



THE INSTITUTE OF ECONOMICS, RUSSIAN ACADEMY OF SCIENCES

Global institutional cycles of bipolarity

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EAEPE-2022 "Global institutional cycles of
bipolarity"



MOTIVATION

- In today's world, there are two opposing trends.
- The trend of globalisation with the hegemony of one player and pressure towards universalisation is downwards. As Francis Fukuyama (the author of the concept of “the end of history”) recognised in his interview on March, 30, 2022 that it is “the end of the end of history” now (*Fukuyama, 2022*).
- The other trend is that of sovereignisation and is upwards. This is expressed in the rising barriers between countries, the localisation of production and reshoring programmes, tendencies to all sorts of specific sovereignties (technological, digital, cultural, informational, etc.).
- The clash of these two trends is fraught with uncertainty. What is the future?



OUTLINE

- Unipolarity, multipolarity and bipolarity.
- Institutionalisation of bipolarity.
- Theory of institutional X-Y matrices relating to institutional cycles of bipolarity.



Unipolarity, multipolarity and bipolarity

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No poles?

- “A non-polar world is a phenomenon known for its uncertainty, historically and geopolitically, and is **extremely dangerous**, when the struggle of all against all does not cease for a minute ... it is also dangerous due to the unpredictability of the consequences: what it will transform into and which model of the world order will win” (*Danilov, 2017:68*).
- We will consider the main models of “...polarities”: **unipolarity**, **multipolarity** and **bipolarity**.



Unipolarity-1

- The unipolarity of the world means the hegemony of one global player. Such a world was envisioned by the supporters of the theory of globalisation and Fukuyama's former concept of the "end of history".
- "Unipolarity is the end point of evolution, and it is inevitable" (*Straus, 1997:27*). Unipolarity, in this sense, meant the end of centuries of ideological confrontations, global revolutions and wars in connection with the whole victory of liberal democratic ideology.

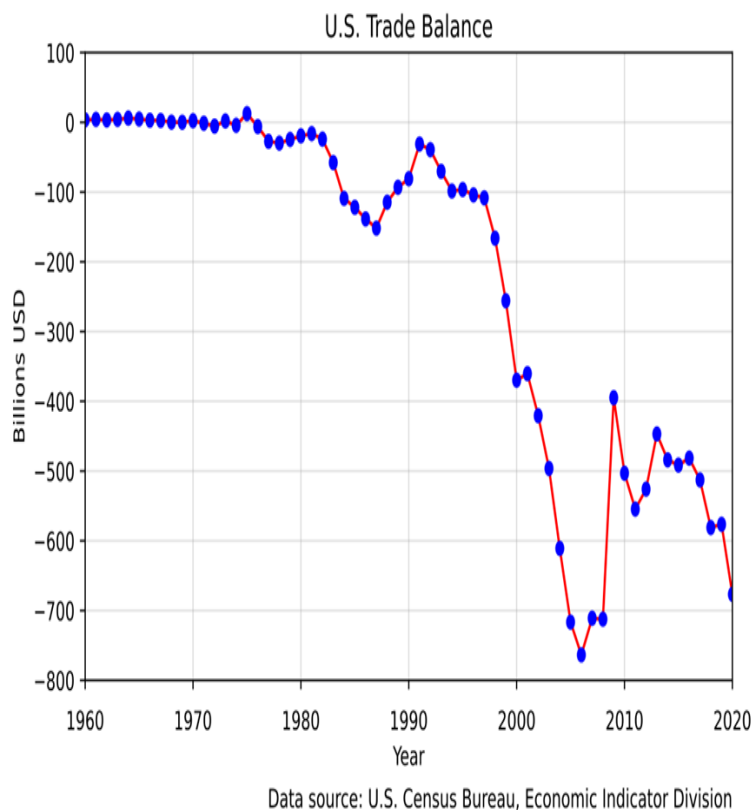


Unipolarity-2

- However, history itself opposed unipolarity – and we are witnessing the decline of globalisation led by the world hegemon. The United States is losing its leadership position and its right to world hegemony (*Kagan, 2008*), which is accompanied by a slowdown in globalisation.
- "Whereas in the 1990s, the United States was almost universally viewed as the world's sole and unshakable superpower, by the time of the 2008 financial meltdown, the notion that US hegemony was in a deep and potentially terminal crisis moved from the fringes into the mainstream" (*Silver, Rayne, 2020:17*).



Shares of the US and China in world GDP (according to purchasing power parity), 1990-2021, %



	1990	1995	2000	2005	2010	2015	2021
The US	20.3	20.3	20.9	19.6	16.8	16.3	15.7
China	3.7	5.9	7.4	9.8	13.7	16.1	18.6





Unipolarity-4

- Also, the reason for the slowdown in globalisation lies in a number of its negative consequences: globalisation of markets leads to an improvement in the situation for some and deterioration for others, increasing social inequalities and contradictions (*Rodrik, 2017; Stiglitz, 2017*).
- In addition, global unipolarity poses a threat to democracy, as a superpower is tempted to use its position for its own benefit, without taking into account the interests of other countries (*Köchler, 2020*).
- Therefore, realistic experts do not consider the "new unipolarity" as a possible model for overcoming the coming world chaos.



Multipolarity-1

- The statistical substantiation of a transition to a multipolar world comes from forecasts of the reconstruction of the world system of the largest economic centres, comparable to each other in terms of power, but civilisationally and culturally different.
- “So, it is expected that by 2030 the United States, in terms of real GDP, will give way to China, India will rise from 10th to 3rd place, and Brazil (by 2050) from 6th position will take 4th place. At the same time, over the same period, Japan will drop from 3rd to 5th place, Germany from 4th to 9th, France from 5th to 10th, and Italy and Britain will leave the top ten largest economies of the world. Russia in these calculations will rise from the 9th position to the 6th” (*Miller, 2015:11*).



Multipolarity-2

- The thesis of multipolarity (or “polycentricity”, “constructive polycentrism”, “world order of interacting local civilizations”, “multipolar constellation” etc.) as the most preferred model of a sustainable world has many supporters among experts, scientists, and politicians, especially outside the West.
- In turn, the opponents of multipolarity identify it with chaos (*Kissinger, 1997*) and believe that a multipolar world is a transitional phase from a unipolar world **to a bipolar one** (*Arin, 2001*). I also support this idea.



Bipolarity-1

- In global social studies, bipolarity means the division of spheres of influence between two (groups of) countries, each of which is regarded as a pole of economic and political power (sometimes but not obligatory up to the level of military-political alliances within each pole).
- According to the first point of view, bipolarity existed only during the confrontation between the USSR and the US in the second half of the XX century, and “nothing like the confrontation of these poles happened in the history of international relations either in the XIX century or in an earlier period. And nothing similar is expected in the future” (*Kirsanov, 2009:137*).

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Bipolarity-2

- Another point of view assumes that in the modern world two poles are already distinguished, and one of them (the West) is monolithic, and the other is very loose, consisting of autonomous components. According to various estimates, it includes Russia, China, and India (*Yakovlev, 2000*), Russia, Japan, Germany, and Iran (*Dugin, 2004*), or only Russia and China.
(The formation of such a bipolar geopolitical structure is associated with the constant confrontation of maritime (thalassocratic) and continental (tellurocratic) states, united in two geopolitical blocs, fighting for influence on the world stage).



Bipolarity-3

- According to a third point of view, bipolarity is inherent in the world organically: "...at the global level, the world social system has always been and remains bipolar in the first approximation, ... therefore the world is simply doomed to be bipolar, because the poles must complement each other within the unity of opposites" (*Tikhomirov, 1997: 54–55*).
- Bipolarity provides a dynamic tense balance (the term "peaceful coexistence" was used during the Soviet era) and prevents conflicts, especially if it is institutionalised through the creation of equally powerful "symmetrical" coalitions.



Institutionalisation of bipolarity

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Bipolar coalitions

- In the XXI century, the institutionalisation of bipolarity is expressed in the crystallisation of two planetary coalitions, which can be conditionally called Western and non-Western.
- The core of the Western coalition comprises NATO (founded in 1949) and the European Union (1993), the composition of their countries intersect.
- The core of the non-Western coalition are the structures of the SCO (founded in 2001, until 2001 - the "Shanghai Five"), BRICS (2006) and the CIS (1991), the composition of which is also increasingly overlapping.



NATO and the European Union, 2001–2022

	2001 No. (countries)	2022 No. (countries)
NATO	19 (the US, Canada, Iceland, UK, France, Belgium, Netherlands, Luxembourg, Norway, Denmark, Italy, Portugal, Greece, Turkey, Germany, Spain, Hungary, Poland, Czech Republic)	30 (the US, Canada, Iceland, UK, France, Belgium, Netherlands, Luxembourg, Norway, Denmark, Italy, Portugal, Greece, Turkey, Germany, Spain, Hungary, Poland, Czech Republic, Bulgaria, Latvia, Lithuania, Romania, Slovakia, Slovenia , Estonia, Croatia, Albania, Montenegro, North Macedonia)
European Union	15 (Belgium, UK, France, Italy, Luxembourg, Netherlands, Germany, Greece, Denmark, Ireland, Spain, Portugal, Austria, Finland, Sweden)	27 (Belgium, France, Italy, Luxembourg, Netherlands, Germany, Greece, Denmark, Ireland, Spain, Portugal, Austria, Finland, Sweden Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Croatia, Bulgaria , Romania)
Total (including overlaps)	23	36



The SCO, BRICS and CIS, 2001-2022

Organisations	2001 No. (countries)	2022 No. (countries)
Shanghai Cooperation Organization	5 (Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan)	21 (8 members - India, Kazakhstan, China, Kyrgyzstan, Pakistan, Russia, Tajikistan, Uzbekistan; 4 observers - Afghanistan, Belarus, Iran, Mongolia; 6 dialogue partners - Azerbaijan, Cambodia, the Nepal, Turkey, Sri Lanka)
BRICS	4 (Brazil, Russia, India, China)	5 (Brazil, Russia, India, China, South Africa)
Commonwealth of Independent States	10 (Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Uzbekistan)	10 (Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Uzbekistan, Turkmenistan)
Total (including overlaps)	13	26



Theory of institutional X-Y-matrices relating to institutional cycles of bipolarity

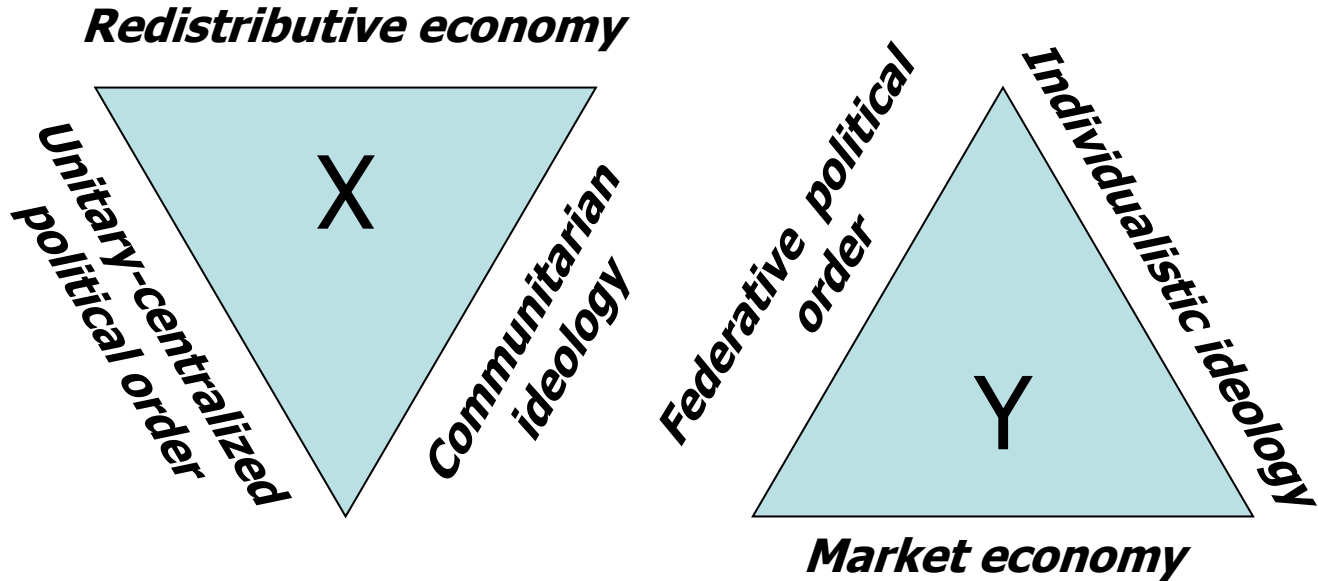
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X- and Y-coalitions

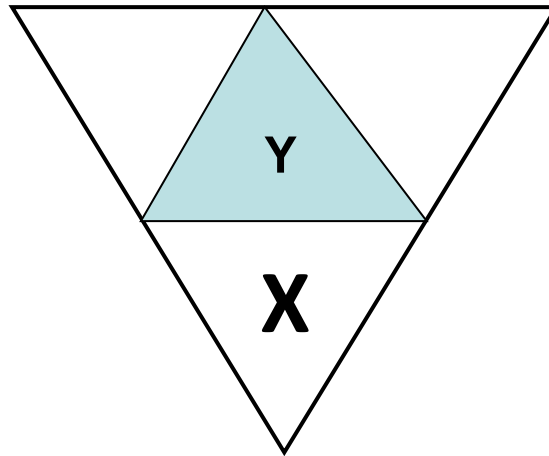
- In terms of the theory of institutional X-and Y-matrices (*Kirdina, 2014; Kirdina-Chandler, 2017*), we can call the non-Western and Western coalitions, respectively, X- and Y- coalitions, because they are formed by countries dominated by institutions of either the X- or Y- matrix.
- The Y-coalition, which began to institutionalise 40 years earlier than the X-coalition, includes 36 countries, which is almost 40% more than the number of countries in the X-coalition.
- However, the growth rate of the X-coalition is higher: over the past twenty years it has doubled (and the process is continuing), while the Y-coalition has grown by 1.5 times.

X- and Y-matrices

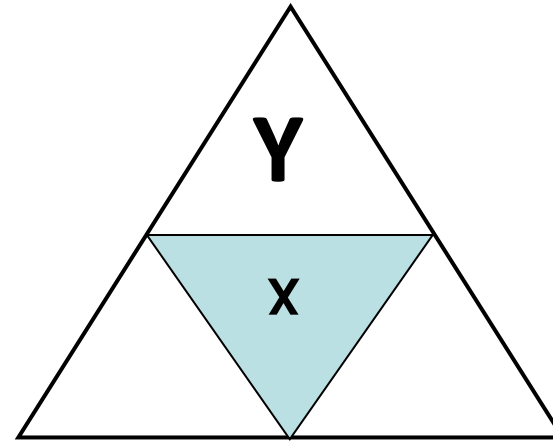


- * Redistributive economy with the Center mediating the economic transactions
- * Centralised political order (top-down model)
- * Communitarian ideology (We over Me)
- * Market (exchange) economy
- * Federative political order (bottom-up model)
- * Individualistic ideology (I over We)

Combinations of X- and Y-matrices



Russia, China, India,
most Asian, Middle Eastern,
Latin American countries



European countries,
US, Canada, Australia,
New Zealand

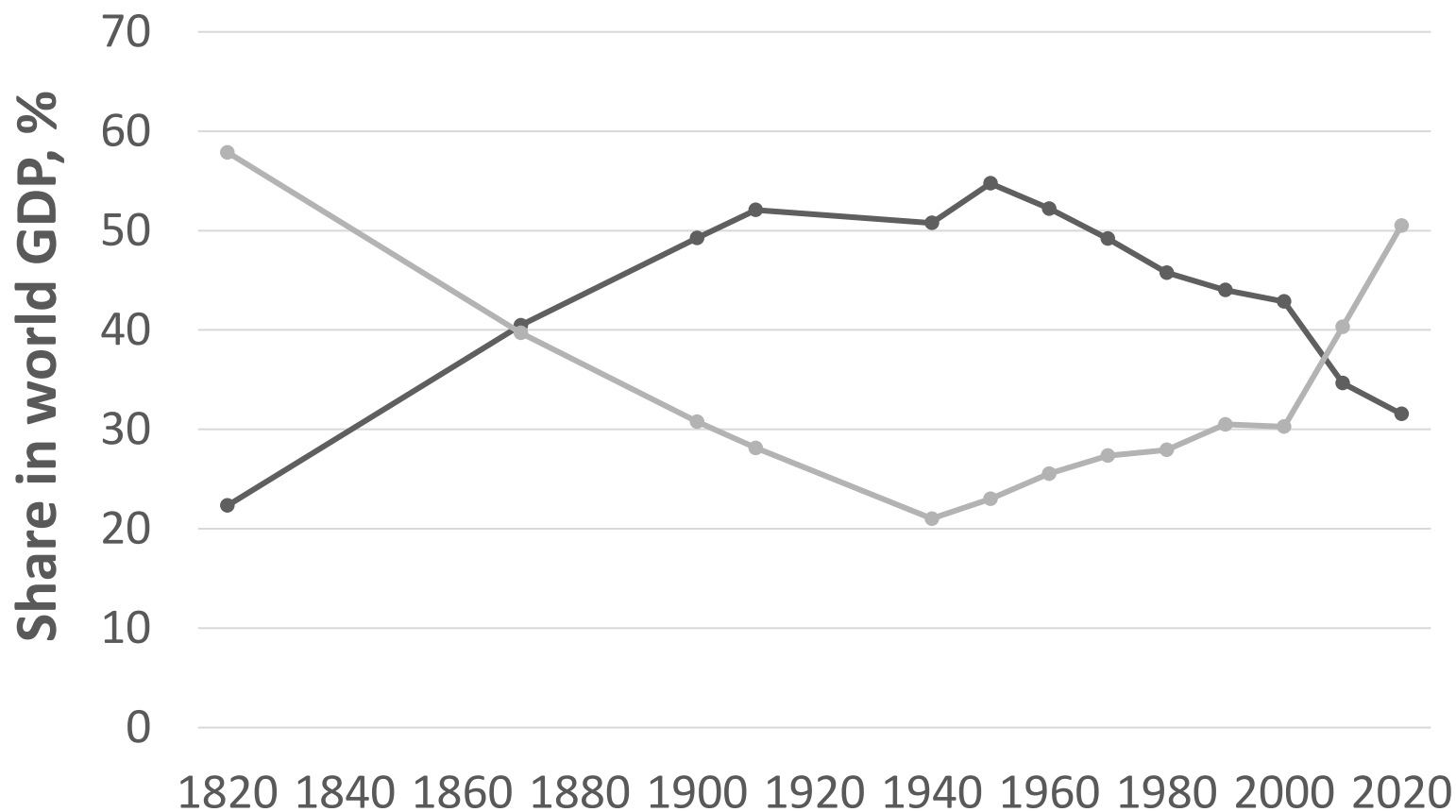


Institutional cycles of bipolarity

- The dominance of a particular matrix in the institutional structure of any country evolves historically from the influence of the climatic conditions of the territories of the country (*Kirdina, Kuznetsova, Sen'ko, 2015*).
- So, institutional bipolarity means the permanent representation of two groups of countries with predominate X- or Y-matrices on the world stage. Global institutional cycles of bipolarity are identified by the total proportionate cyclical change of GDP between countries with predominate X- or Y- institutional matrices in the global economy.



GDP shares of countries dominated by the institutional X-matrix (gray line) and Y-matrix (black line), 1820-2020s (sample of countries producing ~ 85-90 % of world GDP)





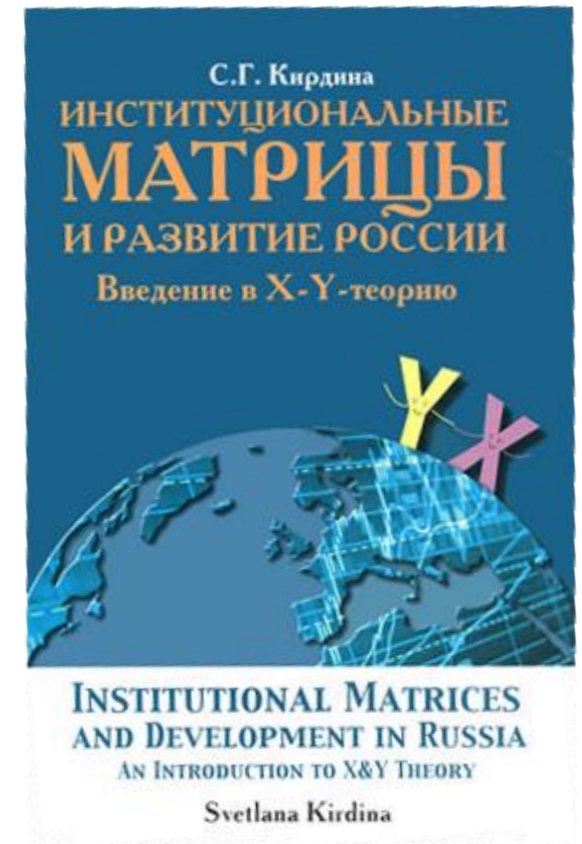
Cycles with changing world leadership, i.e. in the prevailing dominance of X- or Y- countries

- In the 1820s, X-countries were leading in the production of world GDP.
- Since the 1870's the domination of Y-countries started, which began to produce more than half of the world's GDP. The biggest gap between these two groups of countries was observed in the 1950s-1960s. Since the 1970s it began to decline.
- In 2005-2008 X-countries again began outperforming Y-countries by share of world GDP, and this situation continues to gradually increase.
- The results obtained confirm the considerations expressed earlier in a number of works about the cyclic nature of the ratio of the dominant poles in the global world (*Frank, 1998; The World System, 1998; World System Theory, 2000; Ellman, 2001*).



“... **bipolarity** finds its expression not only in the concentration of material and technological potential in each of the groups of countries, but **also in the strengthening and development of institutional structures and ties**. Ultimately, it is they who become the milestones of the so-called “new world order”... At one pole of this order, Western countries are concentrated with the dominance of Y-matrix institutions. They are increasingly strengthening cooperation with each other... At the other extreme, which includes groups of countries dominated by the X-matrix, there are parallel processes” (*Kirdina, 2014: 315-316*).

The trend of institutionalisation of bipolar X- and Y-coalitions was noted back in 2014:





Further Research

- Explore in detail the features of each of the coalitions (legal foundations, basic principles of activity, decision-making mechanisms, etc.)
- Determine the features of interaction between coalitions, including direct and indirect ones.
- Develop a methodology for assessing the impact of coalition activities on the geopolitical and economical situation in the world.



Conclusion and prognosis

- Since the second half of the XX century, the growth in the share of X-countries in world GDP has been long-term and sustainable, and since the beginning of the XXI century it has already exceeded half.
- It can be expected that this process will lead to an increase in the influence of the X-coalition following their increasing economic role.
- The institutionalisation of bipolarity in the XXI century will not mean a return to the discourse of the Cold War and the confrontation between the two poles of power but will support a dialogue between large equivalent subjects of world economy and politics.



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Thank you for your attention!

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