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The West's Last Chance

How to Build a New Global Order Before It's Too Late

The world has changed more in the past four years than in the previous 30. Our news feeds brim with strife and tragedy. Russia bombards Ukraine, the Middle East seethes, and wars rage in Africa. As conflicts are on the rise, democracies, it seems, are in demise. The post–Cold War era is over. Despite the hopes that followed the fall of the Berlin Wall, the globe did not unite in embracing democracy and market capitalism. Indeed, the forces that were supposed to bring the world together—trade, energy, technology, and information—are now pulling it apart.

We live in a new world of disorder. The liberal, rules-based order that arose after the end of World War II is now dying. Multilateral cooperation is giving way to multipolar competition. Opportunistic transactions seem to matter more than defending international rules. Great-power competition is back, as the rivalry between China and the United States sets the frame of geopolitics. But it is not the only force shaping global order. Emerging middle powers, including Brazil, India, Mexico, Nigeria, Saudi Arabia, South Africa, and Turkey, have become game-changers. Together, they have the economic means and geopolitical heft to tilt the global order toward stability or greater turmoil. They also have a reason to demand change: the post–World War II multilateral system did not adapt to adequately reflect their position in the world and afford them the role that they deserve. A triangular contest among what I call the global West, the global East, and the global South is taking shape. In choosing either to strengthen the multilateral system or seek multipolarity, the global South will decide whether geopolitics in the next era leans toward cooperation, fragmentation, or domination.

The next five to ten years will likely determine the world order for decades to come. Once an order settles in, it tends to stick for a while. After World War I, a new order lasted two decades. The next order, after World War II, lasted for four decades. Now, 30 years after the end of the Cold War, something new is again emerging. This is the last chance for Western countries to convince the rest of the world that they are capable of dialogue rather than monologue, consistency rather than double standards, and

cooperation rather than domination. If countries eschew cooperation for competition, a world of even greater conflict looms.

Every state has agency, even small ones such as mine, Finland. The key is to try to maximize influence and, with the tools available, push for solutions. For me, this means doing everything I can to preserve the liberal world order, even if that system is not in vogue right now. International institutions and norms provide the framework for global cooperation. They need to be updated and reformed to better reflect the growing economic and political power of the global South and the global East. Western leaders have long talked about the urgency of fixing multilateral institutions such as the United Nations. Now, we must get it done, starting with rebalancing the power within the UN and other international bodies such as the World Trade Organization, the International Monetary Fund, and the World Bank. Without such changes, the multilateral system as it exists will crumble. That system is not perfect; it has inherent flaws and can never exactly reflect the world around it. But the alternatives are much worse: spheres of influence, chaos, and disorder.

HISTORY DID NOT END

I started studying political science and international relations at Furman University in the United States in 1989. The Berlin Wall fell that autumn. Soon after, Germany reunified, central and eastern Europe escaped the shackles of communism, and what had been a bipolar world—pitting a communist and authoritarian Soviet Union against a capitalist and democratic United States—became a unipolar one. The United States was now the undisputed superpower. The liberal international order had won.

I was elated at the time. It seemed to me, and to so many others then, that we stood at the threshold of a brighter age. The political scientist Francis Fukuyama called that moment “the end of history,” and I wasn’t the only one to believe that the triumph of liberalism was certain. Most nation-states would invariably pivot toward democracy, market capitalism, and freedom. Globalization would lead to economic interdependence. Old divisions would melt, and the world would become one. Even at the end of the decade, as I finished my Ph.D. in European integration at the London School of Economics, this future still seemed imminent.

But that future never arrived. The unipolar moment proved short-lived. After the 9/11 terrorist attacks in 2001, the West turned its back on the basic values that it claimed to uphold. Its commitment to international law was questioned. U.S.-led interventions in Afghanistan and Iraq failed. The global financial crash of 2008 delivered a severe reputational blow to the West's economic model, rooted in global markets. The United States no longer drove global politics alone. China emerged as a superpower through its skyrocketing manufacturing, exports, and economic growth, and its rivalry with the United States has since come to dominate geopolitics. The last decade has also seen the further erosion of multilateral institutions, growing suspicion and friction regarding free trade, and intensifying competition over technology.

Russia's full-scale war of aggression in Ukraine in February 2022 dealt another body blow to the old order. It was one of the most blatant violations of the rules-based system since the end of World War II and certainly the worst Europe had seen. That the culprit was a permanent member of the UN Security Council, which was set up to preserve peace, was all the more damning. States that were supposed to uphold the system brought it crashing down.

MULTILATERALISM OR MULTIPOLARITY

The international order, however, has not disappeared. Amid the wreckage, it is shifting from multilateralism to multipolarity. Multilateralism is a system of global cooperation that rests on international institutions and common rules. Its key principles apply equally to all countries, irrespective of size. Multipolarity, by contrast, is an oligopoly of power. The structure of a multipolar world rests on several, often competing poles. Dealmaking and agreements among a limited number of players form the structure of such an order, invariably weakening common rules and institutions. Multipolarity can lead to ad hoc and opportunistic behavior and a fluid array of alliances based on states' real-time self-interest. A multipolar world risks leaving small and medium-sized countries out—bigger powers make deals over their heads. Whereas multilateralism leads to order, multipolarity tends toward disorder and conflict.

There is a growing tension between those who promote multilateralism and an order based on the rule of law and those who speak the language of multipolarity and

transactionalism. Small states and middle powers, as well as regional organizations such as the African Union, the Association of Southeast Asian Nations, the EU, and the South American bloc Mercosur, promote multilateralism. China, for its part, promotes multipolarity with shades of multilateralism; it ostensibly endorses multilateral groupings such as BRICS—the non-Western coalition whose original members were Brazil, Russia, India, China, and South Africa—and the Shanghai Cooperation Organization that actually want to give rise to a more multipolar order. The United States has shifted its emphasis from multilateralism toward transactionalism but still has commitments to regional institutions such as NATO. Many states, both big and small, are pursuing what can be described as a multivectoral foreign policy. In essence, their aim is to diversify their relations with multiple actors rather than aligning with any one bloc.

A transactional or multivectoral foreign policy is dominated by interests. Small states, for instance, often balance between great powers: they can align with China in some areas and side with the United States in others, all while trying to avoid being dominated by any one actor. Interests drive the practical choices of states, and this is entirely legitimate. But such an approach need not eschew values, which should underpin everything a state does. Even a transactional foreign policy should rest on a core of fundamental values. They include the sovereignty and territorial integrity of states, the prohibition of the use of force, and the respect for human rights and fundamental freedoms. Countries have, overwhelmingly, a clear interest in upholding these values and ensuring that violators face real consequences.

Many countries are rejecting multilateralism in favor of more ad hoc arrangements and deals. The United States, for instance, is focused on bilateral trade and business agreements. China uses the Belt and Road Initiative, its vast global infrastructure investment program, to facilitate both bilateral diplomacy and economic transactions. The EU is forging bilateral free trade agreements that risk falling short of World Trade Organization rules. This, paradoxically, is happening when the world needs multilateralism more than ever to solve common challenges, such as climate change, development shortfalls, and the regulation of advanced technologies. Without a strong multilateral system, all diplomacy becomes transactional. A multilateral world makes the common good a self-interest. A multipolar world runs simply on self-interest.

FINLAND'S "VALUES-BASED REALISM"

Foreign policy is often based on three pillars: values, interests, and power. These three elements are key when the balance and dynamics of world order are changing. I come from a relatively small country with a population of close to six million people. Although we have one of the largest defense forces in Europe, our diplomacy is premised on values and interests. Power, both the hard and the soft kind, is mostly a luxury of the bigger players. They can project military and economic power, forcing smaller players to align with their goals. But small countries can find power in cooperating with others. Alliances, groupings, and smart diplomacy are what give a smaller player influence well beyond the size of its military and economy. Often, those alliances are based on shared values, such as a commitment to human rights and the rule of law.

As a small country bordering an imperial power, Finland has learned that sometimes a state must set aside some values to protect others, or simply to survive. Statehood is based on the principles of independence, sovereignty, and territorial integrity. After World War II, Finland retained its independence, unlike our Baltic friends that were absorbed by the Soviet Union. But we lost ten percent of our territory to the Soviet Union, including the areas where my father and grandparents were born. And, crucially, we had to give up some sovereignty. Finland was unable to join international institutions we felt we naturally belonged to, notably the EU and NATO.

During the Cold War, Finnish foreign policy was defined by "pragmatic realism." To keep the Soviet Union from attacking us again, as it had in 1939, we had to compromise our Western values. This era in Finnish history, which has lent the term "Finlandization" to international relations, is not one we can be particularly proud of, but we managed to keep our independence. That experience has made us wary of any possibility of its repetition. When some suggest that Finlandization might be a solution for ending the war in Ukraine, I vehemently disagree. Such a peace would come at too great a cost, what would effectively be the surrender of sovereignty and territory.

We live in a new world of disorder.

After the end of the Cold War, Finland, like so many other countries, embraced the idea that the values of the global West would become the norm—what I call "values-based

idealism." This allowed Finland to join the European Union in 1995. At the same time, Finland made a serious mistake: it decided, voluntarily, to stay out of NATO. (For the record, I have been an avid advocate of Finnish NATO membership for 30 years.) Some Finns harbored an idealistic belief that Russia would eventually become a liberal democracy, so joining NATO was unnecessary. Others feared that Russia would react badly to Finland joining the alliance. Yet others thought that Finland contributed to maintaining a balance—and therefore peace—in the Baltic Sea region by staying out of the alliance. All these reasons turned out to be wrong, and Finland has adjusted accordingly; it joined NATO after Russia's full-scale attack on Ukraine.

That was a decision that followed from both Finland's values and its interests. Finland has embraced what I have called "values-based realism": committing to a set of universal values based on freedom, fundamental rights, and international rules while still respecting the realities of the world's diversity of cultures and histories. The global West must stay true to its values but understand that the world's problems will not be solved only through collaboration with like-minded countries.

Values-based realism might sound like a contradiction of terms, but it is not. Two influential theories of the post–Cold War era seemed to pit universal values against a more realist assessment of political fault lines. Fukuyama's end of history thesis saw the triumph of capitalism over communism as heralding a world that would become ever more liberal and market-oriented. The political scientist Samuel Huntington's vision of a "clash of civilizations" predicted that the fault lines of geopolitics would move from ideological differences to cultural ones. In truth, states can draw from both understandings in negotiating today's shifting order. In crafting foreign policy, governments of the global West can maintain their faith in democracy and markets without insisting they are universally applicable; in other places, different models may prevail. And even within the global West, the pursuit of security and the defense of sovereignty will occasionally make it impossible to strictly adhere to liberal ideals.

Countries should strive for a cooperative world order of values-based realism, respecting both the rule of law and cultural and political differences. For Finland, that means reaching out to the countries of Africa, Asia, and Latin America to better

understand their positions on Russia's war in Ukraine and other ongoing conflicts. It also means holding pragmatic discussions on an equal footing on important global issues, such as those to do with technology sharing, raw materials, and climate change.

THE TRIANGLE OF POWER

Three broad regions now make up the global balance of power: the global West, the global East, and the global South. The global West comprises roughly 50 countries and has traditionally been led by the United States. Its members include primarily democratic, market-oriented states in Europe and North America and their far-flung allies Australia, Japan, New Zealand, and South Korea. These countries have typically aimed to uphold a rules-based multilateral order, even if they disagree on how best to preserve, reform, or reinvent it.

The global East consists of roughly 25 states led by China. It includes a network of aligned states—notably Iran, North Korea, and Russia—that seek to revise or supplant the existing rules-based international order. These countries are bound by a common interest, namely, the desire to reduce the power of the global West.

The global South, comprising many of the world's developing and middle-income states from Africa, Latin America, South Asia, and Southeast Asia (and the majority of the world's population) spans roughly 125 states. Many of them suffered under Western colonialism and then again as theaters for the proxy wars of the Cold War era. The global South includes many middle powers or "swing states," notably Brazil, India, Indonesia, Kenya, Mexico, Nigeria, Saudi Arabia, and South Africa. Demographic trends, economic development, and the extraction and export of natural resources drive the ascendance of these states.

The global West and the global East are fighting for the hearts and minds of the global South. The reason is simple: they understand that the global South will decide the direction of the new world order. As the West and the East pull in different directions, the South has the swing vote.

The global West cannot simply attract the global South by extolling the virtues of freedom and democracy; it also needs to fund development projects, make investments

in economic growth, and, most important, give the South a seat at the table and share power. The global East would be equally mistaken to think that its spending on big infrastructure projects and direct investment buys it full influence in the global South. Love cannot be easily bought. As Indian Foreign Minister Subrahmanyam Jaishankar has noted, India and other countries in the global South are not simply sitting on the fence but rather standing on their own ground.

In other words, what both Western and Eastern leaders will need is values-based realism. Foreign policy is never binary. A policymaker has to make daily choices that involve both values and interests. Will you buy weapons from a country that is violating international law? Will you fund a dictatorship that is fighting terrorism? Will you give aid to a country that considers homosexuality a crime? Do you trade with a country that allows the death penalty? Some values are nonnegotiable. These include upholding fundamental and human rights, protecting minorities, preserving democracy, and respecting the rule of law. These values anchor what the global West should stand for, especially in its appeals to the global South. At the same time, the global West has to understand that not everyone shares these values.

The aim of values-based realism is to find a balance between values and interests in a way that prioritizes principles but recognizes the limits of a state's power when the interests of peace, stability, and security are at stake. A rules-based world order underpinned by a set of well-functioning international institutions that enshrine fundamental values remains the best way to prevent competition leading to collision. But as these institutions have lost their salience, countries must embrace a harder sense of realism. Leaders must acknowledge the differences among countries: the realities of geography, history, culture, religion, and different stages in economic development. If they want others to better address issues such as citizens' rights, environmental practices, and good governance, they should lead by example and offer support—not lectures.

Values-based realism begins with dignified behavior, with respect for the views of others and an understanding of differences. It means collaboration based on partnerships of equals rather than some historical perception of what relations among the global West,

East, and South should look like. The way for states to look forward rather than backward is to focus on important common projects such as infrastructure, trade, and climate change mitigation and adaptation.

Many obstacles lie before any attempt by the world's three spheres to build a global order that at once respects differences and allows states to set their national interests in a broader framework of cooperative international relations. The costs of failure, however, are immense: the first half of the twentieth century was warning enough.

Uncertainty is a part of international relations, and never more so than during the transition of one era into another. The key is to understand why the change is happening and how to react to it. If the global West reverts to its old ways of direct or indirect dominance or outright arrogance, it will lose the battle. If it realizes that the global South will be a key part of the next world order, it just might be able to forge both values-based and interest-based partnerships that can tackle the main challenges of the globe. Values-based realism will give the West enough room to navigate this new age of international relations.

WORLDS TO COME

A set of postwar institutions helped steer the world through its most rapid era of development and sustained an extraordinary period of relative peace. Today, they are at risk of collapsing. But they must survive, because a world based on competition without cooperation will lead to conflict. To survive, however, they must change, because too many states lack agency in the existing system and, in the absence of change, will divest themselves from it. These states can't be blamed for doing so; the new world order will not wait.

At least three scenarios could emerge in the decade ahead. In the first one, the current disorder would simply persist. There would still be elements of the old order left, but respect for international rules and institutions would be à la carte and mostly based on interests—not innate values. The capacity to solve major challenges would remain limited, but the world at least would not devolve into greater chaos. Ending conflicts, however, would become especially difficult because most peace deals would be

transactional and lack the authority that comes with the imprimatur of the United Nations.

Things could be worse: in a second scenario, the foundations of the liberal international order—its rules and institutions—would continue to erode, and the existing order would collapse. The world would move closer to chaos without a clear nexus of power and with states unable to solve acute crises, such as famines, pandemics, or conflicts. Strongmen, warlords, and nonstate actors would fill power vacuums left behind by receding international organizations. Local conflicts would risk triggering wider wars. Stability and predictability would be the exception, not the norm, in a dog-eat-dog world. Peace mediation would be close to impossible.

But it doesn't have to be that way. In a third scenario, a new symmetry of power among the global West, East, and South would produce a rebalanced world order in which countries could deal with the most pressing global challenges through cooperation and dialogue among equals. That balance would contain competition and nudge the world toward greater cooperation on climate, security, and technology issues—critical challenges that no country can solve alone. In this scenario, the principles of the UN Charter would prevail, leading to just and lasting agreements. But for that to happen, international institutions must be reformed.

The unipolar moment proved short-lived.

Reform begins at the top, namely, in the United Nations. Reform is always a long and complicated process, but there are at least three possible changes that would automatically strengthen the UN and give agency to those states that feel that they don't have enough power in New York, Geneva, Vienna, or Nairobi.

First, all major continents need to be represented in the UN Security Council, at all times. It is simply unacceptable that there is no permanent representation from Africa and Latin America in the Security Council and that China alone represents Asia. The number of permanent members should be increased by at least five: two from Africa, two from Asia, and one from Latin America.

Second, no single state should have veto power in the Security Council. The veto was necessary in the aftermath of World War II, but in today's world it has incapacitated the Security Council. The UN agencies in Geneva work well precisely because no single member can prevent them from doing so.

Third, if a permanent or rotating member of the Security Council violates the UN Charter, its membership in the UN should be suspended. This would mean that the body would have suspended Russia after its full-scale invasion of Ukraine. Such a suspension decision could be taken in the General Assembly. There should be no room for double standards in the United Nations.

Global trade and financial institutions also need to be updated. The World Trade Organization, which has been crippled for years by the paralysis of its dispute settlement mechanism, is still essential. Despite an increase in free trade agreements outside the WTO's purview, over 70 percent of global trade is still conducted under the WTO's "most favored nation" principle. The point of the multilateral trading system is to ensure the fair and equitable treatment of all its members. Tariffs and other infringements of WTO rules end up hurting everyone. The current reform process must lead to greater transparency, especially with respect to subsidies, and flexibility in the WTO decision-making processes. And these reforms must be enacted swiftly; the system will lose credibility if the WTO remains mired in its current impasse.

Reform is hard, and some of these proposals may sound unrealistic. But so did those made in San Francisco when the United Nations was founded over 80 years ago. Whether the 193 members of the United Nations embrace these changes will depend on whether they focus their foreign policy on values, interests, or power. Sharing power on the basis of values and interests was the foundation of the creation of the liberal world order after World War II. It is time to revise the system that has served us so well for almost a century.

The wildcard for the global West in all of this will be whether the United States wants to preserve the multilateral world order it has been so instrumental in building and from which it has benefited so greatly. That may not be an easy path, given Washington's withdrawal from key institutions and agreements, such as the World Health

Organization and the Paris climate agreement, and its newly mercantilist approach to cross-border trade. The UN system has helped preserve peace between the great powers, enabling the United States to emerge as the leading geopolitical power. In many UN institutions, it has taken the leading role and been able to drive its policy goals very effectively. Global free trade has helped the United States establish itself as the leading economic power in the world while also bringing low-cost products to American consumers. Alliances such as NATO have given the United States military and political advantages outside its own region. It remains the task of the rest of the West to convince the Trump administration of the value of both the postwar institutions and the United States' active role in them.

The wildcard for the global East will be how China plays its hand on the world stage. It could take more steps to fill the power vacuums left by the United States in areas such as free trade, climate change cooperation, and development. It could try to shape the international institutions it now has a much stronger foothold in. It might seek to further project power in its own region. And it might abandon its long-held hide-your-strength and bide-your-time strategy and decide that the time has come for more aggressive actions in, for instance, the South China Sea and the Taiwan Strait.

YALTA OR HELSINKI?

An international order, such as that forged by the Roman Empire, can sometimes survive for centuries. Most of the time, however, it lasts for just a few decades. Russia's war of aggression in Ukraine marks the beginning of yet another change in the world order. For young people today, it is their 1918, 1945, or 1989 moment. The world can take a wrong turn at these junctures, as happened after World War I, when the League of Nations was unable to contain great-power competition, resulting in another bloody world war.

Countries can also get it more or less right, as happened after World War II with the establishment of the United Nations. That postwar order did, after all, preserve peace between the two superpowers of the Cold War, the Soviet Union and the United States. To be sure, relative stability came at a high cost for those states that were forced into submission or suffered during proxy conflicts. And even as the end of World War II laid

the groundwork for an order that survived for decades, it also planted the seeds of the current imbalance.

In 1945, the war's winners met in Yalta, in Crimea. There, U.S. President Franklin Roosevelt, British Prime Minister Winston Churchill, and Soviet leader Joseph Stalin crafted a postwar order based on spheres of influence. The UN Security Council would emerge as the stage where the superpowers could address their differences, but it offered little space for others. At Yalta, the big states made a deal over the small ones. That historical wrong must now be made right.

Without a strong multilateral system, diplomacy becomes transactional.

The 1975 convening of the Conference on Security and Cooperation in Europe offers a stark contrast to Yalta. Thirty-two European countries, plus Canada, the Soviet Union, and the United States, met in Helsinki to create a European security structure based on rules and norms applicable to all. They agreed to fundamental principles governing states' behavior toward their citizens and one another. It was a remarkable feat of multilateralism at a time of major tensions, and it became instrumental in precipitating the end of the Cold War.

Yalta was multipolar in its outcomes, and Helsinki was multilateral. Now the world faces a choice, and I believe Helsinki offers the right way forward. The choices we all make in the next decade will define the world order for the twenty-first century.

Small states such as mine are not bystanders in the story. The new order will be determined by decisions taken by political leaders in both big and small states, whether democrats, autocrats, or something in between. And here a particular responsibility falls on the global West, as the architect of the passing order and still, economically and militarily, the most powerful global coalition. The way we carry that mantle matters. This is our last chance.

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