



THE INSTITUTE OF ECONOMICS, RUSSIAN ACADEMY OF SCIENCES

How does the change of world order in the XXI century differ from previous eras?

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Motivation

The assumption is considered that a “global polycrisis” (*Lawrence, Janzwood, Homer-Dixon, 2022*) is associated with fundamental changes and bifurcations, the largest of which is the destruction of the previous world order and the formation of a new one.



<https://www.ipis.ir/en/subjectview/725202/new-world-order-signs-and-requirements>



Roadmap

1. Definition of world order.
2. The outgoing (?) world order: signs and markers.
3. Formation of a new world order: what is special?
 - 3.1. On the trend of sovereignty (deglobalisation).
 - 3.2. New leaders are not from the West.
 - 3.3. Not a new hegemony, but bipolarisation?
4. Conclusion.



<https://www.b17.ru/foto/article/364281.jpg>

1. Definition of world order



How we describe world order?

- The world order is “a relatively sustainable and fairly stable state, although limited in historical time, of the international system, characterised by the dominance of rules of conduct in the international arena recognised by the majority of actors (state and non-state) and based on **the balance** of forces and interests of **the leading world power(s)** and political force(s)” (*Nikitin 2018: 32-33*).
- Leading world powers have the highest indicators of **national strength** incl. the level of development of education and professional competencies in the country, innovation and technology, overall competitiveness, demographic potential, the power of the armed forces, the level of development and scale of production, trade and finance, resource availability, reserve status of the currency, etc.



How do we explore the new world order?



- In recent years there have been **more and more publications** devoted to the analysis of the new world order.
- In the **English-language discourse** more attention is paid to the **political aspects**, and much less to the economy.
- In the **Russian-language discourse**, political and economic aspects attract **equal attention**.



Number of works for the request "new world order + politics" and "new world order + economy", " in English and Russian, ~ average per year, Google Scholar data, 2000-2024

Request	2000-2019	2020-2024
«new world order + politics», in English	28 900 32 times more	74 000 13 times more
«new world order + economy», in English	890	5 760
«new world order + politics», in Russian	1 100 ~	3 220 ~
«new world order + economy», in Russian	1 155 ~	3 240 ~



<https://www.b17.ru/foto/article/364281.jpg>

2. The outgoing (?) world order: signs and markers



The current outgoing(?) world order

The current world order can be defined as **globalisation with US leadership** supported by most Western countries.





Negative consequences of globalisation

- Globalisation of markets leads to an improvement in the situation for some and deterioration for others, **increasing social inequalities** and contradictions (*Rodrik, 2017; Stiglitz, 2017; Piketty, 2014*).
- Countries that enter into economic partnerships with US domination **experience a drop in GDP and labour growth rates** (example: Mexico when joining NAFTA).
- In addition, global hegemony poses **a threat to democracy**, as a superpower is tempted to use its position for its own benefit, without taking into account the interests of other countries (*Köchler, 2020*).

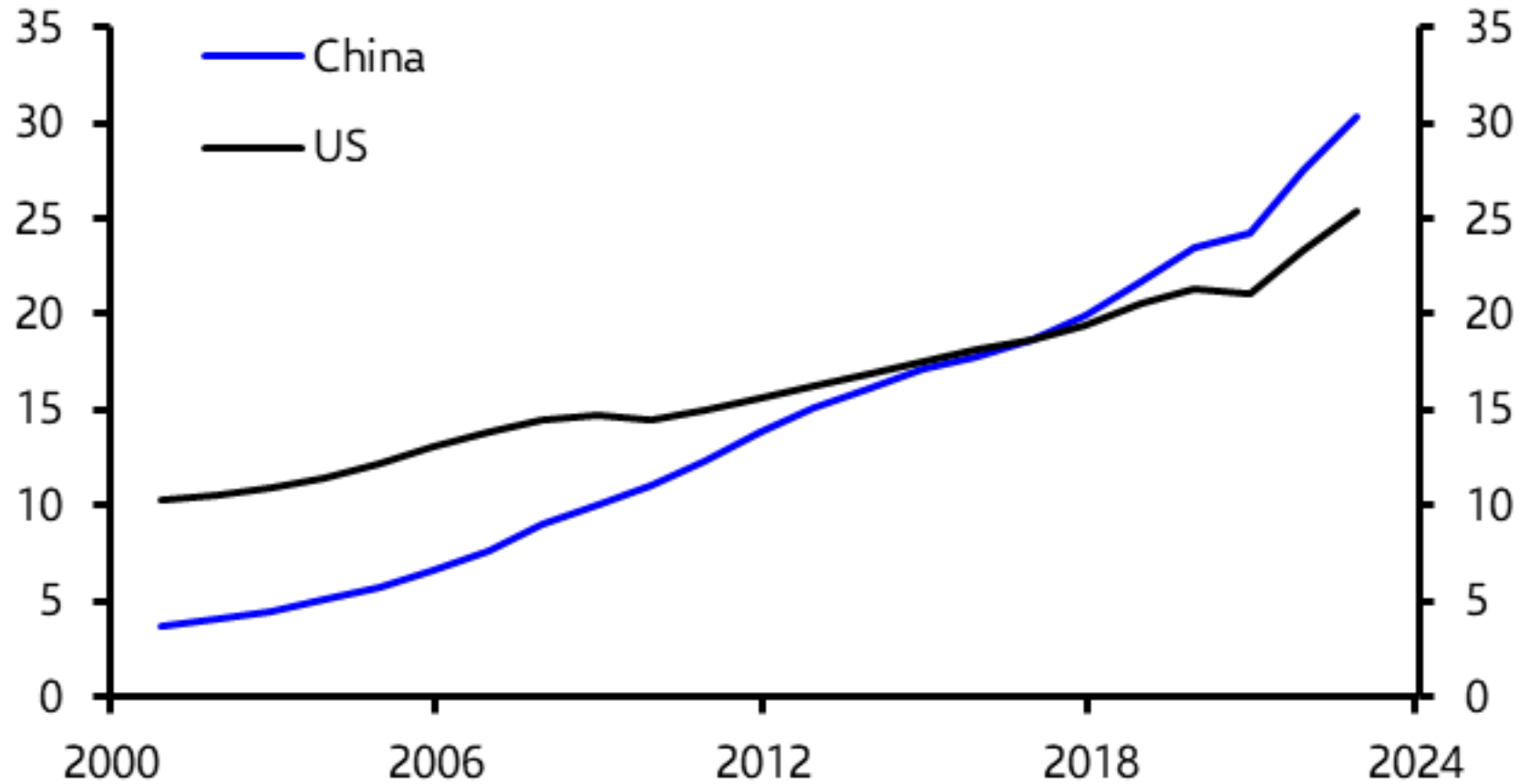


Problems of globalisation

- Globalisation is successful when directed carefully by the "world hegemon". But now **the role of the hegemon (the US) is weakening**. The US is losing its leadership position and its right to world hegemony (*Kagan, 2008*) which is accompanied by a slowdown in globalisation.
- "Whereas in the 1990s, the United States was almost universally viewed as the world's sole and unshakable superpower, by the time of the 2008 financial meltdown, the notion that **US hegemony was in a deep and potentially terminal crisis** moved from the fringes into the mainstream" (*Silver, Rayne, 2020:17*).
- The share of the US in world **production is decreasing**, and also the **de-dollarisation** of the world economy is gradually growing.



The share of the US and China in world production, XXI century



<https://www.capitaleconomics.com/blog/china-versus-us-size-stakes-its-what-you-measure-counts>.



New concepts come - “**Geoeconomic Fragmentation**” as an example

(Shekhar, A., Ilyina, A. et al. **2023.**).

- **IMF Conference** on Geoeconomic Fragmentation. May 25, 2023
- “After several decades of increasing global economic integration, the world is facing the risk of policy-driven **geoeconomic fragmentation** (GEF) in trade, migration, capital flows, technology diffusion and the provision of global public goods...”



<https://www.b17.ru/foto/article/364281.jpg>

3. Formation of a new world order: what is special?



3.1. Trend towards sovereignty



- Sovereignty means that an individual state has “the right and power **to determine for itself** and independently, and not at the behest of others, the basic questions **concerning its existence**” (*Oji, Ozioko, 2011:259*). Sovereignty means for the state "the right to development".
- Sovereignty and statehood are interrelated: **a non-sovereign state=quasi-state.**



Some economic indicators of sovereignty

- **Reshoring programmes:** since the 2010s there is a return of previously transferred production facilities back to the countries to reduce global risks.
- The US: "Remaking America", 2010 (Barack Obama); "America first", 2016 (Donald Trump); "Restoring domestic production capacity", 2021 (Joseph Biden); the UK: "Reshore UK"; France: "Colbert 2.0"; similar programmes in Japan, South Korea and other Asian countries (*Mariotti, 2022*).
- Localisation of production of critical goods, nationalisation of technical standards, etc in Russia.



Areas of sovereignty

- Sovereignty affects processes not only in the territories of countries, in the air and at sea, but also in the field of **digitalisation and technology**, e.g. the concepts of "technological sovereignty", "technological islandisation", "new techno-nationalism", which directly connect technological capabilities with the country's **national security** and its geopolitical advantages (*Mariotti, 2022*).
- In the **cultural, communication and ideological spheres**, the concepts of "value sovereignty" and "cultural sovereignty".



The clash of two trends

- The trend of globalisation, with the hegemony of one player and pressure towards universalisation, **is downwards**. As Francis Fukuyama (the author of the concept of “the end of history”) recognised in his interview on March, 30, 2022, it is “the end of the end of history” now (*Fukuyama, 2022*).
- The trend of sovereignty **is upwards**. This is expressed in the rising barriers between countries, the localisation of production and reshoring programmes, tendencies towards all sorts of specific sovereignty (technological, digital, informational, etc.).



Depositphotos: alexmillos



3.2. New leaders are not from the West

- Previously, the change of leading countries of world order took place within the group of Western countries of the capitalist world system:
 - in the 17th–18th centuries Holland was such a leader,
 - in the 19th century it was Great Britain, and
 - in the 20th century - the US.
- However, now in the 21st century there is a rise of non-Western countries: *2024 Top-5, GDP PPS: China, US, India, Russia, Japan.*



New leaders = new rules?

- New leaders, although continuing to interact with the capitalist world-system, begin to **change the “rules of the global game”**, taking into account their own values, and require a revision of the nature of interethnic relationships and a qualitative transformation of supranational structures, taking into account the growing bipolarity of the modern world.
- **New leaders of world majority** declare symmetrical mutually beneficial relations taking into account the interests of the parties, mutual security and respect for the values of the parties.



3.3. Not a new hegemony, but bipolarisation? (bipolar model not the centre-periphery model)



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Bipolar coalitions*

- In the XXI century the institutional basis of bipolarity is made up of two planetary coalitions, which can be called non-Western and Western coalitions.
- The Western coalition based on NATO (founded in 1949) and the European Union (1993); the composition of their countries almost overlap.
- The non-Western coalition based on Shanghai Cooperation Organisation (SCO, founded in 2001, until 2001 called the "Shanghai Five"), BRICS+ (2006) and Commonwealth of Independent States (CIS, 1991), the composition of which is also overlapping.

* a temporary alliance for combined action; group of subjects co-operating to achieve a particular aim.



Core of the Western coalition: NATO and the European Union, 2001–2024

	2001, N of countries	2024, N of countries
NATO	19	32
European Union	15	27
Total (including overlaps)	23	36 (+ 9 applications)



The core of the Non-Western coalition: the SCO, BRICS+ and CIS, 2001-2024

	2001, N of countries	2024 N of countries
Shanghai Cooperation Organization	5	26 (incl. members, observers and dialogue partners)
BRICS +	4	10
Commonwealth of Independent States	10	10
Total (including overlaps)	13	32 (+ 23 applications)



Expansion of Non-Western coalition

- **The commonality of the agenda of the Non-Western coalition countries** was recorded in 2020, when for the first time the SCO + format was tested in an international forum, in which the SCO, CIS and BRICS countries participated together. This process continues: e.g. on September 16, 2022 in Samarkand (Uzbekistan) a meeting of the "SCO on an expanded scale" was held, and this **is becoming a new practice**
- Despite the differences in specific parameters (territory, population, production volume, national wealth, military potential, technology, media power, etc.), in general, Western and Non-Western coalitions are comparable in terms of total power; at the same time, the **role of the Non-Western coalition countries is gradually growing.**



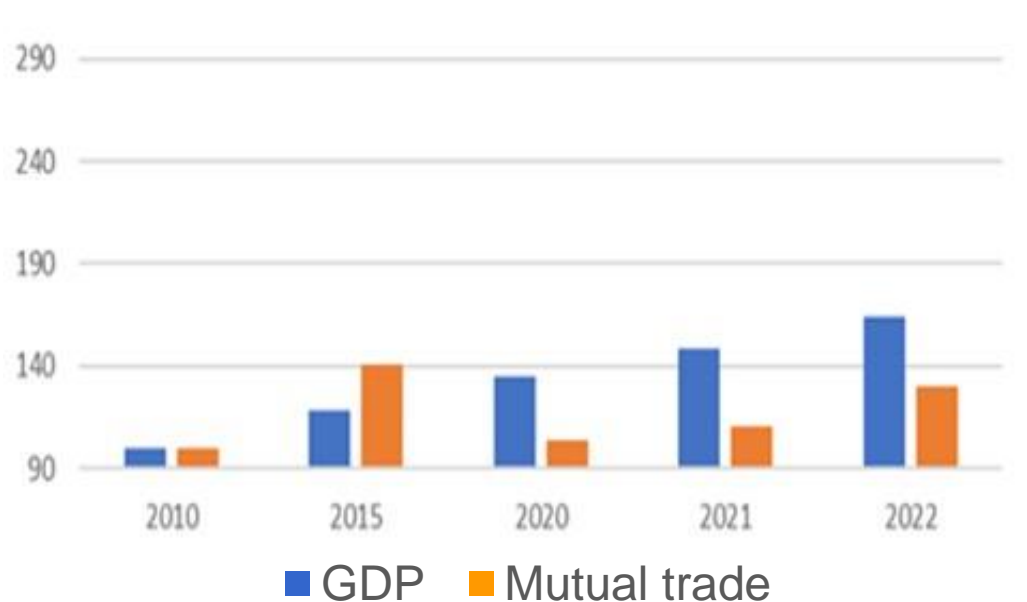
Economic coherence within coalitions

- Draft assessment of the dynamics of economic relations (**mutual trade) within each of the coalitions**: comparison period: **2010-2022**.
- In each of the coalitions, **4 largest countries** were identified, which account for from 75 to 83% of GDP, PPP produced by all countries of the coalition.
- Among them **Brazil, India, China, Russia** (Non-Western coalition) and **Germany, France, UK, US** (Western coalition).
- Data used: The World Bank *data.worldbank.org*; Trade Statistics by Country / Region <https://wits.worldbank.org/countrystats.aspx?lang=en> (2010-2020) and *oec.world* (2021), export prices.

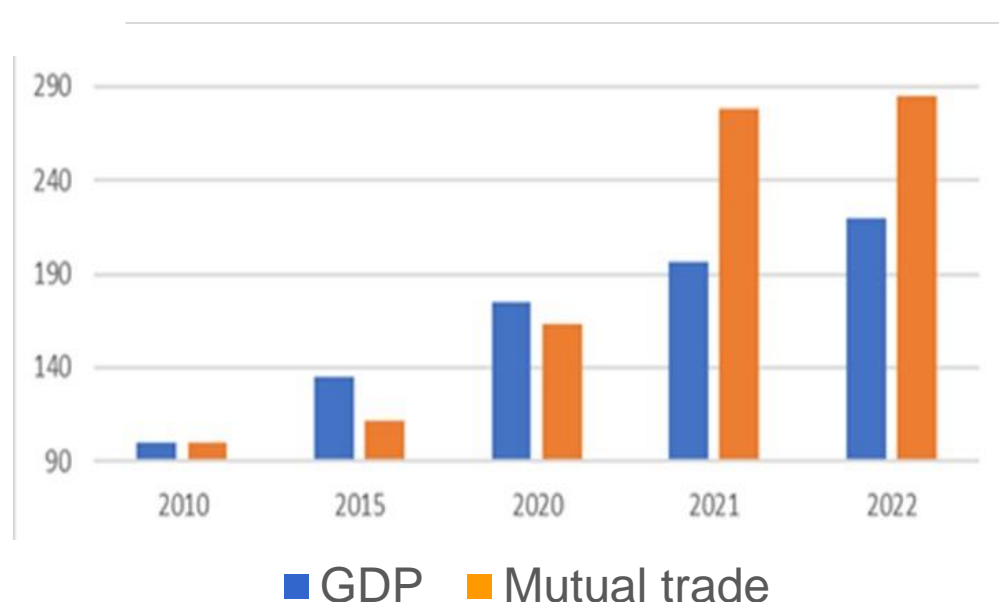


Comparative statistics for largest countries of Non-Western and Western coalitions

Dynamics of total GDP and mutual trade for selected **Western countries**, 2010=100%



Dynamics of total GDP and mutual trade for selected **Non-Western countries**, 2010=100%





4. Conclusion.



<https://edubirdie.com/blog/how-to-write-a-conclusion>



- Let us use **a theatrical metaphor** to complete the analysis.
- «All the world's a stage...», - Shakespeare said.
- What kind of performance is taking place now on the world stage, where there is a polycrisis everywhere, is it a **drama or a tragedy?**





Drama and tragedy in theatre and literature

- **Drama** is defined as a form of narrative that involves conflicts, emotions, and the portrayal of human experiences through dialogue and action; the drama tells about serious, sometimes sad events, but **does not end in a tragic finale**.
- **Tragedy** is a narrative that shows the downfall of a protagonist and does **not have a happy ending**; a conflict between the protagonist and a superior force (such as destiny) and having a sorrowful or disastrous conclusion that elicits **pity or terror**.



Drama but not tragedy

- The new world order that is replacing the outgoing world order **will not be established easily.**
- It has not yet taken shape completely, and the resistance of the outgoing world order also exists. Therefore, we still have many **dramatic events ahead**, but the world, I hope, will cope, and we will be able to **avoid tragedy.**





Thank you for your attention!

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Dynamics of Russia's foreign trade turnover with the largest countries of the Non-Western and Western coalitions, 2010-2022

Trade of Russia with:	2010	2015		2020		2021		2022	
	B \$	B \$	2015/2010	B \$	2020/2010	B \$	2021/2010	B \$	2022/2010
Brazil, India, China (Non-Western)	72.1	75.2	1,04	117.3	1,62	167.9	2,33	238.5	3,31
Germany, France, UK, US (Western)	96.0	71.6	0,75	105.5	1,10	140.2	1,46	116.4	1.21