

# IS WORLD ORDER AT RISK?

By

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In my June, 2016, paper *Globalization At Risk?* I wrote about the impending attacks on this hugely popular economic phenomenon. Regrettably, many of the concerns I spoke about in that paper have come to pass.

However, this is just one of a litany of significant global issues which are flooding the world scene and creating an unsteady world order.

You will all recall that following the second world war, the world slowly evolved into a new world order which became known as the Liberal World Order. The developed nations, for the most part, collectively supported policies, treaties and transnational institutions designed to maintain peace, to foster economic prosperity, to protect human rights and, generally speaking, to make the world a better place to live.

As a result, for many decades, the world has enjoyed a period without a major war, economic prosperity unheard of in history, technological advances undreamed of by anybody, and unbelievable medical breakthroughs.

Regrettably, in recent times, a number of new and disturbing issues are now front and center and many of these are threatening the established world order and could quickly destroy much of the stability that protects us in today's chaotic world. It is even more concerning that these issues are rattling our world concurrently which increases the risk we could face the perfect storm.

As I reflected on the many issues that are in the news these days, it struck me that issues are usually addressed individually and usually in isolation and not as part of the totality of many issues. Hence, any discussion or analysis usually underplays the impact these issues, when taken together, would have on our world.

A quick review of these issues through this lens makes it very clear that our world is under attack on a multitude of fronts both in the short term and the long term. Further, given this array of issues, it is no wonder that the world is in disarray in trying to deal with them.

This has led me to addressing a number of the issues as a collection of concerns which I believe provides a more realistic portrayal of the dangers we face. I have chosen these particular concerns because I consider them to be overarching concerns which are already disrupting world order.

I have not made any attempt to prioritize these concerns because in most cases they are interdependent or interconnected with many other concerns. As I said earlier, they are all happening concurrently. Also, in many situations, it is impossible to separate cause and effect.

Not surprisingly, the tone of this type of analysis is very negative. Regrettably, when working through the concerns as a totality, it became very difficult to spot anything positive. Indeed, I believe that given the vast number of issues and their connectivity, as I said earlier, there is a growing probability that we could soon end up smack in the middle of the perfect storm. I hope I am wrong.

Here, therefore, are several issues that I perceive to be major overarching and often overlapping concerns:

## **ANEMIC WORLD ECONOMIC GROWTH**

The world is plagued with very low economic growth and there is every indication this will continue indefinitely. Growth rates hovering in the 1% to 1.5% range will not sustain healthy economies but these are the rates most economists are predicting for a long time to come.

Continuing low growth can lead to severe economic stagnation which, of course, causes many associated problems which in turn can have a snowball effect. Not the least of these problems can be political unrest. There is understandable concern that the ravages caused by long term slow economic growth or the impact widespread economic depressions or

economic isolation would have on peoples' lives would be extremely damaging to world order.

There is considerable debate about the underlying causes of the problem and even more debate about the solutions. Indeed, there does not appear to be any clear cut solution. Certainly, politics play a major role. The foreseeable lack of a breakthrough technology to stimulate demand and the propensity for saving over spending are factors. Further, demographic factors such as low population growth and aging populations are becoming significant factors underlying slow growth.

Unfortunately, if the problem continues, desperate remedies attempted by individual nation states could be counterproductive and exacerbate the problem thereby rendering the road to recovery even more difficult than it may need to be. All in all, low economic growth could continue to be a disruptive factor in maintaining world order.

## **POLITICAL DESTABLIZATION**

Political unrest is rampant in many parts of the world. The United Kingdom; the European Community and individual countries within the European Community such as Italy, Spain, Austria, the Netherlands, and Greece; Eastern European countries such as Ukraine and Poland; Middle East countries such as Syria and Iraq; South American countries such as Venezuela and Brazil and, of course, several countries in Africa are all experiencing significant unrest.

Further, given the turmoil following the recent election, I would argue the United States has joined the ranks of those countries where political unrest is alive and well.

Political unrest is happening for different reasons in different countries.

Some countries which are already autocratic, such as Syria and Venezuela, are dealing with civil strife. Countries such as Turkey and Poland are in the process of moving from democracy to a form of dictatorship. Greece is struggling to stay democratic while trying to recover from a bad case of extreme left wing policies. Still others, such as several

European countries, are experiencing a crisis of leadership leaving their citizens in a quandary as to how they should be or want to be governed.

However, the single most significant factor causing widespread political unrest is the wave of populism that is sweeping across the developed world. In some cases this is populism of the left and, in others, populism of the right.

Populism of the left usually leads to social upheaval and weakens the authority of governments. Populism of the right, while it can strengthen the authority of governments, usually leads to an autocratic, even a dictatorial model of government which creates other problems. Either way, millions of people feel disenfranchised or downtrodden and that's not good.

Currently, in Europe there is already a major tug of war between populism of the left and populism of the right to govern and this is causing much unrest.

As one pundit recently said, "Populism is a wonderful thing until you actually have it" and I believe this tsunami will cause much more harm than good.

In my view, we are sitting on a powder keg of political issues which can not only quickly become more contagious but could suddenly explode in unexpected fashion causing untold damage to world order.

## **ECONOMIC DESTABILIZATION**

The world is very much on edge as traditional economic thinking is being swept aside in very short order and the consequences are not pretty.

Globalization is under attack. Trade deals are out of favour and protectionism is back in vogue. Intellectual property rights are being trashed. International financiers have become robber barons. The upper management class is reaping unjust rewards. Workers have lost their rights. The very nature of work is undergoing dramatic change. Secure employment is a thing of the past. Golden retirement is nothing but a dream.

There is no single explanation for this state of affairs but there are many causes. More importantly, there is plenty of concern.

Without doubt, very large segments of the population feel that they have been left behind, no longer enjoy the fruits of their labour and will have no security for their old age...and they are frightened and they are mad.

It is no wonder that they are crying out for change and crying out for fairness.

And, it is no wonder that they are making their voices heard in the political arena and, through the ballot box, warning politicians of every persuasion that they mean business. It is increasingly clear that if politicians do not respond to their concerns and if economic unfairness and economic uncertainty persists, they could very well take to the streets.

This would be another nail in the coffin of world order.

## **WANING SUPPORT FOR DEMOCRATIC GOVERNANCE**

Our democratic model of governance is under considerable pressure in many places and, in some countries, even under attack and rejection. And, there are signs that this form of government is not necessarily favoured by a lot of people or in some cases even feasible.

In my view, one size does not fit all and this is leading to divergent views brought about by different circumstances.

In many countries, the population is of course already ruled by a dictator or an autocratic form of government and even though they might long to live in a democracy that is not likely to happen unless there is a regime change. In other cases, some countries such as Turkey, Libya and even Iraq have implemented democratic governments but they are now regressing to more autocratic governments. There are a number of reasons this is happening. In the case of Turkey, a strongman has grabbed the reins of power. In Libya and Iraq, culture, religious rivalry, and tribal factions are major obstacles to implementing democratic values. This is the situation in many countries, and they are not ready for a democratic form of government or a democratic form of government is not sustainable.

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Finally, and this is most worrisome, in many advanced countries which already have a well-established form of democratic government, recent analysis is showing a worrying drop off in support for this form of government.

In a research paper entitled "The Signs of Democratic Deconsolidation" and published in the Journal of Democracy, the researchers conclude that liberal democracies around the world "may be at serious risk of decline".

Using a number of criteria comparing the 1980's with the 1930's, they state that "across numerous countries, including Australia, Canada, Germany, Sweden, the United Kingdom and the United States, the percentage of people who say "it is essential" to live in a democracy has plummeted". In Canada, support has gone from 75% to 40%. In the United States, it has dropped from 80% to 30%. Further, the numbers are similar across the other developed countries. Worse, support is now substantially lower among younger people.

Admittedly, this is only one study and more research is needed, especially to examine the causes. However, data from other world studies such as the European and World Values Survey, do support the conclusions in this study.

While this is only one factor in the possible disruption of world order, it is a most important factor and needs to have a prominent place on our radar screen as we go forward.

## **GROWING MISTRUST OF INTELLECTUALS, ELITES AND THE MEDIA**

In a recent interview on CCN, Celissa Ward, a political commentator, said "Americans have become anti-facts, anti-elite and anti-science".

This statement certainly rings true in view of what happened during the recent elections in the United Kingdom and the United States. Many, many voters did not believe what they were being told by intellectuals, elites and the media. Sadly, I think this malaise has also spread well beyond election campaigns and has become part of the everyday mindset of many people.

Throughout the country and especially in rural areas, many people now firmly believe that intellectuals do indeed live in ivory towers and do not understand what is happening in the real world and so cannot be believed.

A large number of people believe the elites live a privileged life and are only focused on their own desires and self-enrichment, and so do not have any credibility when dealing with the travails of the “working” class.

The media, largely because of the rhetoric in the United States’ election, is now viewed as very biased and incapable of being objective and cannot be trusted.

The problem is exacerbated because voters themselves often substitute their own biased views for other people’s opinions. For the most part, voters do not apply any meaningful filters to what they hear or to what they are told. Rather, they react positively to what they want to hear and ignore or reject what they do not want to hear. The inability or unwillingness of voters everywhere to be critical is giving the practitioners of propaganda and false news a free path to do harm.

If the voting population does not exercise any constructive criticism over information flow, voters can be deluged with incorrect facts, ill-conceived policy proposals, propaganda and fake news, all of which could be taken at face value and influence voting decisions. Even more concerning, this is a technique which a foreign power, Russia, is already using.

Unfortunately, if these techniques are used as a deliberate strategy to disrupt world order they could be very successful.

## **WEAKENING SUPPORT FOR TRANSNATIONAL INSTITUTIONS**

As I said earlier, following the second World War, there was concerted effort on the part of many nations to create a global infrastructure to establish a new world order which would foster peace and enhance economic prosperity. Therefore, in the years following the war, hundreds of transnational institutions or treaty organizations have been created for these purposes. These cover a wide range of disciplines such as political entities, military blocs,

economic forums, environmental watchdogs, workers rights and trade agreements and come in variety of shapes and sizes.

Any list of the important organizations would include the United Nations, the European Economic Community, the North Atlantic Treaty Organization, the North American Free Trade Agreement, the Organization For Economic Co-operation and Development, the World Bank, the International Monetary Fund, the International Court Of Justice, the World Health Organization and the International Labour Organization.

Even this short list illustrates the complexity of today's world order and underscores how interconnected and interdependent world affairs have become. It also emphasizes how necessary it is to have global infrastructures in place to maintain this new world order.

Unfortunately, there are an increasing number of attacks from numerous sources challenging the need for or the effectiveness of many important transnational organizations. The policies of austerity being pursued in so many countries have given the critics an additional argument or excuse, namely that they can no longer afford the luxury of these transnational arrangements.

Brexit certainly lit a fire under the embers that had been smouldering in many places concerning the effectiveness of political and economic blocs. The odds are now much greater that Scotland and Ireland will split from England and join the European Community. The problem is that the European Community itself may no longer exist. Many member states of the community are in political turmoil themselves and actively contemplating leaving the community as populism, nationalism and protectionism become rampant in their countries.

Trade agreements are also increasingly under attack and the trading arrangements that have been negotiated with great difficulty over many years are in imminent danger of becoming undone.

Even more worrisome, some of the most vocal and critical attacks on transnational institutions are now coming from this side of the ocean. The most strident criticism of several transnational organizations is coming from the new Trump government in the United States.



Donald Trump has criticized the United Nations as nothing more than a “club” for “people to get together, talk and have a good time”.

Lately, he has expressed doubts about the worth of the European Economic Community. As recently as the weekend of January 14, 2017, Trump, in an interview with two journalists from the Times of London said he did not care about the EU’s future. He said “ I don’t think it matters much for the United States.” He went on to say “you look at the European Community and its Germany”.

He is also very critical of NATO. He says it is obsolete and a free loader and is in need of a major overhaul if the U.S. is to continue its membership.

He claims that NAFTA has been a disaster for the United States and he plans to get rid of it. He also intends to withdraw from the Trans-Pacific Partnership Trade Deal (TPP). Ironically, he professes to be a supporter of free trade. However, when you look closely at his words and his actions he is really a mercantilist. In his world, there can only be one winner not several winners. As one critic said “he wants to not only keep all the jobs in the U.S. but he wants to take everybody else’s jobs away from them”.

He says the international nuclear deal with Iran is the worst deal ever negotiated by the U.S. and he intends to have the U.S. withdraw from it.

Whether he ever succeeds in following through with his threats is somewhat beside the point. The concern is that he is adding his voice and the voice of the U.S. to the questioning of the current world order without proposing any constructive or meaningful alternatives.

No one will argue that these transnational mechanisms have been overwhelmingly successful or that they have been particularly cost effective. However, it can be argued that they have done many great things to maintain world peace and to foster economic well-being and also to prevent many bad things from happening. If they continue to be underpinned, this will represent a huge rupture in world order and we will all suffer greatly.

## **TERRORISM**

There is no doubt that the world will be plagued with terrorism for many, many years to come.

Given the concentrated and coordinated efforts now under way, it is at least possible that institutionalized terrorism can be largely wiped out or at least suppressed. Therefore, such organizations as ISIL, Al Qaeda, Hezbollah, Boka Haram and Hamas will eventually be rendered mostly ineffective.

However, it is more than likely that radicalized individuals will remain active and cause havoc in many places. In most cases the damage will not be great but the impact will continue to be heartbreaking. More importantly, their attacks will continue to spread fear and, in far too many places, prompt over reaction. Many nations will limit freedom of movement, take military measures and even build walls in mostly futile attempts to eliminate the threats. For some time, I have been saying that Americans, for example, are in the process of shutting themselves off from the world and becoming prisoners in their own country.

Having said all this, I am concerned that there will be one very insidious fallout while terrorism remains rampant. As I pointed out, terrorism creates fear. There are several recent examples of politicians in several countries using this fear factor for political purposes to advance their causes. This tactic causes considerable unrest in the country and often pits citizens against each other thereby leading to major divisions among the voters.

Exhibit A in this regard, is Donald Trump's campaign in the recent U.S. election. As we know, using this tactic, he succeeded in creating major divisions across the country and, even after winning the election, he continues to use fear as a motivating technique.

It will be virtually impossible to totally stamp out terrorism because, among other things, it is an effective and cheap form of modern warfare and, when conducted individually or in small groups, it is so diffuse it is difficult to attack. This being the case, in my opinion, we will have to learn how to contain the threat as best we can and minimize its impact on the public at large.

In the meantime, terrorism as an issue will continue to be another thorn in the already vulnerable side of world order.

## **INCREASING RISK OF NUCLEAR CONFLICT**

This is another over-arching issue which represents a major threat to world order and we can only hope that sane minds will prevail since this issue shows signs of potentially lurching out of control.

There are a number of factors at play. As we know, the relationship between the U.S. and Russia has been deteriorating and currently is very tense. The U.S. and Russia, both signatories to the Nuclear Proliferation Treaty, have recently announced that they are spending money to modernize their nuclear arsenals. Many countries are suspicious that they are actually spending money to increase their stockpiles. As well, the Russians backed out of recent conferences dealing with nuclear security and have ceased having discussions with the U.S. on various nuclear issues. If this state of affairs continues, the two countries could find themselves in a nuclear standoff with each one trying to outmaneuver the other to achieve the upper hand. Matters could easily get out of hand with disastrous consequences.

India and Pakistan both have nuclear weapons but are not signatories to the Nuclear Proliferation Treaty and there are concerns that if their relationship goes completely sour and hotheads prevail, there could be some form of a nuclear confrontation.

If Iran does not comply with the recently signed nuclear agreement, there is concern that the U.S. would not be content with increased sanctions but would withdraw from the agreement thereby leading to another confrontation which could turn nasty. Moreover, if this happens the other countries who are signatories to the agreement could be forced to take sides and this could cause a rift between the U.S. and some of its allies.

And, of course, there is the rabble rousing going on in North Korea. If North Korea should test a nuclear weapon which could reach U.S. shores and China remains on the sidelines,

Donald Trump could easily take military action in lieu of imposing more sanctions. If this should happen, things could easily spin out of control into something much more serious.

All in all, the whole issue of nuclear proliferation continues to be a very serious issue and, like terrorism, continues to be a thorn in the side of world order.

## **CLIMATE WARMING**

In my view, there is major warfare between the people who truly fear the ravages of climate warming and those who discount its seriousness. It seems to me that this is not so much an argument about whether it's going to happen or when it is going to happen but about who is at fault and who should bear the responsibility for dealing with it. The people who have an economic interest in keeping control of their traditional energy sources claim there is a lack of proof beyond a reasonable doubt that it is human activity causing the problem and, therefore, their activities should not be curtailed. Those who do not have a direct economic investment at stake, claim there is enough plausible evidence or balance of probabilities to support this connection and this is all the proof needed to justify dramatic and urgent action.

This is the classic legal distinction between a criminal burden of proof and a civil burden of proof and if this continues to form the debate it is most unlikely that anybody will be able to get the two sides on the same page. This being the case, it will fall to governments to take the lead in resolving the dispute. Politically, this is a dynamite issue and, even though most politicians acknowledge it exists, in most countries they are staying as far away from the issue as they possibly can. Also, there is a concern that Donald Trump, who is a sceptic about climate warming, will not support the Paris Treaty.

In my view, this issue is so important that we cannot afford to be wrong and we may only have one chance to get it right. Therefore, I come down on the side of plausible cause and believe the world needs to take effective action without delay.

However, since the debate will no doubt continue for some time, this is another issue which will be unsettling to world order.

## **PUTIN'S GAME PLAN**

Putin is a trained spy who is obsessed with Russia's loss of its status as a world power following the breakup of the USSR. Because of his obsession, there is widespread concern that he is using all his wiles learned as a spy in an irrational campaign to restore Russia's status. Therefore, we can expect he will try a number of things to disrupt world order in an attempt to achieve his objective.

There is a growing amount of evidence to support this concern. His annexation of Crimea. His military incursion into the domestic affairs of the Ukraine. His involvement in Syria ostensibly to go after ISIL but in reality to prop up Assad's embattled regime. His downing of a commercial airliner over the Ukraine. His frequent use of his veto in the United Nations to put down proposals that are favourable to other political philosophies. His covert activities to influence political thought and behaviour throughout Europe. His efforts to suppress freedom of thought and freedom of speech in the satellite countries adjacent to Russia. His hacking of computers in several countries to access state secrets. His hacking of computers during the U.S. elections and arranging for a third party to leak private data presumably to assist Trump's campaign. These are all known examples of the techniques he uses to achieve his goals.

Lately, he seems to be using the "nice" guy approach in certain situations which do not ruffle his core objectives and this has led some people to believe he can be reasonable and possible to deal with. Unfortunately, recent history shows this has not worked with other world leaders or, indeed, with American Presidents who went down this path. Ask Obama and Bush. Regrettably, these attempts have distracted world leaders from focusing entirely on Putin's long term game plan.

I remain convinced that Putin will never be swayed from his ultimate goal and western leaders must tread very carefully when dealing with him. As the saying goes..."be sure to count your fingers before you leave the room". It looks like Trump may be falling into the same trap and this is very worrisome.

Whatever happens, this issue will continue to disrupt world order.

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## **CONCLUSION**

Despite some bumps along the road, the liberal world order developed after the second world war has served us well. Its focus on lofty goals such as the human condition and fairness for all have become the hallmark of much of today's society. It would be a shame to dismantle all of this in the face of irrational attacks by irrational people. It would be even more shameful to regress to the world that existed prior to the war.

Unfortunately, many of the concerns are already in full flight and it is going to take considerable will and considerable effort to halt or reverse many of the trends before it is too late. If we cherish our current world order, scabs and all, we need to be a warrior in the battle otherwise we could lose by default.

I am an optimist by nature and I have every confidence we can win the battle. But let's be very honest with each other. It is going to be a very tough battle.