

# Asia Pacific Round Table

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At this time when the world is still being tormented by COVID-19, I would like to express my gratitude at being invited to this video conference. I am greatly looking forward to the exchange of views of everyone on the topic set for this meeting.

The Impact of post-Covid 19 Globalization on Economic trade development and Democratic Freedom.

In fact several years before the outbreak of Covid19 a book appeared authored by Dr. Yuval Noah Harari of the Hebrew University of Jerusalem titled *Sapiens: A Brief History of Humankind* and another titled *Homo Deus: A Brief History of Tomorrow* in which he predicted that the 21st century in which we are now living will bring strange and revolutionary phenomena to mankind, the like of which we have never hitherto experienced. Of course he was not speaking like some Old Testament prophet of a plague of locusts, floods, disease or other such doomsday scenarios.

However, as a result of the pandemic the whole world has been thrown into a panic, and the number of victims is still increasing. It is a fact that unprecedented events are unfolding which could be called a simultaneous global revolution.

Mankind has overcome many trials and as the leading primate and

global victor has ruled the earth. But a virus much smaller than a microbe has trifled with us, and changed our lifestyles, ways of working and of communicating. There are many ways in which we have lost, but there are a few pluses from a Japanese point of view. Japan has been described as a backward country in digitalization, but has been forced to adopt teleworking at home, and now more than 40% of company workers in Tokyo metropolitan area are working online. Many large companies seem to be planning to continue teleworking even after the corona pandemic subsides. As a post-covid growth strategy digital settlement etc. is proposed. The businesses which have sustained the greatest economic damage are travel companies, airlines, hotels, accommodation, restaurants etc., but the total number of bankruptcies has not changed significantly from previous years. Of course the government's emergency policy regarding covid has included various financial assistance and subsidies which have been paid to companies and the self-employed. Global companies have tended to avoid concentrating all their production facilities in one place, and sought risk reduction through diversification. The resilience of the supply chain has become an important matter. An opportunity has arisen in the so-called 'cold war' between America and China for decoupling, but the number of companies which have withdrawn from overseas is limited. In 2020 Japan's GDP showed negative growth close to that of the Lehman shock, but in 2021 there is a prospect of almost complete recovery and positive growth.

The pandemic has taught us various lessons, and given us substantive issues. In Japan under the state of emergency, even if the Government wants to make decisions and execute them, there is a democratic process of gaining consensus in the Diet, and this takes time. It is said

that revision of laws is also required with regard to the guarantee of security and expected states of emergency. In this regard we can learn from Taiwan, which while being a democratic state has reacted most swiftly and precisely to keep the effects of the pandemic to a minimum. Japan and Taiwan are different as regards their democracies, national history and character, but the Japanese democracy is suffering from structural fatigue, and has passed its 'sell by' date. America as the champion of democracy has won the cold war with Russia and is now confronting Chinese socialism, but even the US presidential election has clearly been tainted by impropriety. The pandemic has also raised questions about the problems of liberalism, democracy and capitalism.

In the DX (Digital Innovation) society, prohibitions on leaving the home caused by corona have most greatly benefited IT digital companies such as GAFA (Google, Amazon, Facebook, Apple) and the Chinese BATH (Baidu, Alibaba, Tencent, Huawei) and their Wall Street investors, causing an ever-greater disparity in wealth in society. The number of absolutely poor people in the world had been on the decrease, but the pandemic has caused it to increase by hundreds of millions. In Africa and elsewhere there is insufficient protection from infection and treatment, and vaccination rates are less than one percent. In full awareness of this situation 'globalists' are accelerating their acquisition of wealth. This is nothing other than an inexcusable model of capitalism profiting from disaster.

As Thomas Piketty has indicated, if the amount of tax which GAFA etc. has avoided paying were used to support the poorest countries, how many lives would be saved? The founder of capitalism Adam Smith published his Theory of Moral Sentiments in 1759 before his Wealth of

Nations in 1776. Max Weber published *The Protestant Ethic and the Spirit of Capitalism* (1905) in which he teaches that work given to man by God is a sacred task, which should be undertaken abstemiously and industriously for the education of children, for society and God with a high ethical sense and that capital should be accumulated for these purposes.

America is the most advanced country in the world in the field of computer science. Using Fintech (Financial Technology) etc. amounts of virtual money equivalent to national budgets can be moved instantly in borderless spaces.

Is this an economic system which will support a democratic state which professes a healthy freedom, equality and a fraternal mind? Healthy democracy is sustained on the conditions that the rulers have high virtues and responsibilities like noblesse oblige.

If the corruption of democracy and capitalism becomes a hotbed, communism and socialism will grow. During the pandemic differences in wealth and education have appeared in Japan, though not to the same extent as America. Also it is said that communism has changed completely to a liberalist and cultural communism. The history of the state and traditional legacies are denied, and individualism loosens the bonds of tribe and family, and from selfishness the power and authority of the system are not respected. This tendency can also be seen in Japan. Through the mechanism of the pandemic is it not the time now to reconsider the state of freedom, democracy and capitalism? The pandemic has changed various systems which have existed until now, and has even influenced human values regarding lifestyle, awareness of

existence and views of life and death. We can call this a paradigm shift.

The progress of IT and AI have brought the risks of nuclear weapons and climate change, as well as cyber weapons, life sciences and biotechnology, producing artificial humans and the ability to hack into the brain and heart. We have reached the point where we can see into another man's thoughts and emotions. But we still cannot determine the basic and essential purpose or meaning of human existence.

We have not progressed one step forward from ancient Greek philosophy. We are told that this is the age of sensitivity, and spiritual intuition is important. We have to make a family, nation, world where God resides- this is what post democracy after Pandemic.

Thank You for listening.