

It's August 2024 – and our world is at a turning point. Here's what we should do now

[Gordon Brown](#)



I see looming political and environmental threats – and too few willing to address them. Where is the urgency?

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The world is on fire. At no time since the Cuban missile crisis of 1962 has the world [looked so dangerous](#), nor has an end to [its 56 conflicts](#) – the highest number since the second world war – seemed so distant and so difficult to achieve.

Distracted by domestic election campaigns, preoccupied by internal divisions and blindsided by the seismic geopolitical shifts happening beneath our feet, the world is sleepwalking into a “one world, two systems”, “China v America” future. And the cooperation needed to firefight is proving so elusive that even now, an international agreement to prepare for and prevent global pandemics [remains beyond our grasp](#). Nor, even up against the existential problem of climate change (the planet is on course for [a temperature increase of 2.7C](#) above pre-industrial levels), can many hold out hopes that [Cop29 in Azerbaijan](#) will be equal to the challenge. At a time when global problems urgently need global solutions, the gap between what we need to do and our capacity – or, more accurately, our willingness – to do so is widening by the minute.

We are at a global turning point, not just because crises are multiplying far beyond the very public tragedies of the Ukraine and Israel-Gaza wars, but because in a year when nearly half the world has gone to the polls, few political candidates have been prepared to acknowledge the altered geopolitical landscape. For three seismic shifts that are bringing to an end the unipolar, neoliberal hyperglobalised world of the last 30 years make a total rethink essential.

First, we are moving from a unipolar world to a multipolar world, not a world where the big powers are of equal status – the US will dominate militarily and economically for decades to come – but a world of multiple, competing centres of power. As US hegemony has come under challenge, countries released from the unipolar straitjacket have become fence-sitters, hedgers and swing states, many entering opportunistic and potentially dangerous liaisons. A few, such as India and Indonesia, play the big powers off against each other. As worrying, the global south – now facing a lost decade of development without a global financial safety net to fall back on and angry at how little has been done to support it on vaccines, climate change and humanitarian crises – is [turning away](#) from western leadership.

But a second seismic shift has moved the world from neoliberal or free-trade economics to neo-mercantilist protectionist economics, with not just rising tariffs (and more to come, if Donald Trump [imposes a 10% tariff worldwide](#)) but trade bans, investment bans and technology. Once, free trade was seen as the key to higher standards of living; now, trade restrictions are seen as the key to protecting them. A zero-sum view of the world – “I can only succeed if you fail” – explains the outbreak of anti-trade, anti-immigrant, anti-globalisation sentiment as not only the US but 15 other countries plan to [construct or consolidate](#) border walls.

What was hyperglobalisation, or globalisation unbound, has become globalisation constrained as security considerations, or what is called de-risking, have come to dominate the political agenda. For 40 years, economics determined political decisions. Today, politics determines economic policy. And globalisation now stands exposed as a free-for-all that has not been “fair to all” – and open, but not inclusive, as inequality within nations widens. Few now believe that a rising tide will lift all boats. And there is a tragic irony to all this. At a time when we are on the verge of the most innovative advances in medicine, artificial intelligence (AI) and environmental technology that the world has seen since the introduction of electricity, and which could foreshadow the biggest increase in productivity and prosperity for decades, we are at risk of losing the benefits by succumbing to protectionism, mercantilism and nativism.

Fortunately, if we recognise that the world has changed, there is a way forward. Among the ways to address the new ideological, military and geopolitical challenges is to show that multilateralism, even at its most minimal, can work. The blunt truth is that, for individual reasons, every country now needs multilateralism. Europe needs a stronger multilateral order because with no energy supply of its own, its prosperity depends on trading with the world; the global south needs one because it cannot move forward quickly without some redistribution of resources from the global north; and the middle or rising powers like India, Indonesia, Mexico and Vietnam need one because they do not want to have to make a choice between America and China, and would be better off under a multilateral umbrella. Importantly, the US, which acted multilaterally when we had a unipolar order, must now realise it cannot act unilaterally in a multipolar order. It should become the champion of and the leader of this new, more diverse world.

China, which still needs export-led growth to become a high-income country, proclaims it wants to work under the UN charter, but if this is a bluff, it should be exposed. I am not advocating more multilateralism than we need, for countries rightly value their autonomy, but I favour all the multilateralism we can achieve because in a world that is so inescapably interconnected, not just interest rate rises and currency movements but also fires, floods and droughts anywhere cast a dark shadow everywhere.

Protectionism should be fought by a World Trade Organization that can, under a powerful leader like [Ngozi Okonjo-Iweala](#), rebalance from an unworkable decade-long obsession with legal remedies to negotiation, arbitration and conciliation.

High interest rates and bond and loan repayments meant that nearly \$200bn flowed out from developing countries to private creditors in 2023, completely dwarfing the increased financing from the international financial institutions. The IMF and the World Bank remain the premier vehicles through which to address financial crises. But indebted countries are savaging health and education spending, with 3.3 billion people now living in countries that [spend more on interest payments](#) than on these two basic services.

A plan for comprehensive debt relief – which has to go beyond the inadequate [G20 common framework](#) – should include reprofiling existing loans, debt swaps, credit guarantees and, as in 2005, [debt cancellation](#) where loans are unpayable.

Equally important, a method for helping the poorest countries already exists at the IMF: [special drawing rights](#) (SDRs), which provide unconditional liquidity to all member states, in amounts determined by their quotas. But while the IMF allocated \$650bn of SDRs in August 2021, only \$21bn went to the lowest income countries that needed help most. Efforts led by [Kristalina Georgieva](#), the IMF managing director, to transfer more SDRs to developing countries and then to increase their size of member quotas (and making the institution’s decision-making more representative) are the first steps to a more equitable global financial safety net.

Expanding the multilateral development banks’ use of innovative financial tools such as guarantees, risk-mitigation instruments and hybrid capital is necessary on the road to achieve a recapitalisation of the World Bank. Its [president, Ajay Banga](#), has [rightly called](#) for the largest replenishment of its International Development Association arm (the main global fund helping low-income countries) in history. Given the rising number of people in extreme poverty – 700 million – we cannot settle for less. That is why, for the [G20 in Brazil](#) on 18 November – by which time we should know who the new US president is – President Lula has laid

out three key priorities: fighting hunger, poverty and inequality; promoting sustainable development; and global governance reform. All three would set back the xenophobes and pave the way for a new decade of cooperation.

The world is indeed engulfed by flames. For too long, too many leaders who should have been firefighters have acted as arsonists, fanning the flames of unrest. It is time to put out the fire. Our future depends on it.

- *Gordon Brown is a former UK prime minister; he will give a keynote lecture at the Edinburgh international festival on Sunday 25 August*