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Reshaping the global order

That the world is in the midst of a global 'polycrisis' or 'permacrisis' has rightly and unfortunately become conventional wisdom. The evidence is everywhere, from the Russian invasion of Ukraine to global warming, from the Covid pandemic to a looming debt overhang in developing countries, from the return of inflation to the rise of autocracies, from the increase in poverty and inequalities to the loss of biodiversity. The main international institutions in charge such as the United Nations Security Council (UNSC), the World Trade Organization (WTO), the International Labor Organization (ILO), the World Bank and the World Health Organization (WHO) are paralysed or weakened. Wide governance gaps are also appearing in areas that are of great importance for the future like space, cyber or the Ocean. In short, the previous international order, insufficient as it may have been, is broken and history tells us that such moments in the past have all too often preceded major conflicts, suffering and horrors – the perspective of which had progressively faded away since the end of the second world war nearly 80 years ago. Antonio Gramsci coined his famous sentence in 1930: "The old is dying and the new struggles to be born: now is the time of monsters". Shaping or re-shaping a global order of some sort has always been part of a progressive agenda for many reasons, the main one being that we trust the capacities of humans to cooperate and to harness their impulse to violence with solidarity in order to improve humankind – which we believe is possible. Internationalism is part and parcel of the progressive movement and cannot remain just wishful thinking. This short chapter on a formidably complex matter will try to analyse the main causes of the current situation and to propose some avenues forward, including for the EU at a time when its international posture is seriously challenged.

The reasons behind the breakdown of the international order are many. Some of them are of a structural nature, others more conjunctural.

The main long-term, structural factors at play can be summarised by sovereignty being a founding principle of an international order, by the obsolescence of the previous order, and by US-China rivalry.

Sovereignty has been, is, and will remain the main obstacle to building a fully-fledged international order as long as it is accepted as the core principle of international law. Indeed,

sovereignty maintains that political legitimacy lies first and foremost with the nation state, hence only the nation state can enter into agreements that constrain or limit this sovereignty, whether in subscribing to collective disciplines or in participating in so-called 'member driven' international organizations. As long as these 17th-century 'Westphalian' principles remain in place, any form of cosmopolitanism will remain a distant dream, and global governance will be intrinsically weaker than national governance as it can only deliver a parcel of the main outputs of any governance system – i.e., legitimacy, leadership and coherence.

Obsolescence has to do with the origins of the current global system, the architecture of which dates from arrangements made after the second world war. The 'universal' nature of these arrangements is increasingly seen as a product of a past pattern of western dominance at a time when new nation states are now reshuffling the old power distribution – hence a growing frustration in the South vis à vis the North, which comes on top of the still vivid memory of colonisation or imperialism in many places.

The intensification of the US-China rivalry is the third main factor shaping the demise of the international order, as this rivalry increasingly pits the two main world superpowers against each other. Indeed, they now believe they have become dangerously vulnerable to each other – hence a change of view on both sides about globalisation. Whereas the US and China previously celebrated the benefits of increased economic interdependence in fostering development and reducing poverty, they are now trying to address what today they consider as overdependence, and have embarked on a decoupling journey which challenges the rest of the world with hard binary choices, and which permeates international life as a sort of 'cold war 2.0'.

These long-term trends are aggravated by recent developments which accelerate and increase the divisions between countries and the shift to more nationalistic power games.

This is obviously the case with the Russian invasion of Ukraine, which is pitching the US and the EU in support of Ukraine against Russia supported, at least in principle, by China. This can be seen in the United Nations General Assembly votes in March 2022, while a large part of the rest of the world avoids taking sides – a surprise for many of us, which has triggered a big soul-searching exercise.

This aggravation of long-term trends by recent developments was also the case during the Covid-19 pandemic, when vaccines and treatments were reserved for domestic use in many (although not only) developed countries for a long time, thus creating one more North-South divide.

It is still the case in respect of climate change where resources to cope with mitigation or adaptation remain mostly in the North while the biggest impact of climate change is in poorer countries and will keep hurting them in the coming decades. Nonetheless, these countries' responsibility is often minimal in the stock of carbon dioxide accumulated in the atmosphere leading to tensions on the now open issue of 'loss and damage'.

This also risks being the case in the aftermath of Covid, during which rich countries with solid signatures have been able to borrow trillions to support their economies and their populations, while poorer countries do not have access to these cheap sources of finance and are now struggling with a looming debt crisis.

All in all, the previous international order is being shaken by increasing North-South and East-West tensions and frustrations, and by a change in the balance between geoeconomics and geopolitics, the former losing the force it had gathered in recent decades, and the latter regaining its past dominance over world affairs.¹ We are thus moving towards less of a rules-based system, and more of the use of force. This context obliges us to consider new paths, tentative as they may be.

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For progressives, exploring these paths should start with a fundamental reconsideration of the ‘software’ of a new international order, before looking at various ‘hardware’ options.

The existing outdated order had a foundation in values, the Universal Declaration of Human Rights, adopted by the UN in 1948. A reshaped global order would need a similar instrument, fit for the 21st century, a sort of new charter of universalism. It would take into consideration the obvious mismatch between some of the principles of the 1948 declaration, and today’s realities, such as ‘periodic and genuine elections’, the ‘right to social security’ or ‘equal pay for equal work’. Not that many of us would disregard them as irrelevant, but they remain too much of an aspiration for too many on this planet to pretend that they are universally implemented.

New issues such as environmental sustainability, the rights of minorities, or inter-generational accountability need to find their rightful place in a re-statement of collective ambitions, rights and responsibilities. This would need to be thoroughly prepared and developed using the model of the sustainable development goals (SDGs) in order to reflect a genuinely ‘universal pluralism’, encompassing the views, traditions, cultures and beliefs of countries and people who were not recognised, did not exist or had no say 75 years ago.

Just agreeing to embark on such a journey would give a powerful signal that we all recognise that this world is in need of a new ethic, a new recognition of values that bind us all, albeit in different ways, starting, for example, with human dignity, freedom, equality, justice, openness and the peaceful resolution of conflicts. Various initiatives by different stakeholders in different quarters – be they philosophers, or intellectuals for faith representatives – are already working on such streams of thought. These initiatives deserve to be developed.

Such a preamble would facilitate discussion and, later, negotiation about changes in the ‘hardware’ of global governance, not least by entrusting emerging powers with the responsibility of proposing their own agenda in a way that would be commensurate with the new status they are seeking. While a ‘tabula rasa’ approach would probably be unrealistic, several possible avenues should be considered simultaneously, including three

¹ Lamy P. and N. Gnesotto (2019) *Strange New World: Geoeconomics vs Geopolitics* (Paris and New York: Odile Jacob).

approaches to reform of the present broken system: neo-Westphalian, para-Westphalian and post-Westphalian.

The neo-Westphalian option consists of improvements to be agreed between and among sovereign entities, respecting the intergovernmental way of addressing various existing flaws.

Some examples of these improvements are below.

- Reforming the international monetary system by increasing the role and the weight of a 'world currency' such as the International Monetary Fund's (IMF) special drawing rights (SDRs) in order to provide the necessary liquidity in a fairer and more predictable way. This would entail a clarification and, if necessary, a redefinition of the respective missions of the IMF and the Bank for International Settlements (BIS).
- Rebuilding the global financial architecture, including the World Bank and regional development banks, around a new priority for green finance for developing countries, as suggested recently by Mia Mottley with her 'Bridgetown agenda'.
- Creating a 'global carbon pricing comparability platform' in order to avoid new trade frictions by improving the articulation between different approaches, policies or instruments for the decarbonisation of production.²
- Realigning under a single roof various requirements of agrifood systems such as availability, affordability, sustainability and resilience.
- Developing new instruments and policies for pandemic preparedness, production and distribution of medicines and treatments as a follow up to the Covid crisis.
- Revamping ocean governance by breaking down the silos which prevent an adequate response to the systemic nature of the hydrosphere.³
- Creating a 'global digital stability board', modeled on the financial stability board, to oversee the development of digital ecosystems governance in a way that properly balances their convergence and concomitant benefits with their coexistence in case of various legitimate limitations to openness.⁴
- On a more logistical side: reforming the diplomatic nature of the selection process of most leaders of international organisations in order to adopt state of the art professional and transparency criteria.
- Mandating a review every ten or 20 years of the content of international agreements and the goals of international organisations to ensure that they remain fit for purpose, inserting, where appropriate sunset clauses for their continuation.
- Building on the relative success of innovations such as the G20 deal on corporate taxation or the nationally determined contributions of the Paris climate agreement which provide for more flexible arrangements than hard law, thus allowing a wider participation of countries.

2 Lamy P. et al., Greening Trade article series, Europe Jacques Delors (www.europejacquesdelors.eu/policy-areas/trade-environment).

3 Lamy P. et al., Ocean Governance article series, Europe Jacques Delors (www.europejacquesdelors.eu/tags/ocean-gouvernance).

4 Lamy P. and B. Liebhager (2022) "Global governance for the digital ecosystems". CERRE.

Finally, what should or could be the contribution of the EU to reshaping a global order?

At first sight, it can put to good use the benefits of its unification experience and knowhow. The EU has already reached a level of 'European order' much tighter than any sort of possible global order. It can also serve as a demonstration of the possibility to combine the benefits of integration with those of diversity and pluralism: *in varietate concordia*.

But Europe also has handicaps in taking the lead of such an ambitious agenda. These have to do with Europe's past worldwide dominance and with the scars this has left, many of which persist. These handicaps also have to do with Europe's demographic decline, and with its current relatively low growth potential.

Yet, if one wants to remain faithful to the very purpose of European integration – i.e., keeping the 'European option' (broadly defined as a specific way of life and a particular mix of political, economic and cultural values) available for other humans – Europeans must engage, even if the present circumstances, dominated by the Russian war in Ukraine, challenge the relevance of Europe's recent geopolitical ambitions.

Even if the jury is still out on whether Putin's folly will result in a strengthening or in a weakening of European unification, building a new global European agenda seems to have become a must.

Framing such an exercise should start with two basic interconnected considerations:

- The first concerns the narrative: the EU should resist adopting the 'West against the Rest' posture which is in vogue in Moscow and Beijing, as well as in Washington, for good reasons seen from their point of view. This idea is in contradiction with European strategic autonomy ambitions, and it will fuel aggressive nationalism and confrontation rather than cooperation. Unless it opens the way to a new 'non-alignment 3.0' coalition between India (whose population will surpass that of China this year), Brazil, Indonesia and the like, with which case by case, 'variable geometry' type alliances could be built.
- The second consideration has to do with reshaping the EU's own international agenda. If the coming decades are dominated by the US-China rivalry, the most likely scenario, the EU should rapidly reshape its relationship with developing countries around its own new strategic axis, the green deal, thus putting together a new 'green diplomacy'. In this case, a priority should be given to a coalition with Africa, the continent whose future matters most for the European future.

This is a chapter written by Pascal Lamy for the Foundation for European Progressive Studies, FEPS progressive yearbook 2023.

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