

Tacitus & Trade

“Peril and Possibility: Collapsing old order, emerging disorder or new order?”

World Traders Tacitus speech, February 26, 2026

Introduction

Master, Wardens, My Lady Mayor, Aldermen, visiting Masters, Liverymen, World Traders, Sponsors, distinguished and honoured guests—both here in the room and joining live stream. I am honored to be with you today.

I would particularly like to recognize the students who have joined us from schools around London; Richard Burge and his team at World Traders; Professor Karen O’Brien and Lucian Hudson and his team at Durham University, which has just been named University of the Year for 2026 by *The Times* and *Sunday Times*; and Kieran Fernandes and the superb Durham University Business School, which has just celebrated its 60th anniversary. I would also like to acknowledge my colleagues at the Brookings Institution who work on the issues I will cover tonight and whose research informs my remarks.

I typically contemplate a lecture like this over a period of time, trying to tailor it to the particular mood and moment, as well as to the different groups brought together in the audience. But what a moment this is! Since the beginning of the year, as I have been working through my initial draft, there has been one major development after another. So, with such fast-moving events I may have to amend my speech as I deliver it! And as far as the “mood” is concerned, here and elsewhere, it seems quite somber and filled with disquiet. I will do what I can to raise our spirits.

The theme of tonight’s address considers the concept of global order, which probably merits some initial explanation

When we hear phrases like those in the title of this speech, “collapsing old order,” “emerging disorder,” and “new order,” they sound like three successive acts in the drama of global governance—or in the case of the last one, “New Order,” a favorite rock band (of mine at least) from the 1980s. Back in 1989, the band New Order and the England Football Team came together to produce a single for the 1990 FIFA World Cup. It was called “World in Motion.” That single could as easily describe where we are now as it could relate to football and the World Cup. Collapsing old order, emerging disorder, and new order are different ways of describing a single system under strain—or a tense and fluid game on the soccer pitch.

The “old order” is the set of rules and expectations we assumed were settled until events demonstrated how much they all depended on habit, shared interpretation, and (often selective) enforcement. “Emerging disorder” is what it looks like when all our assumptions are contested simultaneously by states, firms, and publics, each advancing a different view of what is legitimate, secure, and fair. “New order” is the coherence we try to project onto the chaos we perceive when everything is in flux. It is the hope that today’s turbulence will smooth out and things will settle into a stable pattern again. In practice, old order, disorder, new order are not separate phenomena. They are different phases of one underlying process: reconfiguration, or “re-ordering.”

In the context of the global order, for decades we have operated within a broadly understood framework for how power, markets, and rules interact. These rules were underwritten by institutions, security guarantees, and norms of openness. Today, what is striking is not that the rules are eroding, but that multiple actors are trying to rewrite them all at the same time—through trade policy, technology standards, sanctions, supply chain design, and the strategic use of interdependence, as well as, of course, through the use of force. From the outside, this process looks like disorder, almost permanent turbulence. *But* this may also be what the transition to something new looks like in practice. New equilibria are being tested not just contested. In some domains, some things may be quietly assembled behind the scenes.

Large systems in business—as my colleagues at the Durham Business School will point out—whether they are financial markets, global shipping networks, or cross-border payments, often look chaotic when you focus on the daily noise. If you step back, then patterns appear—incentives, constraints, feedback loops, adaptation. Those patterns generate new behaviours, sometimes stabilising, sometimes destabilising. They produce unpredictability.

So, the question I want to pose this evening is simple: are we observing *three distinct* states, the old, the emerging, and the new? Or, are we living through one system reassembling itself? Is what we call “disorder” just the visible surface of adaptation? Will the process of adaptation settle into a durable new order—or, more worryingly, will it harden into a state of chronic instability?

My central proposition is that we are *not* observing three separate states of being. We are witnessing one system reconfigure itself. Collapse, disorder, and new order are different vantage points for the same adaptive process.

1. With my introduction now out of the way, I have some reflections on where we are now in the process—or at least where we appear to be—and how we got here.

This is February 26, 2026. A few days ago, we marked the Chinese lunar new year—the year of the Fire Horse, which only comes around once every 60 years. This lunar year fits the current moment very well. It promises a period of intense energy, dynamic

change, the breaking and transformation of old patterns and orders, the embrace of new ideas, *and* the prospect of innovation.

This year also commemorates the 250th anniversary of American Independence and its giddy rise from a grab bag of former British colonies to global superpower. *And* we have just marked the 4th anniversary of the outbreak of a full-scale interstate war in Europe since Russia invaded its neighbor, Ukraine, on February 24, 2022. As of January, this year, 2026, Russia has fought Ukraine longer than the Soviet Union fought Nazi Germany in the Second World War (when of course Ukraine itself was part of the USSR).

Commemorations and anniversaries often mark the end of something old and the beginning of something new. And even without the symbol of a Fire Horse galloping through this year, potentially setting everything ablaze, we know that change is rapid and occurring on many fronts. We've been living in a period of global turbulence for quite some time. This is not exactly new. But 2026 does seem particularly filled with peril and possibility.

Fundamentals of national power have been shaken by dramatic economic, technological, and demographic changes. Climate change, Artificial Intelligence, and other major developments raise many more questions about the future of the world population and its distribution, the meaning of work, and the future of trade than I can possibly delve into in the time we have together here. *But* there are some things that we can say for sure, to frame a discussion that we can all continue as we leave here tonight.

First, we no longer live in the unipolar post-Cold War world that was shaped and regulated by the United States after 1989. The United States may still dominate the way we think about things from trade to geopolitics to security—especially after President Trump has produced so many shocks to the system with punitive trade tariffs, predatory behavior against allies' territory, and muscular militaristic displays at home and abroad. But we are now moving to a post-American world—this is at the heart of the system reconfiguration I just mentioned in the introduction.

We probably moved past the old post-1989 order into the period of disorder—where the global political, security, and economic rules are in flux and contested—after 9/11 and, from my perspective, certainly after the US invasion of Iraq in 2003. *But*, we are now at something of a watershed moment in the process, where even the United States itself is finally calling it quits on the old order. A series of recent speeches by American leaders have made this quite clear. Secretary of Defense Pete Hegseth and Vice President JD Vance both told Europeans, in back-to-back speeches in Brussels and Munich this time *last year*, that America would no longer underpin their security. Just last month, in Davos at the World Economic Forum, US Commerce Secretary Howard Lutnick declared globalization—which was supposed to be the culmination of the old

economic order—a “failed policy” that had “left the US and US workers behind.” The US was moving on, he asserted. And he suggested that other countries should do the same. They should look out for themselves—take care of their own borders and sovereignty—and not develop any critical dependency on any other country.

Commentators at Davos described a meeting quite out of keeping with the normally staid Swiss conference—filled with drama, anticipation, and fear, where nothing could be taken for granted anymore, and where the highlight or lowlight was a rambling grievance-laden and ominous speech by the US President. In the midst of all this, the Canadian premier and former head of the Bank of England, Mark Carney, told everyone that the global system had reached a critical juncture—a *rupture*. In other words, even before the lunar new year, we were on fire, and someone had pulled the alarm.

And, just two weeks ago, at this year’s Munich Security Conference, US Secretary of State Marco Rubio gave another speech emphasizing the US change in direction. It had a softer tone than the others. Rubio declared the United States a “child of Europe,” and praised the historic and cultural bonds of Western civilization. But he also criticized the direction of European economies and societies. The cadence of his speech was more funeral lament than rallying cry for the future of the Transatlantic Alliance.

In short, this year’s Fire Horse is just the latest manifestation of an era in which the balances of power are shifting.

We conventionally think of balance of power shifts led by states—the relative decline of the US, the rise of China, a shift in global power from West to East. But we also have to factor in non-state actors. Osama bin Laden changed the course of history with horrific terrorist attacks 25 years ago. Multiple actors continue to try to shape the world by other means to further their own interests in as quick a timeframe as possible—often at the expense of everyone else.

Private corporations and super-rich individuals, including “Technology Titans,” are now as deeply invested in geopolitics as they are in the pursuit of their business interests. Boosted to great heights by the technologies they develop and control, they take public stances on issues of war and peace and engage directly with world leaders. All this at a time when conflicts and crises around the world—from Ukraine to Gaza to Africa and South America—are also ablaze, fueled in part by the withdrawal of the US from overseeing international legal safeguards and crisis intervention, *or even* by intervening itself in a very different way in Venezuela. *And* businessmen *not* diplomats have been the key figures in US efforts to negotiate peace in Ukraine as well as Gaza, and make a high-stakes nuclear deal with Iran ...

AI and the development of advanced digital technologies drive our economies. They also change the shape and conduct of war, including the nature of attacks on civilians. Casualties have soared in every conflict—we just hit the 2 million mark in terms of

those killed and injured in Ukraine at the end of January. Even societies that are not technically at war are constantly under siege and destructive attack, including by cyber assaults, and acts of sabotage against critical national infrastructure. We, as citizens, are personally and collectively subject every single day to the pernicious effects of psychological and so-called hybrid warfare. We are bombarded by the deliberate, destructive power of weaponized disinformation and broadly propagated conspiracy theories—all facilitated by the technological breakthroughs we have come to depend on, and our growing reliance on digital systems and devices for all aspects of daily life.

These developments, taken together with the return of war to Europe, have thoroughly undermined the mechanisms, democratic institutions, and systems of governance we relied on to keep the peace after World War II and since the end of the Cold War. This is the “old order” we are always referring to: the post-1945 settlement, and in particular its post-1989 iteration, which has been sustained by US leadership and commitments, and the institutions associated with them. This is what is often termed *Pax Americana*. In the decade since Russia first annexed Crimea and then moved to take the rest of Ukraine, the breakdown of *Pax Americana* has accelerated.

Over the last 80 years in the UK, and also in Europe, we have forgotten the high and terrible costs and chaos of full-scale war. We have been complacent about our own security. We have taken US political and economic benevolence and its military protection for granted. The US is now withdrawing from the system. That benevolence is a thing of the past. The onus is now on us. We will have to build something new, including on the security front, ourselves. It will not be built for us. But we have plenty of precedents for doing this. What we have done before, we can do again.

Since the inauguration of Donald Trump for a second term in office, a year ago in January 2025, President Trump has made it clear that he is not willing to lead, nor to pay for, the effort to create something new. Instead, he will jostle for the best possible position for the US, and the US alone, in the geopolitical free-for-all. Trump wants maximum room for maneuver, and US economic benefit, without responsibility and obligation to others, including the UK, Canada, and other formerly close American allies. At home, Trump is remaking America in ways that go far beyond the objectives of his first term and even those of the US founding fathers, 250 years ago. This is the *rupture* that Mark Carney pointed out at Davos. President Trump has torn off the band aids from a wounded global system and its limbs are falling off.

The UK cannot count on the US anymore. As the 2025 US National Security Strategy makes very clear—beyond an almost poignant shout out to the memory of the old American ties and affection for the UK and Ireland—the US is moving on and away from Europe. The continent and its travails are now a secondary consideration in American foreign policy, as is the Middle East. The US primary focus is on building up and fortifying the region closer to home—the Western Hemisphere, which includes Canada, Greenland, and the Panama Canal zone, not just Latin and South America. This

demands more attention to militarizing the US southern border, taking aggressive action to stem flows of migrants and illicit drugs, controlling hemispheric trade, and as we have also seen the forcible removal of regional leaders—like Maduro in Venezuela—and even blatant attempts at territorial acquisition in the case of Greenland.

The appointment last year of *Louisiana* governor, Jeff Landry, to the position of a special envoy for Greenland, was a clear sign that trouble was looming in relations between President Trump and the Kingdom of Denmark. All was not well there. History buffs among you will recall the 1803 *Louisiana Purchase*—the enormous land deal with France, which doubled the size of the United States, and opened up the lands west of the Mississippi for American political expansion, critical resource development, and, of course, cross-continental trade. The Louisiana Purchase was seen as the greatest land bargain in US history (much more significant than the famous trade for Alaska with Russia in 1867). For comparison purposes, the territory of Greenland is 2% or 10,000 square miles larger than the Louisiana Purchase, and President Trump is personally taken with the idea of massive real estate deals and bargains.

Beyond land grabs in the Western Hemisphere, China and Asia remain a US priority in the National Security Strategy, but Africa is relegated to a source of raw materials with no intent to invest further American attention.

While the US is doubling rather than hunkering down in the Western Hemisphere, and Europe is at war, Asia is relatively at peace (for now). *But* given President Xi's end of 2025 address and his own fiery references to Taiwan, the Chinese year of the Fire Horse could bring another regional land grab attempt in Asia, a military conflagration, or at the very least the trampling of Taiwan's independence. Whatever happens in either of these geopolitical realms this year, to the West and the East, the future settlement of global economic activity and trade will still be shaped by China and by its confrontations with the US. China is the locus and the pivot point of Asia, demographically, economically, politically, militarily, and also crucially in terms of technology development and innovation. Although China's and its neighbors' populations are aging, Asia now represents just over 60% of the global population.

The West, rather than the Western Hemisphere (if "the West" still exists by the end of this year as a geographic construct centered around the US) is both aging *and* declining in population. With the extreme backlash against immigration in the US, which has been a major source of its population growth in the last 80 years, this demographic decline will pick up in pace. And, of course, we have the same backlash in the UK and most of Europe—with the notable exception of Spain. So, will further demographic decline in the West boost China? I would venture that, Fire Horse imagery aside, we are not right now galloping from a US-dominated world to a Chinese hegemonic system. China wants to prosper but it does not want to "run the world." China does not seem likely to pick up the international mantle of American power and leadership this year—nor the "slack" in the global economy. China sees much *possibility* in the future, but it

does not want actively to court the *peril* that comes with global responsibility. As my colleagues at the Brookings Institution's China Center underscore, China wants to cement its ability to trade. It wants to dominate the sectors it is most interested in—including the green economy and green energy—to promote its own growth. China will seek to adapt regional and global structures to suit itself and bolster its economic development and security, but not to be the progenitor of a new all-encompassing order.

2. So, what does all this mean for world trade? What perils and uncertainties lie before us in this period of disorder? What are we in danger of losing and never getting back? And do we have the possibility to shape things more favorably in the process toward a new order?

I will get to the possibilities in a moment. *But* if we consider how things will unfold from our current vantage point in February 2026, I don't think we are likely to see a single economic and military hegemon consolidate itself. Nor, I propose, will we see geopolitical and geoeconomic spheres of influence emerge in the way that people—including President Trump—currently envisage, with a three-way carve up of the world between the US, China, and Russia. Why?

A couple of reasons ...First, spheres of influence are inevitably contested. They lead to more confrontation and fragmentation. I greatly doubt that the US will be left alone to dominate the Western Hemisphere, or that China will be unchallenged in Asia, or that Russia can translate its war in Ukraine into the dominance it seeks in Europe. In the case of the Ukraine war, there is no current end in sight for this war in terms of a single moment that “ends” it. We only have the prospect of a long painful process that the UK and Europe will have to engage in, with or without the US, including eventually rebuilding Ukraine's economy and polity. Russia is currently a nihilistic power, a source of regional and broader disorder. It will not engage in building some new order in Europe and Eurasia, nor anywhere else, at least for the foreseeable future.

Second, putting Russia aside, the US and China are not engaged now, nor will they be in the future, in a military and economic face-off in a vacuum. We no longer have the same set of circumstances that prevailed during the Cold War between the US and the USSR. Over the last 80 years, the world has become a complex and complicated place. It has changed completely.

The UK and Europe, it must be said, currently have limited leverage over the US, their ostensible ally, but others have more clout. India, Brazil, South Africa, Turkey, Saudi Arabia and the Gulf states, and many other countries have wealth and power, their own trading networks. And, individually in some cases as well as collectively, they have the means to counterbalance the US and China in key regions if not globally. The so-called BRICS powers have more aggregate wealth or economic size right now than the G7, which already translates into new forms of economic and political impact. The US

National Security Strategy highlights this when envisaging new economic and trading arrangements for the US.

New rules will not be the product of some binary superpower struggle between the US and China, nor of machinations among the US, China, and Russia over exclusive spheres of influence. We are no longer in that kind of world. The new global rules that will fill the current spaces in the international system will be the product of competition among the so-called “great” and these “middle powers.”

Nonetheless, the issue of prime concern for people in this room—trade—is definitely subject to “great power” machinations. Trade in goods as well as finance is currently seen as leverage for dominance in the current global geopolitical competition—a sword to be wielded in the post-*pax Americana* free for all, not just an arena to engage in. For the United States, as we have seen over the past year, trade is a major part of inter-state competition. COVID upended global trade and ruptured supply chains, wars continue to change trade patterns and rupture regional supply lines, and now US tariffs are doing their part to create more uncertainty. Trade and financial markets have also become fractured with the emergence of cryptocurrencies and the creation of meme coins, with the US now actively engaged in this process.

In the US, personal caprice seems to drive the administration’s application of tariffs and sanctions, not just national interest. Even intra-US trade across the continent is affected. President Trump has singled individual American states out for opprobrium by the federal government—not just other countries. Everything depends on the stance of their leaders on certain political issues and their general political disposition. Trump wants to support so-called red states that predominately voted for him with federal largesse, *not* blue states. So, walls are built, tariff barriers, sanctions, and other financial measures are applied as a means of political punishment.

The future of free, fair, honest world trade currently seems in peril. With the end of *pax Americana* we fear the end of post-WWII peace and prosperity and its accompanying phenomena of global business, global growth, and global advancement.

All of us here rely on trade to create jobs, generate wealth, and produce revenues for paying taxes to underpin vital state functions. And trade, of course, has many aspects: money/financial flows, the exchange of products/goods, and services, but also of ideas, intellect and human capital. International businesses rely on the consistent and impartial application of the rule of international law to support fair trade in goods and the creation of economic partnerships, but also to enable people to move between countries to practice their skills and benefit from their talents.

This may all seem trite, but at the moment we have lost our appreciation of these basic goals of engaging in trade at the local and global level. They have been subsumed by obsessions about geopolitics or geoeconomics and the exigencies of waging and winning wars. Or they have become lost in our understandable concerns about the

negative aspects of trade and economic development, the flip sides of the various flows of goods and people—the creation of unequal dependencies through trade, including economic exploitation, and even “enslavement,” including trade or trafficking in people.

As Richard Burge has noted in his recent remarks, since assuming his leadership role here at World Traders, the world has been brought closer together through the cross-border nature of trade, enterprise, innovation, technology, and growth; but we have also been pushed *further* apart by the same developments, by our fractured domestic politics, the discrediting of postwar political and financial international institutions, and the accompanying rise of nationalism and populism.

Today, too often, the benefits of trade seem to be bending toward the few not the many. In this context, everyone is looking to carve something else out for themselves, to adapt to the new circumstances and uncertainties and be more “resilient,” in part by staking claims to critical resources and supply chains. President Trump’s exhortation to “Make America Great Again,” and his often confounding and seemingly contradictory policies from the mass deportation of immigrants, to imposing tariffs on allies and adversaries alike, to claiming Greenland, re-claiming the Panama Canal, and even attempting to coerce Canada into becoming a 51st U.S. state, in fact amount to a pursuit of greater strategic and economic resilience for the United States.

President Trump is not necessarily tearing things down for the sake of it. He is pursuing his own ideas of US strategic autonomy and forms of autarky, or economic independence and self-sufficiency. Trump’s approach is clearly not inclusive nor altruistic, nor is it what other countries have come to expect from the United States on the world stage. Trump has narrowed down America’s focus in a way that leaves allies, and many citizens in the dust. But there is a method behind the madness, even if there seems more madness behind the method.

However, as my Brookings colleague, Carlo Bastasin, a prominent Italian Economics professor and journalist, has argued in a recent paper, this kind of approach is not likely to be economically and strategically sustainable. The US is far from being self-sufficient and it is still dependent on the global economy. Nonetheless, the US is now laser-focused on economic security—and trade is seen as a key, if not *the* key, feature of national security. This is also laid out in the recent US National Security Strategy.

Two patterns are now emerging in the US approach to trade, as identified in a recent US Council on Foreign Relations report: Building walls with tariffs (what we might call The Great Wall of Tariffs), *and* the US trying to consolidate its own trading space by rewiring global supply chains *away* from China and *toward* the US. In new trade deals with Australia and Malaysia, for example, the US has lowered tariff rates to advance national security priorities. With Australia, the US has focused on securing commitments to provide critical minerals for US manufacturing and defense in return for preferential

tariff treatment, thus—Washington hopes—breaking China’s stranglehold on supplies to the US. And with Malaysia, the US has reduced tariffs in return for Malaysia adopting restrictive measures against Chinese goods and technology that mirror US policies. Similarly, in early February, the US concluded a new deal with India to reduce reciprocal tariffs and have India commit to major purchases of US products, including replacing purchases of Russian crude oil with American supply.

So, President Trump is trying to demarcate the contours of a new US economic and trade order, by pulling countries together around a set of standards and supply chains. The administration has pursued similar accords to the Malaysia agreements with Japan and South Korea. It has also explored mineral-related deals with the Democratic Republic of Congo and Central Asian states. Trump believes he is creating more resilience and economic security as a result of wielding tariffs and making deals.

Tariff barriers and physical walls may play a role in ensuring one state’s security, but they create plenty of problems for other states and their economies, as we have seen in the past year. Not a great “trade-off” for everyone else, so to speak ... And Mark Carney called this out in Davos. Canada is, of course, almost uniquely vulnerable given the fact that the bulk of its international trade is with the US and the US is its primary export market.

However, the US cannot possibly hope to control every critical supply chain and address all of its vulnerabilities at once as my Brookings colleagues Mike O’Hanlon and Marta Wosinska pointed out in an end of December *Wall Street Journal* article and in a more in-depth recent study. The US has yet to identify *which* supply chains are the most essential to US critical national infrastructure and manufacturing, and exactly *where* US dependence on Chinese products and components might pose a significant threat to lives, defense, and essential economic activity. As the US works this out there will doubtless be more upheaval for others ahead.

3. So how do those who shape world trade, or support the efforts of those who do, here in the audience and elsewhere, move from peril to possibility while the US figures out where it is going?

I’d like to use a metaphor that links to Tacitus himself. I had my own commemoration of a significant event—an end of something old and a new beginning—last year, when I turned 60. I am now the same age as Durham Business School, although fortunately not as old as the University which will soon be 200, but I am definitely a senior with something to commemorate. And in reaching this milestone, I wanted to pick up on the idea of beginning a different phase. So, I walked a stretch of Hadrian’s Wall in October 2025. I have long been fascinated with Roman Britain and Roman history, growing up in northern England close to one of the many forts on the way to the wall, Vinovium, at Binchester near Bishop Auckland.

In keeping with the themes of this speech, Hadrian's Wall was not just built for security to fend off marauding tribes on the outer fringe of the Roman Empire. It was a physical tariff barrier to restrict trade and extort a toll from those wanting to pass through. It kept people in and out, and limited their interactions, *and* circumscribed the contours of Rome's economic sphere as well as protecting its territorial holdings against military incursions.

The Romans were in Britain from AD43-410, so for about 370 years. Tacitus relates the early attempts to establish Roman rule in Britain and its consequences, as well as noting the importance of London as a trading city. The Emperor Hadrian doesn't start building the wall until after this period and his AD122 visit to Britain as part of a major tour around the empire. Tacitus sadly wasn't around to tell us about what came next after the wall was built or what happened in the 5th century when the Roman legions withdrew Obviously, we had dramatic developments and impacts on what is now the UK from several hundred years of being part of a vast empire.

The Roman Empire was a trading empire, not just a military empire. At one of massive forts along the wall Vindolanda, there is an impressive museum filled with the cast aways of Roman domestic and military life—broken glassware, horses' harnesses, discarded letters and hundreds of pairs of shoes and sandals, their leather ripped and torn. The Roman commanders and their families didn't seem to bother setting up shoe repair shops or consider import substitution with local leather works and shoemakers. If a pair of shoes or sandals broke, they just ordered some more, using their vast supply chains—in this case mostly from the Iberian peninsula. Or they could order whatever they wanted from Rome itself. Shipping might just take a few months. I took a close look at one pair of sandals that were so modern in appearance despite the centuries of staining and aging that they could easily have come from the same source and place today in contemporary Spain, complements of Zara rather than a Roman trader.

So, what came after all this? When the empire dissolved, we obviously no longer had a single Rome nor a single integrating political, economic, and trading space. We had fragmentation with the emergence of different para-statal entities across Europe and North Africa in its wake. The Roman empire itself moved its center of gravity from west to east to Byzantium or Constantinople for another thousand years. In the UK, according to what I remember from school, we entered the so-called "dark ages."

I always found that such a weird image—were people just sitting around for an age in the dark, doing nothing in particular, waiting for something to happen? Is that what happens to us now if the US packs up and leaves? Do we go dark? I think not...

Historians tell us there was a decline in urban life, when the Romans left, reduced trade, and decreased literacy. But the times were "dark" because there was no-one like a Tacitus to write about them. They were dark in the sense that events in Britain were lost to history until others decided to produce accounts of what was happening,

in vernacular English rather than Roman or Church Latin. Britons were clearly still there after the Roman commanders left, still going about their daily lives, repurposing, refocusing, building, doing something else, also trading with new partnerships and supply chains emerging ... They were in the process of adapting and creating new systems, not standing still in time until someone came along to write about it.

Britons were also still traveling to Rome in this time because of burgeoning religious ties with the expansion of the early Christian Church. We know quite a bit about this when the Venerable Bede picks up the narrative thread in northern England. Bede, of course, is buried in Durham Cathedral, and there was a great deal of activity in the north back then, not just in London. People were using Roman remnants everywhere in the UK, including the roads and trade routes and taking the remains of the Romans' wall, Hadrian's Wall, in northern England to build churches and farmsteads and their own fortifications.

Interestingly in this same period, we have other evidence that people in Britain were traveling extensively and also trading. "The Widsith," the oldest extant English poem from the 6th or 7th Century, is not really a poem at all. It's a travelogue from someone, the Widsith, a "far traveller," who is recounting the peoples and Kings he met on his journey, as well as the heroes and stories and songs he encountered. The writer's travels extend to the Scandinavian and Baltic regions, the Germanic lands, Rome, Byzantium, and even as far as India and Egypt. And they seem to have brought him into contact with another set of people who had a huge impact on Britain—the Vikings. The first mention of them is in this poem.

This is significant because this year, 2026, is the anniversary of another key development a millennium ago in 1026, when King Cnut the Great of England and Denmark consolidated his power over northern Europe and then set off for Rome to attend the coronation of the Holy Roman Emperor and visit the Pope. Even if some roads still led one way or another to Rome, all kinds of new regional economic and political networks had emerged in the wake of the Roman Empire. The Vikings were major commercial traders not just marauders and raiders (although that aspect of trade is still there). The Vikings created a vast, sophisticated network connecting Scandinavia to Europe, Asia, and Africa, dealing in furs, amber, ivory, weapons, and also slaves.

All of this is to say that, fast forward a millennium, and here we are again with the end of the modern American empire and its unified, globalized trading system. People in the past moved beyond Rome, and the Vikings, and all the other orders that came and went. They will move beyond America now

As I noted before, the US does not operate in a vacuum. None of us do. Everyone will adapt to the new circumstances the US is creating and the punitive measures it is trying to impose. All people, societies, and institutions will figure out how to bounce back from this setback and cope with its challenges. This is what it means to be resilient.

Being resilient as a state, a society, or an individual generally means avoiding single points of failure, reducing dependencies and vulnerabilities, and building up your resources and capacities.

Other countries, including the UK, are already interacting with the US in different ways from before and reacting to it politically, economically, and in terms of trade. Canada is a case in point. Even before his speech in Davos, Prime Minister Carney's constituents had been taking action at home. Canadian tourism to once popular places like Florida was down sharply, so was Canadian demand for popular consumer goods like Kentucky bourbon. Canadians were changing their travel, drinking, and other habits out of antipathy to things American. Other factors are obviously at play of course, but American actions have had consequences with a notable hostility emerging toward US goods. ... Norway used to buy more Teslas than anywhere else ... sales have since plummeted. Danes are looking elsewhere as President Trump looks to Greenland and Danish pension funds have been withdrawing investments from the US. UK Prime Minister Starmer, Mark Carney, and EU leaders have all branched out in recent weeks on trade missions to China and India, looking to sign new deals to break out of what they now see as a dangerous dependence on the US. Carney's Davos speech was essentially a "Canada is open for business with other middle powers, here is my card," sales pitch.

In terms of trade and international business, however, technology is key. The US still leads in AI and the digital space. Global competition is now technological not just ideological (or personalized as in the case of President Trump). AI and other technology will be the immediate drivers of what happens next in global affairs and how far countries like the UK, Canada, and Europeans can really go.

The UK, Canada, and Europe are so far on the sidelines despite, in the UK and Europe's case, concerns about tech ethics and values and the impact on society, not just profits. China already dominates the production of wind turbines, batteries, and solar panels, and is moving into nuclear energy, alongside 5G and other platforms. Brazil, Indonesia, and other major countries are already linked into Chinese tech, not to the US. Europe and the UK will have to figure out how to push back against China's statist, authoritarian approaches—as well as American so-called "tech bros" trying to influence global and domestic events outside of their home arena using their colossal wealth.

There are few historical parallels for the scale of this particular wealth *and* influence accumulation with essentially 8 billion people on the planet finding themselves dependent on the products of 8 tech bros. Although we have, of course, seen the rapid accumulation of power and money in the hands of a few individuals, families, and groups in the past—including in Roman times, and perhaps even under the Vikings. Everything is always relative. *But*, the political purchasing power of a tiny number of

individuals has been amplified through the advance of technology in ways we might not have previously envisaged.

Keeping with my Roman metaphor for a little longer, we are in a new era of different kinds of empires—personal, informal, and formal—that affect business and trade and everyone’s lives. This is, for now, the age of strongmen, as Gideon Rachman of the *Financial Times* noted in his recent book. The rest of his title is quite ominous—“how the cult of the leader threatens democracy around the world.” But it’s not just the leaders we have to worry about. Think of their entourages and people who have become household names in the US who would previously have been obscure functionaries like President Trump’s budget director. Trump’s White House is hyper-personalized—his Caesar’s Palace makeover of the East Wing, more Vegas than Rome, and pending redo of the now Donald J. Trump Kennedy Center, and efforts to rename Washington’s Dulles airport and New York’s Penn Station, exemplify all of this ...

But I think things are changing. The signs are there beyond the drama in Davos of growing dissatisfaction with the current state of affairs. The recent election of Zohran Mamdani in New York City is a good leading indicator of change in the US itself.

For now, the US economy is still growing. It is after all a roughly \$30 trillion economy. But there is also a certain brittleness in the economy. There is peril and risk from reliance on the AI boom, military/security expenditure, and the rich and super rich and their consumption habits, all of which are fuelling this growth.

The top 20% of Americans drive the growth in consumption, for example. Admittedly, this is 60 million people in total, more than the population of many other countries, and only 10 million less than the UK population. *But* the rest of the population does not feel so good about things. The so-called “affordability crisis” that Americans are currently debating is rooted in an ever-deepening chasm between lower and higher income households and what the lower income households can *not* afford—like housing, health insurance, a car, travel, recreation, eating out etc. Although rising costs of staples and electricity are also a major issue, affordability is less about food prices and more about this level of consumption. Slowing wage growth for lower income individuals is also a major problem. This is creating a political backlash.

4. So, how do we wrap this up, and how do I end this speech?

History is full of warnings and pitfalls, as Tacitus would have reminded us. Let’s bear in mind that all of us, including China and the US and the global superrich, prospered as a result of the old system and its more egalitarian and equitable society. We seem to have forgotten this. Our challenge is to negotiate, reconfigure, and build a new order—including a trading order—where power and economic prosperity are more evenly spread.

After my walk along Hadrian's Wall, I think the answer lies in regional commerce, and the resilience we see in some national and local economies, including in the US.

There is still a lot of capacity to consolidate and build something new. The BRICS grouping is just one example of efforts to create new trading opportunities globally New patterns of *intra*-US trade and economic partnerships are emerging too (such as new public health collaborations in New England and the US West Coast). Canada is currently focused on building up internal, cross-Canada trade and breaking down barriers between its constituent provinces to off-set the previous propensity and preference for trading with the nearest US states. Canada is looking inward as well as outward to expand its global trade beyond North America.

China is also looking more inward at the moment. As I have already noted, this is not to create a more "equal" order, *but* it might just facilitate one. Beijing's stress is on multilateralism. Internationally, China wants no single power to be allowed to dominate a new system. China is championing smaller mid-size international institutions. China is engaging in closer economic relations with neighbors that it has tense political relations with, including India and Australia. As the US continues to throw up barriers and wield more sticks than carrots, the Chinese market becomes more attractive to others. *But* as countries move away from US and its market, the process of looking elsewhere will provide opportunities for other regional markets in Europe, in Asia, in Africa. Not all roads or trading routes have to lead to Beijing or Washington DC, just as they did not all lead to Rome in the past. There are other destinations.

New arenas are emerging—the Arctic, for example, is a future trading route. The Romans could not believe that people could live so far north as the British Isles. They exaggerated the size of Scotland to justify why they couldn't conquer it. This was the *far* north for Rome and just a bit too much. Climate change is transforming the true far north, which *really* was a bit much for human habitation beyond on a small scale with serious adaptation. The Arctic is not yet up for grabs, despite Trump's machinations around Greenland, but it *is* opening up for new sea transportation routes ... and competition ... China has declared itself a "near Arctic state," and all kinds of other not-so-near-Arctic states seek a place on the Arctic Council. The UK has a maritime history in the region. So, keep an eye on the Arctic. Old patterns are breaking down with the retreat of the sea ice.

In terms of other new patterns, an emphasis on smaller local, as well as regional commerce seems to be part of an emerging trend Discussions abound in the UK and the US about returning to and renewing ideas of local generation of wealth based on local assets. We especially see this in the UK with the creation of new devolved and combined mayoral authorities. Part of this is essential given the sorry state of UK public finances on the one hand, and London's separation from the rest of the UK—more city state than capital city—on the other. In the US, the Trump Administration's ongoing

efforts to dismantle the US federal government are forcing individual and groups of states to take action to preserve critical public goods and to think about forming or growing their own network of trade relations at home and abroad. One case in point is the recent MOU on deepening climate cooperation between the state of California and the UK.

Ultimately, populations in the UK and the US (as elsewhere) are much more interested in their “personal GDP” than the state’s—in other words with their cost of living, affordability, family sustainability ... So it’s up to all of us to address this and figure out how change things in whatever ways that we can.

The UK will have to look inward to developing local and regional trading arrangements, and simultaneously outward to explore different ways of engaging with groups of European countries in key sectors—including the EU in defense, R&D, and education, for example—as well as pursuing new global agreements. As Durham Chancellor, I can attest to the fact that the UK can harness its universities to help adapt to the new economic environment and to build new trading relationships. UK educational institutions are important economic sectors not just centers of learning and research. They also serve as institutional anchors for bolstering societal resilience and creating opportunities. They can help chart a new way forward.

In closing then, collapse and disorder are all part of a system adapting. A new order is not something we can just sit in the dark and wait around for, nor something that will be imposed by a single hegemon. The current environment is multipolar. Our adaptation will be shaped by many different actors. We will most likely end up with overlapping trade and security arrangements rather than a set of stable blocs.

I can’t predict where this particular year of the Fire Horse will end, but in keeping with the theme of this Chinese lunar year, we are at a point where crisis and opportunity co-exist, where there are perils but all kinds of possibilities. Those of us who want to protect what we value or hold to be true and good from the old order will have to respond with great agility this year. We will have to try to ride or tame the horse—or get out of its way as it gallops ahead.

Thank you for attention this evening.