A New World Order Still In The Making: Thinking The Unthinkable

If crisis means opportunity, as in the Mandarin character [3] as widely believed, then imagine what Coronavirus means to those who think it is high time for speeding up the long-overdue creation of a new world order already in the pipeline since the end of the Cold War 30 years ago. [3: Time to debunk one of the biggest and most persistent myths that has plagued crisis management for more than sixty years, namely the Chinese sign for crisis. Contrary to popular belief in the West, it does not mean opportunity. While many linguists know that this is wrong, the myth has persisted to this day and will probably still persist in the future. Because a crisis in fact can be interpreted as an opportunity and we take it in this sense throughout this article.]

The current Corona pandemic, ravaging every corner of the world, could perhaps bring this distant prospect closer to us than imagined if we seize the opportunity. Coming as unexpectedly, this crisis has already wrecked global markets in a way that is incomparable to any global crisis in recent history.

It is ripe to seriously consider a long-overdue alternative global approach to how we live, work and survive in the next decades on our planet. It is not only a matter of how many trillions of dollars we must find and spend to pour into the faltering economies, it is also to sustain and create new jobs to adapt to new ways of working, advance technological breakthroughs, ensure much-needed supply security for energy, water and food, and boost those who are not fortunate enough and get prepared for the future natural and manmade calamities that unfold.

Such a gargantuan task cannot be achieved by the national governments acting alone. It requires a powerful alliance of global leaders in government and business, represented by the US, China and the EU, but also engaging active involvement of other major powers including India, Russia, Japan, Brazil, Indonesia and Turkey.

Today there is no scarcity of debate on how the new economic and geopolitical order would be re-calibrated in the post-Corona world. We know that creating a novel order requires dramatic turns in human life and is a fairly slow-moving process that unfolds in predictable ways.

However, in times of unexpected crises, as we are now bedevilling with, a wild card could enter the system from the outside to effect unpredictable yet significant changes[footnoteRef:4]. [4: https://www.uikpanorama.com/blog/2020/03/30/is-it-too-early-to-speculate-on-a-post-corona-new-world-order/]

At the moment, it is difficult to tell if the new Coronavirus is such an event or not. We shall see as it is progressing but we should also contemplate alternative futures to inspire government, military and business leaders.

Pandemic to disrupt the established order and globalization

Globalisation is not the cause of the disease we face but it makes the consequences of disease

outbreaks much more far-reaching. In doing so, it creates a geopolitical and economic dimension that will help shape the global system in ways not foreseen.

The comparative advantage of global trade and cost-effective international supply chains is, in part, offset by the comparative disadvantage that new diseases can create around the globe and the consequences on both health and international trade.

Global economic relations have been hit hard by the virus and demands for making the OECD world less dependent on supplies from third countries are getting louder.

The current model of globalisation took shape at the turn of the 21st Century, with the old market economy states simultaneously moving their own production to China and maintaining the economic balance of the Western system through financial transactions. The crisis of 2008-2009 proved this approach to smoothing out imbalances in world economic development as being completely wrong.

Shrinking possibilities for productive placement of savings coming from peripheral countries to the Anglo-Saxon centre of the global financial system have since intensified[footnoteRef:5]. The policy of sanctions and financial and economic pressure that Washington has pursued the past few years appears to be provoking some Governments to look for ways to create a financial and economic system or systems that would not be dependent on the United States and the European Union alone. [5: https://moderndiplomacy.eu/2020/03/17/a-new-world-order-or-will-globalization-survive-the-coronavirus-pandemic/]

New political alliances are being forged in Eurasia, Asia, and Africa, including in the form of region-wide financial institutions and regional integration initiatives.

Many in the US itself, the originator of the international system existing today, were getting increasingly unhappy with what was going on and questioning the feasibility of almost the entire ‘West-centric’ development paradigm.

The Coronavirus epidemic, like a sword of Damocles, is hanging over the current architecture of world economic relations. Now that literally each day brings us new evidence of how much the West and the rest of the world really depend on supplies from China, few in America and Europe have any doubts about the need to rethink the foreign policy of the previous decades.

Washington’s policy of ‘breaking down the foundations’ had significantly undermined the countries’ WTO-inspired confidence in a system of rules designed to prevent trade wars. Moreover, while previously, the White House referred to ‘national security interests’ as justification for the use of restrictive measures, any country can now use the global epidemic as a convenient pretext for resolving trade disputes outside the framework of leading international organisations, primarily the World Trade Organization.

Just as The Economist put it, “Much of what has contributed to globalisation at its current stage no longer matters.” The Corona epidemic thus provides a convenient opportunity to legitimise the philosophy of a world order based on ‘egotism and protectionism’.

Western analysts believe that, from a technological and logistical standpoint, getting rid of this over-dependence would be easy because China’s dominance in many sectors of industrial and

consumer goods began only 10-15 years ago. This means that the Corona outbreak only threw this whole situation into harsh relief.

Such choices have not occurred only recently. Remember that the social fabric of ancient Greece was demolished by an epidemic that killed one third of Athenians, including their leader Pericles. The 14th century “Black Death” occurred at a time when the Mongol conquest of Central Asia made trade along the Silk Road between Asia and Europe more prevalent. The 1918 flu pandemic (so-called ‘Spanish Flu’) accelerated the end of the First World War and interfered with the peace process as it struck down many of the delegates to the Paris Peace Conference. It stalled the global economy and caused a wave of post-viral depression[footnoteRef:6]. [6: This time we do not yet know what the long-term consequences of this Corona calamity will bring. If we are to believe Harvard epidemiologist, Marc Lipsitch, between 40 percent and 70 percent of the world’s population could become infected, costing the lives of 30 to 50 million, a death toll comparable to that of the 1918 Pandemic.]

Priorities are different

As of now, given that the world is preoccupied with containing the spread of the virus and thus unable to think of anything else, no one has seriously applied their minds to the enormous consequences of the pandemic for the day after.

The stock market has plunged further and faster than it did in the Great Wall Street Crash of 1929. Trillions of dollars in wealth have vanished. There are far fewer millionaires and billionaires and many poorer people locked at their homes today than there were a few months ago.

Not only is the world economy crashing. Not only have the world’s producers come to a grinding halt but citizens are in fear. They do not know who or what to believe. They are hunkering in homes, at government’s order. Police are in the streets, enforcing quarantines.

Churches, mosques and temples have closed their doors — some of them, because they face the threat of fines and court action if they do not. Savings accounts are being depleted by the day. Beaches are closed, as are restaurants and public parks.

Profits are tumbling. Jobless claims are skyrocketing. Parliaments are being called to act and act quickly to pass legislation that bails out business, doles out checks, saves the citizens who find themselves in sudden positions of unemployment.

Tourism, air travel, vacation cruises, international gatherings and festivals have already shut down. Travel bans between countries and continents are being imposed. Conventions, concerts and sporting events, including the Tokyo Olympics, are being cancelled or postponed. Supply chains have been disrupted globally, though it is not clear how much this is due to the disease itself and how much to counterproductive containment measures.

Whether we will have enough food, water, energy and medical supplies are of greater urgency than us speculating on the possible new order to be engineered.

Key concerns to address

Yet, the questions arise, whether we like them or not; Will Europe lose its status as a global power if this epidemic is not contained soon given that European countries have ageing populations and are not demographically and financially equipped to fight the Coronavirus? Will it end Beijing's hegemonic dreams or, to the contrary, put China back on its "peaceful rise" trajectory towards the 2049 aspirations? Will NATO further redefine its mission for out of area operations?

There are also other questions on why Trump's 'first America' approach will result in its shrinking of global supremacy in many ways and how it will affect Russia, which has never given up hopes of staging a dramatic return to the global high table. India will likely be the most severely impacted populous democracy in the world, alongside Iran.

The socially vulnerable Gulf monarchies will look for ways of surviving in the current low oil price environment. More broadly, leaders will not stop questioning the effects of this crisis on globalization whilst countries and communities retreat into their shells as a form of self-preservation.

Less democracy?

In this pandemic, people now seem to be looking for authoritative leaders, who care for their own people first. Medical historians have long noted that democracy is unhelpful in epidemics, when swift, decisive action is needed, and concerns abound about this outbreak putting an alternative, more repressive governance model to the test.

Liberals are unsure whether it has been a historic mistake to outsource our economic independence and excessively rely for vital necessities upon other nations that have never had our best interests at heart. It may one day be said that the Coronavirus delivered the deathblow to a half-Century of globalisation, and to the era of interdependence of the world's great nations.

There are also claims that key world leaders had advance knowledge of the Coronavirus epidemic and they have been rolling out new policies and guidelines piecemeal to the public without revealing their master plan[footnoteRef:7]. [7: The Bill & Melinda Gates Foundation, of course, is at the very centre of the matrix of organisations and institutions pushing for 'global health governance' and 'reproductive health' and population control. The Gates Foundation is a big financial backer of WHO, the National Institutes of Health, and the Centres for Disease Control. The ultra-exclusive group of billionaire population control advocates calls itself The Good Club, which includes among its handful of members George Soros, Michael Bloomberg, Ted Turner, and Oprah Winfrey. The late David Rockefeller, storied banker and longtime chairman of the CFR, was the organiser and eminence grise of the club.]

And therein lies one of the biggest problems with this Coronavirus craze — the inability for the average citizen to discern what's truth versus what's hyperbole. And just think: All the more so the global forces who would seek to strip the US of greatness, redistribute OECD wealth to the world's poorest nations, implement a one currency system that can be controlled by a select few, and design a total top-down approach to governing that melds borders and cultures into one.

What next?

Still, the search for ‘new equilibrium points’ is already on. Changing times are always a period of searching for and finding new opportunities and Western companies are not necessarily ‘doomed to success’ in this race as Chinese manufacturers have repeatedly proved more able to adapt to changing market conditions than anyone else, while Western firms kept losing flexibility and ramping up development and production costs.

It looks like China has already left the peak of the epidemic behind by effectively checking its spread. Chinese stock indices are on the rise. As for the Americans and Europeans, it seems that the main blow looks still ahead. Theoretically, a possible slowdown of the current model of globalisation may somewhat reduce frustration with the existing imbalances in development, but whether this deceleration is actually capable of mitigating the general structural problems that the global economy is facing today remains a question.

Needless to say, the political environment does not look conducive to finding agreement on anything so ambitious. The world will find itself to a new version of Bretton Woods in time but it will take volatility, trial and error. At some point, we will move towards a new model that can work in the next decades. This is not the first time that the world Governments have faced crises. Domestic stimulus or recovery packages, already launched in the US, China and the EU, amounting to trillions of dollars, are fine but can by no means work as hoped because they ignore the simple fact that we, as the 7.8 billion people, are all in the same ship.

The Coronavirus may be a virus but it is also a stern warning to us all that things have gone from bad to worse in many areas, despite significant progress in other domains. Maybe this is a good time to reflect on the state of our civilisation and contemplate alternative, better, equitable approaches to cure the systemic diseases on poverty, redistribution of power, climate change, energy-water-food nexus and geopolitical conflicts.

We cannot go back to the days of isolation and inward-looking strategies. We must re-connect.

Only through a well-calibrated, colossal effort can we effectively repair the global trading and investment system, restore the new geopolitical equilibrium reflective of the changing balance of power economically and politically, a priori support the disadvantaged segments of the global society and foster greater international co-operation and partnership.

With these thoughts in mind, I want to propose, as a matter of urgency, to set up a 12-member global wisemen group, which will be tasked to develop such a creative and bold global blueprint for consideration by the world’s political and business leaders in these unprecedented times.