

## The complexities of a multipolar future

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If Peer Steinbrück, the German finance minister, is to be believed, the financial crisis prefigures the end of Wall Street's hegemony and the emergence of a multipolar world. Is there any truth to this?

Attention has always been drawn to swings in power in times of crisis. The stock market crash of 1929 has often been interpreted as a transition of economic power from Great Britain to the US. Yet one must be wary of interpretations that attempt to reduce complex reality to a simple dynamic.

Less than five years ago, it was virtually impossible to speak about the US without discussing the notion of hyperpower. Today we are faced with the opposite danger; that of devaluing American power too rapidly in view of its setbacks on both Wall Street and in Afghanistan.

A crisis may reveal modifications in power relations but rarely explains them. The relative decline in Wall Street's influence began 10 years ago, as can be seen in the rise of stock markets in emerging economies. The real stakes of this crisis are, from that standpoint, less the decline of Wall Street than the decline of a model of financial innovation and deregulation that led the Securities and Exchange Commission, with the consent of the Treasury and the Federal Reserve, to reduce its oversight of the US financial system.

Europe, therefore, has the opportunity, under the leadership of Germany and France, to champion a model that, rather than constraining financial innovation, supports it with stronger regulation in keeping with the European tradition.

Economic multipolarity does not guarantee strategic multipolarity. If these two dynamics were precisely correlated, the world would already be multipolar. But they are not and, contrary to what one might believe, they are not on the verge of becoming so. With 25 per cent of the world's wealth, America is still the strategic guarantor of much of the world's economic power. The US guarantees the security of both Europe and Japan.

European defence will remain an instrument of soft power; more to do with peacekeeping than coercion. Pressure from Russia will accentuate Europe's dependence on the US rather than increase its strategic autonomy. The stakes are similar for Japan. Pressure from China and the North Korean threat make it more than ever dependent on America's security guarantee.

That does not mean that Europeans or the Japanese are always under orders from Washington. For example, Silvio Berlusconi, the Italian prime minister who has sometimes been accused of being a vassal of the US, is one of the most reserved European leaders with regard to a policy of containment vis a vis Russia.

Lastly, it must be kept in mind what is really meant by a multipolar system. The most common meaning is a sharing of power among a number of actors. But power is not necessarily shared equally among those who have it. There is no doubt that the US will more than ever need to build effective coalitions to obtain results. But in a multipolar world there is competition between poles. China is wary of Japan and India; Russia is worried about the rise of China; and India sees its rise in terms of a close relationship with the US in order to counter Beijing.

In fact, aside from Russia, no emerging power has any real plan to oppose the US. Russia is a former power that is seeking to recover its status. Russia needs to assert itself with respect to the west for the sake of its own identity, whereas neither China nor India needs such a confrontation to assert themselves in the world, at least not for the moment. Moreover, if the American economy deteriorates further, emerging economies will be the first to suffer.

Even if China is not out to dethrone the US, its ascension will hamper it nevertheless. Similarly, the Georgian crisis will leave scars on Russia's relationships with both Europe and America. But these

scars will not last forever. The fact that China has been very unhappy with Russia's policy in Georgia demonstrates that the theory of "the west against the rest" is not accurate. Multipolarity is already happening. But its consequences are far from preordained, including for the US.

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