global order. When World War II was declared over, the world joined hands to establish the Bretton-Woods system. Efforts converged on supporting the recovery of the defeated, the development of newly independent states, and encouraging the free trade order. As a result, in a matter of half a century, the world's wealth grew 60-fold, while those living in absolute poverty — living on \$1.90 or less per day — declined from 60 percent of the world's population down to 10 percent. Owing to the contributions

About this paper

This paper is an outcome of the GFCC Now. Bridge. Reboot. conversation series (conversations.thegfcc.org), which featured business, research, policy and thought leaders from 30 countries in eight live dialogues on the lessons learned from the COVID-19 crisis and the trends emerging for the future economy.

We invited the participants of this dialogues series to reflect on the challenges and issues associated with leadership during the current crisis and in the world that we are seeing emerge out of it.

Learn more about the GFCC Now. Bridge. Reboot. conversation series at conversations.thegfcc.org.

Watch the conversation

Tae-Shin Kwon participated in the "Local realities: looking East" conversation June 3. Watch the session on the [GFCC YouTube channel](#).

The Global Federation of Competitiveness Councils

The GFCC is a global multi-stakeholder membership organization that has universities, corporations, government agencies and private sector industry organizations and councils as members. Combining its members and fellows, the GFCC has a footprint in more than 30 countries. Leaders and organizations in our network strive to advance innovation, productivity and prosperity in their nations, regions and cities.

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made by international organizations such as WHO, WFP, and many others, quality of life continues to improve, starting with the underdeveloped countries. The world population's average life expectancy has climbed from what was 50 years old or under during the first half of the 20th century to 73 years old today. In today's real-time, super-connected world, it is easy to feel as if war and terror are prevalent; however, we are witnessing total deaths resulting from war and conflict is only 1 percent, which is a fraction of that caused by diabetes. In reality, for the first time in human history, we have driven out war close to its extinction.

This is an accomplishment jointly produced by mankind's system of international cooperation in an open global society. Why is it perceived as a system? Because in each area, global institutions were established with the goal of contributing to human progress. In all facets encompassing production, trade, and security, the world grew more integrated and mutually dependent so that pursuing the interest of any one nation would also advance the interest of others. At the same time, it provided a fine-woven ecosystem that helped to contain and prevent mutually destructive behaviors. A temporary retreat from globalization may be inevitable. However, the problems harbored by globalization can be resolved only through the advancement of globalization. In whatever shape or form, countries that have defended multilateralism will harvest the fruits of their labor.

Secondly, we can surmount this challenge by strengthening the leadership role of middle power nations, which have been riding along in the U.S.-led global system. While there were advantages to being in the passenger seat, they were often not empowered to argue their agendas on the international stage. Now, it is time for these middle powers to push themselves to the front.

We have recently witnessed some exemplary events. In an attempt to expand the perimeter of the global decision-making apparatus and redefine what it means

to be an advanced country, Australia, India, Korea, and Russia were invited to the G7 to assist. Another example is the broader initiative forged by France and Germany to relieve the European Union from the COVID-19 economic recession. In addition, I would like to emphasize the role of Asia. Based on a survey of 18 major economies administered by FKI with the GBC (Global Business Coalition), the findings predict the significant rise of Asia post-COVID-19 in the international scene. Citing the small size of the economy or its focus on achieving economic development as excuses, many Asian economies have remained in the back seat. It is also true that Asian countries lacked the determination to coalesce onto a joint launch pad while setting aside the less consequential national concerns. In a world pummeled by the novel coronavirus, their economic prowess and sophisticated systems have come into the light. In the post-COVID-19 era, the world will see the evolution of new fields in which different countries will demonstrate leadership in various sectors and regions.

Many point out that today marks a transformational moment, equal in significance to the previous Spanish Flu, the two World Wars, the Great Depression, and the Global Financial Crisis. I choose to call it a "historic inflection point" when the fundamental foundation of the international order is about to change. Will the bench players come out and level the game up to a new one? Or will they engage in a messy game determined to take each other down into the mud pen? If we choose the latter, there is no stopping a big bully who will parade through fields breaking the rules and wielding violence to take down allies. Which will the global citizens choose?