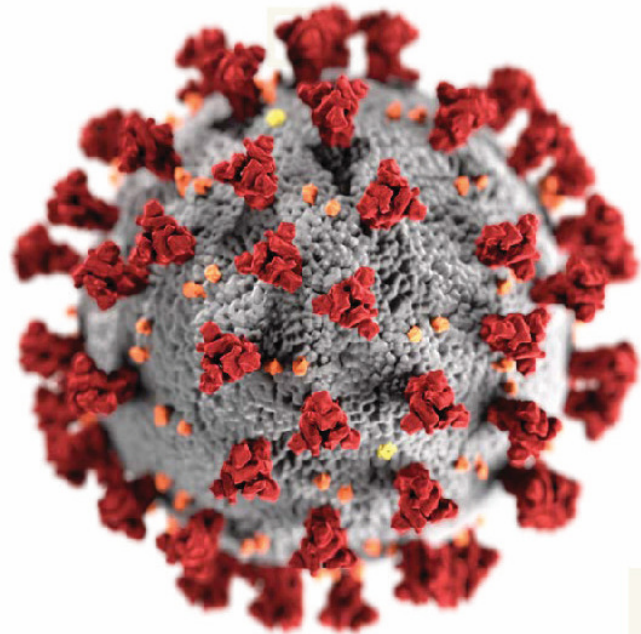




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21st Century Global Order: Factors Behind Change



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1. Introduction and Background

Two major events in the beginning of 21st century, that brought about change in the global structure and later played a fast-track role in reshaping the global order are: 9/11 attacks on the US, and China's accession to World Trade Organization. The first event antagonized USA and triggered war on terror. USA along with its allies led the war on perceived terrorists while Afghanistan became the host of war (Thimm 2018). The second event opened the world doors for China integrating the country into global system and paving the way for its rise (Li & Tu 2018).

These events were followed by 2007-08 financial crisis that had also jolted the global economic order, but soon the economies came back on track with varying degrees. Financial crisis also introduced some new players (China, India, Turkey, South Africa among others) on global stage (Woods 2010).

Now, the outbreak of COVID-19 across the world has exposed the weaknesses of global governance structure on the one hand and on the other selfishness behind the slogan of solidary and human rights. At this point of time, the US, which used to be a generous global partner, is giving no heed to the needs of world community, and is following the strategy of 'America First' (Clausing 2020). The EU did not help Italy in such testing times, and even France and Germany put conditionalities on the export of medical supplies and products. All these events created a web (Fig-1) which has grappled the world and accelerated the process of change.



In addition, a good number of other issues continued to haunt the world and accelerated the process of change. The world has failed to achieve Millennium Development Goals; WTO negotiations are stand still; the champions of global order are backtracking; and forums like the EU are under threat of survival. Climate change is another global phenomenon, which is causing resources constraint. It has turned to be an existential threat to planet earth and human beings (Cherkaoui 2020).

These events are heralding a new wave of globalization. Since, globalization is regarded as an inevitable economic, social and cultural trend of the previous century, however, there is no clear picture available which can suggest the structure of future global order (Allen-Handy et al. 2020). There is a huge research gap to identify the future dimensions and roles of players. This policy review aims to contribute to bridge the gap and analyze the process of change, actors of change, and new global order.

2. Leading Factors of Change

There can be many events, problems or developments, but we have selected four major factors. The analysis includes the following two major events, and two problems.

1. War on Terror
2. Accession of China to WTO
3. Financial Crisis-2008
4. COVID-19

1.1. War on Terror

Masco (2013) states that 9/11 led to rampant war on terror. United States of America led the coalition of world leading countries to punish the designated culprits. The US option “with us or against us” left no space for choices. It also did not allow the world to look for real culprits or use any other instrument to punish the culprits. USA with the support of partners attacked Afghanistan, with the wrath of its supremacy in arms and power. On other side of the field was one of the weakest nations. It was announced that the war will be over within days and there will be new order of peace, development and stability under the auspices of USA, allies and United Nations.

Unfortunately, the war prolonged and continued to engage other countries and regions in one or the other pretext. Iraq was next on the list where it was not only limited to destruction but also to change of regimes, especially capitalizing on Arab spring. A dual strategy was adopted to punish the countries: 1) practical war 2) economic sanctions. On practical front, Afghanistan, Iraq, Syria and Libya were attacked whereas on economic front, Iran, North Korea, Venezuela, Cuba, Russia, etc. were the victims (ibid).

Watson Institute of International and Public Affairs at Brown University suggested that the war on terror could not deliver the desired results of USA and allies, rather it inflicted huge losses on the participating countries. It was estimated that the war on terror inflicted a global loss of US\$ 6.4 trillion. The war claimed 800,000 lives, including 335000 civilians (independent sources do not agree on it, as they predict millions of people lost their lives). It also compelled 21 million people to be refugees or internally displaced persons in Pakistan, Iraq and Afghanistan. The US will have to pay US\$ 8 trillion in next 40 years as interest in the backdrop of war barrowing.

The cost of war would be increased exponential if we calculate the injured and permanently disabled people. The societies will have to bear cost for long run. Although all countries

share a burden, the host countries are the major victim. For example, Afghanistan and Iraq have hundreds of thousands of people injured or permanently disabled. These countries do not have required resources to take care of them. Therefore, they look towards the US and partners, but the US and allies only invested US\$ 199 billion during the last 20 years. The major chunk of these resources was spent on armed services and t less was available for human development and services (Masco 2013).

Despite all these costs and difficulties, there is no end in sight to this war of terror. Although, the US has struck a deal with Taliban, the world will have to wait for complete ceasefire and how Afghan leadership tackle the issue (Saxena et al. 2020)

It also resulted in poverty and joblessness. similarly, the war on terror also undermined the US ability to invest on other sectors like health, education and clean energy. It has been predicted these sectors produce more jobs as compared to defence. US\$ 1 billion spent on these sectors may create 17,200 jobs in health, 16,800 in energy, and 26,700 in education against 11,200 jobs in military (Masco 2013).

Above all, this war has shaken the confidence and strength of USA at global level. The impact of war on economy and human beings has compelled the US to follow the slogan of "America First". USA is backtracking from its international commitments and even is busy to undermine the organizations like NATO, UN, etc. which it created itself. President Donald Trump has openly questioned the need of NATO and the role USA.

1.2. Accession of China to WTO

The second most important event was accession of China to WTO. It has opened the world markets for China. Yuan (2015) mentioned that the timing of accession was perfect for China due to two factors, 1) China adopted the strategy to go global, 2) US and allies were busy in war on terror. Accession to WTO helped China to materialize its dream of go global and contribute to global system. The total volume of Chinese economy at that time was US\$ 1.3 trillion and was on 6th place. The total trade at that time was US\$ 0.51 trillion and again it was on 6th place at global level. Owing to continuous efforts and hard work, China is now second largest economy with a total GDP of US\$ 14.14 trillion (Silver 2020). It is the sole biggest trade partner of the world with a total trade US\$ 4.6 trillion in 2019 (Xinhua 2020).

The accession also opened a market of more than one billion people for the world. It helped many countries to establish their businesses in China and benefit from the market size and business skills. Now, China is home to almost all big names of businesses - like Apple, GM Motors, BMW, IBM, and many others. It has converted China into a world factory. China is now moving slowly towards achieving the status of world laboratory.

The China's accession to WTO helped it change its destiny. Now, China wants to reciprocate and share its fortune with the world by launching big initiatives like the Belt and Route Initiative (BRI). BRI is a US\$ 8-9 trillion programme of infrastructure, energy and economic development. So far, the China has launched six corridors under the BRI. After 2018, China shifted its focus to on imports and created China International Import Expo

forum. The prime goal of the forum is to increase imports and create integration with all countries (China International Import Expo 2020)

Economic development and greater linkages with world turned China into a staunch supporter of global system. Speaking at World Economic Forum in 2017, President Xi Jinping reaffirmed the China's commitment to global order (Parker 2017). China has also adopted Paris Agreement on Climate Change to show its commitment to good environment. It has diverted substantial resources to fight climate change and improve environment. It has coined new terms of Eco-civilization, and shared prosperity to show its commitments for development and environment. It is putting focus on development and creating economic linkages to solve the problems. It considers development a key to sustainable peace.

We can conclude that the linkages with global economy through WTO helped China to change its economic status. Linkages also helped China to change its role and play a more important and multi-dimensional role at global stage.

1.3. 2007-08 Financial Crisis

The 2007-08 financial crisis was another watershed moment for USA and rest of world. USA was busy in "war on terror" and was stuck with financial crises. It crippled the financial sector, market and economy of USA and rest of the world. Stock markets and financial institutions were worst hit with a loss of US\$ 8 trillion. It also impacted individual wealth. On global economy, its impact was of US\$ 2 trillion, which constituted 4 per cent of the global GDP. Global community became united, G-20 intervened and pledge a package of US\$ 5 trillion and also asked IMF to contribute an additional money of about US\$ 1 trillion (Merle 2018). USA also offered a specific bailout package of US\$ 700 billion (Amadeo 2019). Although the USA was successful to avert the worst impact and its economy started recovering, the main reason was that USA had the leverage at that time to print money. Being the reference money for world, it was able to absorb the shock. Moreover, it also played with interest rate, which contributed to lower the impact.

However, the most interesting part of the crisis was that China helped the world and tried to give support to countries. Its inclusion in WTO also helped countries to build economic linkages with China. It was first time in modern history that China played a role at global level to avert the crisis. It led a new precedent that China is a global player of substantial weight and importance. Countries started to invest in China and put efforts to build strong relation with China.

Financial crisis culminated with the emergence of China as new destination of trade and economy. It also sown the seeds for the slogan "America First" slogan on which President Trump built his election campaign (Huang & Young 2013).

1.4. COVID-19

COVID-19 is another area which has jolted the whole world systems. The world is struggling to overcome the pandemic, but with limited success. People are dying across the world, especially in Europe and USA. Presently, there is no plausible solution. The situation is so complicated that every person and country is confused about the course of action.

Unfortunately, in these testing times, the world leaders and countries do not agree to work jointly that has further fractured the system. USA, the traditional leader, which always took responsibility to fight back global challenges is backed out. Instead of forging cooperation, it is busy in blame game against China. Despite the negative propaganda, China is helping the world including the US to fight the COVID-19 pandemic. Chinese companies like Alibaba are also helping countries across the world. Moreover, USA also ban export of masks and medical equipment to Canada, which is hampering efforts of Canada to fight COVID-19. Canadian Prime Minister termed it unfortunate and warned of negative consequences (Forrest 2020).

The European Union is also not acting according to its strengths and promised goals. Many European countries are unhappy with the EU. Italy, the most impacted country, has failed to attract the fellow countries to help her in the time of need. Despite repeated requests, the EU did not help Italy. Serbia also criticized the EU and calling it a fake solidarity organization.

Experts and many world leaders believe that the world will be different after COVID-19 and there would be a re-arrangement of order and players at global level.

3. Future of Global Order

Uncertainty is a keyword to describe the present situation. The established players have been weakened by series of negative implications of successive events. USA and Western countries' economic strength is under question. They are losing their unchallenged supremacy. New players like China, are emerging and getting prominence. China is second to USA and has challenged the supremacy of USA in the areas of diplomacy, military and economy. USA has started feeling the heat and launched an all-out strategy to counter China. by using tools of negative propaganda, creating trade barriers, putting restrictions on technological development, and undermining the overall role of China.

A new competition, if not war, has been started between existing and emerging powers. The champions and beneficiaries of globalization have started acting against the spirit of globalization. The emerging powers like China becomes the proponents of system and are making all efforts to save it. The game has become very interesting and complicated. Experts and common citizens have started questioning the future of globalization. The most pertinent question is, will globalization survive?

Our analysis shows that globalization will survive the shocks, but the outlook of system will change. There are three important areas which give us hope for the survival of system and globalization;

1. *Technological Advancement:* Human race has achieved marvelous successes on technological front. We are living in the most advanced stage of technology development of human history. It is getting more sophisticated with every passing day. Humans have conquered the space and Mars. Technology has started culminating into most advanced forms of communication, destruction, control, development and connectivity. The world has started becoming the global village on back of technological revolution. The dawn of 21st century saw a new era of revolution in the field of technology and it has dominated all fields of life, society, security and economy. Communication has become easy and accessible. The connectivity has turned the world into global village. We can talk to anyone at anytime from anywhere within seconds. Facebook, WeChat, WhatsApp has changed the meanings of connectivity at individual level. Technology has also made it impossible to hide any event or news. Digital diplomacy has limited the choice for countries to live in silos and connectivity has made it impossible to backtrack. Moreover, systems of business, economy and security have also become highly interconnected. Therefore, we conclude that technological evolution will help to sustain the globalization.

2. *Climate Change:* Although, discussion on climate change was going on from the last two decades of 20th century, but events of 21st century gave entirely new dimension. For last two decades, it has dominated the debate, discussion and negotiations. Climate change appeared as an existential threat to planet earth. It has multi-dimensional impacts. It is triggering migration across the world and World Bank has estimated that it will force 143 million to migrate till 2050. Moreover, it will also push 100 million into poverty (World Bank 2019). The world needs US\$ 90 trillion to build climate resilient infrastructure and economies (World Bank 2019). There would be a loss of GDP across the world as well, but it would be un-equal. Africa will face a loss of 4.7 per cent, Latin America 3.8 per cent, Middle East 3.7 per cent, Eastern Europe 3 per cent, Asia Pacific 2.6 per cent, Western Europe 1.7 per cent and North America 1.1 per cent (Climate Change 2019).

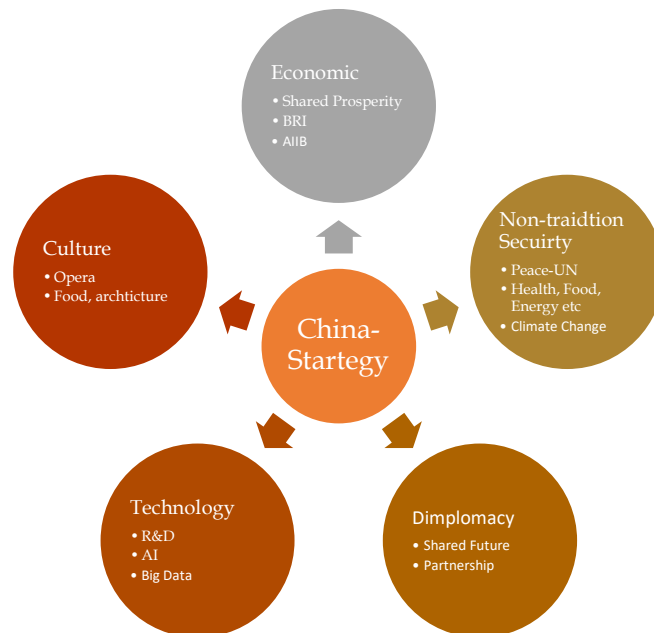
Climate change related disasters are also increasing with alarming speed (Wahlstrom & Guha-Sapir 2015). Floods and droughts are becoming common phenomena for few years. Heatwaves are now the regular visitor. It has started to kill people all over the world. Wildfires due to higher temperature is another side of the problem.

Climate change is also triggering violence and conflicts across the world. The most recent examples are Syria, Yemen South Sudan, etc. It is pushing people to fight over scarce resources. It has been predicted by different sources that problem would be aggravated.

Despite all these factors, the world especially the developing countries, are not moving quickly enough to combat the challenge. The global system has failed to contribute. The pressure to act is mounting, as choices are becoming limited with every passing day. Unfortunately, still countries are not willing to act. They are preferring to leave the global system instead of acting with force. The prominent example is USA, it has separated itself from the Paris Agreement on Climate Change. Many countries have

adopted it but are not fulfilling their commitments. Although in past China was criticized for environmental degradation, but now China is trying to champion the cause. It has adopted Paris Agreement and urging other countries. Although, the response of countries is mixed, but one thing is for sure that climate change will continue to shape up the future course of action and economies. The business as usual approach will change. Energy, being the biggest source of climate change will observe a shift. The world will have to move from fossil fuels to renewable sources of energy for developing a climate compatible development model. Ultimately, the world will have to learn how to tackle the issue of climate change.

3. **Pandemics:** During first two decades, the world witnessed break-out of four major epidemics, i.e. SARS, MERS, Ebola and COVID-19. First, three epidemics were fought together. Countries forge partnerships to control these epidemics. Unfortunately, COVID-19 could not convince countries to cooperate. Although, COVID-19 is showing that cooperation would be only way to combat the pandemics, countries are acting in another dimension. Nevertheless, it is fortunate that many countries started to cooperate and helping other. The results of cooperation are very encouraging. The world also realizes that the cooperation can only be ensured through global order and established global institutions.
4. These three factors will compel the world to sustain global order. Hence, we are certain that globalization or global order is here to stay. However, the change is unavoidable. The rise of China is inevitable. China has already started showing the glimpse of its future role. It has started taking lead at numerous global platforms. China has adopted a multi-pronged strategy to engage and sustain its role according to emerging needs (fig-2).



However, the most important change is, change in behaviour and attitude of China. It has moved away from its policy of self-restraint. Now, it does not shy to engage in “tit-for-tat” encounter. The new strategy is changing the rules of game and accelerating the process of change.

4. What’s Next?

The recent events suggest that China and USA will engage in a furious competition to secure their positions and interests at global level, which will affect the global order and individual countries. It will put pressure on countries to take a side; especially the developing and least developed countries would be under more pressure. The signs of competition and pressure are already visible. For example, US Secretary of State Mike Pompeo is aggressively pursuing its allies to contain their cooperation with China. He has asked EU countries, UK and others not to allow Huawei to venture in 5-G infrastructure. USA is also pressurizing countries not to join BRI. Pakistan is also under immense pressure to walk out from CPEC. Though, China is not sitting idle or shying to reply. It has openly asked USA to behave according to global norms and stop interfering in China’s business.

On the basis of these facts, we have developed three scenarios.

1. Scenario-1: Competition
2. Scenario-2: Systematic Rivalry
3. Scenario-3: Cooperation-Shared Future

Scenario-1	Scenario-2	Scenario-3
1. Country first, 2. Rise of strong man 3. Trade wars 4. Disruption	1. Border closure 2. Game of traps 3. Conflict 4. War	1. Pooling of resources 2. Re-arrangement 3. Prosperity

1.5. Scenario-1: Competition

The elements of scenario-1 are already visible. Country first slogan is getting momentum. Some countries have adopted it openly while others are pursuing it silently or with sugar coated words. President Trump won the election by raising slogan of “America First”. Many European countries are also observing the same phenomena. Germany is witnessing the rise of Nazi like party. Migration has become severe problem in Europe and USA.

Nationalism is another form of country first strategy. It has given birth to so called strong man version of political leaders. We have witnessed the rise strong men across the world. Strong men are trying to suppress dissident voices and minorities of their countries. It is giving rise to violation of human rights like in India, which has lockdown whole Indian occupied Kashmir. It seems one by one every country will fall in trap and no country would

be able to save herself from these two categories. The rise of strong man and country first approach has introduced many problems for world. The most prominent problem is ruthless pursuance of national interest and manipulating economies to get the maximum share of cake.

It is leading to failure of institutions and initiatives with global relevance and status. In recent times, the world has witnessed failure of MDGs, WTO, etc. Many initiatives have been going through difficult choices like SDGs or security arrangements (NATO, UN Security Council, etc.). SDGs were pitched as solution to world problems, with slogan of "No One Left Behind". In reality, it has all elements of solution. Unfortunately, the world could not move forward from rhetoric to practice. UNFCCC process has also been halted and there is very little progress for many years. Although everyone know that climate change is an existential threat, but no one is ready to take serious steps. Blame game is on and everyone is asking others to take first step (UN News 2019).

Trade war is another problem which has grappled the world. USA is taking lead on it and other countries are following it. It is hurting countries all over the world, especially the consumers of American markets. It is also severely impacting the world growth (World Bank Group 2020). International and national institutions are suggesting governments to avoid it, but no country is ready to listen to it.

Besides, the competition is also hampering any effort to forge cooperation even for development and fight the sever problems of climate change and pandemic. The outbreak of COVID-19 was exploited and was used by USA to criticize and contain the country. China was looking for cooperation but with limited success. Lack of cooperation has hurt China, and now the whole world is bearing the brunt. USA is bearing the major loss and criticism now.

These elements have started disrupting the global order. We can clearly see the division and grouping of countries. This scenario is quite harmful for the world. It is predicted that it will increase problems like poverty, food insecurity, non-availability of healthy environment, etc. The early signs are here, for example, food insecurity has started to rise again. Therefore, the world should try to come out of it and look for better alternatives.

Although the situation demands cooperation and positive competition, the world is not giving head to it. It is expected that the world will go for short-term disruption, as countries will continue to pursue national interests at any cost. Next 5-10 years will be important on this front. There would be two possible outcomes: 1) these years can contribute to systematic rivalry to further disrupt the system, 2) these years can contribute to create awareness about the need of cooperation and lay foundation for peaceful re-arrangement of global order.

1.6. Scenario-2: Systematic Rivalry

The scenario-2 would be more dangerous and impacts would be devastating and lasting. Although, the impacts are not so visible, but the signs are very much here. West has already stigmatized Muslim countries on the issue of terrorism. Islam has been taken as systematic

rival to Western Liberal Democratic system. Muslim countries and Muslims are facing problems throughout the world. Many countries have been attacked and many others were targeted in the name of human rights. Regime change has become a favorite tool.

The discriminatory behavior against Muslims is expanding to other faiths and countries. It also has given rise to ultra-right political parties in West, which are even intolerant to their regional countries. European Union is major victim of this wave of hate and discrimination. Many right wing countries have started to advocate the disintegration of EU and erect walls. The closure of borders seems to be very practical. Migration and refugee crises have already exposed the human right defendant and champions among the liberal democratic world. A wave of hate is on, especially in developed countries. Migration and acceptance of refugees has become major subject of debate and election. It is disturbing to note that many EU countries have practically closed their borders. Even, USA has erected a wall to stop migration from Mexico.

It seems the phenomena will not stop here; it will spread across the world. Presently, Europe and USA are hotspot but in future the hotspot can be shifted to Asia. The reason is, at present, Europe and USA are rich countries, but in future China and some other Asian countries would be rich. Therefore, it is expected that migrants and refugees will move towards new destinations in Asia. It will test the commitment of new players of global order.

Another form of border closure would be ban on trade. The first step on this front is already in game. Many countries are fighting all-out trade wars. If the trade issues are not solved, these will ultimately lead towards strict measures and even closer of borders. The speed with which USA and China are moving on trade front, it seems that closure of borders is very close.

Moreover, countries are also busy to apply different traps to undermine or control the other countries. Thucydides, Middle Income, Kindleberger and now S-Trap all are in market. S-Trap is new and most interesting one. It is blend of all traps with some new dimensions (Fig-1). It has designed to capture all dimensions and use the new instruments like technology, human rights and civil liberties. The first application was on Muslim countries and now USA is using it to contain China for some time. The application of S-Trap has aggravated the situation and two countries have become more aggressive to counter each other. USA and China have now entered into “systematic rivalry” putting all efforts to undermine each other at any cost.

The systematic rivalry has started to hurt global order and individual countries. IMF, in 2019, predicted that USA and China will cost US\$ 700 billion at global level, which means 8 per cent loss to global GDP growth (Georgieva 2019).



USA is not the only country which take China as systematic rival, whereas EU in 2019 also declared China a systematic rival (Burchard 2019). It has antagonized China and China reacted strongly but with certain control. USA and Western countries also punishing allies of China like Venezuela, North Korea, Pakistan, etc. Owing to rivalry with China, China-Pakistan Economic Corridor has become the target of malicious campaigns. India also joined hands with USA to malign CPEC and China. FATF has been mobilized to contain Pakistan's efforts to implement CPEC. International Financial Institutions are also playing their role to hinder implementation of CPEC (Câmpeanu 2019).

USA has also started to target Turkey, Mexico, Japan, South Korea and many allies. Russia is already on the hit list and in recent times the focus has increased. USA is pushing them to engage on terms and conditions devised by USA. These all actions are part of systematic rivalry strategy and S-Trap.

It is becoming clearer now that these strategies will lead toward conflicts. It will drag economy, development and technology into conflict and will hinder the development of humanity. Technology has already become a battle ground. USA is putting all its efforts to malign Huawei and its 5-G technology. It has launched an all-out campaign against it. It is pursuing all countries to ban Huawei from venturing in 5-G infrastructure. President Trump and Secretary of State Mr. Pompeo themselves are leading the campaign. The companies like Alibaba has also started to attract attention, as these companies are challenging the hegemony of American and Western companies. Alibaba is giving real time competition to e-commerce companies. It is now a reliable name at global level.

It is feared that if the conflicts are not contained at this point of time it will be disastrous for world order. The conflicts will weaken the global order, which may culminate into war. The cost of war would be beyond the imagination of any one. It will destroy the planet earth, and no one would be here to secure the national interest. The ultimate loser would be humanity, planet earth and its stakeholders, i.e. the masses.

1.7. Scenario-3: Shared Future

The third scenario is more optimistic. It is built with the assumption that human will act responsibly and will devise rational policies of engagement. Although, the phrase “shared future” is borrowed from the President Xi Jinping’s vision but it has global relevance. The third scenario also has taken into consideration the important lessons from scenario -1&2. It also considers the importance of three areas: technology, climate change and pandemics, which establish the need for cooperation. In nutshell, the third scenario is built on;

1. The relevance and importance of technology, climate change and pandemics
2. Scenario-1
3. Scenario-2

The need for cooperation has already been established. As we discussed above the three factors of cooperation namely technology, climate change and pandemics. However, the question is how to get it? What instruments should be applied?

The above discussion points out that the first intervention to secure the “shared future” would be to reform the existing systems of global order. The most important areas of work would be;

1. Economic System
2. Governance System
3. Security System

4.3.1: Economic System

Under international economic system, wealth has been concentrated in few hands. Globally, few countries own maximum resources of the world. A report of US congress research shows that G-20 countries account for 85 per cent of economic output and 75 per cent of the world trade (Nelson 2019). The division of economic fortune within G-20 countries is also un-equal. USA and China dominate the major chunk of economic wealth. Likewise, domestic level distribution of wealth and resources is also very biased in favour of few people (World Population Review 2020). Brookings highlighted that in the USA, top 1 per cent owns 29 per cent wealth (Sawhill & Pulliam 2019). The major culprit for un-equal distribution of wealth is interest system (Riba), which led to wealth accumulation in few hands and let others to suffer.

The wealth in-equality is a critical element, as it determines the power structure of global and domestic institutions. Globally, rich countries dictate agenda and at domestic level rich people take the driving seat.

The flaws in economic system has also disrupted the world peace through resource wars and callous competition to secure maximum share. Countries are blindly following their economic interests, without caring much about human rights and planet requirements. The founder of Pakistan clearly mentioned that Western economic system cannot fulfil the dream of equality and happiness. He even went to say that the world war I and II were the results of inequalities of Western Economic System. We can find the same results in present-day world. It also damaged the rights of planet earth. Climate change is the outcome of liberal model of development which worked on increasing demand of unnecessary things and maximize profit.

Therefore, there is a need to change the existing system of economy in line with the principles of inclusiveness, humanity and respect for planet earth. We propose following reforms;

1. The entry point to reform system should be to work on elimination of Riba and promote the model of partnership. The partnerships will help to reduce the chances of accumulation of wealth and pooling of resources (financial and human) for productive outputs. It will also discourage depositing money and encourage circulation of money. The circulation of money will create new opportunities for business and jobs. It will help to tackle the issue of in-equality and poverty.
2. The second step should be to come out of strategic or systematic rivalry mind set. Countries should learn to cooperate or at least stop opposing each other on economic interests. The practical step can be taken by creating different initiatives by countries. The starting point can be pooling resources from Belt and Route Initiative (BRI), Better Utilization of Investments Leading to Development (BUILD), by USA, Asia-Africa Growth Corridor (AAGC) by Japan and India, Middle Corridor, by Turkey, Eurasia economic development by Russia, Trans-Atlantic Trade and Investment Partnership (TTIP) and Trans-Pacific Partnership (TPP), etc. Secretary General of OECD, also called for more coordinated efforts and think about Marshall Plan like initiative (Organisation for Economic Co-operation and Development 2020). The proposed initiative, BRI+ can go beyond the Marshall plan and can take the development and prosperity of world at next level.
3. Third step would be to change the balance of private sector and state-owned enterprises (SOEs). Government needs to increase non-tax revenue, which is needed to take care of citizens.
4. Fourth, there should be respect for international institutions.
5. Lastly, the system should shift its focus from profit to human and planet rights. It will pave the way for equality and sustainability of sound and health environment

4.3.2: Governance

The global governance system is also exclusive and mainly focus on economic interest of few countries. The result has been deduced by analyzing the structures of international institutions from all fields like United Nations, International economic and Financial Institutions, etc. These all are exclusive in nature and cater for needs of few global players. The decision making at UN is finalized at the platform of Security Council, which comprises of only of five members. These countries have veto power to take any decision or decide anything, which they think is required or right. The individual member can also veto any proposal or decision, no matter if whole world is on other side. Similarly, most of the international economic and financial institutions also present the same picture. For Example, World Bank and IMF cannot make any major decision without the approval of USA, because it enjoys the maximum votes. The so-called consensus-based forums or institutions are also not delivering like WTO or UNFCCC, etc.

Global system is also facing problems from the multiple regional and small groups. Some of these groups are extremely powerful e.g. G-7, G-20, OECD and European Union etc. These groups use their economic weight and technological lead to dictate the decision making. It has been observed that the decision made at these forums, most of time are implemented at global level. Millennium Development Goals (MDGs), which were drafted to promote development faced criticism from many countries, as they think it was developed by an elite group of donors.

Therefore, for meaningful, objective oriented and equality based global order, there is need of reforms in governance structure. We suggest following reforms;

The process of reform should be started from UNs, as UN being is the biggest platform. It has outreach to each and every aspect of life and society. The point of entry should be UN Security Council, as it is most powerful organ of UNs system. The excessive power of members of Security Council must be curtailed or suspended at all. The ideal situation would be to eliminate the country-based membership and it should be replaced by a new system. One plausible option can be to establish regional chapters on the basis of population not economic or military strength. These groups should be given veto power.

Second, International Economic and Financial Institutions should be made more inclusive by eliminating the discriminatory privileges. Presently, USA and Western countries enjoys more voting power and dictate their terms and conditions. Most of time they twist system in their favor. The voting power of countries should be reassessed and redistributed among countries. There is need to move decision making away from profit and make it more human centric. Therefore, we strongly suggest to change the voting formula of IMF and World Bank and decision-making process. The design of these institutions should also be changed according to needs of human agenda like Sustainable Development Goals (SDGs), UNFCCC etc.

Lastly, the role and decision-making power of regional and small groups should be curtailed. Small groups create disturbance among the majority of countries.

4.3.3: Security Order

The security has been a determinantal factor for centuries. Empires always tried to create a system which suits to their interests. Present-day empire also follows the suit. USA, and other partners like USSR and allies, after World War-2 erected a security system, which cater their needs. The elements of system ensure hegemony of few, power struggle among big boys and no-voices of poor countries. The UN Security Council institutional the hegemony of few countries. It successfully excluded majority and power concentrated in five hands. However, UN Security Council members also started wars of interest among themselves, which led to division of world in different. It led to start of cold war, which culminated with the disintegration of USSR. The worst outcome of this system is alliances and marginalization of majority of countries.

Alliance building has been a key strategy of present system. USA and allies erected many alliances since 1945 onward. It has been advocated that the alliances are being built to secure the peace of world. However, in reality it created hegemony and destroyed many countries. The most prominent example is disintegration of USSR. Many poor countries also became victim of this like Afghanistan, Iran, Iraq Libya, etc. These alliances not only use military power but also use economic power to punish countries. For that purpose, specialized institutions have been built like IMF, FATF etc. For example, FATF has been in use against Pakistan for few months. It is another way to stop implementing CPEC and compel Pakistan to look toward Western countries.

The genesis of alliance clearly points out that it is a contested strategy. To build an alliance you need an enemy, which means start of conflict. In recent times, China advocated a new system of working, “partnership” building. It is good strategy, but it also gives some sense of insecurity to outsiders.

Therefore, we suggest there is need to move away from both policies, alliance and partnership, move toward more plausible model. The new model can be built around the concept of “common security”. It will help to lower the insecurities and give space countries to work on economy and development.

To achieve the objectives, a comprehensive and visionary reforms package is needed. The reforms should not be business-oriented as usual. It should not follow the past tradition of passing mantle from one empire to other empire. Hence, we suggest:

1. The new structure of security arrangement must be wider, and no country should have individual veto power. First of all, the veto system should be abandoned or expand it. It will help lessen the influence of individual countries and pave a way for cooperation.
2. Second, military spending must be curtailed bringing it to the minimum level.
3. Third, the definition of security should be expanded to non-traditional areas like food, water, energy etc. These areas should get the maximum prominence. The resource allocation for these areas should be prioritized.

These steps are very important to create peaceful societies and world. Countries need to understand power is not permanent. It frequently changes hands. So, countries should learn to live peacefully.

5. Conclusion

The process of change has been accelerated. The existing superpower (USA) and its western allies have shuffled their cards on the table to contain China and emerging economies. USA is also trying to apply non-traditional instruments of containment like civil liberties and digital diplomacy.

However, it seems that the change is inevitable. China will take the central stage in coming years whereas USA cannot contain China since the traditional tools of US dominance are losing strength. Traditionally, the US relies on its diplomatic, economic and military strength while on diplomatic front, it has met defeat on certain issues, including general assembly vote on the capital of Israel, etc. Economic might is also on the decline and has been challenged by China. China is on way to surpass the USA.

COVID-19 has further depleted the resources and exposed the economic strength. In past, the USA avoided crises by printing money or lowering interest rate. Unfortunately, at this point of time both options have been exhausted. The yield of Fed bonds has entered into negative zone and it has been predicted that it will be there for longer period. It is a sign of weakness, which will lower the confidence of investor. It will hamper the economy in long run (Bourgi 2020). The European countries are also facing this problem for some time. On the contrary, the bond yield of China is positive, and it has strength for longer period of time. China also enjoys good economic indicators at national and global levels. It is the largest world trader. is also emerging as power house in technology beating the USA and Western countries in the field of 5G, AI, Quantum Computing, etc. (Cox 2020).

Hence, it is certain that the world will undergo another period of change. It must be understood by the existing and emerging powers that nothing is permanent except change. Therefore, both powers should work for peaceful transition and try to avoid conflict. The conflict will not serve any power, rather it will create problems for both and rest of world. History is full of examples, where emerging and existing powers and world as whole suffered.

Fortunately, the present emerging power is showing restraint to a larger extent and is trying to avoid conflict. It has successfully avoided conflict on multiple occasions like Hainan incident, South China Sea and Taiwan are few among them. However, recently China show some glimpse of its retaliation, especially in cyber space, particularly in the case of COVID-19. Therefore, we can expect that in future China may will become more aggressive. It would not be good strategy and outcome would be dangerous for everyone.

Hence, we suggest that China should show more restraint in future and try to avoid conflicts. It should focus on delivering on economic, development, social and peace fronts and try to create a community of shared future. China should divert more attention to its initiatives like BRI, Shanghai Cooperation Organization (SCO), Asian Infrastructure Investment Bank (AIIB), China International Import Expo (CIIE), etc. to make them successful. On security front, China needs to put efforts to build the framework of common security. It should not fall in trap of confrontation.

Lastly, China should also take lead role to forge partnerships to implement its reforms agenda that has been discussed under the third scenario. Partnerships will help avoid conflicts and ensure a peaceful transition. It will also build image of China, as a reliable partner and global player.

6. Recommendations

The global order is need of the hour. The problems like climate change and pandemics reinforce the importance and relevance of technological developments. So, we can conclude that global system is here to stay. However, there will be a definite and certain power shift from north to south with the rise of China as a 'superpower'. Therefore, world needs to work out a strategy of peaceful transition of global order. It is recommended that:

1. World leaders need to sit together and devise tools of cooperation, because reforms cannot be done without cooperation
2. The reform agenda should be, and must be human and planet centric, economic and strategic interests must subordinate to human and planet interests.
3. All countries need to come out of self-glory or greatness syndrome, it will not help prosper anyone.
4. China and USA need to devise tools of mutual benefit and avoid confrontation at all levels.
5. USA needs to understand that its hegemony cannot sustain anymore, and change is inevitable, therefore, it needs to re-adjust its policies, plans and future actions.
6. China needs to continue to observe constraint and avoid conflict because it is necessary for sustainable development and the world peace.
7. China also needs to devise a strategy to avoid possible trap of "praise" which will lead to another trap "the arrogance" and continue to work by building partnerships.
8. The global agenda should revolve around the concepts of "Shared Future", "Shared Prosperity", "Common Security" "Human Dignity" and "No One Lift Behind"

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