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# The Emerging World Order

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## SYNOPSIS OF THE TALK

Uncertainty and disorder are the principal characteristics of the 21st Century. Seldom has the world been more unsettled or more riven by differences of every kind. Economic and political crises abound across the globe. The 21st Century demands a New World Order, but it is nowhere in sight.

- Given the less than optimistic global political outlook and the pessimistic state of the economy, apart from other prevailing uncertainties, it is evident that the established order which emerged after World War II is under challenge on many fronts.
- Two transformative developments impact the emerging world order. One is the perceived decline of the US. The other is the rise of China. The reluctance of the US to lead, and China's determination on its part to pursue its 19th Century agenda, have serious implications for the emerging world order. Between these two transformative developments, one can discern an improvement in Russia's position of late. Western Europe, however, appears caught up in a near existential crisis.
- While every region of the globe is disturbed at present, West Asia is perhaps the most disturbed. The situation here has become extremely complex. Elsewhere in Asia, newer trends do not hold out much hope for peace and order. This is as true of South Asia as elsewhere. As China's assertive image matches its growth, problems for India in the region and beyond, are becoming more complex. The Emerging World Order of the 21st Century does not seem to hold out any more hope than the final decades of the 20th Century.

## BIODATA

Mayankote Kelath Narayanan is an Indian diplomat and former IPS officer. He was the National Security Adviser of India from 2005 to 2010. He served as the Governor of West Bengal from 2010 to 2014. The Government of India awarded him the civilian honor of Padma Shri in 1992.

M. K. Narayanan joined the Indian Police Service in 1955. After serving as Sub-Divisional Police Officer in the erstwhile State of Madras, he went on deputation to the Intelligence Bureau in February 1959. The rest of his service career was spent under the Government of India, mainly in the Intelligence Bureau. He headed the Intelligence Bureau (IB) from 1987 to 1990, before heading the Joint Intelligence Committee.

The diplomat became Chief of the IB again in 1991 and retired in 1992. He was the Special Adviser for Internal Security to the Prime Minister of India in 2014. He played a significant role in the negotiation of the landmark Indo-US Civil Nuclear Agreement of 2008.

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## KEY SPEAKER - HE MK NARAYANAN

My idea was to give a broad per view of what is happening in the world. Some of it may be controversial, some of it may be acceptable but, as the Chinese say, “We live in interesting times”. It may, perhaps, be more realistic to observe that we live in ‘fractured’ times because ‘interesting’ is hardly the word to be used. As Rupert Murdoch said and as others have said before, I think seldom has the world been more unsettled or riven with differences of every kind; economic and political crisis abound across the globe. The 21<sup>st</sup> Century demands a new world order, but this is nowhere in sight as yet.

Uncertainty and disorder are the principal characteristics of the 21<sup>st</sup> Century. The world appears increasingly dysfunctional thus making it difficult to predict outcomes. Everybody is aware of the standard things; the world political outlook seems less than optimistic. The economic outlook is also, by and large, pessimistic and we are in a ‘low growth’ trap, with the less affluent living in a world of radical uncertainty - governed less by long term economic uncertainties and more by fear. I think this is something that we need to address and it provides a starting point to where we are as far as the world economic order is concerned.

The world of geo-politics and geo-economics intersect, today far more than any time in the past and that makes a radical change in the way we look at the world as an emerging order. Politics and history are increasingly seen as important determinants of economic policies and tactics globally. Therefore, we see states tending sometime to use economic means to achieve geo-political ends. Geo-political considerations dictate the fate of many economic arrangements, the fate of the TTP is an instance in point.

UK’s Brexit is another example. Driven primarily by arguments over economics and migration, its implication for UK’s Foreign, Security and Defence policies have been immense. Brexit even has the potential of unravelling the present structure of the European Union.

In the case of China, many of the country’s foreign policy imperatives today are shaped only partly by politics & economy and increasingly by global geo-economic and geo-strategic considerations. China’s thirst for oil, for instance, has led it to make several compromises, including placing reliance on unstable volatile countries in Asia and Africa and other countries.



I think the two transformative developments that are impacting the emerging world order is one, the perceived decline of the United States as the world’s leading power and the other is the rise of China. The perceived decline of the United States was apparent even before the advent of the Trump Presidency, but is further compounded today by the high degree of unpredictability displayed by the new regime. Policy changes such as reneging on its commitments like the Paris Climate Accord and withdrawal from the Trans-Pacific Partnership will have wide-ranging repercussions.

China’s rise, its pursuit of a 19th Century Agenda, and reverting to its belief in ‘Tian Xia’, have vital implications for the emerging world order. In Asia, China seeks to set right its ‘historical wrongs’ and reclaim all territories claimed by China at one time or the other. As its military cloud grows, the risks entailed in defending its position will become even greater. Any misreading of China’s sense of its own power could prove to be a grievous mistake. I think 2021 - the 100<sup>th</sup> Anniversary of the Founding of the Chinese Communist Party - could be a critical date in China’s & the world’s calendar.

Between these two transformative developments, one can also discern an improvement in Russia’s position. Russia’s oil wealth has greatly assisted its economic recovery. Oil diplomacy, in turn, has produced a strategic congruence between Russia and China.

- Uncertainty and disorder are the principal characteristics of the 21<sup>st</sup> Century.
- The two transformative developments that are impacting the emerging world order is the perceived decline of the United States as the world’s leading power & the rise of China.



Today, Russia's relations are at its lowest point with the United States, even as Russia is making its presence felt in Europe. It has once again become a factor in the politics of West Asia, having built relations with both Iran and Saudi Arabia, apart from becoming involved in the war in Syria.

As against this, my assessment is that, Europe especially Western Europe is caught up in a near existential crisis. A massive influx of migrants, mainly from West Asia, the scale of which caught Europe unaware, is largely responsible for this. It has led to newer dangers such as polarization and a threat to its liberal and democratic image. I think Sweden is perhaps the best example.

To me one of the most disturbed regions of the globe at present is West Asia. At one level, it features a major split of the Arab and the non-Arab world. This is tending to distort the image of Islam as a single fabric. West Asia is again, witnessing a major trial of strength between Saudi Arabia and Iran; several smaller West Asian nations are in turn being compelled to take sides. Major powers from outside the region, including the US and lately Russia, are deeply involved in the wars of the region.

Terrorism, meanwhile, remains a defining factor across all regions. It has the intrinsic ability to undermine the global order. In recent years, and more so since 2015, many more areas of the globe apart from Asia have been affected by terrorism and have faced a series of terrorist attacks. The ISIS and Al-Qaeda currently lead the phalanx of terror outfits, but there are several others which have a global or continental reach.

What is the impression of the world economic order today? The image the world order presents today is one of a Global Leadership Vacuum. The decision of the US to forfeit its role through a series of defaults, is largely responsible for this situation. At the most recent meeting of the G-20 in Hamburg in July, this became all too obvious,



and the US found itself isolated both on the issue of the Paris Climate Change Agreement and on Trade issues, including the right of countries to protect their markets. What is interesting is that on the side lines of the G-20, Japan and the European Union had announced that they had reached an agreement in principal on a Free Trade Agreement. The very fact that, an EU-Japan FTA at this juncture has both a symbolic as well as real value.

The negative impression of the US is greatly reinforced by an unwillingness to get involved in conflicts even where the stakes are high. Other countries - noticeably China - are tending to step into the breach. The new US president's statements have added to the impression that the US is no longer committed to a leadership position.

One cannot be sure, but I think everybody broadly agrees that one reason for the US reluctance to continue with its tradition of involving itself in conflicts, possibly derives from exhaustion and 'policy fatigue'. Both possibly stem from a lack of progress - and absence of any decisive result - in the series of recent wars waged by the US in Afghanistan, Iraq and Syria. Less understood, is the unwillingness displayed by the US to confront Russia on issues such as the Ukraine and Crimea and over the challenge posed by Russia to NATO in Europe. The latter has even contributed to a weakening of US-Europe relations. The US-UK 'special relationship' also has come under some strain.

Asia provides many examples of this nature. The US has been talking so much about the 'South China Sea' but its entire response has been tangential at best. For example, despite the high stakes involved for all maritime powers in the region, and the importance of ensuring the 'freedom of the seas'. The US is widely seen here as renegeing on its security commitments towards countries in the region like Japan, the Philippines, Indonesia and Vietnam.

From our point of view, the lack of forward movement of the US 'pivot' to Asia is also a conspicuous example of the weakening resolve on the part of the US to uphold its role as 'guarantor' of peace in this region. As a result, several countries across Asia, accustomed to depending on US strategic and security guarantees, find themselves today in difficulties, further denting the image of the US. In West Asia, the US is now competing with countries like Russia, to help sort out in the problems of the region. America's relations with long term ally in the region- Saudi Arabia- is not as robust



as it used to be past, and Russia has lately gained more than a foot-hold here. There is some improvement in US – Iran relationship, but China and Russia have far greater leverage with the Iranians. Therefore, today, apart from Afghanistan, the US presence is hardly to be felt anywhere across Asia.

When we come to China, the picture is quite the opposite. The vacuum caused by a reluctant United States is yet to be filled, but I think in Asia at least, China is preparing to fill this void. It is today the second most important economic power after the US. It currently boasts about being the 2<sup>nd</sup> or 3<sup>rd</sup> most powerful military in the world. For all intents and purposes, China seems to have jettisoned the guiding principles previously laid down by Deng Xiaoping. It is now far more intent on pursuing the ‘Chinese Dream’. Chinese ‘exceptionalism’, and ‘uniqueness’ are the main-springs driving this Dream. Today, I think ‘exceptionalism’ and ‘uniqueness’ is the dominant imperative in the Chinese make up.

I think the Chinese Belt Road initiative is perhaps the most dramatic development that has taken place in the world today. It is integral to the expansion of China’s influence. The BRI embraces both a Continental Silk Route and a Maritime Silk Route, and is aimed at spreading Chinese influence across Asia and Europe. The dimensions of the BRI are mind-boggling, and it will have a far greater geo-political, rather than geo-economic impact across the two Continents.

In some regions of Asia, China has already begun to exercise some of the economic and political leverage that the US had previously possessed. It already has a significant presence in East and South East Asia and is beginning to expand into South Asia. West Asia is the latest target of China’s efforts. A typical instance of China’s moves here is the manner in which China skilfully utilized its past leverage with Iran (when Beijing was useful to Tehran in circumventing international isolation and sanctions) to emerge as an important trading partner and a major influence in Iran.

China has been adopting different tactics for different regions of Asia to enlarge its influence. In East Asia, it insists on its prescriptive rights on the South China Sea, irrespective of the claims of other nations of their rights to the SCS. All those who study China are aware that their assertiveness is not limited merely to areas falling within the First Island chain and it is venturing further afield. In certain other regions of Asia-Pacific,

China is helping to promote economic integration (including with Japan and South Korea), high lighting the role of the RCEP, involving itself in anti-piracy operations , etc. In Myanmar, it is now settling internal disputes. As far as South Asia is concerned, Pakistan and China Economic Corridor has become an integral part of their efforts.

Few countries of Asia are willing to tangle with China. A divided ASEAN has given China an excellent opportunity to demonstrate its economic and military muscle. For the most part, countries in the region have demonstrated a desire to join Chinese-based initiatives such as the BRI and Shanghai Co-operation Organization. India is not part of the BRI but is a Member of the SCO.

Overall, I think the impression that we should take away is that, China is not willing to remain a ‘status quoist’ power, or that it would not play by the existing rules governing the international order. I think the 19<sup>th</sup> party Congress will provide a suitable opportunity for China to further showcase its true strength. I would think that, a Thucydides trap awaits US in Asia as a result.

The other major change in the emerging world order is as I said is Russia. I think they are taking advantage of the United States decline and the Chinese assert. The strategic picture is also undergoing certain other changes. The decision by China and Russia to establish much closer co-operation, and take their relationship to the level of ‘strategic congruence’, is significant. Both countries are hoping to exploit the void left by the relative decline of the US to widen their arc of influence. A tacit understanding also seems to have been reached between them viz, China’s primacy in Asia would be recognized in return for an acknowledgement of Russia’s leading position in Eurasia.

- America’s relations with long term ally, Saudi Arabia- is not as robust as in the past and while Russia has lately gained more than a foot-hold here.
- Overall, the impression created by China is that, it is not willing to remain a ‘status quoist’ power.



Oil revenues are providing the fuel for Russian ambitions. This has resulted in several new initiatives. It has gone to the assistance of the Assad regime in Syria. It has improved relations with Saudi Arabia - the latest palace reshuffle there has only strengthened its position. Russia's overtures to Iran have begun to yield results. Acting in tandem with China, its strategic profile is set to grow.

All this paves the way for the strategic resurgence of Russia. Already emboldened by developments in Ukraine and the Crimea, as well as the uncertainty surrounding US commitment to NATO, the tie-up with China and other steps would enable Russia to seek a bigger role for itself in both Asia and Europe, and thus pose a challenge to the US and the West.

The prospects of Western Europe are highly uncertain at present. The impact of Brexit, the UK's departure from Europe, I think all this is leading to an 'identity' crisis of some kind and it is continuing to haunt Europe. The political discourse of much of Europe is currently dominated by issues such as nationalism, insularism and the consequential issues arising from the massive influx of migrants from West Asia into Europe. Germany has probably been the only country that has acted as some kind of a bulwark against this, but I think the rest of Europe is not quite comfortable with Germany's fiscal and economic model. The expectation of the German elections that is to be held later this year provides a new plateau for the future of Europe. Also, how Europe would deal with an increasingly aggressive Russia under President Putin. The need for a more political Europe to keep Euro-scepticism and Euro-sceptics in check is self-evident, but this is not evident at present. A Western Europe uncertain about its future is certain to have a deleterious impact on the emerging world order.

Coming to West Asia, I think this is the region which will pose a major challenge to the emerging world order. A split down the line, between the Arab and the Non-Arab world, a serious confrontation between the increasingly Shiite Iran, a weakening Saudi Arabia and the involvement of certain external powers in the region and lately including Russia and China are all sort of creating a cauldron of problems in this region. Monarchies in the Arab world are by and large facing several problems and challenges. The illusions of stability in the monarchical system - which have existed ever since the Arab Spring- are beginning to fade. I think Qatar, or the challenge by Qatar is certainly an important factor that we need to take into account.

Qatar befriended by Iran and Turkey has managed to drive a sort of a wedge into the solid Sunni-Saudi phalanx and I think the incipient challenge pose to Qatar to the existing Sunni-Saudi order can be expected to have far reaching consequences. I think the consequences will be felt far beyond the West Asian region.

There are also 'proxy wars' in the region such as the one Yemen, involving Sunni-Saudi Arabia against Shiite Iran. Iraq, for its part, remains divided, but the Sunni-Shia balance is tilting decisively in favour of Iran. Both Russia and China seem to have found new allies in the region, while the US appears to be on a losing curve. What is striking today, is the un-presidential level of coordination that seems to have emerged between Russia, China and Iran in the affairs of the region.



I would also stress that, radical Islamic tendencies, set to gain as a result to all the uncertainties present in the region. The next phase of the struggles in West Asia will be determined by who controls the territory once held by the ISIS. This is not evident as of now but in the course of the next few months it should be sure. The ISIS meanwhile, has been pushed out of Mosul but I think their appeal and ideology remains intact and the ISIS will continue to be a major force to contend with. Together with the other Al-Qaeda networks which are present here, I think West Asia is going to be a problem for the emerging world order.

Coming to South Asia, how is India and South Asia positioned in the emerging world order? The region is, by no means, insulated from the intense competition for influence that is taking place in the rest of Asia - mainly between China and the US - but also involving regional and other extra regional powers. South Asia does not have the same number, or kind, of existing disputes over maritime claims and maritime delimitations that are seen in East and South East Asia, but it does face a number of other problems.



As China's role in Asia Pacific expands, the situation in South China may prove to be as difficult as it is in some parts of Asia today. The problems that exist between China and bigger countries like India, is that while smaller countries will continue to link their economic interests and security needs with China, which will mean that they are isolated again.

I mentioned, of the two major powers in South Asia, Pakistan is totally aligned with China - politically, economically and militarily and therefore we are on the outsider's arc. Our relations are declining by the day and we have the additional problem of Pakistan employing terror as a strategic instrument to keep us off balance. India's relations with China on the contrary, are far from satisfactory at present. India also has serious problems with Pakistan, specially its employment of terror and the use of terror tactics against India. India's relations with some of the other countries in the neighbourhood are less than satisfactory. India is intent however on pursuing policies that would lead to a peaceful and stable neighbourhood, but as in the case of the Maldives lately, India's non-interventionist role tends to be misunderstood as disinclination on India's part to play an active role. This can diminish India's influence across South Asia.

So while we talk of 'strategic autonomy' and achieving a 'balancing role' in Asia. It has moved away from the earlier policy of non-alignment to multi-alignment and in the process moving closer to the US. India-Russia relations, however, remain strong, though it might have lost some of its sheen in the wake of warmer India-US relations.

We have a both Look-East and Look- West policy; both have paid good dividends in terms of the diplomatic discourse. In the Asia-Pacific it faces an assertive China, but has developed close relations with Japan and Vietnam of late. We have nothing like the strategic alliance, the Chinese have with Pakistan. Meanwhile, China is making head wave with many of our neighbours, whether it is Bangladesh, Sri Lanka, Maldives etc. and we are unable to checkmate their manoeuvres.

To the West, we have strengthened relations with some of the West Asian countries including Saudi Arabia, the Gulf Countries, the UAE and

- We have a both Look-East & Look-West policy and they have paid good dividends in terms of diplomatic closure.
- Based on present developments, Emerging World Order seems more like Emerging World Disorder.

Kuwait, in addition to Iran. We are certainly not a major player in West Asian affairs. It is an important point, in an area where we have nearly 9 million Indians and where 80% of our oil comes, but we don't have any say in this region today. We have great deal of interest ensuring peace in Afghanistan but we are restricted by Pakistan on one side and Taliban on the other. So while the possibilities look good these need to be skillfully explored.

My point is that in South Asia, apart from history and economics, we need to find a way to steer between an assertive China and a hostile Pakistan in an uncertain neighbourhood in an unstable world, which is a fairly a tall order. We of course deal with the ever present reality of terrorism within our country and our borders. Each of these have major strategic and security implications. India will need to display a high degree of sophistication to avoid a deleterious confrontation with other contending powers in the Asia-Pacific.

As one surveys the developments taking place across the globe, the Emerging World Order seems more like Emerging World Disorder. Nevertheless, there are many favourable portents – not the least being unwillingness on the part of almost all countries to engage in serious confrontation. It is important to build on this sentiment. While debating questions as to whether this is a multi-polar world or something else, the reality is that no country today is in a position to act as a hegemon. To sustain the peace, however, we will need a realistic world order. This can be achieved, provided the different strands that are present, are suitably adjusted and in a manner that it leads to a coherent picture.



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