



THE WEST AND THE EVOLVING MULTIPOLAR ORDER*

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At the presentation of the United Nations' New Agenda for Peace in 2023, UN Secretary-General António Guterres proclaimed that "A transition is under way to a new global order."¹ However, while this transition seems to be rapidly occurring since Russia's full-scale invasion of Ukraine, the shift to a new order had been evolving well before this. As argued by German political scientist Hanns Maull, "International orders do not simply come and go – they evolve. [...] international orders always represent a mixture of continuity and change, of the familiar and the new."² Therefore, in order to understand this transition, we must first observe the evolution of the following megatrends of our time: increasing multipolarity, growing great power rivalry between the status quo power, the United States, and China, and general geo-economic fragmentation.

As recently as 1990, only seven countries—the G7—represented 12 percent of the world's population and 50 percent of the world economy. The group of industrialized countries known as the Organization for Economic Cooperation and Development (OECD) accounted for 21 percent of the world's population but produced more than 80 percent of the world's income. In 2030, however, OECD countries will account for 17 percent of the world's population, but their share of the world economy is expected to have fallen to just 40 percent.

In contrast, non-OECD countries—many of them former colonies—are experiencing rising incomes, population, power, and global influence. These countries share a skepticism of the existing international order, which they perceive as unfair and has, therefore, come under increasing pressure since the West's relative decline. This became visible when the West immediately condemned and sanctioned Russia for its aggressive behavior after Russia's full-scale invasion of Ukraine in February 2022, but most countries in the so-called Global South held back from imposing sanctions. At the Ukraine peace conference of June last year in Switzerland, India and others refused to sign the final document, which they considered too critical of Russia.

The existing global order and financial system is increasingly being questioned by countries from the Global South, as documented by the decision of the BRICS countries³ to promote the de-dollarization of their trade relations and to accept additional members.⁴ The BRICS group, led by China, is increasingly presenting itself as an alternative to the G7 and the OECD, which we will discuss below. Such fragmentation shows that Western countries have not succeeded in creating a more inclusive international order, which has led to the present transition.⁵

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Global Structural Changes

The most important structural change of the past three decades is the shift of power from the North Atlantic to the Indo-Pacific region, with China at its center. Graham Allison states in his well-known book *Destined for War* that “The world has never seen anything like the rapid, tectonic shift in the global balance of power created by the rise of China.”⁶

A century ago, the Middle Kingdom produced 30 percent of the global gross domestic product, more than Europe and the United States combined.⁷ However, China’s economic downturn, which started in the 19th century when China was pressured by European colonial powers, continued under the leadership of the Communist Party, which won China’s civil war and founded the People’s Republic of China (PRC) in 1949. Beginning in the late 1970s, China’s economic turnaround was led by Deng Xiaoping, the de facto successor of Mao Zedong, when China reformed its economy and opened up to the world. Although this period of high growth ended brusquely when the student-led pro-democracy movement was bloodily suppressed in Tiananmen Square in 1989, which led to Western sanctions and resulted in a major economic setback, only in the late 1990s, the People’s Republic was able to resume the high growth rates of the previous decade. Thanks to major reforms—transforming the state economy into a “social market economy with Chinese characteristics”—and large inflows of foreign direct investment and know-how, China has now become the world’s largest trading power, and its share of global GDP has already reached almost 19 percent.⁸ An important factor in this development was China’s accession to the World Trade Organization (WTO) in 2001. China’s political rise is closely linked to its economic rise to become the world’s second largest economy. The flourishing economy allowed for a rapid modernization of the military, although the size of the defense budget of the People’s Republic still lags far behind that of the United States. Given current data, China’s military expenditure in PPP terms is estimated to be USD 541 billion, or 59 percent of U.S. spending, and its equipment levels are only 42 percent of U.S. levels.⁹

While the first successors of Deng Xiaoping followed the foreign policy mantra of the father of China’s modernization—“Maintain a low profile, never take the lead”—Xi Jinping has been pursuing a self-confident foreign policy since taking office in 2013. In his speech to the 20th National Congress of the Communist Party of China in 2022, he emphasized the need to “break new grounds” while asking party members to prepare for the “high winds, choppy waters and even dangerous storms,”¹⁰ alluding to the rapidly changing global environment and growing tensions with the United States. In order to transition from the old order, which China sees as unfair and discriminatory, he emphasized that China seeks to “build a global network of partnerships and foster a new type of international relations.”¹¹

China’s phenomenal economic rise would not have been possible without the open markets of the United States, Europe, and other Western countries such as Japan and the transfer of know-how from Western companies and research institutions. China conducts 45 percent of its foreign trade with the United States and the European Union, with which it has been running large trade surpluses for years. China, therefore, certainly does not want to dismantle the current international order that has made this possible and is vehemently opposed to all forms of protectionism, which are being discussed in the West under terms such as “decoupling,” “near-shoring,” “friend-shoring,” or “de-risking.” Nevertheless, China regards it as its legitimate right to demand an adjustment of the international rules codified after the Second World War in its own interest.

Even though the Chinese leadership has repeatedly stated that “China will never seek hegemony or engage in expansionism,”¹² this sounds rather like mockery in view of China’s militarily underpinned claims in the South China Sea. China’s increasingly militarized threats against the U.S.-backed Taiwan in order to achieve reunification with the so-called breakaway province against the will of the vast majority of Taiwanese in the near future threatens to destabilize all of East Asia. For China, however, the Taiwan issue is an exclusively internal Chinese matter.



Since the West was and is reluctant to give in to Chinese pressure to alter the existing order, Beijing has gone on the offensive with its own initiatives to expand its influence in the world. The most important of these is the Belt and Road Initiative (BRI), which Xi Jinping personally presented in Astana and Jakarta in 2013. China is pursuing several goals with this initiative: utilizing excess capacities, primarily in the steel and construction industries, which arose in the wake of the economic stimulus measures to overcome the 2008/09 crisis; developing China's underdeveloped western provinces; opening up new markets (Central Asia/Eastern Europe) and transport routes (e.g., through Pakistan to bypass the "choke point" of the Strait of Malacca); securing the supply of raw materials from the Middle East and Africa; expanding the role of the renminbi as an international means of payment; and expanding economic relations and thus also political relations with a large number of countries on all continents. The initiative has met with great interest worldwide, including in Central and Eastern Europe, as the need for investment in infrastructure, which is fundamental to economic development in many cases, is immense in many countries. At the same time, China founded the Asian Infrastructure Investment Bank (AIIB) to finance investments in Asia, but also because Beijing was denied what it considers an appropriate role in the Bretton Woods institutions and the Asian Development Bank, which is traditionally led by its rival Japan.

In the security sector, China is increasingly expanding the Shanghai Cooperation Organization (SCO). This was originally founded with the Central Asian states to demarcate common borders. In the meantime, the SCO has been expanded to include numerous members—including Pakistan and India—and has been given numerous new tasks so that some observers are already talking about a nucleus of a nascent Chinese-led Asian NATO.

It is China's policy for some time to portray itself as the defender of and most important voice for the interests of the so-called "Global South." And an increasing number of these countries accepts Beijing's role as leader. China has therefore become the natural spokesperson for the Global South in

the United Nations' "Group of 77" as well as in other multilateral organizations and forums, which will be discussed below.

The Increasing Influence of the "Global South"

Not only has China grown much faster than the West in recent years, but so have other countries of the so-called Global South. First and foremost, India, which has not only replaced China as the most populous country in the world but has also developed a more dynamic economy than the People's Republic in recent years, is at the top of this list. Some African countries like Niger, Senegal, Libya, and Rwanda¹³ have also achieved respectable growth rates. If Africa succeeds in turning its strong population growth into a demographic dividend through appropriate policies and investments, the continent could significantly reduce poverty and underdevelopment in the next generation. China is the example that many African countries want to follow, especially as China has been increasingly engaged in Africa economically and politically.¹⁴

Together with Russia, China was the driving force behind the founding of the so-called BRICS group in the summer of 2009, amid the international financial crisis.¹⁵ In addition to the two initiators, India and Brazil were invited to join as founding members, followed by South Africa in 2011 at Beijing's suggestion. The group shares the view that it is not adequately represented in the existing multilateral system, as it reflects neither their share of the world population nor their growing political and economic weight. The BRICS represent about 40 percent of the world's population, and their share of global gross domestic product rose from 8 percent in 2011 to 26 percent in 2023. During the same period, the G7 countries' share fell from 65 to 43 percent. Between 1990 and 2022, the BRICS achieved a growth rate of 4.5 percent, compared to a meager 1.5 percent for the G7 countries.

The BRICS, however, is a loose alliance of very heterogeneous states—far more diverse than the G7. The group is also weak institutionally, with no formal criteria for membership, no statutes, no ex-



ecutive bodies, and even no permanent office. A milestone in the cooperation was the founding of the New Development Bank (NDB) and a security reserve in 2015, based in Shanghai. However, the bank's total assets are still much smaller than those of the World Bank. As a result, the BRICS group largely disappeared from the radar of the West until the summit in Johannesburg, South Africa, in August 2023, when 20 countries were lining up to apply for membership.¹⁶ The expansion was successfully driven by China and Russia in particular, while India and Brazil had spoken out against it.

The expansion from BRICS to BRICS+ and the great interest in membership among the countries of the Global South is an expression of the changes in the international order. After Russia's attack on Ukraine, the West was forced to painfully acknowledge that it is no longer a given that the countries of the Global South will share Western positions. In March 2022, many countries of the Global South still voted in favor of the UN resolution condemning Russia's war of aggression against Ukraine. Of the BRICS, only Brazil voted in favor of the resolution; China, India, and South Africa abstained. However, despite their vote to condemn Russia, few states of the Global South participated in the sanctions conceived by the West because they saw their own interests and relations with Russia endangered. They regard the war as a Western—or, more precisely, a European—affair.

Russia and China are increasingly shaping BRICS as an anti-Western project, which was more than evident at the recent summit in Kazan, Russia. The group has been taking increasing steps toward undermining the political hegemony of the West in the global order as well as the dominance of the U.S. dollar in the global economy.¹⁷ In Kazan, BRICS members introduced a payment system named BRICS Pay designed to facilitate transactions and the interchange of financial information between central banks of partnered nations, serving as an alternative to the Western interbank system SWIFT. Through its leadership role, Russia is seeking to regain the great power status that it lost when the Soviet Union collapsed. China wants to curb U.S. influence and push the Americans out of the Indo-

Pacific. Beijing has been supportive of Russia's war against Ukraine, although it has stopped short of delivering lethal weapons to Moscow. What was originally a development policy agenda has now become a purely geopolitical project of predominantly (since the expansion) autocratic states under the leadership of China and Russia. In the words of German geopolitical analyst Uwe Optenhögel:

Vladimir Putin and Xi Jinping [...] are formulating neo-imperialist claims based on self-defined spheres of interest. This understanding of multipolarity sweeps aside any order based on rules and replaces the strength of the law with the law of the strongest. And every autocrat is guaranteed freedom of action in his own country.¹⁸

Whether the other BRICS+ members will allow themselves to be instrumentalized by China and Russia in this way remains to be seen, as the enlargement has made the group even more heterogeneous. In the case of India, there is both a border conflict and strategic rivalry between India and China over their leading role in Asia. India is, therefore, focusing more on the G20 than on the BRICS+. In the Middle East, the rivalry between Iran and Saudi Arabia (and the UAE) has only been superficially pacified through Chinese mediation. However, despite any internal quarrels among the BRICS+ nations, the great interest in membership in the Global South shows that the narrative that the BRICS are a geopolitical counterweight to the West is catching on.

Challenges for the West

The emerging multipolar order will undoubtedly make the strategic landscape even more complex. Even within the West, views differ widely on what the new world order could or should look like. On the one hand, there are liberal internationalists who assume that the basic structure of the international order will remain in place because it is also in the interest of a large proportion of the countries of the Global South. These include, among others, Princeton Professor John Ikenberry, who has written ex-



tensively on the topic.¹⁹ Liberal internationalists defend an order with democracy and human rights at its core, with international law as a shield against the laws of the jungle, and for reforming multilateral institutions to make room at the table for emerging actors from the Global South. Under this view, institutions should serve as common platforms to address global challenges such as the climate crisis.

On the other side of the debate are isolationists and nationalists, who have little use for multilateralism and would prefer to dismantle the liberal multilateral superstructure. Their ideal is a Westphalian order of sovereign states, which provides protection against external intervention in their internal affairs or even violations of their territorial integrity. These states are much closer to Russia and China in their positions. Moscow and Beijing regard democracy and liberal norms as a gateway for interference in their internal affairs and as a threat to the continued existence of their regimes. Russia and China seek regional spheres of influence and a multipolar concert of great powers. China—unlike Russia—is also promoting a concert of civilizations that coexist peacefully with each other and engage in mutually beneficial trade but internally interpret abstract universal norms according to their own ideas. This is strongly reminiscent of the basic principles of the Peace of Westphalia, “*cuius regio, eius religio*,”²⁰ which in turn goes back to the Religious Peace Agreement of Augsburg of 1555.

However, a multipolar world—as a glance back at the 19th century shows—can only maintain stability if there is minimum cooperation among major powers. The order established by the Congress of Vienna in 1814/15 came under stress when the German Reich was founded in 1871, and a retreating Ottoman Empire led to accelerating tensions between Austria-Hungary and Russia in the Balkans. In 1914, when diplomacy failed because the involved powers lost interest in cooperation, this order finally collapsed, and World War I became the *Ur-Konflikt*²¹ of the 20th century. Taking a lesson from the past to prevent further fragmentation of the international order, multipolarity should be embedded in multilateralism to build platforms for solving global problems such as combating climate change and pandemics.



Endnotes

- 1 Karen Brandon, "Transitioning to a new global order," SEI Stockholm Environment Institute, January 17, 2024, <https://www.sei.org/perspectives/transitioning-to-a-new-global-order>.
- 2 Hanns Maull, "The Once and Future Liberal Order," *Survival* 61, no. 2 (2019): 7, <https://doi.org/10.1080/00396338.2019.1589076>.
- 3 The acronym stands for Brazil, Russia, India, China, and South Africa.
- 4 Saudi Arabia, Iran, Ethiopia, Egypt, Argentina, and the United Arab Emirates were invited to join the BRICS in January 2024. Argentina finally rejected the invitation under the newly elected President Javier Milei. Indonesia joined the bloc on January 1, 2025.
- 5 See Heinrich Kreft, "Die Beziehungen Indiens und Pakistans und ihre Positionierung für eine neue internationale Ordnung," *Zeitschrift für Außen- und Sicherheitspolitik* 17 (2024): 341–350, <https://doi.org/10.1007/s12399-024-01012-7>.
- 6 Graham Allison, *Destined for War* (Scribe: United Kingdom, 2018), 16.
- 7 Henry Kissinger, *On China* (Penguin: New York, 2012), 12.
- 8 Peter Robertson, "China's military rise: Comparative military spending in China and the US," Center for Economic Policy Research, December 17, 2024, <https://cepr.org/voxeu/columns/chinas-military-rise-comparative-military-spending-china-and-us>.
- 9 Ibid.
- 10 Report to the 20th National Congress of the CPC by Xi Jinping, October 16, 2022, republished in *Nikkei Asia*, <https://asia.nikkei.com/Politics/China-s-party-congress/Transcript-President-Xi-Jinping-s-report-to-China-s-2022-party-congress>.
- 11 Ibid.
- 12 Ibid.
- 13 According to 2024 estimates by the African Development Bank Group, African countries are projected to account for more than half of the world's fastest growing economies; in particular, Niger, Senegal, Libya, and Rwanda are expected to grow at the fastest rate of over 7% per year. African Development Bank Group, "Africa dominates list of the world's 20 fastest-growing economies in 2024 - African Development Bank says in macroeconomic report," February 16, 2024, <https://www.afdb.org/en/news-and-events/press-releases/africa-dominates-list-worlds-20-fastest-growing-economies-2024-african-development-bank-says-macroeconomic-report-68751>.
- 14 Heinrich Kreft, "Afrika – Schicksal oder Chance für Europa? Die geopolitische Notwendigkeit einer strategischen Partnerschaft zwischen Europa und Afrika," in *Ethos der Macht*, Wien, forthcoming 2025.
- 15 The acronym was invented by the U.S. investment bank Goldman Sachs to create a fund to invest money from its clients in the growing economies of these countries. It was obviously not a problem for those in charge of these states that this investment house was also partly responsible for the financial crisis of 2008/09.
- 16 Uwe Optenhögel, "BRICS to BRICS+. From development policy aspiration to geopolitical challenge," FEPS, February 2024, <https://feps-europe.eu/wp-content/uploads/2024/01/16.-BRICS-to-BRICS-From-development-ambition-to-geopolitical-challenge.pdf>, 147.
- 17 Ibid., 148.
- 18 Ibid., 148.
- 19 John Ikenberry, "Why the Liberal World Order Will Survive," *Ethics & International Affairs* 32, no.1 (2018): 17–29; John Ikenberry, "The Liberal World Order – Status and Challenges," in *Europe and the Future of the Liberal World Order*, eds. Heinrich Kreft and Hardy Ostry, Conference Proceedings (Brussels/Budapest 2022), 68–84; John Ikenberry, "The Rise of China and the Future of the West," *Foreign Affairs* 1 (2018): 23–37.
- 20 Translated: "he who governs the territory decides its religion."
- 21 Translated: "the underlying, basic conflict."