

## Multipolarity and the Future of International Economic System<sup>∇</sup>

lect. Sura Mowaffaq Jaafar Maqsoud (\*)

### Abstract

This study examines multipolarity in international politics and economics, intended to enhance global order comprehension. The global order's evolution is examined through World War I, World War II, the Cold War, and globalization. Identifying international multipolarity patterns is highlighted. The research also investigates multipolar global economic system outcomes. *Methodology:* A multidisciplinary approach is used in this study, combining historical data and theoretical frameworks. The study analyses primary sources, scholarly sources, and empirical data to trace the world order's historical origins and identify important drivers of diversity. In addition, qualitative research methodologies are used to assess current world political and economic trends, providing insights into global trends.

### Findings:

The data shows a clear shift towards multipolarity in the global arena. The study illustrates global order changes by examining World War I, World War II, the Cold War, and globalization trends. A multipolar environment is taking shape right now due to the increasing importance of several power centers and economic groups. global governance, economics, and geopolitics are all greatly influenced by this transition.

### Conclusion:

This research concludes that multipolarity profoundly affects world affairs. The world is moving closer to a multipolar system, as shown by historical precedents and present trends. This dynamic environment necessitates that stakeholders and policymakers adjust by encouraging open communication, teamwork, and the global community. Accepting multipolarity helps the international community discuss the complexities and challenges of a multipolar global economic system, promoting global peace, stability, and prosperity.

### Keywords:

Cold War, Globalization, Multipolarity, International politics. Global economics, Geopolitical dynamics.

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تاريخ النشر: 2024/6/30

تاريخ القبول: 2024/4/28

تاريخ التقديم: 2024/3/29 <sup>∇</sup>

- Department of International Economic Relations, College of Political Science, Al-Nahrain University, Jadriya, Baghdad, Iraq. - [Sura.muafaq@nahrainuniv.edu.iq](mailto:Sura.muafaq@nahrainuniv.edu.iq)

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## **1. Introduction**

The complex interaction of norms, institutions, and power structures shapes the global political environment in a detectable order. Although the system is fundamentally unorganized, this order provides some structure by guiding and defining the interactions among states. The world order has experienced constant transformation throughout history, in reaction to factors such as the ascent and decline of empires, ideological disputes, and the unyielding pursuit of national interests. remarkable flexibility and transformation have been trademarks of the global order throughout its history, from the 19th-century Concert of Europe through the Cold War era's bipolarity and the modern era's globalization.

"notably in the field of finance, governments such as Russia and China have established a multi-dimensional global order, and this is altering the dynamics of the global structure. The primary objective of these nations is to liberate themselves from the economic structure that is ruled by the West. To accomplish this, they plan to construct a multi-power economic structure; which will reorganize the global financial system <sup>(1)</sup>. On establishing financial relations between countries to strengthen their international connections Russia and China have focused their foreign policies. Projects like the Belt and Road Initiative and the Shanghai Cooperation Organization are examples of such Programs. each state is granted more responsibility and autonomy through the enhancement of each other's financial and economic independence to build a multipolar framework.

## **2. Methodology**

To determine multipolarity frameworks and the historical review of global order, A qualitative approach is used for research methods. The utilization of qualitative methods makes it possible to conduct investigation and analysis of historical events as well as theoretical concepts.

primary materials, including books, research articles, and official documents related to and utilized in this examination. The use of these sources can lead to an in-depth awareness of the challenges involved which provide vital insights into the dynamics of global.

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(1) Mouatt, S., The transformation of global financial power? a binary economics alternative. 2007,p.8.

However, to make the main sources better, newspaper stories as well as well-known news and analysis pieces are used as secondary sources. These secondary sources offer modern perspectives, hypotheses, and background information on conceptual and historical subjects.

Original, famous ideas shape international politics, economics, and other theoretical perspectives, frameworks, and conceptual explanations. The main objective of this project is to develop and understand a solid theoretical framework for perceiving multipolarity and what it means for the overall functioning of the global order. This will be done by building on the work of well-known minds and scholars.

### **3. Results**

With the help of study of modern global politics and economic structures, a large number of reliable primary and secondary sources were used. One of the key focus areas of this research was on the changes that occur in the relationships that exist between unipolarity and multipolarity.

Reviewing big events from the past, like World War I (WWI) and the Cold War, shows that financial crises and armed conflicts, which were some of the problems and challenges the world faced at the time, had immediate consequences on both sides of global economies. Within the present international landscape, which is marked by the supremacy of the United States and its close companions, a clear vulnerability and susceptibility to challenges are apparent. Thus, China and Russia are increasingly supporting global multipolarity in economic and political matters.

#### **3.1. Contemporary World Order**

The global order changed once the Soviet Union collapsed and the Cold War ended. According to Butorov, this incident ended the US-Soviet rivalry and established a unipolar international order with the US as the dominating force <sup>(1)</sup>. According to experts like Richard Sakwa, "this transformation did not inevitably

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(1) Butorov, S.A., A.S. Butorov, and O.M. Kanygina. The Geopolitical Transformation of the World Order at the Turn of the Twentieth–Twenty–First Centuries: Modern Realities and Prospects. in 5th International Conference on Contemporary Education, Social Sciences and Humanities–Philosophy of Being Human as the Core of Interdisciplinary Research (ICCESSH 2020). 2020. Atlantis Press, p.168–173.

lead to world harmony. Sakwa refers to the post-Cold War period as a "Cold Peace," in which American domination remained unquestioned and efforts by other nations, particularly Russia, to balance this hegemony were limited <sup>(1)</sup>.

As an effort to promote a plural international system, early Russian foreign policy, which was shaped by the New Political Thinking theory, advocated for the coexistence of diverse social systems <sup>(2)</sup>. On the other hand, Russia's position shifted toward competition rather than relationship with the start of the Ukrainian conflict. This move warped the established unipolar world order and highlighted Russia's determination to establish its global authority.

China's economic rise has had a huge impact on the world's current order. With programs like the Belt and Road Initiative and the Thirteen Fifth Year Plan, China has attempted to undermine the Western/American-centric global order (BRI). Silvia claims that China's numerous social and humanities think tanks serve as proof of the country's dedication to globalization <sup>(3)</sup>. China is demonstrating its drive to use its influence and promote an alternative vision for the future of the globe through the Belt and Road Initiative (BRI), which is an exhaustive global development agenda <sup>(4)</sup>.

These states are gradually rejecting intellectual principles that support the rules-based international order. Established global institutions like the World Bank and IMF face credibility issues, especially from new rivals like the Asian Infrastructure Investment Bank. This harsh reality model, based on competition rather than collaboration, is growing [7].

The way international relations are right now shows that the world order is not stable because established nations may lose ground to new ones. Such instability has the potential to alter socioeconomic systems and have a bearing on the principles of the Westphalia order. These events underline the need to examine historical destabilizations and their worldwide consequences.

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(1) Sakwa, R., *Russia against the rest: The post-cold war crisis of world order*, Cambridge University Press, 2017.

(2) Brown, A., *Gorbachev, Lenin, and the Break with Leninism*. Demokratizatsiya, 2007,p.15.

(3) Menegazzi, S., *Rethinking think tanks in contemporary China*, Springer, 2017,p.15.

(4) Maçães, B., *Belt and road: A Chinese world order*, Oxford University Press, 2021.

As global unipolarity falls apart, it would be fairer to call it a state of chaos, where stability doesn't always mean order. Frequently, the use of military strength and weapons during conflicts leads to conflict, which impacts the global power balance and shapes powerful countries' worldviews.

Starting World War I (WWI) is an example of how underlying tensions and different views among major powers led to a terrible war <sup>(1)</sup>. Germany and Russia were enemies in the past.

Germany wanted to expand its empire, while Russia believed in a nationalist philosophy based on theology <sup>(2)</sup>. The Austro-Hungarian Empire, known for its wide ethnic structure, faced internal tensions compounded by external pressures, particularly from Slavic nationalist organizations <sup>(3)</sup>. France assaulted the British Empire, a great colonial power, to recover its lost territory and move on from earlier defeats <sup>(4)</sup>. There was an identity crisis and complicated connections within the Triple Alliance for the newly united Italian state, In the end, these geopolitical tensions led to World War I, which changed the world as we know it<sup>(5)</sup>.

Europe was hit the hardest by both physical and economic damage after World War I [12]. Political instability became worse by bankrupt governments, especially those in France and the UK, who found it difficult to pay back their loans. The Agreement of Versailles' reparations tax caused political unrest in Germany, which in turn gave birth to Nazism and other extreme groups <sup>06</sup>. The

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(1) Smith, N.R. and G. Dawson, Mearsheimer, realism, and the Ukraine war. *Analyse & Kritik*, 2022 ,p. 175–200.

(2) MANOILOV, S.V., "The Russian Nationalists and the First World War." *CENTER FOR EURASIAN STUDIES "VIA EVRASIA"*. p. 1–2.

(3) Ukshini, S., *Austro–Hungarian Foreign Policy and the Independence of Albania*, 2021,p.20.

(4) Kiernan, V.G., *European empires from conquest to collapse*, Verso Books:2024, p.1815.

(5) Meyer, G.J., *A world undone*. 2006: Delacorte Press.

(6) John Maynard, K., *The Economic Consequences of the Peace*. 1919.

Great Depression, on the other hand, caused economic difficulties for the United States even as it started establishing itself as a major player on the world stage<sup>(1)</sup>.

The gold standard-based global monetary system was also significantly affected by the chaos brought about by World War I as a result of difficult economic conditions and fluctuating currency exchange rates, several nations are leaving the gold standard in favor of embracing more open monetary policies<sup>(2)</sup>. Unfortunately, these efforts to keep things stable didn't work, and as a result, the local money systems didn't work either.

Governments formed the League of Nations, the International Monetary Fund, and the World Bank in response to World War I and its aftermath in an effort to promote stability and cooperation<sup>(3)</sup>. The economies and ways of working together between countries changed because of these groups.

### **3.2. Post-United Nations World Order**

International politics and the global economy have changed a lot since the start of the United Nations (UN). The UN's work has substantially strengthened international collaboration, peace, and stability<sup>(4)</sup>.

One of the most important events after the UN was formed was Bretton Woods Conference, which led to the creation of the IMF and the World Bank. The establishment of the US dollar as a significant global currency and support to nations in their postwar economic recovery were made possible in large part by

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<sup>(1)</sup> Bullock, P.R., S. Permiakova, and G. Stedman, Introduction: The First World War and its Aftermath: Literary Networks and Cultural Encounters. 2021, SAGE Publications Sage UK: London, England. p. 184–191.

<sup>(2)</sup> Satragno, L., *The International Monetary System in the Post-Crisis Era*, in *Monetary Stability as a Common Concern in International Law*. 2022, Brill Nijhoff. p. 10–35.

<sup>(3)</sup> Pauly, L.W., The League of Nations and the foreshadowing of the International Monetary Fund. *Essays in International Finance*, 1996(201): p. 1–47.

<sup>(4)</sup> Rodrik, D., *The globalization paradox: Democracy and the future of the world economy*. 2011: WW Norton & Company.

these organizations <sup>01</sup>. "During this period of joint projects, the World Trade Organization (WTO) emerged to facilitate international trade <sup>02</sup>, Because it offered major support to European nations for postwar rebuilding, the Marshall Plan, which was carried out by the United States, had an impact on the economic landscape of worldwide. With the help of this aid, the United States of America was able to strengthen its leading position in the global economy and military, which in turn made the dollar even more powerful. U.S. economic difficulties, however, caused ripples around the world. In 1971, trade deficits forced the U.S. government to suspend dollar-gold convertibility, which led to the Bretton Woods system's 1973 collapse <sup>(3)</sup>.

In the 1980s, neoliberal economic policies promoted privatization and market-oriented changes worldwide. They increased economic inequality and financial instability while boosting growth <sup>04</sup>. The end of the Cold War ended ideological pushback to neoliberalism, particularly from the Soviet Union and its supporters, bringing in globalization and technological innovation <sup>(5)</sup>.

Today, the global economy faces new problems such as the 2008 financial crisis, economic nationalism, and the unprecedented COVID-19 epidemic. These difficulties have stretched global institutions and cast doubt on their ability to address global crises.

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(1) Schulmeister, S., Globalization without global money: the double role of the dollar as national currency and world currency. *Journal of Post Keynesian Economics*, 22(3),2000, p. 365–395.

(2) Hoekman, B.M. and M.M. Kostecki, *The political economy of the world trading system: the WTO and beyond*, Oxford University Press, 2009.

(3) Nayak, S. and S. Nayak, *Benign Neglect of Dollar: The Bretton Woods and Its Demise*. *The Global Financial Crisis: Genesis, Policy Response and Road Ahead*, 2013: p. 101–113.

(4) Cohen, J.N. and M.A. Centeno, Neoliberalism and patterns of economic performance, 1980–2000. *The Annals of the American Academy of Political and Social Science*, 2006. 606(1): p. 32–67.

(5) Cerny, P.G., *Globalization and the changing logic of collective action*. *International organization*, 49(4), 1995. p. 595–625.

### **3.3. The Future of International Economic System**

There are signs that the United States, China, and Russia are all becoming more important participants in the international geopolitical scene, which might lead to a multipolar world order. This change may significantly affect several parts of the international economy:

**Economic Centers of Gravity:** The United States has long been regarded as the principal economic center, according to the principle of centers of gravity. The formation of several economic hubs is being witnessed, nevertheless, with the rise of Russia and China. This may result in a global transfer of economic power, with each center having its sphere of influence and economic priorities.

**Alternative Trade Agreements:** The Belt and Road Initiative (BRI) by China and the BRICS economic alliance are two examples of global trade agreements and initiatives that seek to promote economic cooperation and commerce. Changing global supply lines and trade links could be complicated by diverging from the Western world.

**New Financial Systems:** The US economy and its US dollar currency stand at the heart of the current international financial system making the globe almost dependent on the US and its currency. The case is not going to stay the same given the rise of Chinese economy and international trade as this is going to pose a real challenge to the dominance. The economic institutions that connect the circle of the international financial system, such as the World Bank and IMF, are being looked at as tools to US hegemony over the system itself given the roles of both in the implementation of economic sanctions. As a result, the drive towards diversified financial institutions that operate globally or the support of local currencies are on a high increase.

**Regional Economic Hubs:** As nations from Central Asia, Southeast Asia, and Eastern Europe join together with China and Russia, we may see the formation of global economic hubs in these regions. Such hubs might be financial centers located in these regions. By encouraging business activity and promoting collaboration, these centers can bring about a transformation in the political and economic settings of these regions.

**Technology Innovation and Economic Cooperation:** Establishing a multipolar global order may give rise to competitors in the field of technological innovation. To create a threat to Western power in the fields of AI, fifth-generation wireless technology, and space exploration, China and Western nations, along with their

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partners, could make important resources. This competition will probably affect the creation of new ideas and technology.

**Geopolitical Tensions:** Despite attempts to make the world more multipolar, geopolitical tensions are likely to remain. Major nations can squabble over resources, territory, and influence. Controlling tensions is necessary to preserve stability and prevent full-scale conflict from occurring.

**Resource and Energy:** Cooperation in resource and energy management between China and Russia is important for the future of the world. The formation of new commercial or financial partnerships has a chance to change existing resource administration systems. Both China and Russia are natural friends in this field due to the vast number of natural resources that Russia holds and the growing demand that China offers.

#### **4. Conclusion:**

The ongoing shift towards a multipolar global order, which is being led by China and Russia, is an important turning point in the history of the world by a broader definition. The trend of the international system is becoming more complex and diffused, compared to the unipolar power that the U.S. and Western nations enjoyed in the past. Global connectivity and trade, open up new possibilities for cooperation and growth in the economy including projects like "The Belt and Road". An increase in investment and development opportunities would be seen by underdeveloped regions if local financial centers were to develop.

However, geopolitical tensions caused by powerful nations' competition for power and resources may lead to instability and war. Besides challenging matters for global leadership and teamwork, alternative trade agreements, and financial systems have the potential to undermine standard practices and institutions.

You require strong leadership and diplomatic skills to effectively interact with this complex setting. Nations will have to find a good balance between pursuing their own national goals and supporting cooperation between nations. To address common issues like income inequality, climate change, and outbreaks, we must work together and collaborate globally.

In general, a change towards a multipolar world order brings both opportunities and problems; however, it is eventually up to the international community to create this new reality in a way that makes way for the advancement of peace, prosperity, and sustainable growth for all people.

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