

What's Next? A New Two-World Order

Perspective #59 John Teevan September 15, 2023

With Russia's invasion of Ukraine and China's new belligerence, not to mention chaos in American political leadership, it's right to wonder about what may be coming next. The 34-year-old world order (since the Berlin Wall fell) has been a stable and hopeful time. Right now, nations are free to trade and talk to each other mostly on the basis of American strength and the reliable dollar. We have reaped the benefits of globalization for these decades, but we see its security risks and its harsh downside. What would a 'next world order' look like? Here's a possible scenario based on less America muscle and especially, as Zeihan says, on less open oceans.

Globalization, let's remember, has meant that one billion people have emerged from abject poverty and that many nations have prospered. The downside is that some nations have failed, that the interest in strong-man revolution has continued and rich countries have lost a noticeable number of good jobs and lost their way.

One infinitesimal example: shoes are no longer made in New England or even Brazil but now in China. Turning to cars, each one has 30,000 parts that are made everywhere and shipped to an assembly site. Globalization has allowed the communications, banking, shipping (and the speed of each of those) needed to build cars well. This is good for the Chinese and other workers but not for those American workers who have lost their jobs. This is also good for countries that have learned to trade (like Vietnam) but not for nations that are left behind (like always-broke Argentina) or have succumbed to revolution (like Venezuela, DRC, and now Niger).

The future? Barring a disaster, I'd like to consider a two-power world rather than our one-power world. The one power now is the U.S. with Europe and the World Bank and International Monetary Fund along with the World Trade Organization that set the standards and expectations for engaging each other. Openness and trade are the norm without aggression. That will likely continue in the West, but China will emerge to control the East including the South China Sea and the Indian Ocean. The U.S. Navy would have to retreat to the Atlantic, Mediterranean, the Pacific (up to Japan and Australia but bypassing Indonesia) plus the Panama (!) and Suez (?) canals. The West's free trading area would shrink quite a bit. Think: globalization lite...or post-globalization.

This may be accompanied by two main currencies and two main banking systems that will be fiercely competitive and even laced with tech wars. That includes two sets of priorities: the West will be committed to trade, climate change, and the current cultural agendas. The West would oppose the values of authoritarian coercion and controlled economies of the East. Instead of mainly *military enemies* with skirmishes the two powers would be *trade opponents* with fierce (and unfair) competition for control as we see now.

The cost of everything and the risks involved would all increase. The West may realize that it has been sleep walking since the missed 'wake up' call of 9/11. Europe has been committed to providing a life where everyone can enjoy an easy coffee on the sunny plaza, while the U.S. has committed to providing a life where everyone's preferences have morphed into full and fully funded rights. In a new bi-polar world we would likely see a lower standard of living. We would regret the dramatic government spending (and debt) of the past 20 years. We would have a nagging fear of an aggressive China added to our current nagging fear of nuclear weapons.

Younger people who loved the Greatest generation (WW2) will scorn the Boomers whose 1960s revolution led to a debilitating drug culture and a political climate that did not include an actually functioning society or government. Boomers built a super-great economy with endless medical and tech advances, but we were a lousy cultural influence. While sincere, we almost managed to turn the church into a circus.

Let me end with a parable: If you lived in a small village where the ferocious lion has been captured and caged you would enjoy your freedom again. But if the lion escaped, fear would return. Now where is the safest place to be? That's right, the cage. People always prefer the security of the cage to all other freedoms when we are afraid, as with Covid. We live in a time of fear with a willingness to exchange freedom for the cage. But what kind of life is the cage? Pacing endlessly with quiet rage. We have seen the Ukrainians reject the cage as have endless Christians over the centuries including now. Where the hope of Christ reigns fear cannot control.