

Understanding the Current World Order

Rohan Hazell:

The phrase “World Order” is mentioned more and more often these days, usually in the context of US-China relations, the influence of different countries or regions on the world stage, or in the apparent differences between Western and non-Western ways of governing and managing global trade.

So, what exactly is world order?

And why are so many political, business and thought leaders either calling for a shift, or insisting we maintain the status quo? Is the so-called “post-Western world order” something to be feared or welcomed?

Let’s explore the current and emerging world orders with Chandran Nair, Chairman of GIFT.ed.

Chandran Nair:

The term “world order” actually comes from the phrase the “global world order” or “the rules-based world order”. And that's where that term came from. And the rules-based world order was something that was created in the aftermath of the Second World War. And it is credited with bringing a great deal of prosperity and peace to the world, despite periods of regional wars and geopolitics. But it's basically credited the rules-based world order with bringing great prosperity and peace over a period of 70 years.



Rules-Based World Order

The institutions and norms – centred on the UN
– that were established after World War II

Source: Lowy Institute, 2020

The reason we're having this discussion about the world order is that that rules-based world order is now being questioned by those who believe that they were not part of making the rules. And if you want to be more precise, that tension arises from the fact that most people see the world order, the rules-based world order as being essentially a Western rules-based order.

An analogy would be to look at, say, an operating system within a computer or the Internet. We've had in this space of 20 years, new operating systems constantly being created. Because the old systems were seen as inadequate for users and new players. The system became larger, more complicated. People wanted greater speed. There was a question of equity in terms of internet access and all of that. So, the rules-based world order is now essentially being challenged as an operating system that doesn't work for the world anymore. And that is also the cause of great tension, but also euphoria in some parts of the world.

So when you talk about the world order and you talk about revamping the rules-based world order, it means different things to different people. It is a political hot potato. If you come from parts of the world where you feel that that world order essentially created great benefits and you've argued that it is what has made the world a better place, then you don't want to see it replaced.

And that's the period that we are going through. 70 years of the old system, which was reshaping how we thought of the world post the colonial era, post 300 - 400 years of Western domination, et cetera. And it was meant to be a fairer system. In many ways it was, and it did some very good things. 70 years on, people feel we need a new rules-based world order.

Without getting into, you know a dissection of what colonialism was about, any student of history will know that the last 400 - 500 years was based on the Western domination of the world. The colonisation of Latin America, large parts of Africa and Asia, initially started by the Portuguese, the Spanish, then the British and other European nations. It culminated in the largest empire in human history, which was the British Empire.

The dismantling of that grab for power among European nations resulting in the First World War, cannibalisation among powers, then the Second World War. And that was the most destructive war in human history. It affected everybody. Millions of people died, and the world was thrown into turmoil.

That resulted in then a global sort of peace dividend sort of mission to create something different. And that created today's Western rules-based order.



The United Nations Conference on International Organization (1950)

San Francisco

The Western world was then represented by the victors, which were essentially the UK and the US. They created the new world order and brought in five other players, created the UN system. Russia was part of that at that time and so were the other allies of the Germans.

So, that new order resulted in the creation of bodies like the UN, the World Bank for reconstruction, and then later on bodies like the WTO and many organisations within the UN umbrella. And that whole structure created the stability that allowed for 60 - 70 years of overall good peace. No world wars.

A part of that world order was also the creation of the US dollar as the dominant currency, the reserve currency of the world, which gave the US great responsibilities, but also allowed certain powers that depending on the geopolitics and depending on the leadership of the United States, were exploited in ways that some thought were unfair, particularly the use of sanctions, trade barriers and things like that.

And so that Westernisation was associated with power and a continuation of the colonial era, in terms of a group of nations mainly dominated by the West being the sole judges of what was right and wrong, setting the rules. And as other powers essentially came into play and grew more powerful economically - these include China, now India, and others such as in Latin America - this created tension and they are arguing for a new world order. Not a de-Westernisation in saying that everything that the West did or contributes or its presence

must be replaced by something else. It cannot be a zero sum game. People want a world in which they have equal say, and it's not dominated by Western powers and particularly by the United States.



Rohan Hazell:

The systems, power structures, and norms that shape our world are collectively known as the “world order”.

Since World War II what’s known as the rules-based world order has prevailed, largely led by powerful Western nations, and the US in particular.

This world order is credited for bringing stability to large parts of the world, but it also has historical roots in colonialism, and has helped Western nations maintain their dominance in the modern age.

As non-Western nations modernise and rise in power and influence, they are calling for a world order that is more responsive to their needs, particularly as many were not involved in the creation of global rules in the first place. As a result, we are seeing a transition into a new era, termed the post-Western world.