

Opportunities in the Midst of Global Uncertainty: Evolving Implications for a Research Agenda

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Evolving Trends

1. *Liberal Democracy and Globalization Are Eroding*: In 1989, the US declared victory in the Cold War, propagating the uncontested hegemony of the liberal democratic and capitalist model. The Soviet Union disintegrated, while the European project established an economic union, a common market, and a common currency. By 1989, the North Atlantic Treaty Organization (NATO) had given Western Europe a sense of security and strengthened its collective structure of command. NATO also started to expand its membership to include members of the former Warsaw Pact. The strength and hegemony of the Western liberal democratic model seemed uncontested.

However, with time and changes in leadership both in Russia and China, the moment of unquestioned hegemony came to an end. Russia sought to revise the results of the end of the Cold War, unhappy with the West's encroachment into its spheres of influence in Eastern Europe. China increasingly demonstrated self confidence as its economic, technological, and military advances propelled it to the foreground of world politics as a strategic competitor.

Compared to the immediate post-WWII era, the world today comprises a different set of global players and distinct military, economic, and cultural powers. The US is experiencing intense political and cultural polarization, inflicting serious damage to its liberal democratic model. The American economy has fractured along deep cracks of inequality, prompting revisions in neoliberal and capitalist thinking. Europe too is politically polarized; extremist fringes are gaining ground and unsettling election results. Western Europe, which on the whole has enjoyed unprecedented peace and prosperity for 70 years, is facing high inflation and indebtedness.

The world today is characterized by simultaneous crises that together create a perfect storm: human security threats, an overheated great power competition, and corrosive global, regional, and national inequalities. The Middle East in particular is undergoing deep transformations. Not only is the region becoming highly unequal, but it also currently registers high rates of population growth, environmentally unsustainable urbanism, and water and food insecurity. It remains to be seen how a new power balance could address these challenges in inclusive and sustainable ways. What is certain is that profound transformations in systems and processes will ensue after the dust settles.

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The American and European globalization framework is also in question. Globalization has alienated the middle classes, feeding the rise of populism. Instead of self-assured, victorious powers leading the world with a liberal democratic model that has universal appeal, populism in the US and Europe is challenging Western “global” leadership and demanding self-interested “we first” policies.

2. *Multilateralism is Under Scrutiny*: After WWII, the victors erected an elaborate international architecture, namely the United Nations (UN) and Bretton Woods international financial institutions (IFIs). However, neither is standing the test of time. Voting patterns within the UN during the Ukraine crisis represent a glaring indicator of the fissure between the West and the rest.² Many countries around the world consider the UN no longer fit for purpose, as articulated by the former presidents of Liberia and Nigeria in June 2022 (There will be African victims, 2022).

The IFIs have for decades attracted criticism from the Global South. Such critiques are largely based on the governance arrangements that assign the US and Europe a disproportionate share of power in those institutions. As China’s presence in such forums has increased over the past 10 years, China too has come under attack for yielding too much influence – for example, in influencing the results of a World Bank report on doing business and in steering the recommendations and policies of the World Health Organization (WHO) during COVID-19 (Woods, 2021).

Furthermore, IFIs have been criticized for failing to abate economic crises and come to the rescue of highly indebted poor and middle-income countries. Many voices on the left have repeatedly contended that IFIs are complicit in contributing to global inequality. For example, while rich countries hoarded vaccines during the pandemic, poorer countries were unable to achieve the WHO-recommended rates of vaccination. Inequality in access to the vaccine was rampant in spite of the UN COVAX initiative and the IMF Special Drawing Rights (SDRs).³ The efforts by the head of the IMF to support African demands for a more equitable distribution of vaccines and SDRs attest to the realization of the institution’s eroding credibility.

While some in the Global South call for revamping the governance structures of IMF instruments (Ellmers, 2021), others look for alternative finance regimes. The Chinese Bank for Construction and Development and Russian and Chinese attempts to end the dominance of the dollar in world trade reflect ambitions to create a parallel international banking system of transactions.

Post-WWII intergovernmental groupings have long functioned as multilateral platforms with considerable influence in global affairs. For example, the G7⁴ and the G20⁵ together account for 80% of global gross domestic product (GDP). For years, such groups have responded to global crises in important ways. However, today, intergovernmental platforms are simultaneously experiencing expansion and erosion. In an expansion eastward towards Asia, the G7 now welcomes Australia, South Korea, and India to meetings. NATO too has extended invitations to Asian countries as observers. Yet, recent global crises have demonstrated the increasing prevalence

²The African continent was split between those countries that were in support of the Western position and those that preferred to adopt a more cautious position. Many allies and friends of the West in South America, Asia, and the Middle East also acted with caution.

³In response to COVID lockdown measures and to the rampant inequality of access to COVID vaccines, the IMF released \$650 billion of SDRs. What could have been received as good news turned into a weapon in the hands of IMF critics, who have demanded an end to the structural inequality inherent in the SDRs and many other IMF instruments. The SDRs are distributed according to the country share in the IMF. This procedure privileges the rich over poor and middle-income countries.

⁴The G7 was founded in 1975 in the aftermath of the global oil crisis of 1973 and comprises the seven industrialized countries accounting for 40% of the world’s GDP.

⁵The G20 was founded in 1999 in the aftermath of another global economic crisis and comprises the G7 and emerging economies.

⁶Matthew Goodman writes extensively on the G7 and G20 at the Center for Strategic and International Studies. See also <https://www.cnbc.com/2021/06/14/g-7-summit-why-economists-and-activists-are-disappointed-over-pledges.html>.

of “me first” or “national interest first” attitudes among participating countries, thus threatening to dilute the collective think and act impact of intergovernmental fora.⁶

3. *New Economic Non-State Actors Are on the Rise*: The UN sustainable development framework cites high-net-worth individuals and private wealthy foundations as partners in development. Today, they are also partners in crisis and war. During the COVID-19 pandemic in 2020–2021, Bill Gates exhibited a significant influence on the WHO. In the war in Ukraine, Elon Musk continues to exercise influence on the course of events. In March 2022, Musk’s Starlink⁷ acted as a game changer in the conflict. That month, the Ukrainian Minister of Digital Transformation tweeted asking for Musk’s help. Within a few hours, Musk tweeted back, “Starlink service is now active in Ukraine. More terminals en route.”⁸ In May 2022, Euronews reported that a Ukrainian military commander in Mariupol tweeted to Musk for help: “if not you, then who” (Ukraine war, 2022).

Opinions diverge on the merits and dangers of economic non-state actors’ role in public affairs (Behar, 2018). The rising power of non-state actors in matters of security, peace, and development is clearly worthy of further attention. Throughout history, the impact of private wealth has been documented; this literature can valuably inform a research agenda for the future.

4. *States are Mobilizing Economic Weapons of Mass Destruction*: Economic weapons are not a novelty in international relations.⁹ The West has often resorted in the past to sanctions and export bans. Administering tight sanction regimes is an act of delicate economic management and proof of political influence. The sanctions against Russia, which are proving difficult to maintain even for those countries that are on board, are a case in point. The intention is to economically weaken Russia and to force it to abandon its war. In practice, the sanctions against Russia have inflicted economic hardship on the entire world¹⁰ (El-Erian, 2022). In spite of their complexity, sanctions and other economic coercion methods are relevant to the industrial and technological race between great powers. For example, the US is seeking to cut off China’s access to deep ultraviolet lithography machines, which are used to make advanced semiconductor chips. This push to cut off China’s access to Western technology is part of Washington’s broader effort to counter Beijing’s growing technological prowess. If the US succeeds in curbing China’s access to advanced semiconductor manufacturing equipment, Beijing will retaliate and take more brash moves to violate related Western patents.¹¹

Economic warfare raises the stakes for the whole world and sparks questions of “at what cost.” El Erian (2022) observed, “(A) growing number of countries undoubtedly now feel more vulnerable to the reach of US sanctions.” Rajan (2022) even called sanctions an economic weapon of mass destruction. Furthermore, in a paper requested in November 2020 by the European Parliament’s Committee for International Trade, the authors highlighted the controversial legality of sanctions (European Parliament, 2020). The paper argues that such sanctions may not fully fall under the exceptional leeway that WTO rules provide for in the name of national security. Therefore, a closer look is needed to define security threats and to justify a wide range of sanctions imposed on economic transactions with no direct connection to military trade.

⁶Starlink is a service under Musk’s space company, SpaceX. The service uses terminals that resemble TV dishes mounted on roofs to access the Internet via satellite.” For details, see <https://www.washingtonpost.com/technology/2022/03/19/elon-musk-ukraine-starlink/>.

⁷Ibid.

⁸د. محمد دياب "سلاح العقوبات الاقتصادية: تاريخ طويل عمره من عمر الحروب بين الامم" مؤسسة الفكر العربي July 11, 2022. <https://bit.ly/3c1GCKV> (Mohamed Diab, “The History of Economic Sanctions” Arab Thought Foundation, July 11, 2022.)

⁹RANE Geopolitical Digest (July 15, 2021) reported one example of this complexity: The G7 proposed a price cap on Russian oil to control global price hikes on fossil fuels and ensuing inflation. If the United States backs up the G7 price cap with secondary sanctions, it would likely prompt Moscow to reduce Russian oil exports in an attempt to drive up global prices (and inflation) even higher.”

¹¹RANE Geopolitical Digest, July 15, 2022.

In short, the world may need a new international framework to regulate the use of sanctions and export bans. This framework will require a revision of current understandings of economic warfare and the role of international mechanisms and instruments of conflict resolution in the UN, WTO, and other bodies. For example, WTO rules impose discipline on countries' trade policies, which is usually the outcome of negotiations among WTO members. The WTO then enforces rules via procedures that have been negotiated, including the possibility of trade sanctions. How should the WTO, which may impose trade sanctions of its own, relate to and regulate the kind of sanctions imposed on Cuba, Iran, or – more recently – Russia?

Moreover, economic warfare is bound to turn the world's attention to the role of large economies in alleviating global economic misery, such as food insecurity. The hike in global wheat prices in response to war and sanctions is a case in point. According to an IMF blog, "In the United States, where about 40% of corn production goes to ethanol, policymakers could reassess that use. And China, which holds more than half of global wheat and corn reserves, could consider releasing supplies to lower price" (Bogmans et al., 2022).

5. Narrative Wars Rule Supreme: High levels of economic and racial inequality in the US feed into intense polarization, contributing to the demise of Western moral leadership. The failures and dysfunctions that currently characterize American elections call into question the righteousness by which the US used to exert influence. Nye's (2021) belief in American self-corrective open dialogue and in its younger generation is an argument for "wait and see." the climate change crisis, many countries in the Global South wondered why they should care when the West was the biggest polluter. When the West decried the Russian war in Ukraine and said Russia waged war based on lies, the rest of the world recalled similar Western behavior in Iraq. This troubled legitimacy complicates Western efforts to consolidate a global bloc against Russia and China and feeds a fierce war of narratives. Speaking at the first-ever Security Council high-level debate on strategic communications in peacekeeping operations, the UN Secretary-General stated that "misinformation, disinformation, and hate speech are increasingly used as weapons of war."¹²

Emerging Research Agenda

1. Multilateralism and Globalization: The combination of crises confronting the world today raises fundamental questions about multilateralism and globalization and whether global governance principles and instruments are fit for purpose (peace and justice). Efforts to reform many instruments of governance within the UN are underway. For example, proposals abound to alter the power dynamic inside the UN Security Council¹³ and reform the International Court of Justice and the International Criminal Court (ICC).¹⁴ In this context, Woods (2021) wrote, "Given today's heightened geopolitical tensions, complaints about some countries' supposedly excessive sway in multilateral institutions may become more frequent. More accountable leadership, effective representation, and transparency are the best tools for counteracting, detecting, and mitigating it."

Globalization theory assumes that economic and technological interdependencies are good for economic prosperity and peace. The claim is that interdependency ensures the efficiency of global production and

¹²For details, see https://press.un.org/en/2022/db220712.doc.htm?utm_source=PassBlue+List&utm_campaign=33a771ede7-RSS_PassBlue&utm_medium=email&utm_term=0_4795f55662-33a771ede7-55066718.

¹³See the results of the Albright-Gambari Commission on Global Security, Justice & Governance and the UN declaration during its 75th anniversary in September 2020. See also <https://www.stimson.org/2020/un-2-0-ten-innovations-for-global-governance-75-years-beyond-san-francisco/>.

¹⁴Neither Russia nor Ukraine (nor the US) are parties to the statute that established the ICC. The ICC established a special tribunal to try Putin based on the fact that Russia is a party to the Genocide Convention whereby Russia agreed that the ICJ is the forum at which disputed allegations of genocide may be resolved. Ukraine seized on this fact and submitted an application of proceedings against Russia.

distribution as well as global peace among trading nations. For this reason, Europe previously accepted its dependency on Russian oil and gas, and the world accepted its dependency on Chinese and Taiwanese production of semiconductors. However, the ideals of globalization have come into question. Interdependency is increasingly looking like bad geopolitics (Macaes, 2022).

Global governance principles and instruments reflect the power balance in the world order (and in periods preceded by world wars, reflect the interests of the victorious). Facing protracted uncertainty, the research community should be posing the relevant questions now, to be ready to inform the ensuing debates in policy circles.

2. Neutrality and Non-Alignment: Many countries in the Global South are walking a tight rope, dependent for military, food, and energy security on feuding great powers. Almost all countries in the Global South have therefore opted for a mix of positions, whether on the Security Council, the General Assembly of the UN, or with respect to sanctions against Russia.

As the Ukraine war evolves into a war of perseverance (Haas, 2022), Putin remains unready for a negotiated end. China may consequently have to establish itself as a world peace broker. If this role does not materialize and the West continues to raise the stakes, militarization in Asia and elsewhere will escalate and the world order will destabilize.

Furthermore, as countries such as Finland and Sweden rush to join NATO, the future of neutrality will have to be rewritten. This could become a catalytic moment for the birth of a movement of states in the Global South, a Non-Aligned Movement 2.0, to coordinate amongst those unable singlehandedly to manage the heat. Is there room and appetite for such a development?

3. Regionalism: The current global crises are catalyzing new thinking about regionalism. The energy, climate, and economic crises in particular are forcing various regions to redefine their security frameworks. Asia, Europe, and the Middle East consequently face a new impetus to redefine geo strategic security, sustainable development, and social harmony (Huminski, 2022; Macaes, 2022). Serious questions prevail about the future of the Middle East and North Africa (MENA) and about the region's geostrategic security: who threatens such security, and who are its guarantors. Can a region sandwiched between Europe, Asia, and Africa and a pivotal actor in the energy security/energy transition paradox survive without a new regional security framework? Do the latest shifts in alliances amongst those who were previously staunch enemies signal a new regional security framework? Tracking and analyzing trends in the shifting sands of the region, conceptualizing scenarios, and suggesting implications represent an expansive frontier for future research.

4. Narrative, Media, and Culture: The supremacy of narrative was made evident in a seminal work by Nobel laureate Robert Schiller (2017, 2019). Narratives are drivers of public perception, public policies, and conflict resolution efforts. The narrative wars around climate change, COVID, and now the Ukraine war – and their tools of mis/disinformation and hate speech – reveal a complex political economy of narrative formation and disruption. Understanding the dynamics of how narratives are built and sustained is increasingly important. The political economy of mainstream media, social media, and influencers lies at the heart of this endeavor. Improving knowledge in this sphere will require a rigorous research agenda on the instruments of information, the political economy, and implications related to geo-strategy, peace, and development.

5. *The Future of the State in a Post-Neoliberal Paradigm*: Today's global and regional crises necessitate effective government institutions, visionary public policy-making, and accountable implementation. Decades of neoliberalism have impacted the machinery of government, public policy, and public administration. The techno-managerial approach has rested on the neoliberal assumption that it is best for government to be small or weak and that entrepreneurship and digitization are universal solutions.

Scaling up towards sustained and inclusive development will require shifts away from neoliberalism and towards progressive modes of accumulation and inclusive modes of investment in the dignity of all people. The end of neoliberal assumptions that have affected not only economics but also public policy and administration may be near. What new assumptions will take their place is an inquiry for a forward-looking research agenda that integrates governance, law, public policy, public administration, and regulatory institutions.

Concluding Comments

In times like these, the education and research communities should seize opportunities to help re-make the future. This is a moment for teaching, training, and research in order to understand imminent policy transformations and inform future policy-making.

The preceding brief tour of global challenges and opportunities demonstrates that it is imperative, in classrooms, to link history, sociology, and culture to ecology, public policy, and governance; in research, to access strategic funding for knowledge production and partnerships across geographical borders; and, in executive training programs, to enhance skills needed for today's policy needs and invest in preparedness to meet potential future scenarios with agility and resilience. Finally, managing the messy process of co-creation of ideas and reconciling conflicting interests in daunting times remain soft skills that should inform curriculum development, research proposals, and executive training design.

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