



# TRILOGUE SALZBURG

ARTS-ECONOMICS-POLITICS

## Evolution or Disruption?

Navigating Global Approaches between  
Compromise and Conflict

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Background Paper

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## Overview

The articles included in this background paper, **Evolution or Disruption? Navigating Global Approaches between Compromise and Conflict**, have been written in preparation for the Trilogue Salzburg 2025, which will analyze the advantages and disadvantages of evolutionary and disruptive attitudes and discuss a possible way forward on a European and global level.

The European Union was not born in one day. It evolved over time, gradually and step by step. Originally started as a war-preventing alliance between France and Germany and with the creation of a common market for the coal and steel producing industry, the European Union became a unique model of supra-national cooperation and a foundation for Europe's prosperity and positive development. The same is true for international organizations, many of which were established after World War II. In business as well foresighted entrepreneurs started their companies with the perspective of growing and developing over time, to hand it over to next generations of entrepreneurs who would adapt the business to current needs and circumstances. The evolutionary approach is going out of fashion – in politics as well as in business.

Disruptive technologies and innovations are also increasingly occurring in the political and social spheres that are based less on incremental changes and more on radical transformations to achieve a desired or target state. Newly elected leaders pose with a chainsaw to demonstrate their willingness to cut deep into existing rules and habits; new departments are created in order to give disruption a political mandate to cut red tape and to reorganize the administration. Disruption has also become fancy in business: the goal is to have a disruptive idea or product, push it quickly into the market and then hopefully make a successful “exit” as a reward for this effort. It is not about building for generations; it is about disruption and quick results.

The rise of the disruptive approach has its reasons in certain weaknesses of the evolutionary way: societies who favor evolutionary politics become rather protective, preventing or restraining new approaches and innovations. They focus on values that lead to segregation, excluding all those who are not willing to share these values a 100 per cent. The evolutionary path, though it has proven to be successful, usually leads to more rules and regulations as citizens simply have more to lose; thus, efficiency deteriorates.

At the same time, the number of disruptive publications and patents seems to have successively decreased over the last fifty years. Groundbreaking research is becoming increasingly rare. Radical paradigm shifts such as the Copernican revolution or the theory of relativity and quantum mechanics have, in contrast to the gradual development in chemistry, computer technology or medicine, completely overturned existing knowledge. Culture also moves constantly between evolution and disruption. Movements from Dadaism, Cubism, Surrealism or Pop Art have radically turned traditional aesthetics upside down, while the perspective from the Renaissance to Baroque to Classicism seems to move more in step-by-step transformations.

- Is the evolutionary way actually outdated and old-fashioned?
- Does a disruptive approach cause more damage than good?
- Is it possible to include a certain disruptive element in an evolutionary approach? How could this be implemented?
- Can evolutionary and disruptive approaches be combined or is there a way in between?



The first article, **Evolution or Disruption? Navigating Global Approaches between Compromise and Conflict**, examines the tension between evolutionary and disruptive approaches to change amid a growing desire for transformation. The authors analyze the potential consequences of each path and propose strategies to enhance the resilience of political and organizational systems.

In the second article, **Advice from a Chief Diplomatic Officer: Embrace Evolutionary Elegance – The Champions of Disruptive Chaos Need You**, the author recounts her personal experiences with disruptive practices and ideals during her professional journey from a Facebook employee to a chief diplomatic officer, drawing on those experiences to formulate well-considered advice.

The author of **Solve or Fail – The Difficulty of Social Transformation** explores the challenges societies face in implementing timely and necessary reforms in response to structural pressures such as demographic change. Analyzing current examples from an economic perspective, the author contrasts evolutionary and disruptive responses and examines the psychological, political and institutional barriers to proactive adaptation.

The article **Evolution or Disruption? – Thoughts on the Topic** examines the theoretical foundations and development of evolution and disruption, and outlines the consequences for strategic innovation and technology management.

The essay **Pushing Past a Stalemate Society: The Triple Threat of Disruption** explores a recent upsurge in disruptive practices and its consequences for democracy, the economy and the international order, with a special focus on the United States. The author asks the question: “Is the guillotine the only answer to a stalemate society?”

**Abrupt Break or Gradual Development** draws on learnings from Euripides to Max Frisch to help navigate the treacherous ground between evolution and disruption. In light of the current political trend towards conflict, the author advocates getting up from the spectator’s seat and taking concrete action to protect our shared humanity.

The author of **Navigating between Stasis and Chaos: Crafting a Course through Disruptive Storms** provides a detailed examination of the dynamic and disruptive changes that are defining our time, from geopolitics and the impact of technology to climate and non-traditional security threats. On this basis, he formulates policy recommendations for promoting a stable path forward.

**Transformation and Opportunities in the Multipolar Era: Regional Integration, Global Governance and China’s Historical Wisdom** examines developments around the globe that suggest the end of US hegemony and the shift towards a multipolar world order. The author sets a special focus on China’s role in this transformation, the factors that define its attitude towards change, and what can be learned from its approach.

Finally, the article **A Tool for Turbulent Times: Leveraging the Art and Science of Forecasting** illustrates the advantages of crowd-based as opposed to expert-based forecasting. According to the author, leveraging the wisdom of the crowd is an example of a more systematic approach to forecasting that can help decision makers avoid reactive policymaking amid increasing uncertainty.

## Evolution or Disruption? – Navigating Global Approaches between Compromise and Conflict

Jörg Habich | Verena Nowotny | Maximilian von Boehm-Bezing

### I Introduction

A distinctive feature of the Salzburg Trilogue is its focus on emerging global issues and responses to the consequences of change, with an emphasis on economic, political and cultural perspectives. One of its implicit assumptions has always been: “Never change a running system.” According to this premise, the best way to deal with issues is to evolve a system through gradual reforms or long-term strategies. However, is this assumption still tenable?

Heraclitus knew that “change is the only constant in life.”<sup>1</sup> Companies, cultural institutions and political systems all face this unavoidable challenge, continually forced to try and maintain a balance between change and stability. However, a brief look at the world is enough to show that something has fallen out of balance: Not all have been “winners” in light of globalization and technological progress; digitalization replaces jobs, international rules are routinely ignored, national politics are polarizing, and protectionism is creating distortions. Indeed, the word “crisis” has become part of our everyday language.

In their concluding summary, participants at last year’s Trilogue Salzburg noted that “the entire continent and the EU are facing major transformations.”<sup>2</sup> While not limited to Europe, this diagnosis remains unchanged considering evolving circumstances and the resulting need for structural adaptation on a global scale. Global challenges resulting from political, climate, demographic and technological developments are challenging the established order at a breakneck pace. Global democratic backsliding and autocratization is continuing unabated,<sup>3</sup> the OECD and World Social Report say that worldwide economic, social and political security is declining,<sup>4</sup> technological advancements are eclipsing their regulation, and climate change persists as a major issue. Moreover, conflicts and tensions in Europe, the Middle East, Africa and Asia are threatening to expand. In its latest annual conflict barometer (2023), the Heidelberg Institute for International Conflict Research observed yet another successive increase in violent conflicts around the globe.<sup>5</sup> All things considered, it is hard to imagine that things will improve in the immediate or foreseeable future. The internal call for change is accompanied by worsening external conditions. Clearly, the “running system” is facing external and internal pressures which threaten to undermine it entirely if they are not adequately addressed.

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<sup>1</sup> For a discussion about this quote, see: <https://eupublishingblog.com/2021/07/19/misunderstanding-of-heraclitus/>, [retrieved, July 25, 2025].

<sup>2</sup> Habich, Jörg and Verena Nowotny. Europe’s Role in an Ambiguous Future: Pioneer, In-Between or Laggard? In: Liz Mohn Stiftung (ed.), Europe Role in an Ambiguous Future, Background Paper Trilogue Salzburg 2024. Gütersloh 2024, p. 7.

<sup>3</sup> Nord, Marina, David Altman, Fabio Angiolillo, Tiago Fernandes, Ana Good God and Staffan I. Lindberg. Democracy Report 2025: 25 Years of Autocratization – Democracy Trumped? University of Gothenburg: V-Dem Institute, 2025.

<sup>4</sup> OECD. Tackling Uncertainty, Reviving Growth. In: OECD Economic Outlook, Vol. 2025 Issue 1, OECD Publishing, Paris (2025); United Nations, Department of Economic and Social Affairs. World Social Report 2025: A New Policy Consensus to Accelerate Social Progress. In: World Social Report, 2025.

<sup>5</sup> Heidelberg Institute for International Conflict Research (HIIK). Conflict Barometer 2023. Heidelberg: HIIK, 2024.

Many actors are capitalizing on the resulting uncertainty, the legitimate need for change and the desire for simplification. This provides fertile ground for demagogues and populists with their promises of easy, disruptive and “better” alternatives. The power – but also the danger and outsized conflict potential – of such narratives can be seen time and again throughout history. Still, populist forces are on the rise across the globe. The political scene in Europe is increasingly influenced by right-wing hardliners with their promises of change. In Italy and Hungary, they already hold power, while right-wing parties rank first or second in polls in Europe’s biggest economies.<sup>6</sup> Meanwhile, traditional and centrist parties are struggling to maintain an identity in changing circumstances that are making “business as usual” impossible. The emerging desire for change that drives these developments is palpable. However, to minimize political conflict, measured, creative and well-considered approaches are needed as we confront and try to navigate the dominant question of our time: evolution or disruption? Is steady refinement to improve our flawed system enough, or must it be fundamentally reimaged to meet today’s challenges?

## II Change between Evolution and Disruption

According to a recent study by the Liz Mohn Stiftung, over 70% of young people in Germany aged 12 to 18 find radical change necessary to ensure a positive future. The desire for (radical) change these young people are expressing is broadly reflected in society in the form of growing populism, polarization and acts of physical violence. However, the desire for change can also be observed through various social, cultural, political and economic indicators. These signals can be explicit – such as voter behavior, social media trends, consumer behavior, protests – or more subtle, such as grassroots movements and workplace dynamics. Yet, despite the desire for change, large changes are a major challenge for societies, organizations and individuals alike. How transformative change can nonetheless be successful is a central question of change management in both political and organizational systems.

### 1. Desire for Another Kind of Change

The “desire for change” is a psychological and social phenomenon and describes an impulse to develop or correct a condition that is perceived as inadequate. It is often a precursor to actual change – whether individual or societal – and can manifest itself individually or collectively within society.<sup>7</sup> The desire for change often arises from dissatisfaction with the current situation or the desire for (personal) growth.

Such desire is pervasive not only in politics, but in art and economics as well. Artistic taboos are being broken by AI-generated art and music, raising the question of what constitutes art in the first place. Moreover, museums and archives are undergoing change with the intention of destroying outdated hegemonic perspectives, while postcolonial discourses are leading to a revision of cultural narratives and the return of cultural property. The desire for change is tangible in various social and cultural movements such as Black Lives Matter and Fridays for Future, or the LGBTQ+, anti-globalist and “anti-woke” movements, to name only a few.

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<sup>6</sup> <https://www.politico.eu/article/mapped-europe-far-right-government-power-politics-eu-italy-finalnd-hungary-parties-elections-polling/>, [retrieved: July 11, 2025].

<sup>7</sup> See: de la Sablonnière, Roxane. Toward a Psychology of Social Change: A Typology of Social Change. In: *Frontiers in Psychology*, Vol. 8, No. 3, 2017; de la Sablonnière, Roxane, Laura French Bourgeois and Mariam Najih. Dramatic Social Change: A Social Psychological Perspective. In: *Journal of Social and Political Psychology*. Vol. 1., 2017, pp. 253–72.

In economics, entire industries are being reorganized and business models discarded – for example, the attack by Airbnb on traditional hotel structures or by fintech on established banks. The desire for change is currently an expression of a complex social transformation – fueled by a feeling of dissatisfaction with outdated systems and a search for new possibilities.<sup>8</sup> Whether as a form of protest, artistic strategy or business model, it is increasingly serving as an impetus for renegotiating value, power and the future.

In the end, the question remains of what this desire is based on. What is to be changed? What is the goal of the desired change? Is it change for its own sake or to find solutions to the challenges we face?

## 2. Essence of Change

Countless articles have been written on changes at the individual, collective, organizational and societal levels. As mentioned, change is ubiquitous. Continuous change is the norm, and states of equilibrium, stagnation and perseverance are the exception. Change is defined as a process that alters the direction of history or development and can influence the functionality or structure of a system.<sup>9</sup> The key characteristics of change are:<sup>10</sup>

- Change is a natural, unavoidable and continuous phenomenon.
- The purpose of change is to aid survival and growth.
- Survival and growth are dependent upon adaptation to a changing environment.
- The environment can be influenced and shaped by decisions and actions.
- Learning from experience is essential for successful adaptation and change.
- Individuals, organizations and society change in both common and unique directions.

Depending on their complexity and intensity, a distinction can be made between first-order and more radical second-order changes.

**First-order changes** refer to changes that take place within an existing system. These are gradual adjustments that leave fundamental assumptions, values and structures untouched. In a first-order evolutionary change, there are no drastic transformations. The intensity of the change is manageable, as it is usually accompanied by continuous adjustments. This keeps the anxiety of those affected within limits. Such changes aim to optimize processes, increase efficiency or adapt existing practices to changing conditions – without, however, challenging the underlying system.

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<sup>8</sup> In this context, Merkel and Wagener refer to a period of extraordinary politics and a period of normal politics. Only during the phase of extraordinary politics is change characterized by less resistance, openness and a willingness to embrace radical change. See: Merkel, Wolfgang and Hans-Jürgen Wagener. Akteure. In: Kollmorgen, Raj, Wolfgang Merkel and Hans-Jürgen Wagener (eds.). Handbuch Transformationsforschung. Wiesbaden: Springer, 2015, pp. 63–74.

<sup>9</sup> Abraham, Rebecca. Organizational Cynicism: Bases and Consequences. In: Genetic, Social, and General Psychology Monographs. Vol. 126, 2000, pp. 269–292.

<sup>10</sup> Stewart, Jim. Managing Change through Training and Development. London: Kogan Page, 1996.

In contrast, there are **second-order changes** that aim at profound, transformative change. Revolutionary second-order change involves a fundamental paradigm shift. In view of such fundamental changes and implications, the fear of those affected can take on enormous proportions. This is not just a matter of optimization within an existing framework, but of changing the framework itself. The rules, structures and goals of a system are questioned and redefined. Such changes often take the form of crises or ruptures that require fundamental rethinking.

#### Characteristics of First- and Second-order Change

First Order Change	Second Order Change
Limited to Individual Dimensions	Multidimensional
Limited to Individual Levels	Encompasses all Levels
Quantitative Change	Quantitative Change
Continuity, Same Direction	Discontinuity, New Direction
Incremental Changes	Revolutionary Leaps
Logical and Rational	Seemingly Irrational, Based on a Different, Deviating Logic
Does not Change the Existing World View or Paradigm	Leads to a New World View or New Paradigm

Based on: Weik, Elke/Lang, Rainhart. Organisationale Transformation, 2003.



### 3. Compromise vs. Conflict – Two Sides of the Same Coin

The desire for change leads to conflict when existing system(s) urgently require reform and there is no time left to compromise on solutions that tend to allow only slow and incremental transformation.

Moreover, while there is a desire for reform, there are also forces of inertia working to maintain the status quo. The result is an opposition of forces: the **desire for change**, which is focused on the desire for comprehensive reforms, often driven by the conviction that existing systems are no longer functional and urgently need to be changed; and the **forces of inertia**, in which individuals or groups oppose change or try to maintain a status quo out of fear of loss or uncertainty, or because they benefit from the current situation. These two poles create tension – a classic characteristic of conflicts. Kurt Lewin describes these opposing forces as driving vs. restraining forces. These must be brought into a state of equilibrium to avoid a backward development or permanent change.<sup>11</sup>

Therefore, **conflict** is a struggle between opposing forces and can be defined as “the interaction of interdependent people who perceive incompatible goals and interference from each other in achieving those goals.”<sup>12</sup> It arises when individuals or groups perceive a threat to their needs, interests or concerns. Key factors of conflicts are:

- **Opposing Interests:** Conflicts arise from incompatible goals, values or interests.
- **Perceived Threat:** The perception of a threat (real or imagined) to one’s interests or identity.

<sup>11</sup> Lewin, Kurt. Feldtheorie in den Sozialwissenschaften. Ausgewählte theoretische Schriften. Bern: Huber, 1963.

<sup>12</sup> Folger, Joseph P., Marshall Scott Poole and Randall Stutman. Conflict and Interaction. In: Stewart, John. Bridges Not Walls, 6<sup>th</sup> Ed. New York: McGraw-Hill, 1995, p. 404.

- **Engagement:** Action is taken by parties to assert their positions – may be verbal, behavioral, institutional or violent.
- **Interdependence:** Parties in conflict are often interdependent, meaning their actions affect one another.

Kotter finds that transformation processes are often associated with resistance and conflict.<sup>13</sup> However, conflicts do not have to be destructive or fundamentally negative; they can release creative energy, encourage reflection on existing practices and promote the development of innovative solutions.<sup>14</sup> Resistance is a reaction that arises from opposition to change and implies the tendency to avoid and even fight against a transition.<sup>15</sup> Conversely, accelerating or driving forces are necessary to initiate change.<sup>16</sup>

A **compromise** is an agreement between two or more parties in which each side voluntarily gives up some of its original demands or interests in order to find common ground and reach a solution that is acceptable to all.<sup>17</sup> The compromise thus represents a possible form of conflict resolution, allowing conflicting interests to be partially reconciled and striking a middle ground “between all or nothing.”<sup>18</sup> Compromises are essential for democracy, which seeks to ensure that all participants have a say, and to liberalism, which defends the freedom of individuals and groups.<sup>19</sup> Four elements are arguably present in every compromise:<sup>20</sup>

- An underlying and ongoing conflict.
- Points of partial agreement.
- Mutual concessions during the negotiations leading to the compromise.
- Mutual consent to the ultimate agreement.

When dealing with change, the focus should be on the productive use of conflict in change processes, even though conflict and compromise are in a state of mutual tension. This tension is crucial for the success of a transformation. Conflicts arise as a natural side effect of change, as new strategies, structures or cultures challenge existing routines, power relations and beliefs. Compromise thus serves as a regulatory means of conflict resolution by creating a balance between different positions without one party having to completely abandon its point of view. In practice, this

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<sup>13</sup> Kotter, John P. *Leading Change*. Harvard: Harvard Business Review Press, 1996.

<sup>14</sup> Luscher, Lotte and Marianne Lewis. Organizational Change and Managerial Sensemaking: Working Through Paradox. *Academy of Management Journal*. Vol. 51, 2008, pp. 221–240.

<sup>15</sup> Damawan, Ahmad and Siti Azizah. Resistance to Change: Causes and Strategies as an Organizational Challenge. In: *Advances in Social Science, Education and Humanities Research*, Vol. 395, 2019.

<sup>16</sup> Lewin, Kurt. *Feldtheorie in den Sozialwissenschaften*. Ausgewählte theoretische Schriften. Bern: Huber, 1963.

<sup>17</sup> Parijs, Philippe Van. What Makes a Good Compromise? *Government and Opposition*. Vol. 47, No. 3, 2012, pp. 466–480.

<sup>18</sup> Mause, Karsten. Der Kompromiss in den Wirtschaftswissenschaften – ein Forschungsüberblick. In: *List Forum für Wirtschafts- und Finanzpolitik*, Vol. 50, 2024, pp. 465–481.

<sup>19</sup> Bellamy, Richard. *Liberalism and Pluralism Towards a Politics of Compromise*. London/New York: Routledge, p. 94.

<sup>20</sup> Overeem, Patrick. Compromise and majority rule: How their dynamic affects democracy. In: Baume, Sandrine and Stéphanie Novak (eds.). *Compromises in Democracy*. Cham: Palgrave/MacMillan, 2020, pp. 47–67.

often means that the parties involved give up certain ideas in order to enable a viable joint solution.<sup>21</sup> In this sense, the transformation process is first and foremost a process of conflict resolution.<sup>22</sup> The willingness to compromise signals openness, increases acceptance of the change process and promotes trust.

Conflict and compromise are therefore not simply opposites but represent two sides of productive transformation and are an integral part of positive change. Transformation, compromise and conflict thus form a triangle that must be managed through change management.

#### 4. Foundations of Change Management

Change management is the process of helping individuals and organizations transition from a current state to a desired state.<sup>23</sup> Describing the current state and defining the desired future state, which implies determining the need for change as well as the degree of choice about whether to change, are integral parts of change management.<sup>24</sup> Therefore, change management or transition management refers to the targeted-oriented, systematic process through which major structural reforms are initiated, accompanied and implemented, and encompasses all tasks, measures and activities intended to bring about such comprehensive, far-reaching changes.

Change management begins with the awareness that change is happening or is necessary. An analysis of the situation and the factors that led to it results in a diagnosis of the characteristic features and an indication of the direction in which actions must be taken. Possible courses of action can then be identified and evaluated, after which a decision can be made on the preferred action. Essential components are:<sup>25</sup>

- Awareness of the need for change.
- Desire and willingness to change.
- Knowledge of how to change.
- Ability to implement change.

Another essential facet of change management is dealing with or minimizing resistance to necessary changes. The success of a change depends on various factors, including dissatisfaction with the status quo, clarity, and transparency of the vision for a desired state, and the vision's clear and inclusive communication.<sup>26</sup>

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<sup>21</sup> Beckhard, Richard and Reuben T. Harris. *Organizational Transitions. Managing Complex Change*, 2<sup>nd</sup> Ed. Reading: Addison Wesley, 1987.

<sup>22</sup> Marcus, Eric C. Change and conflict: Motivation, resistance, and commitment. In: Deutsch, Morton, Peter T. Coleman and Eric C. Marcus (eds.). *The handbook of conflict resolution: Theory and practice*. Jossey-Bass/Wiley, 2006, pp. 436–454.

<sup>23</sup> Kotter, John P. *Leading Change*. Harvard: Harvard Business Review Press, 1996.

<sup>24</sup> Beckhard, Richard and Reuben T. Harris. *Organizational Transitions. Managing Complex Change*, 2<sup>nd</sup> Ed. Reading: Addison Wesley, 1987.

<sup>25</sup> Hiatt, Jeff. ADKAR: A Model for Change in Business, Government and Our Community. Loveland: Prosci, 2006; Chowdhury, Anup and Nikhil Chandra Shil. Understanding Change Management in Organizational Context. *Revisiting Literature*. In: *Management and Entrepreneurship*, Vol. 19, No. 1, 2022.

<sup>26</sup> Lauer, Thomas. *Change Management. Grundlagen und Erfolgsfaktoren*. Berlin: Springer 2019, pp. 72–73.

Resistance commonly arises when those affected

- do not understand the goal, necessity, background, context or motives for change,
- do not believe in them (i.e., causalities, correlations or assumptions are questioned),
- find no advantage for themselves and therefore do not (want to) participate.<sup>27</sup>

The figure “General Symptoms of Resistance” provides an overview of typical signs of resistance.<sup>28</sup>

General Symptoms of Resistance		
	Verbal (spoken)	Non-Verbal (behavior)
Active (fight)	Contradiction	Agitation
	Counterarguments	Unrest
	Accusations	Quarrels
	Threats	Intrigues
	Polemics	Rumors
	Stubborn Formalism	Formation of Cliques
Passive (fight)	Evasion	Lack of Enthusiasm
	Silence	Carelessness
	Trivializing Things	Tiredness
	Fooling about	Staying away
	Making Things	Withdrawing Into Oneself
	Look Ridiculous	Going off Sick
	Debating Unimportant	
	Matters	

Source: Doppler, Klaus/Lauterburg, Managing Corporate Change. Berlin: Springer 2000, p. 221.



Business administration offers two different approaches to change management, which can be applied to the issues raised here: planned (organizational) changes and continuous changes in the sense of continuous development.<sup>29</sup> Both approaches are closely linked and complement each other.

**Planned changes** are deliberately initiated, goal-oriented and often top-down change processes that focus on specific goals. These may include the introduction of new technologies, reorganizations or strategic realignments. Planned changes are often project-related with a clear starting and ending point. They are particularly suitable for solving acute problems or implementing strategic decisions. Usually, they have disruptive effects as they challenge existing structures, processes or behaviors.

**Continuous development** pursues a more long-term, process-oriented approach that aims to sustainably strengthen the performance of the organization (or, in a broader sense, society) through the active involvement of those affected, the promotion of learning processes and the establishment of an innovation-friendly culture. Continuous (organizational) development, on the other hand,

<sup>27</sup> Doppler, Klaus and Christoph Lauterburg. Managing Corporate Change. Berlin: Springer 2000, pp. 219–221.

<sup>28</sup> Coch, Lester and John R. P. French. Overcoming Resistance to Change. In: Human Relations, Vol. 1, 1948, No. 4, pp. 512–532.

<sup>29</sup> Compare with Schreyögg, Georg and Daniel Geiger. Organisation. Grundlagen moderner Organisationsgestaltung – Mit Fallstudien, 6<sup>th</sup> Ed. Wiesbaden: SpringerGabler, 2016, pp. 359–434.



is an ongoing process that initiates gradual changes and is integrated into the everyday life of the organization. It is usually based on participatory methods, is value-oriented and aims at the development of the organization.

Experience shows that successful organizational change often requires both approaches: the targeted, strategic impetus of planned change and the learning-oriented, participatory attitude of organizational development. Only by combining both approaches can organizations change effectively and sustainably.

## 5. Talking about Systems

When it comes to change or transformation, the term “system” is the central element. A system is a structured entity consisting of interconnected elements (e.g., a social system, a cultural system, a technical system, or an economical or ecological system). Systems have certain rules, structures and patterns and, in setting these apart from their environment, a system is defined.<sup>30</sup> Change and transformation refers to a restructuring of these structures or modes of functioning. Changes to systems occur either internally through self-organization, crises or learning processes, or externally through stimuli or shocks from the environment.

Without focusing on the long and deep discussion about systems and system theory,<sup>31</sup> a basic distinction can be made between natural and human-made (artificial or anthropogenic) systems.

**Natural systems** are usually complex, self-organizing structures that develop independently of human activity. Examples include ecosystems, weather, the solar system and biological organisms. Such systems are characterized by the following features:

- Self-regulation: Natural systems have feedback mechanisms that enable a certain balance.
- Complexity and non-linearity: Natural systems consist of many interacting components. Changes to one part can have unpredictable effects on other parts.
- Evolutionary: They are the result of a long evolutionary process and continuously adapt to environmental changes.

In contrast, **human (social or political) systems** can be defined as constructions that organize and regulate human activity, roles and relationships (i.e. states, organizations, schools, health-care systems, etc.). Such systems do not share nature's balance and self-regulating resilience. Unlike natural systems, they are dependent on a constant input of human activity for change. These social or political systems can be actively shaped. They form the set of structures and rules that political and social actors establish in rule-governed interactions with each other in order to fulfill system-preserving functions and reproduce them in a continuous cycle. If this succeeds, these systems

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<sup>30</sup> Merkel, Wolfgang, Julian Brückner and Hans-Jürgen Wagener. System. In: Kollmorgen, Raj, Wolfgang Merkel and Hans-Jürgen Wagener (eds.). Handbuch Transformationsforschung. Wiesbaden: Springer, 2015, pp. 31–33.

<sup>31</sup> See for example: Luhmann, Niklas. Systemtheorie der Gesellschaft. Berlin: Suhrkamp, 2017.

achieve a state of equilibrium. If it fails, these systems collapse, transform and change their character.<sup>32</sup> In the current analysis, especially political systems (states, political institutions and organizations, etc.) are of interest.

## 6. Disruption and Evolution as Change Processes

To identify appropriate and concrete change-management strategies, the relevant options must be put on the table. If foreseeable or current external or internal conditions jeopardize the running of the system, we have two options: either **adapt the system** or **dismantle it** while hoping that we can create a better one instead.

These change processes can be abstracted into the two opposing concepts of disruption and evolution. The Cambridge Dictionary simply defines evolution as “a gradual process of change and development”<sup>33</sup> and disruption as “the action of preventing something, especially a system, process, or event, from continuing as usual or as expected.”<sup>34</sup> This, however, does not sufficiently capture the conceptual complexity of the situation. To enable a constructive discussion, the problem of scope must be clarified, since it might otherwise lead to imprecision and unnecessary confusion. This captures the difficulty of setting a clear threshold between evolution and disruption.

Where does evolution begin and disruption end? In trying to set these two concepts apart, one finds that by virtue of dialectical movement, evolution and disruption are inextricably linked. Every evolution must be made up of an accumulation of smaller disruptions, whereby vice versa every disruption is merely a part of a larger evolution. In fact, it is only in their synthesis that the concept of change emerges in the first place; the superficially antithetical concepts are merely two ways of observing the same thing.

Instead of letting this philosophical obscurity hinder the identification of actionable solutions, however, the issue can be overcome by defining the scope. This is done by a) identifying and defining the system and its pathways, which will be the object of change and b) defining the reference point from which change is measured. By setting the scope and comparing evolution and disruption on an even playing field, they become clearly distinguishable from one another. Based on the outline provided by the Cambridge Dictionary, the definitions can be adjusted to include the above nuance as follows:

- **Evolution** is the gradual process of changing a system, without fundamentally altering or significantly disturbing the pathways that define it.
- **Disruption** is the sudden and fundamental change and/or breakdown of a system and the pathways that define it.

On this basis, there are numerous examples illustrating how disruption and evolution become recognizable in the arts, economics and politics: the French revolution vs. the slow democratization of the UK; breakthrough innovations such as the smart phone vs. Apple's yearly iPhone upgrades;

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<sup>32</sup> Merkel, Wolfgang, Julian Brückner and Hans-Jürgen Wagener. System. In: Kollmorgen, Raj, Wolfgang Merkel, and Hans-Jürgen Wagener (eds.). *Handbuch Transformationsforschung*. Wiesbaden: Springer, 2015, pp. 31–33.

<sup>33</sup> <https://dictionary.cambridge.org/dictionary/english/evolution>, [retrieved: July 3, 2025].

<sup>34</sup> <https://dictionary.cambridge.org/dictionary/english/disruption>, [retrieved: July 3, 2025].

and the discovery of perspective in art vs. the evolution of individual style exemplified in the works of Picasso.

### III Untangling a Path Forward

The previous chapters have shown that the existing “running system” is increasingly under pressure, making transformation seem both necessary and inevitable. How can we navigate this transition without falling prey to simplistic solutions? How should the transition be designed? Is the slow refinement of our system sufficient or must it be fundamentally reimagined? Do disruptive or evolutionary approaches best respond to the causes underlying the desire for change? Forming an understanding of evolutionary and disruptive changes is the first step in addressing these questions and developing effective strategies for change management.

#### 1. Natural Tendency towards Evolution

The undeniable champion of evolution is nature. Darwin has become synonymous with the evolutionary process governing organisms, which gradually adapt and transform through the constant pressures of natural selection. But besides the brutal logic of Darwinism, natural evolution brings another key concept to the table: It fundamentally relies on the capacity for resilience.

“Resilience is the capacity of a system to resist and recover from disturbance.”<sup>35</sup> It combines the principles of preservation with the ability to deal with and respond to changing circumstances. Thereby, resilience is a force of resistance which must be flexible and adaptive enough to allow for changes. As such, resilience is built into the fabric of evolution itself. Without the capacity to resist change, there would be no possibility for organisms to develop continuity, while the ability to recover from disturbance enables evolutionary change in the first place. The resulting dynamic is one in which natural systems strive for stability or equilibrium but, by absorbing disturbances and continually adapting, are also in a constant state of change.<sup>36</sup> Ultimately, resilience, as the foundation on which evolution stands, is a subtle interplay between preservation, flexibility and responsivity in changing circumstances. A system’s stability depends on the continual maintenance and balancing of these factors.

- **Preservation:** The ability to resist change and to have and maintain a stable identity.
- **Flexibility:** The ability to cope with and absorb changes while maintaining an identity.
- **Responsivity:** The ability to change and adapt to challenges and circumstances in time while maintaining an identity.

While nature has perfected this ability, human-made systems do not share the same degree of evolutionary finesse. Humans equally favor stable and controlled environments and tend to resist fast-paced transformations, yet they have not learned how to build systems which sufficiently adapt and maintain their flexibility and responsivity over time. Instead, human systems tend to become increasingly averse to change – an inherent weakness which, when left unaddressed, threatens their continuity.

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<sup>35</sup> Nosil, Patrik, Jeffrey L. Feder and Zachariah Gompert. Biodiversity, Resilience and the Stability of Evolutionary Systems. In: *Current Biology*, Vol. 31, 2021, pp. 1149–1153.

<sup>36</sup> Harvey, Brian J., Sarah J. Hart and C. Alina Cansler. Disturbance Regime. In: DellaSala, D.A. and M.I. Goldstein (eds.). *Encyclopedia of the Anthropocene*, 2022.

Because human systems cannot change without human activity, humans are intermediaries on which a system's responsivity vitally depends. Unfortunately, humans' natural aversion to change may weaken a system's responsivity while favoring forces of preservation. Disruptive changes upend familiar narratives, pathways and expectations, a development which generates uncertainty, and one which we naturally try to avoid. Ontological security theory (OST) explains this behavior by postulating that actors strive to preserve a stable identity. "The disruption of routines shakes long-held beliefs about oneself and rattles one's confidence in the system; disruptions create anxiety"<sup>37</sup> and anxiety or uncertainty leads to irrational behavior and conflict.<sup>38</sup> OST also serves to explain the unreasonable tendency people have to "justify and defend existing structural arrangements [...] insofar as it helps people avoid the psychological threat or anxiety produced by acknowledging that the system they are embedded in may be flawed, corrupt or otherwise suboptimal."<sup>39</sup> Therefore, not only do humans seek to minimize changes or pressures threatening their established identity, they may even prefer to ignore when the proper functioning of their system is undermined. Therefore, even if a political system's resilience was at first strong, human aversion to change can disturb the balance between responsivity and preservation.

Moreover, the systems themselves tend to become increasingly lethargic, causing further imbalance in favor of preservation. Max Weber famously cautioned against their bureaucratic inertia (*Bürokratische Trägheit*), which describes their inherent proclivity to resist change and develop rigid path dependencies.<sup>40</sup> They become progressively bloated and complex through the sacrifice of efficiency and flexibility in favor of layers of oversight, regulation and administration, critically reducing the capacity for flexibility. Human activity and decision-making are thereby forced through and diluted in cumbersome bureaucratic processes, thereby reducing the responsivity of the system.

The problem, therefore, is twofold. On the one hand, the system's reliance on human activity and humans' aversion to change threatens to weaken its ability to adapt effectively. This condition is then further exacerbated as time goes on by the development of increasingly rigid and bureaucratic path dependencies which dilute the effectiveness of human activity already invested. As such, while human systems evolve, they begin to disproportionately favor stability and preservation while losing responsivity and flexibility – key ingredients in nature's recipe for resilience. Consequently, the "softer" change of evolution may seem naturally and psychologically preferable, yet human systems have inherent weaknesses which progressively lower their resilience.

If this condition remains unaddressed for too long, it is understandable that a disruptive approach (i.e. drastically reforming rigid bureaucratic structures) would seem like an attractive, if not necessary solution. A closer look, however, shows true disruption is more than just a double-edged sword – it threatens to undermine the agency necessary for political actors to navigate and address global challenges.

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<sup>37</sup> <https://blog.studiumdigitale.uni-frankfurt.de/sicherheitspolitik/2017/08/28/ontological-security-whats-behind-this-new-theory-trending-in-ir/>, [retrieved: July 3, 2025].

<sup>38</sup> Kinnvall, Catarina and Jennifer Mitzen. An introduction to the special issue: Ontological securities in world politics. In: *Cooperation and Conflict*, Vol. 52, 2017, pp. 3–11.

<sup>39</sup> Pepper, Gillian V. and Daniel Nettle. Perceived extrinsic mortality risk and reported effort in looking after health: Testing a behavioral ecological prediction. In: *Evolution and Human Behavior*, Vol. 35(1), 2014, pp. 69–76.

<sup>40</sup> Jovita, Hazel and Achmad Nurmandi. Bureaucratic Inertia. In: Farazmand, A. (ed.) *Global Encyclopedia of Public Administration, Public Policy, and Governance*, 2018.

## 2. Consequences of Disruptive Change

Both natural and human systems share a tipping-point logic that separates evolutionary from disruptive changes. The threshold is provided by the breakdown of the defining element of evolution: **Disruption occurs when resilience fails.** When sudden shocks or gradually changing conditions push a system over the threshold, a sudden system response or collapse is triggered; the pathways that define the system are disrupted.<sup>41</sup> The logic of resilience failure and disruption in human systems can be summarized as follows:

- **Preservation:** The desire or tendency for preservation and a stable identity outweigh or give out under internal or external pressures.
  - **Flexibility:** Systems become rigid and inefficient due to bureaucratic inertia and/or insufficient human activity; they lose their ability to absorb exogenic or endogenic pressures effectively.
- **Responsivity:** The system loses its real or perceived ability to synchronously respond and adapt to challenges and changing conditions.
- **Disruption:** The imbalance of the three resilience factors and increasing exogenic and endogenic pressures cause the system to reach a tipping point: Its defining pathways are fundamentally restructured or collapse entirely; it loses its identity.

In the context of finding the best path forward amid both the evolutionary erosion of resilience and the need to address global challenges, the question is: Has a disruptive approach to our political systems become necessary? Because of the reliance on human activity for change, human systems are liable to disruptions caused by human pressures. In this context, should a system be purposefully disrupted? The consequences of accepting the current system as irreparably dysfunctional and purposefully bringing the system to its resilience threshold serve as a cautionary warning.

For the following considerations, the defined system (point of reference) will be the governing structure of a state. Max Weber defines a state as “a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory.”<sup>42</sup> Its government can be described as the central structure through which human political activity is funneled and transformed and is the organ of change management within a state (i.e. the board of directors in an organization, etc.).

From this point of reference, would disruption be the right course of action? Despite deep structural problems, disruption would be highly destructive in states with relative stability. There is no “higher authority” able to manage the disruption of a state; States are responsible for managing change themselves. It is precisely this capacity for change management which breaks down in disruption. It would provide conditions for power vacuums, the struggle between competing interests, the loss of mutual and institutional trust, and probably violence.<sup>43</sup> A disruption of government, as the central

<sup>41</sup> Scheffer, M., S. Carpenter, J. Foley et al. Catastrophic shifts in ecosystems. *Nature*, Vol. 413, 2018, pp. 591–596.

<sup>42</sup> Weber, Max. *Politics as a Vocation*. In: Max Weber: Selections in Translation. Runciman, W.G. (ed.) and E. Matthews (trans.). Cambridge: Cambridge University Press, 1978, pp. 212–225.

<sup>43</sup> Tammen, R., J. Kugler and D. Lemke. *Foundations of Power Transition Theory*. Oxford Research Encyclopedia of Politics, 2017.

organ responsible for managing change, would therefore mean the destruction of vital structures for human agency and would likely leave the country in chaos.

Moreover, disruptive transitions are often costly processes in terms of time, further limiting the possibility for agency in an era when global challenges demand action. The breakdown of governing structures and decision-making pathways is followed by an obligatory period of reorientation. After the French Revolution, for instance, it took 10 years before meaningfully organized agency could be re-established to the French government. The desire for political change and the abolition of the monarchy ended in 10 years of uncertainty, unrest, terror and, finally, with an emperor. It took five years of civil war, terror and unrest for the Russian Revolution to end with the establishment of the Soviet Union. Contemporary events provide further examples: The recent collapse of the Assad Regime in Syria and the student-led expulsion of Sheikh Hasina in Bangladesh have left their countries with uncertainty, a struggle over interests, and physical violence.<sup>44</sup>

Naturally, these considerations are not tailored to inherently dysfunctional systems such as kleptocracies. In systems in which agency, stability and cooperation remain real structural possibilities, however, true disruption fosters conflict and breaks down organized agency instead of providing real solutions.

#### IV A Middle Way

Letting evolution run its flawed course and waiting for the erosion of resilience is not an option: The lethargy inherent in the evolution of human systems causes the gap between what is being done and what must be done to grow ever greater. But tearing down the whole system and undermining resilience would be equally fatal. Global challenges require timely and cooperative action between political actors and disruption undermines both.

This leaves people caught between the uncertainty caused by potential consequences of leaving these challenges unaddressed, on the one hand, and the uncertainty caused by changes required to address them, on the other; populists and demagogues seeking to destabilize existing institutions have an easy time of it stirring up emotions and sensationalizing the institutions' dysfunctionality. As German President Frank-Walter Steinmeier put it:

When people get the impression that the state and its institutions no longer deliver what they promise and what citizens are right to expect from them, it is about more than just an individual grievance: political trust in our democratic order begins to erode.<sup>45</sup>

Instead of exacerbating the feeling that our system is failing us and thereby pursuing a course that further weakens resilience, the system's erosion must be counteracted through organized human activity which responds to evolutionary lethargy and avoids destructive disruption. To do this, pathways which strengthen and maintain resilience must be reinforced within political systems, while strategies must be simultaneously implemented to address urgent institutional weaknesses by incentivizing necessary reforms capable of rebuilding resilience. As long as only certain pathways are dysfunctional, not the system itself, a response should be precise and target pathways directly to maintain agency.

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<sup>44</sup> Curtis, John. Bangladesh: The fall of the Hasina Government and recent political developments. Research Briefing CBP-10096. London: UK Parliament, 2025.

<sup>45</sup> <https://www.bundespraesident.de/SharedDocs/Reden/DE/Frank-Walter-Steinmeier/Reden/2025/07/250714-Abschlussbericht-Handlungsaehiger-Staat.html>, [retrieved: July 17, 2025].

## 1. Strengthening Resilience Mechanisms

Organizing, preparing for and enabling the implementation of change is the foremost responsibility of change management, for which strong resilience mechanisms are key. Creating and sustaining institutional mechanisms to streamline this process can fortify and help maintain resilient systems:

- **Preservation:** Institutions which build community, enable collective action and reinforce shared identity.
- **Flexibility:** Communication, participation and accountability mechanisms which provide space for social negotiation, compromise and conflict, and legitimize the chosen path forward.
- **Responsivity:** Mechanisms for allowing and encouraging creative and innovative changes and protecting early reform efforts.

The arts, economics and politics provide examples of how these principles apply. Art, for instance, is a reflection of society and plays an integral part in the formation of shared cultural identity. It is educational, critical and thought-provoking, and contributes to public discourse and is a possible catalyst for social change.<sup>46</sup> Moreover, cultural institutions which build community and reinforce shared identity by encouraging the open development, participation and collective experience of art can be strong pillars of resilience.

The economy provides another example of the importance of communication. Amid uncertainty, building public trust is an essential part of economic resilience – for example, by **communicating** and committing to clear economic guidelines<sup>47</sup> or encouraging direct market **participation** (i.e. the “premium pension” system with individual stock exposure in Sweden<sup>48</sup>).

In politics, creating institutional mechanisms to encourage the development and implementation of innovative ideas for change and reform is a key element of responsivity. In Germany, for example, the federal structure allows individual states to develop experimental policies in areas such as climate policy, education, public administration and digitalization. This system of experimentation encourages friendly competition and mutual learning among the states, creating incentives for creative reform approaches. If proven successful, these approaches can serve as models for nationwide policy. Particularly in times of pressing need for transformation, such mechanisms should not only be reinforced but actively expanded and supported with sufficient funding.

Continually reinforcing such institutional mechanisms is an essential responsibility of change management, aiming to keep the system resilient and self-evolving and combating evolutionary inertia. Sometimes, however, these mechanisms fail to adjust to external or internal pressures and require a speedy and perhaps uncomfortable update. In such cases, what would ideally be built into the mechanisms themselves can be compensated for with additional incentive policies.

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<sup>46</sup> <https://nancyreyner.com/2024/08/15/art-in-society-the-impact-and-influence-of-art-in-culture-and-community/>, [retrieved: July 17, 2025].

<sup>47</sup> World Bank. World Development Report 2017: Governance and the Law. Washington, DC: World Bank, 2017.

<sup>48</sup> <https://www.pensionsmyndigheten.se/other-languages/english-engelska/english-engelska/pension-system-in-sweden>, [retrieved: July 25, 2025].

## 2. Incentivizing Change

Incentives are an effective tool which can accelerate institutional or behavioral changes. They are material or immaterial rewards or benefits designed as cues for action, such as economic subsidies, infrastructural incentives, bureaucratic relief or social recognition. Incentives are a tool to reduce institutional or behavioral resistance to a desired or necessary change caused by uncertainty, discomfort or other factors. Indeed, in the long-term incentives can help improve the profile and acceptance of changes, as is being attempted with subsidies for electric vehicles (EVs) to reduce carbon emissions in the area of transportation. Using such economic incentives to make EVs more financially attractive artificially gives them a competitive edge.<sup>49</sup> The possible success of such measures is illustrated by Nepal, where subsidies, among other factors, have caused the proportion of electric vehicles sold to surge above 70%.<sup>50</sup>

The importance of setting intelligent incentives is illustrated by the popular resistance to the German Heating Act (amendment to the Building Energy Act). The goal was to use economic subsidies paired with time constraints to phase out fossil fuels in household heating in favor of climate-friendly options. Yet, instead of focusing on the problem that the act tried to address, the public narrative centered on the consequential individual burden and gave the impression of a paternalistic state. Although financial incentives were present, they were not sufficient to secure widespread public backing.

The example demonstrates that material incentives alone are often not enough, especially when reforms involve significant individual costs. Normative incentives, for instance, are those that appeal to shared values, moral responsibilities, and societal norms.<sup>51</sup> They function by reinforcing a sense of responsibility and community benefit and by bringing together individual and collective goals. By communicatively leveraging such incentives and ensuring that the narrative in which the Heating Act is embedded enjoys widespread support – climate responsibility, sustainability transformation, national solidarity, etc. – the government could have fostered a greater sense of legitimacy and trust, setting the stage for further measures. Effectively communicating the reasons for change and the direction that it should go is thereby the prerequisite for successful incentives policy.

Incentives can, however, be equally effective in trying to avoid necessary change and preserve dysfunctional pathways. Donald Trump's recently passed "Big Beautiful Bill" symbolizes a hard backward turn on climate incentives, ending federal support for renewables and instead encouraging the production of fossil fuels.<sup>52</sup> System "preservers" who support such policy are often actors which stand to experience significant real or perceived losses from the transformation. Consequentially, it is in their interest to make the change as undesirable as possible, a narrative often

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<sup>49</sup> Sheldon, Tamara L. and Rubal Dua. The Dynamic Role of Subsidies in Promoting Global Electric Vehicle Sales. *Transportation Research Part A: Policy and Practice*, Vol. 187, 2024.

<sup>50</sup> <https://www.nytimes.com/2025/07/28/business/nepal-electric-vehicles-china.html#:~:text=Over%20the%20past%20year%2C%20electric,includin%20Norway%2C%20Singapore%20and%20Ethiopia>, [retrieved: July 28, 2025].

<sup>51</sup> Wang, Y. and L. Ching. Institutional legitimacy: an exegesis of normative incentives. *International Journal of Water Resources Development*, Vol. 29(4), 2013, pp. 514–525.

<sup>52</sup> <https://www.nbcnews.com/business/energy/trump-megabill-gives-oil-industry-everything-wants-ends-key-support-so-rcna216777>, [retrieved: July 28, 2025].



embraced by right-wing populists. Substantially larger long-term losses resulting from the transformation being unsuccessful are pushed aside in favor of short-term personal gains.

Ultimately, to improve the odds of large, complex, yet necessary reforms being successful despite many individuals potentially suffering short-term losses, it is essential to leverage the right material and immaterial incentives while communicatively bringing widespread public support together under a shared narrative.

## V Recommendations

As global challenges increase political, economic, technological, environmental and social pressures, the resilience of the current political system is being tested. Transformative change is increasingly becoming an inescapable necessity. However, while an evolutionary path of gradual reform is often preferable and more stable, it suffers from inherent structural inertia which diminishes responsivity, threatening to erode the resilience on which it depends. The disruptive path, on the other hand, is equally undesirable, risking to dismantle mechanisms of agency and undermining the capacity to act amid global challenges.

Navigating between these extremes makes it necessary to strategically reinforce resilience, enable targeted reforms and reactivate the system's capacity to adapt. Strengthening preservation, flexibility and responsivity while maintaining public trust must become the conscious goal of change management and governance. To that end, a deliberate and thoughtful policy approach that aligns structural reforms with the psychological and practical realities of change is needed. The following policy recommendations outline specific measures for such a path forward:

**Use of sunset clauses by default:** Currently, sunset clauses are used occasionally to revisit a regulation or law after a certain time or to cancel approval of a pharmaceutical product if the product is not launched within a certain period. Implementing an automatic mechanism to check an existing regulation or law and make it necessary to actively prolong it will force (national/European) legislators to permanently rethink the regulatory framework. Given the speed of technological development, the period for revisiting laws and regulations should not be longer than a year. As this process demands further resources, it might also help to prevent over-regulation in the first place.

**Schumpeter reloaded:** Some 100 years ago, the economist Joseph Schumpeter already considered "creative destruction" the driving force of economic development. Although later interpretations focused on "destruction," Schumpeter actually meant new combinations of factors of production that would lead to innovation. Given the rapidly changing landscape and availability of resources, an analysis of potential new combinations might be rewarding.

**Fostering innovation:** In highly regulated markets, innovation is sometimes hampered or slowed by bureaucratic rules. Therefore, the creation of "free" spaces that offer incentives, such as less bureaucracy, tax breaks, improved infrastructure, etc., can serve as innovation hubs. Such "special economic zones" have been successfully established in other countries and could be expanded in Europe.

**Responsivity:** Various external developments force national governments to adjust their (social) systems in order to keep them sustainable. These adjustments, however, often meet resistance and are difficult to implement. Establishing automatic adjustment systems (e.g. raising social

charges, increasing retentions) when certain criteria are exceeded (e.g. number of recipients, demand, costs) may help to keep systems sustainable without political disputes or permanently delayed reforms. The same could be established with regard to climate developments (e.g. days of extreme heat, amount of rainfall).

**Resilience Mechanisms:** To prevent system stagnation or collapse, the three pillars of resilience (preservation, flexibility and responsivity) should be proactively strengthened in political and organizational systems alike, by fostering community and active participation and strategically encouraging creative innovation.

**Incentives:** Ensuring that material and immaterial incentives (economic, normative, etc.) are used in combination with transparent communication strategies to bring widespread public support together under a shared narrative can improve the acceptance and legitimacy of large-scale reforms (i.e. reform of the German pension system).

**Change Management:** Given the fast-paced nature of today's world, education systems need to refocus on change management. A greater focus on the issue in educational institutions (schools, universities, etc.) can help foster awareness for creative solutions and adaptations to gain more resilience under changing circumstances.

**Rethink Social Media:** Numerous studies document that hate speech and digital violence have massively increased with the proliferation of social media. Social media also foster conflict rather than compromise. Some countries (e.g. Albania, Australia) are already experimenting with limiting or prohibiting access to social media platforms. Polls suggest that especially younger people are in favor of limiting the use of social media. The European Union can start an initiative to limit the use of social media, taking into account the experiences of other countries.

**Be Courageous:** In some cases, it may simply take courage to make a decision to change. Of course, this decision may be wrong, but should that be a reason not to take a step forward? However, this also means that responsibility must be assumed if the change turns out to be wrong.

**Understanding Resistance:** Understanding the causes of resistance to political change is key to adjusting communication and change management strategies and avoiding an erosion of institutional trust. In this context, being aware of and responding to the public narrative and social movements early on should be a priority.

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## Advice from a Chief Diplomatic Officer: Embrace Evolutionary Elegance – The Champions of Disruptive Chaos Need You

**Elizabeth Linder**

My first day as a Facebook employee was in August of 2008. Exactly 17 years ago from this year's Trilogue. I wasn't particularly looking to join Facebook. At the time, it seemed smaller and less sophisticated than the broad church of Google/YouTube products that had attracted me to Silicon Valley during that era. Google's mission was "to organize the world's information and make it universally accessible," which felt meaningful and important, like cataloguing books in a library or curating a museum. But insiders tracking "the FB" – as we called it then – were bullish about the company's future. Mark Zuckerberg did have a visionary plan, they said; this was the future; and frankly, if an offer from Facebook knocks on your door without even applying ... then what are you waiting for!

The next thing I knew, I was following a toga-clad Mark Zuckerberg down the streets of Palo Alto, California. In that moment, I questioned my career path. While the company was celebrating a major user-growth milestone which certainly warranted a celebration, why couldn't it be something more civilized, like a toast overlooking the skyline of a world-class city? How had I managed to avoid any college party involving a toga in my four undergraduate years, only to encounter one while following my CEO through the streets of Palo Alto?

Toga parties aside, there were other elements of late-2000s Facebook that didn't resonate with my upbringing. There were posters with bright red, bold lettering on the walls, and they were everywhere: MOVE FAST AND BREAK THINGS. Walking by these posters at Facebook's original graffiti-lined HQ, where the Communications and Public Policy team was based, felt like amateur-hour. Everything about my upbringing and educational training was the opposite of moving fast to break things.

I was raised to learn, observe and absorb. I was taught to listen, ask questions and reflect. As a language major, we were endlessly inspired to see the world from every possible angle. We weren't allowed to bottom line. The world at its most sophisticated is filled with nuance and subtlety, layers and textures, opinions and counter-points. Why, even in the eighth grade, when I was 14 and a student in a Sacramento City Unified School District public school, we were taught to examine multiple accounts and narratives around key moments in US history before we came to our own opinions. Before jumping to conclusions, we were told, ask yourself if you'd considered all the evidence; consulted all potential experts.

Breaking things? How was that the recipe to a life well lived? I was raised to honor things. And so, at the time I was that new Facebook employee, I found those red-lettered posters jarring and unsettling. Respect, appreciation and intellectual rigor is not about wreckage, but about rhythm and harmony.

What is more, my first career aspiration – well before I went on to Princeton and built a career in corporate diplomacy – had been to become a horticulturalist. The thing about the natural world – about horticulture – is that it moves at the pace of evolution. There is no such thing as productive disruption in a garden. Seeds are planted. They are watered. Each morning before school during the spring season, I would race into the reliable morning California sun to check on my plantings, and days would go by with ... nothing. Nothing but admiring a patch of dirt under which I had faith

that something was happening. Then, one day, a green sprout! Oh the excitement. As the days lengthened, those delicate green sprouts would grow and grow and grow. And ... eventually, they would become my herbs and flowers to cultivate over the long growing season. I always made sunflower houses – with the tallest sunflower stalks that towered above me as the walls, and hollyhock vines in beautiful blues and purples and pinks woven together to create the roof. My summertime garden was pure magic. But it didn't happen because I moved fast and broke things. It happened because I nurtured and kept the faith in the process. Its joy was all in delayed – yet glorious – gratification. The gratification that nature programs us to thrive in. We can't conjure a summer day in January, but eventually the daffodils will peek out from behind the trees, and the tulips, the peonies, the hollyhocks, the lavender will follow.

Later – and long after my eight-year tenure at Facebook came to a close – I would serve as a policy advisor to the Minister of Tourism in Panama. At an event hosted at the Smithsonian Museum in Washington, DC, we brought in a specialist in a field called “biomimicry” to deliver a presentation. It is no surprise that the Biomuseum in Panama City is a key draw for tourism. The country is, of course, at the point where the North American and South American continents converge. Biomimicry courses in Panama teach corporate leaders to understand how the rhythms of the natural world better inform outcomes than the artificial “efficiencies” that business schools so often preach. Nature is extraordinarily efficient, but it creates efficiency through smart evolution.

I thought back to the red posters at Facebook, and of all the decisions I had seen in my Silicon Valley years that could have benefitted from the biomimicry talk in Panama. So often, business leaders and the general tech-sector zeitgeist trains to disrupt as though disruption is the ultimate triumph. But we've made up this glorification of disruption with no real evidence that it actually works. In reality, the best revolutionary tech is a speeding of evolution, not a disruptive bomb. That's exactly what makes it so readily adopted. Once we went to Blockbuster to browse for films; then Netflix sent them to us in the mail (exciting!); then we accessed films through an on-demand app on our TV screens. That's how it works: winter, spring, summer, autumn. In fact, it's the elegance of evolution that captures our imagination and readily turns tech products into global sensations. Evolution over disruption isn't the problem; it is the goal of shareholder-driven adoption. It's the iPod to the iPhone, the letter to the email, the email to the WhatsApp conversation, Google Search to ChatGPT. How many times do we have to sit through yet another presentation about avatars and disruptive headsets to agree that these so-called disruptive ideas are actually, as Barbie would say when talking about Ken, “not cool”? The metaverse has been a flop not because it felt like a natural evolution of a successful technological innovation, but because it disrupted experiences to the point that we don't recognize our surroundings at all. Indeed, when technologies try to be too disruptive versus evolutionary, we sometimes even recoil from them. Landlines are having a comeback.

When technology evolves elegantly, seamlessly in a way that makes evolutionary sense, humanity embraces it. In truth, disruption is counter-intuitive to our species and the world around us. We are more in tune with humanity when we innovate from a place of evolution than from a place of disruption. Just ask a chef bringing a spicy style of cuisine to a culture of mild – even bland – palates, or a fitness coach at the gym. Start with the butter chicken, and make it really good. Then encourage the customers to add a bit of spice to it. You won't be doing push-ups like a Marine until you start lifting some weights. Everything is a process. With dedication and a stroke of creativity, that process surely can move quickly. But it's still a process.

And so, MOVE FAST AND BREAK THINGS always felt deeply flawed. Yet what I very quickly observed as a mid-20-something Silicon Valley insider, is that moving fast and breaking things was perceived as the golden ticket to growing billion-dollar market-cap companies. Disruption had somehow become a compliment, akin to achievement and success. The posters were unintentionally, but still harmfully, a misleading sham. Long-term, it's not what broke things that built a leading, multi-billion dollar company. The breaking-things part brought the lawsuits and the reputational damage and the mental health and addiction crises we are still grappling with. It was the evolution of the physical Facebook to the digital Facebook that brought the success. That was the genius in it all. The Like button as a digital evolution of the thumbs up. The newsfeed that disrupted the platform without a warning to users was the disaster that caused a ripple effect of mistrust the company will never fully recover from, even today. An evolutionary approach – introducing people to the newsfeed idea, rolling it out as an opt-in feature, building in privacy guardrails – would have worked just as well and indeed instilled early on a culture of trust.

By 2011, I would move to London with the mandate to build Facebook's first Politics & Government division for the Europe, Middle East & Africa region as the company's first "Secretary of State." Transiting between two and three countries a week, from Denmark to the Democratic Republic of Congo, Ethiopia to Egypt, the Netherlands to Nigeria, Montenegro to Moldova, Sweden to Saudi Arabia, I often asked myself what made Silicon Valley tech companies grow at such extraordinary scale. It wasn't the jolt of disruption. It was the pace of product and societal evolution. Amazon, Apple, Facebook, Google. Before it became the company it is today, Amazon made a name for itself by putting the selling of books online. During the Harry Potter era in the late 1990s and early 2000s, an entire generation of American kids waited eagerly on our front porches for the latest copy of J.K. Rowling's series to arrive. Receiving that cardboard Amazon box from a beaming UPS driver was the most exciting moment of a summer break. I still have mine. The rapid adoption of Amazon was more Wells Fargo Wagon than it was science fiction. Smart evolution.

Whether I was contemplating these issues on a flight from Oslo to Amman or while training government leaders in Dubai or Dublin, I became intensely aware that the "breaking things" mentality was harmful to the company and to society, while the West Coast mindset of embracing forward movement was compelling – even mesmerizing – to my constituents around the world. Like the impossibly long trains hurtling across the Great Plains that we observed from the windows in the back of our family's minivan as kids in the 1990s on road trips across America, momentum is a powerful concept. Movement. Saying yes. Driving forward. The momentum of an ecosystem involving finance and investment, product testing and innovation, brought the virality of evolutionary success. This entrepreneurial hustle is the equivalent of the train leaving the station. It is the long hours and the can-do and the imagination. The Top Gun-style "it's the only look I've got" mentality that comes with an entrepreneur's default programming. Californians don't question their ability to create. "California confidence" at its best is evolution at break-neck speed. Now that's something to bottle up and put on the shelf as a recipe for success. It's what is in the secret sauce of the culture. In the last 20 years, we've misleadingly attributed disruption and breaking things as the secret to California's success in the tech sector. But whether applied to the environment or to product development, disruption should never be the goal: Disruption is the risk to be mitigated, allowing the forces of evolution to flourish.

Case in point: Where California tech companies tend to lose the plot and cause more harm than good in their growth and reputational trajectories is when they disrupt rapidly, rather than evolve quickly but gracefully. In fields encompassing reputation management, West Coast leadership has a tendency to internalize the MOVE FAST AND BREAK THINGS poster, which is not helpful. In



this regard, businesses ought to take a page out of a more alliance-led international playbook. In my 14 years in London, I was consistently impressed by the multitude of considerations that went into every decision. Before a Brit would speak, he would consider the points of view of the Qatari or the Sudanese in the room. Before a Dane would speak, she would consider the Israeli and the South African and the Swede. In a classic Silicon Valley conference room, questions were challenged and ideas articulated based on a scale that ranges from Microsoft in Seattle to YouTube in the San Francisco Bay Area. Occasionally, someone would say, “They won’t like this in Berlin,” and the collective energy in the room would shift to “Ugh. Well the team in Berlin can figure that out. Moving on.” The famous early challenger to social media, Max Schrems, was initially dismissed because he was from ... Austria. Had Max Schrems hailed from Georgetown, graduated from Stanford and lived in Los Angeles, he would have been taken more seriously. Overcomplicating every decision is often a classic flaw in creating and driving product vision. But when it comes to international corporate growth and expansion, everything rests on understanding how complex the real world is, and building an evolutionary plan around those realities through building trust, developing relationships and investing in reputation and diplomacy.

What I realized in my own first-hand experience is that Facebook’s commitment to the religion of disruption rendered the broader corporate culture at the time incapable of considering the wider implications of its impact. MOVE FAST AND BREAK THINGS had become less an inspirational quote than a convenient excuse to dodge glaring challenges that were rising around it. In fact, the people closest to HQ often didn’t realize what had been broken, and by the time they did, it was too late. Just imagine the power in a motto that sounded more like “Move Fast and Accelerate.” It was the “breaking things” part – the bowing to disruption – that is problematic.

Of course, part of Facebook’s story during this era will always be admirable. Thanks to Facebook, civil society leaders from Moldova to Ethiopia were able to get societal movements off the ground. We are connected to people from all walks of our lives. We start and grow small businesses. We remember our friends’ birthdays. Yet reputationally, Facebook and its millions of users around the world would be in a better place today if the company had prioritized evolution over disruption. The disruptive mindset of tech executives in this era would eventually be forced to take a back-row seat when political and civil society leaders grappled with how social media-driven challenges were growing exponentially around them. An evolutionary mindset would have convinced investors earlier that funding well-trained teams to liaise with educators, police departments, emergency response units, policymakers and civil society leaders could help the incredibly ground-breaking technology fit into a flow of evolutionary progress – accelerated, but evolutionary – rather than upend it.

In making this claim, I am reminded of the American Revolution in the late 18<sup>th</sup> century – one of the most successful revolutions, achieving not only a new Constitution, but a country capable of extraordinary progress and global leadership. As Gordon Wood so eloquently discusses in his book *The American Revolution*, the path to the American Revolution was far from disruptive. It was evolutionary. American colonists didn’t start their path to independence by burning every bridge and attacking every Redcoat in sight. They wrote letters. They remained loyal to the Crown and worked up theories for how to sustain the relationship with Great Britain while pursuing a distinct culture of their own. They developed their own values, priorities and way of life not overnight, but over time. They were loyalists to the Crown and turned – over an extended period of time – to building their own future on their continent. A select few hot-heads aside, the Founding Fathers were conservative and evolutionary in nature. And it worked. Evolution allowed for debate and thoughtfulness and introspection to play a role in the building of something truly transformative. Disruption enables a

quick win, with a long tail of unsurmountable challenges in its wake. It is the hit of dopamine that feels so good at the time, but comes crashing down. This is why so many revolutions fail.

Fast-forwarding to today, I cannot help but marvel at the lessons so many of today's leading Silicon Valley tech companies have learned in the last 20 years. The self-driving car company Waymo didn't suddenly go on the offensive in multiple cities around the world, taking on regulators and taxi unions and Uber drivers with abandon. Waymo has identified a carefully-selected number of cities to skillfully perfect its model, and in these locations has proven enormously successful with policy-makers and customers alike. Other potential competitors look on with envy as they realize they have potentially missed the robotaxi boat and are now behind, but Waymo hasn't created its edge thanks to disruption ... but to white-glove curated evolution. If you haven't been to San Francisco in a while, go. And you'll see what I mean. Waymo is everywhere, gliding elegantly and seamlessly into the daily lives of local residents. Miami, Atlanta and DC have welcomed Waymo with open arms, touting new opportunities to increase road safety and cut traffic, making American cities more livable. According to a *Wall Street Journal* article from May 31, 2025, the leading driverless car company is not succeeding "because Waymo is expanding into new markets. It's because of the way existing markets have come to embrace self-driving cars." Waymo is perfecting the technological change in a small number of highly-targeted cities, which means that if a consumer feels uneasy with technology that still feels foreign to the driving experience, concerns will be addressed.

The concept of driverless cars may sound disruptive, but the rollout is succeeding beyond all expectations because it is evolutionary. We compare that experience to Uber, which was of course wildly popular and ubiquitous in its day, but local tensions came at a cost. Taxi unions protested; locals railed against the rise of vehicles in their neighborhoods; the media found countless stories to scaremonger consumers about safety. By growing less like a bomb detonating in a metropolitan environment and more like a steady response to positive, evolutionary consumer demand, Waymo has clearly learned lessons from its predecessors, and is taking the evolutionary approach. No guerrilla warfare. No jarring market disruption. Elegant momentum. Just as progress should be – as nature designed it. Biomimicry.

It appears – therefore – that as much as we love to talk about disruption as the bedrock of the Silicon Valley success story, this thesis is both flawed and misguided. It is a myth. Facebook the product wasn't disruptive: It was the technological evolution of a physical book – the printed collegiate Facebook – brought online. The disruptive nature of the company was not the product. It was scale at all cost, which is still biting the company in the tail today. The scale would have come regardless of a ruthlessly disruptive corporate ethos, because the product was good and seamless and worked. If a Facebook user had a serious concern – a security breach, a shutting down of an account, a photoshopped use of their photos that harmed their safety and scared their family – there was no one to call. In other industries, this would be unacceptable. Disruption is earthquake, fire, volcano and flood. Evolution by definition is strategic and well governed. It is sunrise to sunset; caterpillar to butterfly; sapling to towering redwood. The good-governance that presides over evolution makes sense to our natural and cognitive capabilities. One of the greatest flaws of the technological age is to attribute positive qualities to disruption. Breakthroughs in technology must be accompanied by long-term, evolutionary thinking to be a net gain to consumers and to society in the long run.

This is why the impact of Facebook and social media writ large has been so hard to grapple with over time. The potential was always there. Once there was a time – and I was there – when it seemed that Facebook was on the side of democracy and positive connectivity and the race to the

top for humanity. So why has social media felt so deflationary, so disappointing, so discouraging? Because the industry under-invested in shepherding along the evolution of it all. The social media story of the early 21st-century will go down as one of the greatest missed opportunities for technology to make the world a better place. No one is paying the price for this more than our young people.

At this point in my analysis of evolution versus disruption in the corporate sphere, it should be apparent that while some elements of a disruptive approach give companies a short-term market-cap edge, my experience suggests that the social media era would have been as successful while also having a stronger positive societal impact by adopting an assertively evolutionary approach to its global expansion and growth. Reputationally, each of the social companies born in the mid-2000s would be in a stronger place today with a little more appreciation for biomimicry and a little less glamorization of breaking things.

Which brings us nicely to the recent world of politics. One entrepreneur's poster about breaking things is another entrepreneur's image of a chain saw, which will go down as one of the most iconic failures of what could have been an incredible movement in US politics. I am, of course, speaking of none other than DOGE, the Department of Government Efficiency, as spearheaded by Elon Musk, who has now dramatically broken off from Maga 2.0.

In principal, DOGE could have been an extraordinary success story. The reality is clear: At a certain point in any government's evolution, bureaucracy, spending and debt grow to a level that is no longer sustainable and become a threat to continued prosperity. Harnessing the skill set of the American tech sector to evaluate and source opportunities to increase efficiency wasn't the problem. In fact, one could argue that populating this team with businesspeople was a good idea. The problem was in the management, prioritizing disruption over strategic evolution. An executive was appointed to disrupt. No one was appointed to manage the evolution. In politics and governance – as in business – someone at the top needs to oversee the evolution of change, solving for momentum versus solving for breaking things.

If DOGE had started with a partnership and alliances team – well, we can only imagine! Here's the alternate narrative that could have been: Within the first 100 days of the Trump administration, while Elon Musk and his team are looking for efficiencies to hit their targets, the appointee responsible for evolution – let's call this individual the DOGE Diplomat – is putting together strategic partnerships with some of America's leading philanthropic organizations in areas set to be cut by USAID, the US State Department, and other organizations. The hypothetical message is clear: Whilst the current administration does not believe US taxpayer dollars should go to a certain swath of government-funded organizations, they are important, valid, impactful and meaningful. They are positive beacons of change. They should exist. And DOGE is signposting ways to contribute to these important programs that deserve success in the absence of US taxpayer support. An off-ramp for these programs is created and communicated to the public. The DOGE Diplomat joins some of America's leading philanthropists and business leaders to lead a discussion on the roles of government, philanthropy and business in America's global soft power. Are some US government programs a questionable use of taxpayer dollars? Yes. Are these same programs empowering and important? Yes. Here's how the government can step aside and private and philanthropic sectors can step in: In tandem. Transition periods in place. A plan, and a sense of harmony, partnership, belonging and alliance. A thoughtful conversation on all the podcasts and network channels giving domestic and international partners hope that while DOGE is moving

around the furniture, it is creating space for our nation to thrive in the 21st century. A beacon for addressing a serious fiscal concern.

The DOGE Diplomat approach, alongside business leaders laying out the urgent need to reduce the deficit, was all within the realm of possibility. It could have been a successful example of the public, private and third sectors working in partnership. What DOGE needed was to place itself within the evolutionary arc of governance, responsibility and respect for those it impacts. It needed a different kind of leadership at the helm to signpost the flock. We need the logic of evolution to more gracefully guide us to the star that will make our lives better. Instead, DOGE became a drama more akin to fragments of rockets meant for space swirling into the waters off the Florida coast. DOGE could have been a triumph of diplomacy. Instead, it is now a case study on the ineffectiveness of disruption. It needed a diplomat's polish and grace. It needed the biomimicry course in Panama.

This doesn't mean that the evolutionary approach – in business or in politics or indeed in art – needs to be slow and laborious. It can still be the train leaving the station, building the momentum, gaining speed as it accelerates. These are the moments when people jump on board, cheer on the forward progress, call their friends to tell them the next stop is in their home town. But it does need good leadership to navigate an evolutionary world. It needs stewardship and graciousness. We could draw parallels between other areas of our lives: When we check in to a well-appointed hotel in a far-away country, we are put at ease by the reception we receive. Welcome to our country. We hope you have a wonderful stay. We are here to answer your questions. Evolutionary.

The same could be said for our educational upbringings. Kindergarten is meant to prepare us for primary school. University is meant to prepare us for the real world. It doesn't always work that way (though that's a different essay altogether!), but education is meant to be evolutionary.

Even a very good meal. In a well-curated restaurant, we don't dive into a steak within minutes of arriving at a restaurant. We enjoy a cocktail to settle into the atmosphere. We peruse the wine list, and indulge in conversation. We have a lighter dish as an appetizer. By the time we are enjoying a bold red wine and a steak, we are fully in the rhythm of the experience. A night cap packs a punch, but by then, we are ready for it. The Port wasn't poured when we walked in the door.

And in the arts, an accomplished artistic director will always introduce new, bold pieces into the repertoire. But every season, the company will intersperse the classics. A new, visionary production will be followed by *Swan Lake* or *Giselle*. Disruption is not the art: Elegant evolution is the art. It's the elegance of evolution that has driven successful society, culture, business and governance through the centuries. Disruption behind the scenes can tweak and push performance, but guidance through evolution is the only way to look after true progress, reputation and success. Indeed, the ultimate contemporary example of the success of artistic evolution would be the Taylor Swift "Eras" tour. Each show an expression of evolution, from album to album through the years. Fans went wild. We humans pretend that we love disruption because the tech bros have told us that this is the thing that creates success, but by golly we feel at home in momentum-driven evolution. This is our biological cells at work. Evolution is both stimulating and comforting, exhilarating and nurturing. Evolution is enchanting.

My advice for any executive leader – whether corporate, governmental, cultural or philanthropic – is therefore this: No matter what your mission, product rollout or task at hand, appoint a leader to steward the evolution. We are accustomed to hearing about the role of the "Czar" for key so-called

disruptive positions. This leader will usually have a tendency to unsettle. Couple that executive with a leader who masters the grace in our cellular programming, no matter how far into the 21st century we find ourselves. Balance the “Czar” with the “Diplomat.” The leader who is tasked with selling and accelerating the mission while building the consensus, the partners and the alliances. It’s that leader – the Diplomat – who is planting the bulbs that will bloom come spring.

## Solve or Fail – The Difficulty of Social Transformation

**Thieß Petersen**

### I Introduction

When key economic, demographic and other conditions change in life, societal rules and the regulatory framework must be adjusted as well. Ideally, this adjustment should be planned so it can take place in an orderly manner. If resistance to the required reforms is too great, the orderly transformation of society's institutional framework will not take place. To the extent that this framework no longer functions due to new economic or demographic developments, an abrupt adjustment will occur sooner or later, bringing society's rules and regulations in line with the altered conditions. Using the example of demographic ageing and its impact on public finance, this article first discusses the difference between evolutionary and disruptive adaptation to demographic developments. It then describes the fundamental obstacles to implementing meaningful reforms and enumerates possible solutions for overcoming those obstacles. Finally, based on these considerations, a number of ideas are advanced for successfully designing evolutionary social transformation processes.

### II Evolution and Disruption – The Example of Public Finance and Demographic Change

Europe is the global region whose population is ageing the fastest. This is putting considerable pressure to adapt on its public pension systems and thus its public finances in general.

The current way for funding government pension payments is the “pay-as-you-go” system. This means people gainfully employed in the year 2025 pay into the pension insurance fund, which uses these contributions to pay a pension to everyone who is retired in the year 2025. In societies in which every woman has at least two children on average and life expectancy is relatively low, this system works perfectly. The high birth rate combined with low life expectancy ensures that more people enter the labor market every year than leave it for age-related reasons. The ratio of gainfully employed persons to pensioners increases. Under these demographic conditions, a pay-as-you-go system works smoothly: There are always more people paying in for any given number of retirees. In this situation, the amount that people contribute to the pension insurance fund (defined as a percentage of the gross income of everyone in the workforce) can be reduced, while pension payments (defined as a percentage of the average income of everyone in the workforce) can be increased. That means, over time, net earned income rises for employees and pension income rises for retirees.

If, over time, life expectancy rises and the number of births falls significantly below two children per woman, the age structure of the population changes noticeably and society as a whole gets older. That means there are more people who leave the labor market each year for age-related reasons than young people who enter it. The result is a decrease in the ratio between people in the workforce and retirees, which puts pressure on the pay-as-you-go pension system. The same also applies to the funding of insurance systems for health care and nursing care.

Society has two basic options for responding to this demographic development. The obvious solution is to adjust social security systems so they reflect the changed social conditions. This response requires an increase in contribution rates and a reduction in the level of benefits. These adjustments, however, would entail a loss of income and other disadvantages for parts of the population.

This could lead to resistance within society that jeopardizes the re-election of the incumbent government.

The second option therefore consists of continuing existing programs more or less unchanged. However, if pension, nursing care and health insurance systems must pay out increasing benefits while taking in fewer contributions, the result will be an annual funding deficit in the various systems. These deficits will cause government debt to rise. A study published by the Bertelsmann Stiftung in 2021 included a number of estimates for Germany in this regard. The point of departure for the calculations was the legal framework that existed at that point in time (including social security reforms that had already been passed when the calculations were made) as well as assumptions that were then plausible about the development of demographics, employment, economic growth and government spending. The assumptions used were valid as of June 30, 2021. The government debt ratio – defined as the debt level at the end of the year relative to that year's gross domestic product (GDP) – was 66.7 percent of GDP in 2020. The study concluded that, without further adjustments to social security programs, the annual government funding deficit would increase over time, beginning in 2030. This would result in overall government debt rising to almost 117 percent of GDP in 2050, 268 percent in 2070 and over 320 percent in 2080.<sup>1</sup>

With an increase in government debt of that magnitude, it must be assumed that the capital markets would sooner or later lose confidence in the German state's creditworthiness. The result would be national bankruptcy and the collapse of the entire economic system. Historical experience with such bankruptcies shows what would then be expected: As the government borrows more and more, the overall demand for credit rises – as does its price, i.e. interest rates. Rising interest rates cause businesses to invest less, which leads to an economic downturn. The economy grows at a slower pace and unemployment rises. The government's financial situation deteriorates further, since it collects less in taxes while having to pay out more to those without work and their families. Without additional borrowing, the government must reduce its expenditures. The first reduction that usually occurs is spending on social programs. Sooner or later, the government's revenues are no longer sufficient to pay the wages and salaries of its employees (police, teachers, civil servants, etc.). This in turn causes unemployment to rise. When economic output declines, the supply of goods decreases. Prices rise, which further worsens the situation for the public. At some point, the combination of rising interest rates, growing unemployment in a shrinking economy and runaway inflation leads to capital flight. This results in widespread bankruptcies of businesses, which brings the entire economic system to a standstill. The economy's performance as measured by GDP collapses. Social and political unrest ensues, sometimes even violent protests.

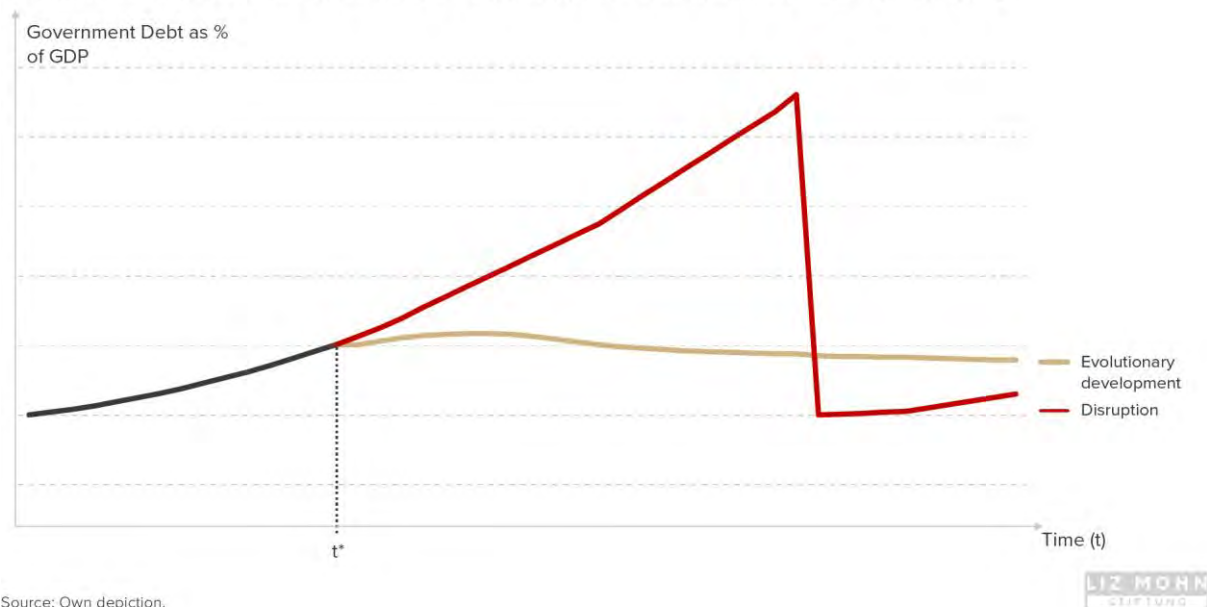
What comes at the end of this downward spiral is a "debt haircut." That means the government reaches an agreement with its major creditors that it will not repay all of the money it originally borrowed. Moreover, the country receives financial support from abroad, primarily from the International Monetary Fund (IMF). The debt haircut and financial assistance result in an abrupt decline in the government debt ratio – albeit along with a massive economic slump and the social dislocations described above.

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<sup>1</sup> Werding, Martin. Demografische Alterung und öffentliche Finanzen – Wie geht es nach der Covid-19-Krise weiter? Study carried out on behalf of the Bertelsmann Stiftung. Gütersloh, 2021, p. 57.

These developments can be depicted graphically. The resulting diagram has two axes (see Figure “Depiction of a Disruptive and Evolutionary Development of Government Debt in an Ageing Society”). One represents government debt relative to GDP. The second shows how the situation changes over time. At first, government debt rises only slightly. As society ages, however, the government debt ratio increases. This increase accelerates as the population continues to age (as of  $t^*$ ). Society can then try to prevent the national debt from getting out of hand – through higher tax revenues, lower social security benefits, reduced expenditures in other areas of government spending, etc. This is how government debt can be brought under control. Depending on the policies chosen, this evolutionary development could result in less income and prosperity for those social groups especially hard hit by the spending cuts and tax increases. There may also be a temporary slowdown in economic growth or even a recession. What can be avoided, however, is a severe economic crisis and major social upheaval.

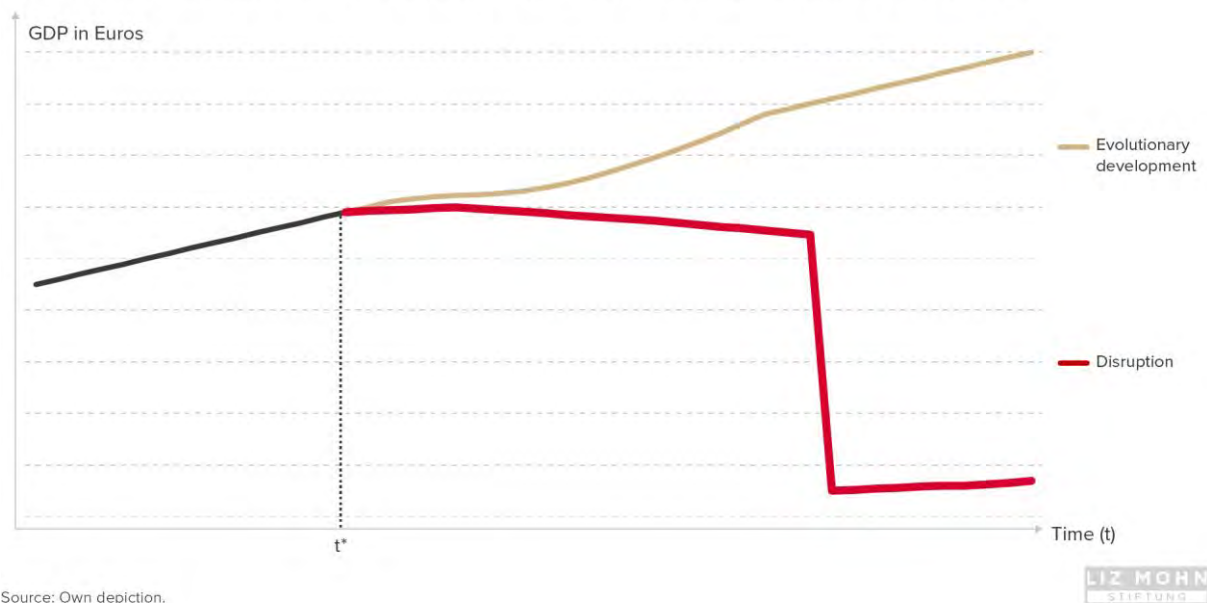
Depiction of a Disruptive and Evolutionary Development of Government Debt in an Ageing Society



If public spending is not stabilized, the result will be an accelerating rise in government debt which will lead, sooner or later, to national bankruptcy. Although the debt haircut that is likely to follow will reduce government debt, this disruptive step will come at a high social price: a massive economic slump (see Figure “Depiction of the Effects of a Disruptive and Evolutionary Development of Government Debt on GDP”) and considerable social tensions.



Depiction of the Effects of a Disruptive and Evolutionary Development of Government Debt on GDP



Source: Own depiction.

Even if it is not possible to clearly predict the level of debt after which public finances will get out of hand and a national bankruptcy will occur, followed by the described economic consequences, one thing is evident: If no adjustments are made to social security systems, sooner or later there will be a disruptive event. Rational citizens and policy makers should therefore agree on the necessary changes in good time and of their own accord. In reality, however, this often does not happen.

### III Possible Reasons for the Lack of Required Social Transformation

There are various explanations for why the necessary reforms are postponed that could make an evolutionary adjustment possible and prevent disruption.

#### 1. No One Correct Solution

As mentioned above, there are numerous options for adapting social framework conditions to demographic ageing: The amount employees contribute to pension systems could be increased, pensions themselves could be reduced, the retirement age could be raised, the number of hours people work each week or year could be increased, the number of vacation days or public holidays could be reduced, the size of the workforce could be expanded through a targeted increase in immigration. It would also be conceivable to change how social security systems are financed, using tax revenues instead of payroll contributions. In Germany, this would mean the self-employed and civil servants would also pay into social security programs, and capital income would help finance social security benefits.

Thus, many solutions are possible for responding to an ageing society, each of which would be disadvantageous to different social groups. There is therefore no one objectively correct solution to this general social problem. As a result, no consensus can be expected within society as to what the right response is. To that extent, our knowledge of how to proceed falls short, since no objectively correct or clear answer exists to how public finances should be adapted in light of demographic change.

## 2. Implementation Deficits Due to Individual Adjustment Costs

Let us assume that this knowledge problem has been solved and we know the right way to adapt social security programs to an ageing society. Let us also assume that the solution found increases people's well-being in the long term, since it prevents a national bankruptcy and, with it, an economic crisis and social unrest. Rational people should then recognize that an evolutionary adaptation to demographic change is, from an individual perspective, the best decision in the long run. However, fundamental insights from behavioral economics explain why this might not occur.

Behavioral economics diverges from the strict assumptions used in standard economic models. A standard assumption is that economic decision-makers rationally maximize their own benefit or "utility." Given different possibilities, a person always chooses the option that provides them with the greatest utility. If a measure were to stabilize public finances in the long term and prevent a national bankruptcy and economic crisis, that would increase a person's long-term utility. Consequently, a person acting rationally would be in favor of this measure. In fact, however, psychological research shows that people are often not pure utility-maximizing machines. Here are just three examples.

**Loss aversion:** Even if a certain response, such as increasing the rate of pension contributions and raising the retirement age, would, in the long run, be a worthwhile step from the individual perspective, it is associated with a loss of utility in the short term. This loss could deter the individual from changing their behavior, even if that change would mean greater utility later on. One reason for this is the fact that gains and losses of equal value can produce different absolute changes in utility. More concretely, this could mean that an increase in income of €1,000 would bring a person an increase of 0.5 "utility units," for example. An income reduced by the same amount, on the other hand, might be associated with a loss of 0.8 utility units. This is one key thesis of Prospect Theory, which was developed by Daniel Kahnemann and Amos Tversky at the end of the 1970s.<sup>2</sup> In light of this loss aversion,<sup>3</sup> transformation processes are only worthwhile from an individual perspective if their benefits are significantly greater than the costs immediately incurred.

**Risk aversion:** When faced with a decision whose logical outcome will only manifest in the future, a person who acts in a strictly rational manner would be guided by the expected value of the outcome. Let us assume someone is confronted with the following situation: She or he can participate free of charge in a lottery, in which the probability of winning €1,000 is 60 percent, while the remaining probability of 40 percent will generate no money at all. The amount of money the person can expect to receive is thus €600 ( $0.6 \times 1,000 + 4.0 \times 0 = 600$ ). Alternatively, if the person does not take part in the lottery, she or he will be given €450. A utility-maximizing person would enter the lottery, since a greater amount is expected from taking part than from not taking part. In real life, however, many people would opt for the safe sum of €450. The person shies away from the prospect of not receiving anything if the lottery's outcome is unfavorable. This attitude is known as risk-averse behavior. Risk aversion can lead people to remain with the status quo instead of making a change whose concrete consequences are uncertain.

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<sup>2</sup> Kahnemann, Daniel, and Amos Tversky. An Analysis of Decision under Risk. In: *Econometrica*, Vol. 47 (1979), pp. 263–291, here pp. 277–280.

<sup>3</sup> Pritzl, Rupert. Verhaltensökonomie und rationale Klimapolitik – was sagt die Verhaltensökonomie über den Klimadiskurs und die Klimapolitik Deutschlands?. In: *List Forum für Wirtschafts- und Finanzpolitik*, Vol. 48 (2023), pp. 151–180, here pp. 162.

**Present bias:** Given the choice of whether they can consume a certain product today or in a year's time, most people opt for immediate consumption. They therefore have a present bias, i.e. they prefer consumption now to consumption in the future. More generally, this means that achieving short-term goals is more attractive than realizing long-term goals. Often, the costs of a decision are incurred immediately while the desired positive effects only materialize in the future. This can lead to the costs of a decision being overvalued, while the future benefits are insufficiently taken into account.<sup>4</sup>

The consequence of these psychological phenomena is that it is often rational for an individual to reject measures that would bring about change even if they would increase that person's utility in the long term.

### 3. Implementation Deficits Due to Political Obstacles at National Level

When, due to psychological barriers, individual decisions prevent measures from being implemented that are necessary for transformation, it is the state's responsibility to realize the change that is beneficial from the perspective of society as a whole. Government will carry out the required measures if it is made up of politicians willing to act in the best interests of their country. If politicians were to make decisions that only increase society's well-being instead of also serving their own interests, they would be acting altruistically. It is highly unusual, however, for economists to assume an altruistic behavior. They do assume, however, that private households strive to maximize their own utility in all the decisions they make. And that businesses act as profit maximizers since this allows them to maximize their income.

If actors in the private sector always pursue their own interests, it must be expected that they will do the same if they become active in politics. The political scientist and economist Anthony Downs considered this idea at the end of the 1950s and investigated the consequences of assuming that politicians want to maximize their own utility. Politicians are assumed to seek pay, power and prestige through their political activities in order to maximize their own benefit. To achieve those goals, politicians must be elected to parliament and, ideally, serve in the government. Downs therefore assumes that politicians and political parties act as vote maximizers.<sup>5</sup>

If vote-maximizing politicians are uncertain about the decisions they must make, they will be susceptible to being influenced by others. Interest groups can use this to their advantage: If they can convince politicians that deciding in a certain way will gain them more votes than they will lose, politicians interested in being re-elected will decide in precisely that way.

If all interest groups had equal influence on political decision-making processes, this would not be a problem. Lobbying activities, however, require the deployment of scarce resources. The economic incentive to participate in the implementation or financing of lobbying activities depends on the expected net benefit associated with influencing politicians and their decisions. If there is a small group of people, financing lobbyists is worthwhile if each member of the group can expect a relatively large increase in income or utility should the attempts to influence a political decision prove successful. If, on the other hand, there is a large group of economic actors and each would derive only a limited financial benefit from influencing a political decision, it is unlikely that this group

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<sup>4</sup> SVR (Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung). Versäumnisse angehen, entschlossen modernisieren – Jahresgutachten 2024/25. Wiesbaden, 2024, pp. 104.

<sup>5</sup> Downs, Anthony. *An Economic Theory of Democracy*. New York, 1957.

would join forces and fund lobbying activities. In addition, free riders – people who benefit from others' efforts without any active participation on their own part – are less conspicuous in a large group than in one with relatively few people.

In light of individual cost-benefit considerations and free-rider behavior, it is much easier for smaller groups to assert their interests politically through lobbying. For evolutionary processes, such as adapting government spending to reflect increasing expenditures and decreasing revenues, that means: If a certain spending cut only affects a small group of people, they have a strong incentive to begin organizing lobbying activities that will prevent the cut. Although the vast majority of the population benefits from a stabilization of public finances, they have little incentive to invest time and money in lobbying. As a result, it is easier to organize activities meant to prevent public finances from being adjusted to reflect changed framework conditions than activities meant to promote such adjustments.

These considerations apply to all major transformation processes, all of which run the risk of failing due to political resistance from those for whom evolutionary change means a tangible loss of income and prosperity. This is especially true of transformation processes that require action by multiple nations.

#### 4. Implementation Deficits Due to Political Obstacles at International Level

Worldwide problems such as global warming and man-made climate change require all countries to take tangible measures to decarbonize their economies and societies. There is a considerable danger, however, that individual countries will act as free riders. This happens when a country does not implement its own far-reaching measures to protect the climate, since this minimizes adjustment costs for its own citizens. This in turn increases the likelihood that its incumbent government will win the next election and remain in power. The incumbent government relies instead on governments in other countries to implement pro-climate policies. If they do, the positive impacts resulting from those policies also benefit the country that does not introduce ambitious climate-protection measures.

The decision-making process described above applies to every country, however. And if all countries act this way, no one will implement the required climate-protecting measures to the extent required – and there will be no ecological transformation, i.e. no evolutionary adaptation to climate change. Greenhouse-gas emissions, global warming and climate change will increase instead – and with them, all the expected negative consequences for humans, nature and man-made infrastructure.

## IV Options for Avoiding Disruptive Adjustments

The key challenge when it comes to social transformation processes is the fact that rational economic behavior does not align with rational political behavior. The necessary economic and social reforms fail because their implementation makes it less likely that the incumbent government will be re-elected. What is then needed are “kamikaze politicians,”<sup>6</sup> i.e. politicians willing to pass measures beneficial to society as a whole even if they know they will lose the next election. Since

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<sup>6</sup> Müller, Henrik. Auf der Suche nach Kamikaze-Politikern. Article on [www.manager-magazin.de](http://www.manager-magazin.de). Oct. 11, 2011. <https://www.manager-magazin.de/politik/artikel/a-790956.html>; [retrieved May 15, 2025].

this type of politician is rarely found in government, other solutions are needed. The following four are among the most important at the national level.

First, greater public awareness of the problem is required. This can be achieved by making it clearer what the consequences are of not implementing the required policy measures. That means spelling out the negative impacts people will face if they insist on maintaining the current system – in light of demographic ageing, for example. In terms of global warming and climate change, explanations are needed that describe clearly and comprehensibly the social costs associated with an increase in extreme weather events, droughts, heatwaves, etc.

Second, positive incentives are needed in addition to the negative implications. In the case of ecological transformation, for example, this means emphasizing the economic advantages that can result for the economy and the public from ambitious climate-protection policies. For instance, climate-friendly technologies and green products can become much-sought-after exports and provide a competitive advantage to the country that first brings them to market, thereby increasing prosperity for society at large.

Third, social change should be achieved through an assortment of measures. For example, if carbon pricing is the only mechanism used to promote decarbonization of the economy and society, it would hit low-income households particularly hard. It would therefore make sense to implement additional economic policy measures, such as financial assistance and tax cuts for ordinary citizens and for companies, while increasing public investment. The ensuing adjustment costs of ecological transformation would then be shouldered by many instead of just a few. The same is true for pension reform in an ageing society. In addition to raising the retirement age, other measures should be adopted – in Germany, for example, forgoing the promise of “Retirement at 63,” increasing the labor market participation of women and older people, boosting productivity through better education and greater use of digital technologies, and doing more to keep people healthy so they do not become disabled and leave the workforce before they reach the statutory retirement age, to name just a few.<sup>7</sup>

Fourth, it must be borne in mind that the public must accept far-reaching transformation processes if they are to be successful. For that to happen, those groups threatened with major reductions in income and prosperity, despite implementation of the assorted reforms outlined above, should be compensated accordingly. The aim of this socio-political support is to cushion people from the social hardships stemming from societal transformation processes and thus increase their willingness to support those processes.

In sum, social transformation must be shaped in such a way that people consider it an attractive option.

This also applies to transformation processes that require the support of multiple countries. The risk of free-rider behavior, however, is considerably higher and more relevant here than with transformation processes that take place only on a national level. The “carrot and stick” approach also lends itself to evolutionary adjustments on an international scale. One example for this is the climate

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<sup>7</sup> Petersen, Thieß. Babyboomer vor dem Renteneintritt – wer soll das bezahlen? In: CIVIS mit Sonde, Issue 1/2025, pp. 44–47.

club, an idea advanced by William Nordhaus, recipient of the Nobel Prize in Economics, for decarbonizing the global economy.<sup>8</sup> A climate club functions as follows: Countries that have a similar position on the pricing of greenhouse-gas emissions form a “coalition of the willing.” These countries agree on a common carbon price that is as high as possible, thus becoming a climate club. Other countries can join this club provided they are prepared to adhere to the agreed emissions price. To make joining the club more attractive, it offers its members a reward non-members do not receive: Those in the club can freely exchange goods and services with each other, i.e. they conclude a free trade agreement. Countries that do not join the climate club can only trade with members if they pay a tariff. The tariff thus increases the cost to non-members of their decision not to pay the higher emissions price set by the climate club.

A climate club therefore punishes non-cooperative behavior by reducing the benefits of the international division of labor for those countries that do not participate. If the punishment for not participating is high enough, it can lead other countries to join the club. At the same time, this solution presupposes that there is a critical mass of countries willing to voluntarily agree to a higher emissions price and to bear the transformation costs that result. The EU has had a common carbon price since 2005 and also has a common internal market with tariffs for outsiders. Seen in this light, the EU is already a climate club. To achieve an effective critical mass, it could cooperate with the United States as a first step towards establishing a larger club. Unfortunately, given current geopolitical tensions, it is very unlikely such a step will occur. Nevertheless, this shows how the required adjustments could be made on the international level. One can only hope that awareness will increase of the need for internationally coordinated action in more and more areas (climate and environmental protection, military defense, pandemics, migration and displacement, to name but a few) in order to prevent the disruptions that are otherwise likely from actually taking place.

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<sup>8</sup> Nordhaus, William. Climate Clubs: Overcoming Free-riding in International Climate Policy. In: American Economic Review, Vol. 105 (2015), pp. 1339–1370.

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## Evolution or Disruption? – Thoughts on the Topic

**Andreas Pinkwart**

### I Theoretical Foundations

#### 1. Aristotle – “*natura non facit saltus*”

Aristotle assumed that nature undergoes continuous change. According to this school of thought, changes occur constantly, organically and within a teleological order. The idea left its mark on natural philosophical thinking for centuries and still influences the debate on continuity versus discontinuity to this day.

#### 2. Theory of Evolution – from Darwin to Modern Times

In *On the Origin of Species*, Darwin himself essentially endorsed the idea of gradual evolution – i.e. a series of smaller adaptations through natural selection. He thus implicitly adopted the notion of *natura non facit saltus* – albeit not in its purely Aristotelian form.

In the 20<sup>th</sup> century, his theory was expanded by Stephen Jay Gould and Niles Eldredge through their concept of “punctuated equilibrium.” According to this idea, longer phases of stasis (standstill with only minor changes) occur, interrupted by short phases of rapid change. This leads to a certain “biological disruption” when the living conditions for species shift faster and more radically than their ability to adapt, or resilience, allows. This does not completely reject Darwin’s theory, but relativizes it.

In modern biology, both are valid: Evolution usually takes place incrementally, but sometimes also in leaps, e.g. in response to environmental crises, mutations or hybridization.

#### 3. Schumpeter’s Theory of Innovation

This corresponds to the theory of innovation developed by Joseph Schumpeter, founder of “evolutionary economics.” For Schumpeter, innovation is the central driver of economic change. Competition in functioning markets produces a dynamic leading towards market equilibrium, which is repeatedly disrupted by companies in their pursuit of profits and growth. Innovation contributes to this. According to Schumpeter, innovation occurs in five dimensions, which can overlap: new product (e.g. electric vehicles), new production method (e.g. automation), new market (e.g. mobility services from Uber), new source of supply (e.g. lithium from South America), and new organizational form (e.g. network or platform companies). These “new combinations” are, for Schumpeter, the core of innovation – especially if they are radical and change the existing system.

In his book *Capitalism, Socialism and Democracy* (1942), Schumpeter develops the concept of “creative destruction.” Radical innovation destroys existing structures, markets and companies. It diverges from existing technological and economic paths and creates new markets, applications or entire industries. It has a transformative effect and disrupts established businesses by putting them under pressure or displacing them.

#### 4. Christensen’s Theory of Disruption

Clayton Christensen defined disruptive innovations as technologies or business models that attack existing markets from below and displace established companies, often unexpectedly. In retrospect, disruptions appear to be “sudden leaps,” but are usually the result of (slowly) developing trends that have been overlooked (for a long time). Viewed in this light, disruption is, in many cases,



not sudden, but creeps up and then has an abrupt impact. Disruption is often gradual in its emergence but discontinuous in its effect. In this respect it resembles the concept of “punctuated evolution” – a sudden upheaval after a long period of stability.

## II Strategic Innovation and Technology Management

In recent decades, management theory has developed various heuristics and methods to make the most of the challenges and opportunities innovation offers for corporate success.

- Life-cycle model
- Foster’s S-curve concept
- Boston Consulting Group portfolio matrix
- Ambidexterity

Over time, the following changes have emerged which cause disruption to be perceived as constant or permanent.

This refers to the exponential growth of knowledge caused by Moore’s Law and the increasing number of education-friendly and digitally networked people and machines, and the economic uniqueness of digital platforms, whose individual benefits for all users do not decrease as the number of users rises – contrary to the law of increasing coordination costs and declining marginal returns – but actually increase instead due to network effects, economies of scale and the use of big data, resulting in a winner-take-all effect. This is how natural global monopolies can arise.

The accelerated emergence and spread of new knowledge is leading to shorter development cycles and, as a result, shorter innovation cycles. While these cycles used to last seven years in the automotive industry, they are now only 12 to 18 months in the digital and electronic sectors. Consequently, the horizon for strategic planning has been reduced from 5–10 years to only 24–36 months. Companies are therefore putting a greater focus on innovation strategy and change management as a way of managing permanent change.

Innovation management must be both prudent and courageous if a company is to avoid falling reactively into a position of frantic activism. Much depends on correctly timing the transition to the next technology stage (S-curve), the ambidexterity needed for simultaneously creating and using both old and new technologies (exploration and exploitation), and the courage to discard earlier innovations and the structures assembled for their use.

In view of how rapidly news of upcoming technologies and their potential is available worldwide, Gartner’s Hype Cycle for Emerging Technologies has come to the fore as a method for indicating early on which technological innovations are currently being hyped and how many years it will take, after the normal cooling-off period and disillusionment phase, for them to be brought to market – for example, fully autonomous vehicles, which could become a transformative challenge for corporate management.

Anyone who subscribes to the concept of strategic resilience needs to anticipate these potential challenges early on and develop measures that can identify and test the next innovative leaps, so robust business models can be developed capable of putting them to use.

## Navigating between Stasis and Chaos: Crafting a Course through Disruptive Storms

Seán Cleary

### I Setting the Scene



Homer located Scylla and Charybdis on the Strait of Messina between Sicily and Calabria.<sup>1</sup>

Scylla – a rock shoal off Calabria – is said to be a six-headed sea monster; Charybdis is a whirlpool off the coast of Sicily. The twin hazards posed a daunting threat to ships, risking destruction and death.<sup>2</sup>

Odysseus followed Circe's advice, choosing to sail closer to Scylla, because losing a few men to her was better than risking the ship and entire crew to the maw of Charybdis.

Fearing that his crew would refuse to sail forward if they understood the danger that Scylla posed, Odysseus withheld Circe's advice about the danger that Scylla posed.

As they passed, Scylla snatched six of his best men—one for each head. It was a harrowing sacrifice, but the rest survived.

We are at an historical inflection point, defined by a shift in the geo-economic center of gravity from the Atlantic to the Indo-Pacific; a lesser capacity by the United States to project power across the globe to maintain the “rules-based international order” that it redefined after the collapse of the USSR in 1991; heightened geopolitical tensions pitting great powers – notably the US, Russia and China – against one another, within what Russia and China perceive to be their spheres of influence; a weakening of national governance in a highly connected world triggering social tensions and the rise of nationalist populism; and system-wide stresses on the environment due to the impacts of a growing, rapidly urbanizing human population on the earth system.<sup>3</sup>

This disruption is occurring as mutually agreed rules are fracturing, also because of the sense in the “Global South” that the West is applying the values and principles of the “rules-based international order” inconsistently vis-à-vis Russia in Ukraine, Israel in Gaza, Lebanon and Iran, and in wars in Sudan, and countries in the Sahel. Conflict management and resolution are rendered greatly more difficult by the erosion of widely-accepted principles of international law – *jus cogens* – to which those seeking to mediate between conflicting parties, can turn in addressing conflicts.

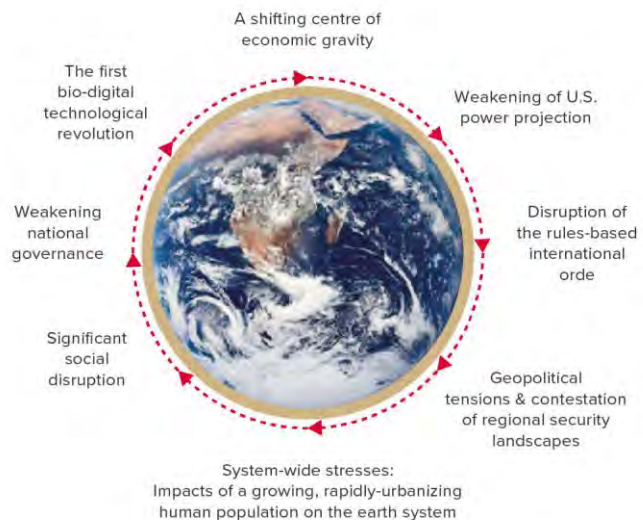
<sup>1</sup> Homer, *The Odyssey*, Book XII, The Sirens, Scylla and Charybdis, The Cattle of the Sun. 8<sup>th</sup> BCE, Project Gutenberg - <https://www.gutenberg.org/ebooks/1727> [retrieved July 1, 2025].

<sup>2</sup> Incidit in Scyllam cupiēns vitāre Charybdem (into Scylla he fell, wishing to avoid Charybdis. [The *Alexandreis*: A Twelfth-Century Epic, verse translation by David Townsend, Broadview Editions 2007, p.120, line 350.] [retrieved July 1, 2025].

<sup>3</sup> Cleary, Sean, *The World in 2030\_post the onset of COVID-19* [https://www.researchgate.net/publication/357187557\\_THE\\_WORLD\\_IN\\_2030\\_post\\_the\\_onset\\_of\\_COVID-19](https://www.researchgate.net/publication/357187557_THE_WORLD_IN_2030_post_the_onset_of_COVID-19) [retrieved July 1, 2025].

### Eight Trends that will shape the Decade

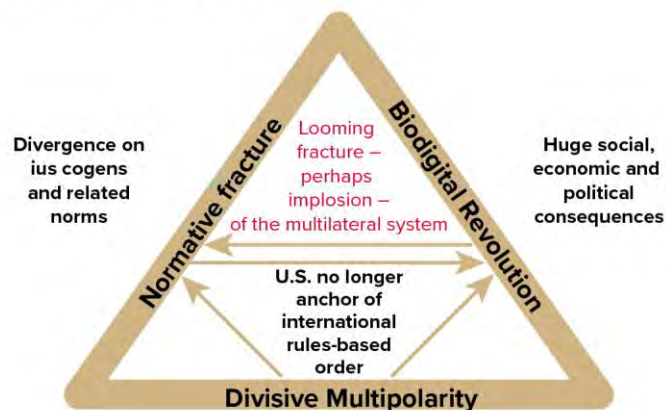
1. A shifting centre of economic gravity
2. Weakening of U.S. power projection
3. Disruption of the rules-based international order
4. Geopolitical tensions and contestation of regional security landscapes
  - Between the Eastern Mediterranean and Central Asia
  - In the Russian sphere of influence
  - In the East China and South China Seas
5. The first bio-digital technological revolution
6. Significant social disruption
7. Weakening national governance
8. System-wide stresses: Impacts of a growing, rapidly urbanizing human population on the earth system



Source: Own representation.

LIZ MOHN  
STRATIS

### Looming fracture – perhaps implosion – of the multilateral system



Source: Own illustration.

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STRATIS

Aggravating this challenge, we are on the cusp of the deepest and most wide-ranging technological revolution in human history – involving not only GenAI and other innovations in information technology which pose challenges to digital trust, but breakthroughs in biotechnology like AlphaFold, and including CRISPR-Cas9 and other transformative capabilities in genetic engineering; all converging with nanotech capabilities; and advanced experimentation in neuro-technologies. This conflation of transformative technologies is redefining both the meaning of *knowledge* – long assumed to be a human prerogative, but now potentially available to generative pre-programmed transformers (GPT) with the potential to evolve into artificial general intelligence – and even the essence of *human ontology*.

## II Introduction

The plates of the world order shifted tectonically between 2022 and 2024, exposing individual states and international organization, including the United Nations, the International Monetary Fund and the World Bank,<sup>4</sup> to great stress, with some institutions, including the UN Security Council and the World Trade Organization, failing in their missions.

The war in Ukraine after Russia's invasion on February 22, 2022 has continued for over three years, causing widespread destruction of civilian lives and infrastructure, and diverting resources across Europe and in Russia from social spending and investment, into armaments and military logistics. A second war in the Middle East triggered by Hamas' invasion of southern Israel on October 7, 2023, led to Israel's war on Hamas and other jihadist groups in Gaza and the West Bank, and widened to include Hezbollah, the Houthis in Yemen, Syria and Iran. Meanwhile, the conflict in Sudan between the Sudanese army and the *Rapid Support Forces*, has led to nearly 25 million people – half of Sudan's population – requiring aid, as famine has taken hold, and 11 million people have fled their homes, some three million to other countries.<sup>5</sup>

The *SIPRI Yearbook 2024* recorded that “[g]lobal security continued to deteriorate throughout 2023, as it has for the past decade. There were major armed conflicts in Gaza, Myanmar, Sudan and Ukraine; military spending rose for the ninth successive year to its highest ever level; ecological disruption continued and 2023 was the hottest year for at least 174 years. International stability was under pressure from intensifying confrontation between the great powers. As a result, the entire six-decade-long nuclear arms control enterprise is at risk of terminating.” Moreover:

Contestations about the shape of the international order hinge on the relationship between the legitimacy of its rules and norms, and the distribution and exercise of power.

The international order includes principles intended to govern and limit armed conflict, but the effectiveness of their implementation is being weakened by division and rivalry among leading powers, as well as by the structure and deep roots of many of today's conflicts, and the actions of key governments and their leaders.<sup>6</sup>

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<sup>4</sup> Hamilton, Matthew. What Is Bretton Woods? The Contested Pasts and Potential Futures of International Economic Order: Calls for a new Bretton Woods elide considerable disagreement. There are many competing views of the post-1945 international economic order, and each generates alternative understanding of how Bretton Woods should guide today's proposed reforms. Carnegie Endowment, October 22, 2024. <https://carnegieendowment.org/research/2024/10/what-is-bretton-woods-the-contested-pasts-and-potential-futures-of-international-economic-order?lang=en>, [retrieved July 1, 2025].

<sup>5</sup> Nichols, Michelle. Sudanese need protection, but conditions not right for UN force, says Guterres. Reuters, October 28, 2024. [https://www.reuters.com/world/africa/sudanese-need-protection-conditions-not-right-un-force-says-guterres-2024-10-28/?utm\\_source=dailybrief&utm\\_content=20241029&utm\\_medium=email&utm\\_campaign=DailyBrief2024Oct29&utm\\_term=DailyNewsBrief](https://www.reuters.com/world/africa/sudanese-need-protection-conditions-not-right-un-force-says-guterres-2024-10-28/?utm_source=dailybrief&utm_content=20241029&utm_medium=email&utm_campaign=DailyBrief2024Oct29&utm_term=DailyNewsBrief), [retrieved July 1, 2025].

<sup>6</sup> Stockholm International Peace Research Institute. *SIPRI Yearbook 2024: Armaments, Disarmament and International Security – Summary*. Oxford University Press on behalf of SIPRI, 2024.

## World Nuclear Forces

Country	Year of first nuclear test	Military stockpile			Retired warheads	Total inventory
		Deployed	Stored	Total		
United States	1945	1,770	1,938	3,708	1,336	5,044
Russia	1949	1,710	2,670	4,380	1,200	5,580
United Kingdom	1952	120	105	225	–	225
France	1960	280	10	290	**	290
China	1964	24	476	500	–	500
India	1974	–	172	172	**	172
Pakistan	1998	–	170	170	**	170
North Korea	2006	–	50	50	**	50
Israel	**	–	90	90	**	90
<b>Total</b>		<b>3,904</b>	<b>5,681</b>	<b>9,585</b>	<b>2,536</b>	<b>12,121</b>

\*\* = not applicable or not available; – = nil or a negligible value.

Source: World Nuclear Forces, January 2024.



When the USSR collapsed in 1991, many Western officials hoped that nuclear weapons would cease to be the defining mark of superpower rivalry. Instead, Vipin Narang and Pranay Vaddi assert, the bomb is “back with a vengeance.” Russia has threatened to use nuclear weapons in Ukraine. China has increased its arsenal, and the legal and diplomatic guardrails have eroded. These authors counsel that the United States must “deter and protect its allies from multiple nuclear-armed great-power rivals” by upgrading its nuclear capabilities, reviving arms control talks with China and Russia, and placing nuclear affairs again at the forefront of US grand strategy. Failure to do that, “could [lead to] a full-blown nuclear arms race” – or cause the US to face an adversary that uses a nuclear weapon because the United States “appears to be unwilling or unable to deter such an attack.”<sup>7</sup>

In this context, wider military spending has surged, also in NATO, with *per capita* expenditure reverting to levels last seen at the end of the Cold War in 1991.

<sup>7</sup> Narang, Vipin and Pranay Vaddi. How to Survive the New Nuclear Age: National Security in a World of Proliferating Risks and Eroding Constraints. Foreign Affairs, July/August 2025. [https://www.foreignaffairs.com/united-states/how-survive-new-nuclear-age-narang-vaddi?s=ES-PAZ005L1&utm\\_medium=promo\\_email&utm\\_source=edit&utm\\_campaign=post\\_release\\_narang\\_vaddi\\_prospects&utm\\_content=20250702&utm\\_term=ESPAZ005L1](https://www.foreignaffairs.com/united-states/how-survive-new-nuclear-age-narang-vaddi?s=ES-PAZ005L1&utm_medium=promo_email&utm_source=edit&utm_campaign=post_release_narang_vaddi_prospects&utm_content=20250702&utm_term=ESPAZ005L1), [retrieved July 2, 2025].

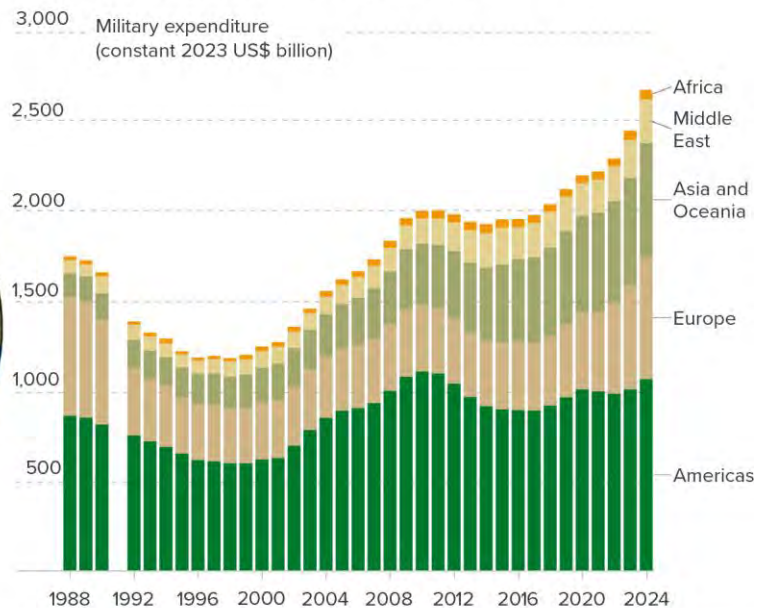


**NATO Defense Spending  
2023**



Source: SIPRI Military Expenditure Database, Apr. 2025.

**World Military Expenditure, by Region, 1988–2024**



Note: The absence of data for the Soviet Union in 1991 means that no total can be calculated for that year.

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Global military expenditure in 2024 rose by 9.4% in real terms to \$2,718 billion in 2024, the highest global total ever recorded and the 10<sup>th</sup> year of consecutive increases.

The five biggest spenders in 2024 were the United States, China, Russia, Germany and India, which together accounted for 60% of global military spending.

The United States' military spending was \$997 billion in 2024, while China's was \$314 billion. Russia's military spending grew by 38% in 2024 to an estimated \$149 billion, equivalent to 7.1% of Russia's GDP.

### III Major Conflicts and Their Consequences

President Trump expressed an intent to negotiate an end to the Ukraine war both before and after his inauguration, and President Putin indicated willingness after President Trump's inauguration to engage in dialogue.<sup>8</sup> NATO undertook contingency planning, establishing a new NATO Security Assistance and Training for Ukraine (NSATU) mission in Wiesbaden to coordinate military aid to Ukraine from January 2025,<sup>9</sup> with Washington signaling an intent to end military deliveries to Ukraine, and requiring European allies to assume responsibility for their own security. The Hague NATO Summit on June 24–25 did not reaffirm the pledge first made to Ukraine and Georgia in 2008 – and every year since then – that they would eventually join the alliance. The allies also did

<sup>8</sup> Maynes, Charles. Putin congratulates Trump and says he's 'ready' to engage in dialogue. NPR, November 7, 2024. <https://www.npr.org/2024/11/07/nx-s1-5183184/russia-putin-ready-engage-trump>, [retrieved July 1, 2025].

<sup>9</sup> NATO Defence Ministers agree plan to lead coordination of security assistance and training for Ukraine, address deterrence and defence, NATO, June 14, 2024. [https://www.nato.int/cps/en/natohq/news\\_226442.htm#:~:text=With%20a%20command%20in%20Wiesbaden%2C%20Germany%2C%20NATO%20will,to%20the%20long-term%20development%20of%20Ukraine%E2%80%99s%20Armed%20Forces](https://www.nato.int/cps/en/natohq/news_226442.htm#:~:text=With%20a%20command%20in%20Wiesbaden%2C%20Germany%2C%20NATO%20will,to%20the%20long-term%20development%20of%20Ukraine%E2%80%99s%20Armed%20Forces), [retrieved July 1, 2025].

not say, as they have since 1994, that NATO is open to new members, although they did not formally abandon that policy, as many European leaders support expansion to contain what they believe are Russia's imperialist ambitions.<sup>10</sup>

By mid-July 2025, no substantive progress has been made in the negotiations between Russia and Ukraine: The Kremlin has increased its attacks on civilian targets in Ukrainian cities; Ukraine has launched a well-prepared attack on Russian strategic aircraft, and Moscow has claimed that it has secured effective control over the whole of the Luhansk Oblast after grinding infantry assaults. President Putin spoke on June 30 of plans for the socioeconomic development of occupied Luhansk, Donetsk, Zaporizhia and Kherson oblasts, calling these areas "Donbas and Novorossiia." Presidential Aide Vladimir Medinsky said that Russians and Ukrainians are "one people" with an "historical homeland," referring to the "ancient Russian lands on both sides of the Dnipro (River), Novorossiia, and Crimea." This uncertainty prompted GlobSec to update its 2022 and 2023 scenarios for the war, with a new set of seven scenarios for 2025/26.<sup>11</sup>

#### Breakdown of Scenarios' Probability

<b>Scenario 1</b> "Hybrid Type World War III: Acute regional Conflicts and wars across the Globe with „Blurring“ of the war in Ukraine into wars in the Middle East, Caucasus, Balkans, Asia-Pacific, etc".	<b>20%</b>
<b>Scenario 2</b> "Focus: The Russian war in Ukraine. War of attrition with maintaining the current level of intensity of hostilities; Europe and the US providing the optimal level of military and financial assistance".	<b>13%</b>
<b>Scenario 3</b> "Focus: The Russian war in Ukraine. War of attrition with Russia making breakthroughs along the frontline amid mobilisation of Russian resources and withdrawal of us military support".	<b>4%</b>
<b>Scenario 4</b> "Focus: The Russian war in Ukraine. War of attrition with lowered intensity of hostilities due to draining out of resources on both sides".	<b>38%</b>
<b>Scenario 5</b> "Focus: The Russian war in Ukraine. Ceasefire and transition to peace process under conditions unacceptable for Ukraine".	<b>11%</b>
<b>Scenario 6</b> "Focus: The Russian war in Ukraine. Ceasefire on reasonably acceptable terms for both Ukraine and Russia with patchy peace process and no sustainable peace".	<b>12%</b>
<b>Scenario 7</b> "Focus: The Russian war in Ukraine. Ceasefire and transition to peace process which addresses Ukraine's interests and security".	<b>2%</b>

Source: Seán Clearly.



In the circumstances, military spending is increasing further. At the NATO Summit in The Hague, the 32 allies declared: "Allies commit to invest 5% of GDP annually on core defense requirements as well as defense-and security-related spending by 2035 to ensure our individual and collective obligations."

Spain announced that it could not meet the target, and others voiced reservations, but the investment pledge includes a review of spending in 2029 to monitor progress and reassess the security

<sup>10</sup> Graham, Thomas. The precarious future of NATO's open door policy. Engelsberg Ideas, July 3, 2025. <https://engelsbergideas.com/essays/the-precarious-future-of-natos-open-door-policy>, [retrieved August 8, 2025]. Graham counsels that NATO should not expand further to the East but should work to craft arms-control agreements to reduce tension along the frontier with Russia.

<sup>11</sup> Osmolovska, I. and V. Nazarov, H. Maksak, O. Moskalets, and N. Bilyk. Seven Security Scenarios on Russian War in Ukraine for 2025–2026: Implications and Policy Recommendations to Western Partners. GLOBSEC Ukraine and Eastern Europe Programme Publications, 2025.

threat posed by Russia. Realists observed that the declarations avoided President Trump's repudiating the USA's obligations under Article 5, while allowing a decade for other allies to increase their spending.

#### NATO allies agree to spending hike

Members of the 32-nation NATO alliance have committed to spending 5% of gross domestic product on defense by 2035. Last year, most members met the previous goal of 2%.

#### Estimated share of GDP spent on defense in 2024

Based on 2015 prices

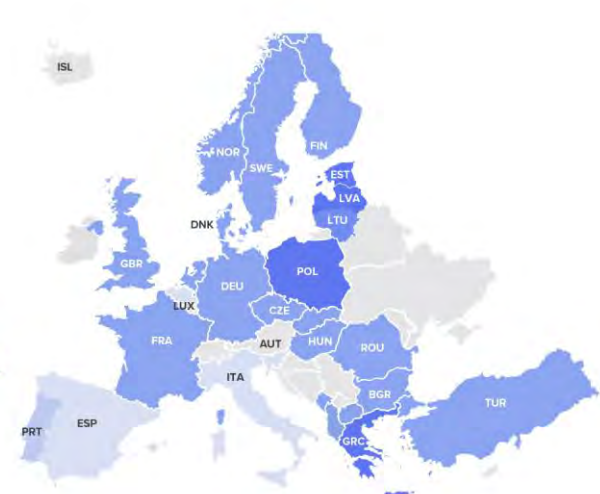


NATO member Iceland has no military. Members Canada (1.37%) and United States (3.38%) not shown.

Source: AP reports; NATO.

#### Most NATO Members to Meet 2% Spending Goal

Defense expenditures as a share of GDP, 2024 estimates



Note: US (3.38%) and Canada (1.37%) not on map

Source: North Atlantic Treaty Organization.

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Especially as NATO is to review the security environment in its theatre in 2029, it is necessary to assess realistically the potential threat posed by the Russian Federation – at least while it is headed by Vladimir V. Putin, and possibly thereafter – to assess how to address the need for security. Thomas Graham has offered a throughfall perspective of three historical Russian impulses that may underpin Putin's goals: the impulse to expand control to enhance security;<sup>12</sup> to return to Russia state lands lost since the Mongol conquest of *Kievan Rus* in the mid-13th century; and the desire to reunite the three branches of the *greater Russian nation* – Russians, Ukrainians and Belarusians, whose lands, per Aleksandr Solzhenitsyn, included Russia, Ukraine, Belarus, and southern Siberia (northern Kazakhstan). Graham notes that Putin used elements of all three rationales in setting out his vision before the full-scale invasion of Ukraine in 2022.<sup>13</sup>

Each of those narratives has different implications for Russia's relationship to Europe. As one does not know which of them drives Putin and may impel his successors, Europe must devise a strategic

<sup>12</sup> Договор между Российской Федерацией и Соединенными Штатами Америки о гарантиях безопасности, Министерство иностранных дел Российской Федерации, 17.12.2021. [https://mid.ru/ru/foreign\\_policy/rso/nato/1790818/](https://mid.ru/ru/foreign_policy/rso/nato/1790818/), [retrieved July 8, 2025].

<sup>13</sup> Graham, Thomas. The Limits of Putin's Ambitions. Wachenheim Program on Peace and Security. Council on Foreign Relations, June 20, 2025. <https://www.cfr.org/article/limits-putins-ambitions>, [retrieved July 8, 2025].



framework to contain Russia's ambitions by reducing the salience of expansionism for Russian security. One means of doing that is to revisit the *European Security Treaty* under negotiation in 2009. The first two articles provided that all actions by each state party to the Treaty "shall be implemented with due regard to security interest of all other parties"; be in compliance with the principles of the Charter of the United Nations, the Helsinki Final Act, the Charter for European Security and other OSCE instruments; and that any decision taken by any state party to the Treaty in the framework of any of its other alliances, shall not derogate from the security of any other party to the Treaty.<sup>14</sup> An agreement based on such a Treaty should be embedded in a UN Security Council resolution under Chapter VII of the UN Charter, to restrict any party to a European Security Treaty, including President Putin, from violating Art. 2 (4), read together with Art. 2 (7) of the Charter, vis-à-vis Ukraine or any European state.

#### IV Fracture of the World Order

Several authors have described 2025 as the year in which the post-1945 world order was dismantled,<sup>15</sup> citing Israel's attack on the Islamic Republic of Iran on June 13, which prompted retaliation by Iran, and was followed by a strike by the US Air Force on Iran's Fordow and Natanz enrichment plants, and the Isfahan Nuclear Technology Center, using GBU-57A/B MOPs delivered by B-2 Spirit bombers, and Tomahawk missiles launched from US Navy submarines. The strikes were undertaken without UN Security Council approval, in violation of Art. 2(4) of the UN Charter<sup>16</sup>, while the bombing of nuclear facilities violates the provisions of the Nuclear Non-proliferation Treaty<sup>17</sup> and is contrary to the guidance of the International Atomic Energy Agency.<sup>18</sup>

<sup>14</sup> The draft of the European Security Treaty. President of Russia, November 29, 2009. <http://en.kremlin.ru/events/president/news/6152>, [retrieved July 8, 2025].

<sup>15</sup> See e.g. Kinstler, Linda. Are we witnessing the death of international law? A growing number of scholars and lawyers are losing faith in the current system. Others say the law is not to blame, but the states that are supposed to uphold it. *The Guardian*, June 26, 2025. [https://www.theguardian.com/law/2025/jun/26/are-we-witnessing-the-death-of-international-law?lid=yaii24macqkq&utm\\_source=EMAIL&utm\\_medium=email\\_marketing&utm\\_campaign=MK\\_SU\\_SOINewsletter\\_UKROW\\_010725&utm\\_term=Email\\_ROW&utm\\_content=Email\\_ROW](https://www.theguardian.com/law/2025/jun/26/are-we-witnessing-the-death-of-international-law?lid=yaii24macqkq&utm_source=EMAIL&utm_medium=email_marketing&utm_campaign=MK_SU_SOINewsletter_UKROW_010725&utm_term=Email_ROW&utm_content=Email_ROW).

<sup>16</sup> UN experts condemn United States attack on Iran and demand permanent end to hostilities. Office of the UN Commissioner of Human Rights, June 26, 2025. <https://www.ohchr.org/en/press-releases/2025/06/un-experts-condemn-united-states-attack-iran-and-demand-permanent-end>, [retrieved July 1, 2025].

<sup>17</sup> Trevorton, G. F. CIA Support to Policymakers: The 2007 National Intelligence Estimate on Iran's Nuclear Intentions and Capabilities. *Studies in Intelligence Monographs*, 2013.

See also DNI Gabbard Opening Statement as Delivered to the HPSCI on the 2025 Annual Threat Assessment of the U.S. Intelligence Community, March 26, 2025: "The IC (Intelligence Community) continues to assess that Iran is not building a nuclear weapon and Supreme leader Khomeini has not authorized the nuclear weapons program that he suspended in 2003. We continue to monitor closely if Tehran decides to reauthorize its nuclear weapons program. In the past year, we've seen an erosion of a decades long taboo in Iran on discussing nuclear weapons in public likely emboldening nuclear weapons advocates within Iran's decision-making apparatus." <https://www.dni.gov/index.php/newsroom/congressional-testimonies/congressional-testimonies-2025/4061-ata-hpsci-opening-statement-as-delivered>, [retrieved July 1, 2025].

<sup>18</sup> "In this regard, the IAEA recalls the numerous General Conference resolutions on the topic of military attacks against nuclear facilities, in particular, GC(XXIX)/RES/444 and GC(XXXIV)/RES/533, which provide, inter alia, that 'any armed attack on and threat against nuclear facilities devoted to peaceful purposes constitutes a violation of the principles of the United Nations Charter, international law and the Statute of the Agency'. Furthermore, the IAEA has consistently underlined that 'armed attacks on nuclear facilities could result in radioactive releases with grave consequences within and beyond the boundaries of the State which has been attacked', as was stated in GC(XXXIV)/RES/533." Director General Grossi's Statement to UNSC on Situation in Iran, International Atomic Energy Agency, June 13, 2025. <https://www.iaea.org/newscenter/statements/director-general-grossi-statement-to-unsco-situation-in-iran-13-june-2025>.

On July 6, leaders of the BRICS+ group condemned the attacks on both Gaza and Iran, called for reforms of global institutions, and presented the bloc as a haven for multilateral diplomacy amid violent conflicts and trade wars. At the group's summit in Rio de Janeiro, President Luiz Inacio Lula da Silva described the BRICS+ as akin to the *Non-Aligned Movement* of developing nations that resisted joining either Russia or the United States in the Cold War.<sup>19</sup>

Robert Kelly of the Pusan National University has argued that the Israeli and US strikes on Iran have validated Pyongyang's decision to accelerate its nuclear weapons program to secure immunity against pre-emptive strikes, and thereby contributed to the collapse of non-proliferation by suggesting to other near-nuclear states that this is their best option.<sup>20</sup>

This raises important questions about the proper path forward in respect of Iran's nuclear program. President Trump has said that he envisions renewed negotiations after the Twelve Day War. Russia's Foreign Minister Sergei Lavrov said on July 8 that Russia can take delivery of, and *down-blend*, Iran's enriched uranium stockpile to levels suitable for use in Iran's nuclear power plants. Russia received 11,000 kgs of enriched uranium from Iran in December 2024 in exchange for uranium for commercial use in the context of efforts to restore the JCPOA and offered thereafter to accept Iran's enriched uranium to "assist" the US-Iran nuclear negotiations before the Twelve Day War. Russia supports Iran's right to enrich uranium to levels suitable for commercial use.

Nicolas Lerner, France's Director-General of External Security, said on July 8 that that the US and Israeli strikes "very ... seriously damaged ... and extremely delayed" Iran's nuclear program, and that the strikes had "destroyed" a small part of Iran's enriched uranium stockpile, but that most of it was unaffected. He said that France had "indications" of the location of the stocks, but could only confirm this when the International Atomic Energy Agency (IAEA) had resumed verification activity at Iran's nuclear facilities. Meanwhile, David Lammy, Britain's Foreign Secretary, said on July 8 that the E3 (the United Kingdom, France, and Germany) could trigger the snapback mechanism under the JCPOA if Iran did not engage constructively, "step back" from its "nuclear ambitions," and resume access for IAEA inspections.<sup>21</sup>

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See also "The IAEA has consistently underlined, as stated in its General Conference resolution, that armed attacks on nuclear facilities should never take place and could result in radioactive releases with grave consequences within and beyond the boundaries of the State which has been attacked." IAEA Director General Grossi's Statement to UNSC on Situation in Iran, International Atomic Energy Agency, June 22, 2025. <https://www.iaea.org/newscenter/statements/iaea-director-general-grossi-statement-to-uns-iran-22-june-2025>, [retrieved July 1, 2025].

See also McKenzie, Jessica and Sara Goudard. The war lasted 12 days. The environmental impact on Iran may last decades. Bulletin on the Atomic Scientists, July 7, 2025. [https://thebulletin.org/2025/07/the-war-lasted-12-days-the-environmental-impact-on-iran-may-last-decades/?utm\\_source=ActiveCampaign&utm\\_medium=email&utm\\_content=The%20%20big%2C%20beautiful%20bill%20%3A%20Fewer%20clinics%2C%20uhealthier%20people&utm\\_campaign=20250707%20Monday%20Newsletter](https://thebulletin.org/2025/07/the-war-lasted-12-days-the-environmental-impact-on-iran-may-last-decades/?utm_source=ActiveCampaign&utm_medium=email&utm_content=The%20%20big%2C%20beautiful%20bill%20%3A%20Fewer%20clinics%2C%20uhealthier%20people&utm_campaign=20250707%20Monday%20Newsletter), [retrieved July 7, 2025].

<sup>19</sup> BRICS leaders condemn Gaza and Iran attacks, urge global reforms. Reuters/Japan Times, July 7, 2025. [https://www.japantimes.co.jp/news/2025/07/07/world/politics/brics-global-reform/?utm\\_source=pi-anodnu&utm\\_medium=email&utm\\_campaign=72&tpcc=dnu&pnespid=\\_vcxiyfp7kjp\\_vwrphlpxpuodux4dsckpiguirk4.skyvprwdsocwhjs7qkg3izrt75jofx4](https://www.japantimes.co.jp/news/2025/07/07/world/politics/brics-global-reform/?utm_source=pi-anodnu&utm_medium=email&utm_campaign=72&tpcc=dnu&pnespid=_vcxiyfp7kjp_vwrphlpxpuodux4dsckpiguirk4.skyvprwdsocwhjs7qkg3izrt75jofx4), [retrieved July 10, 2025].

<sup>20</sup> Kelly, Robert E. Strikes on Iran Validate North Korea's Nuclear Sprint: The United States and Israel are speeding up the collapse of nonproliferation. Foreign Policy, July 7, 2025. <https://foreignpolicy.com/2025/07/07/trump-iran-israel-nuclear-proliferation/>, [retrieved July 8, 2025].

<sup>21</sup> Reddy, Ria et al. Iran Update, Institute for the Study of War, July 9, 2025. <https://www.understandingwar.org/backgrounder/iran-updates>, [retrieved July 10, 2025].

Rym Momtaz of the Carnegie Endowment has argued that resolution of the potential risk of Iran developing nuclear weapons in the aftermath of the strikes requires a constructive approach, not least because the US strike on June 22 did extensive damage to the facilities and Iran's enrichment capacity in the short-term, while the longer-term impacts are less clear.

As the strikes also decisively weakened Iran's military capabilities, she argues that there is a diplomatic window to use the US intervention to resolve the threat, by leveraging the E3 and engaging Arab partners, China and Russia in support.

She asserts that the E3 could help restore IAEA inspections of Iran's nuclear facilities, influence Tehran's strategic calculus, and help craft an agreement that reduces the Israeli government's pretext for resuming the war.

France has advocated controls wider than those under the JCPOA, to preclude Iran from developing military nuclear capabilities, constrain its ballistic missile program and restrain its support of militias across the Gulf and Levant. This has increased the E3's credibility with Israel and Arab governments.<sup>22</sup> A senior US official said on July 11 that Iran had asked the US for support with a domestic, peaceful nuclear program, permitting low-level uranium enrichment in Iran, and sanctions relief. The United States has demanded that Iran accept IAEA supervision of the removal of the enriched nuclear material and enrichment equipment still in Iran; limit its missile program; and end its support for the Axis of Resistance.

This would offer an opportunity to craft a regional security and economic architecture that includes the countries of the Gulf Cooperation Council, Iran and Israel. No state in the Gulf or the Levant, including Turkey, will tolerate a regional *status quo* shaped and sustained by an Israeli hegemon, but it may be possible, now that Iran's capabilities have been seriously disrupted, to craft a collective regional security regime, underpinned with economic benefits – possibly including a civilian low-enrichment uranium consortium under IAEA supervision – to create comity and opportunity for all.

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<sup>22</sup> Momtaz, Rym, The Small Window for an EU-U.S. Diplomatic Push on Iran: To turn U.S. strikes on Iran's nuclear program into a long-term resolution, Washington should seize the moment and cooperate with France, Germany, and the UK on diplomatic talks. Carnegie Endowment for International Peace, July 1, 2025. [https://carnegieendowment.org/europe/strategic-europe/2025/07/the-small-window-for-an-eu-us-diplomatic-push-on-iran?lang=en&utm\\_source=ctw&utm\\_medium=email&utm\\_campaign=btnlink&mkt\\_tok=ODEzLVhZVS00MjIAAAGbZczVEf8HHeifjwW7PZFPBbM4VixyaeN-gA9CWt2JAYkiCCHzscKUSfERWNxtgyTwGWbqJuYWsm8b7E0y3c0TSTMY8KYrgGxmxYngJNv3lt](https://carnegieendowment.org/europe/strategic-europe/2025/07/the-small-window-for-an-eu-us-diplomatic-push-on-iran?lang=en&utm_source=ctw&utm_medium=email&utm_campaign=btnlink&mkt_tok=ODEzLVhZVS00MjIAAAGbZczVEf8HHeifjwW7PZFPBbM4VixyaeN-gA9CWt2JAYkiCCHzscKUSfERWNxtgyTwGWbqJuYWsm8b7E0y3c0TSTMY8KYrgGxmxYngJNv3lt).

## V Impacts of the Strikes on Iran on International Humanitarian Law

Several commentators have pointed out that the assaults on Iran by Israel and the US have distracted attention from the actions of Israel in Gaza which are the subject of proceedings in both the International Criminal Court (ICC)<sup>23</sup> and International Court of Justice (ICJ)<sup>24</sup>.

On February 6, President Trump issued an executive order authorizing sanctions on the ICC over the court's "illegitimate" actions against the US and its "close ally Israel."<sup>25</sup> On February 4, he had withdrawn the US from the UN Human Rights Council (UNHRC) and directed agencies to withhold US contributions to the UNHRC and other UN bodies, including UNESCO, while undertaking a review of US funding to all international organizations<sup>26</sup>.

Late in May, the US and Israel introduced the *Global Humanitarian Foundation* (GHF) as a new aid mechanism for Gaza run by private security contractors operating in safe zones approved by Israel. After the deaths of over 500 Palestinian civilians approaching delivery points to secure food, over 170 international charities called for end to the GHF operation on July 1.<sup>27</sup> Along the way, on June 4, 2025, the US had vetoed a draft resolution in the UN Security Council, co-sponsored by the ten elected members, calling for an immediate, unconditional and permanent ceasefire in Gaza. The draft received 14 votes in favor, but the US envoy described the draft as "unacceptable" as it failed to condemn Hamas and drew a "false equivalence" between Hamas and Israel.<sup>28</sup>

On May 7, as Prime Minister Netanyahu travelled to meet President Trump, Israel's Defense Minister Katz announced a plan to relocate Palestinians in Gaza to a "humanitarian city" to be constructed on the ruins of Rafah, to prepare for their relocation to other countries. Although a

<sup>23</sup> ICC arrest warrants against Netanyahu, Galland and Deif: The ICC stated: "With regard to the crimes, the [Court's Pre-Trial Chamber I] found reasonable grounds to believe that Mr. Netanyahu ... and Mr. Gallant ... bear criminal responsibility for the following crimes as co-perpetrators for committing the acts jointly with others: the war crime of starvation as a method of warfare; and the crimes against humanity of murder, persecution, and other inhumane acts." And: "The Chamber found reasonable grounds to believe that Mr. Deif ... is responsible for the crimes against humanity of murder; extermination; torture; and rape and other form of sexual violence; as well as the war crimes of murder, cruel treatment, torture; taking hostages; outrages upon personal dignity; and rape and other form of sexual violence." ICC issues arrest warrants for Netanyahu, Gallant and Hamas commander. UN News, United Nations, November 21, 2024. <https://news.un.org/en/story/2024/11/1157286>, [retrieved July 1, 2025].

<sup>24</sup> Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v. Israel): Latest Developments. International Court of Justice. <https://www.icj-cij.org/case/192>; and Request from the UN General Assembly for an advisory opinion on the legal consequences of Israel's occupation of Palestinian territories, including Gaza and the West Bank: Legal Consequences arising from the Policies and Practices of Israel in the Occupied Palestinian Territory, including East Jerusalem, Latest Developments. International Court of Justice. <https://www.icj-cij.org/case/186>, [retrieved July 1, 2025].

<sup>25</sup> Executive Order 14203: Imposing Sanctions on the International Criminal Court. The White House, February 6, 2025. <https://www.whitehouse.gov/presidential-actions/2025/02/imposing-sanctions-on-the-international-criminal-court/>, [retrieved July 1, 2025].

<sup>26</sup> Executive Order 14199: Withdrawing the United States from and Ending Funding to Certain United Nations Organizations and Reviewing United States Support to All International Organizations. The White House, February 4, 2025. <https://www.whitehouse.gov/presidential-actions/2025/02/withdrawing-the-united-states-from-and-ending-funding-to-certain-united-nations-organizations-and-reviewing-united-states-support-to-all-international-organizations/>, [retrieved July 1, 2025].

<sup>27</sup> Le Poidevin, Olivia. Over 170 charities call for end to deadly new Gaza aid distribution system. Reuters, July 1, 2025. <https://www.reuters.com/world/middle-east/over-170-charities-call-end-deadly-new-gaza-aid-distribution-system-2025-07-01/>, [retrieved July 6, 2025].

<sup>28</sup> Mishra, Vibhu. US vetoes Security Council resolution demanding permanent ceasefire in Gaza. UN News, June 4, 2025. <https://news.un.org/en/story/2025/06/1164056>, [retrieved July 6, 2025].

leading Israeli international lawyer described the plan as a “blueprint for crimes against humanity,”<sup>29</sup> Prime Minister Netanyahu repeated the proposal during his discussions with President Trump, in the context of President Trump’s proposal for the redevelopment of the Gaza Strip for commercial purposes.<sup>30</sup> The *Financial Times* published information on design elements of the proposal developed by the Boston Consulting Group (BCH), with the support of the Tony Blair Institute for Global Change.

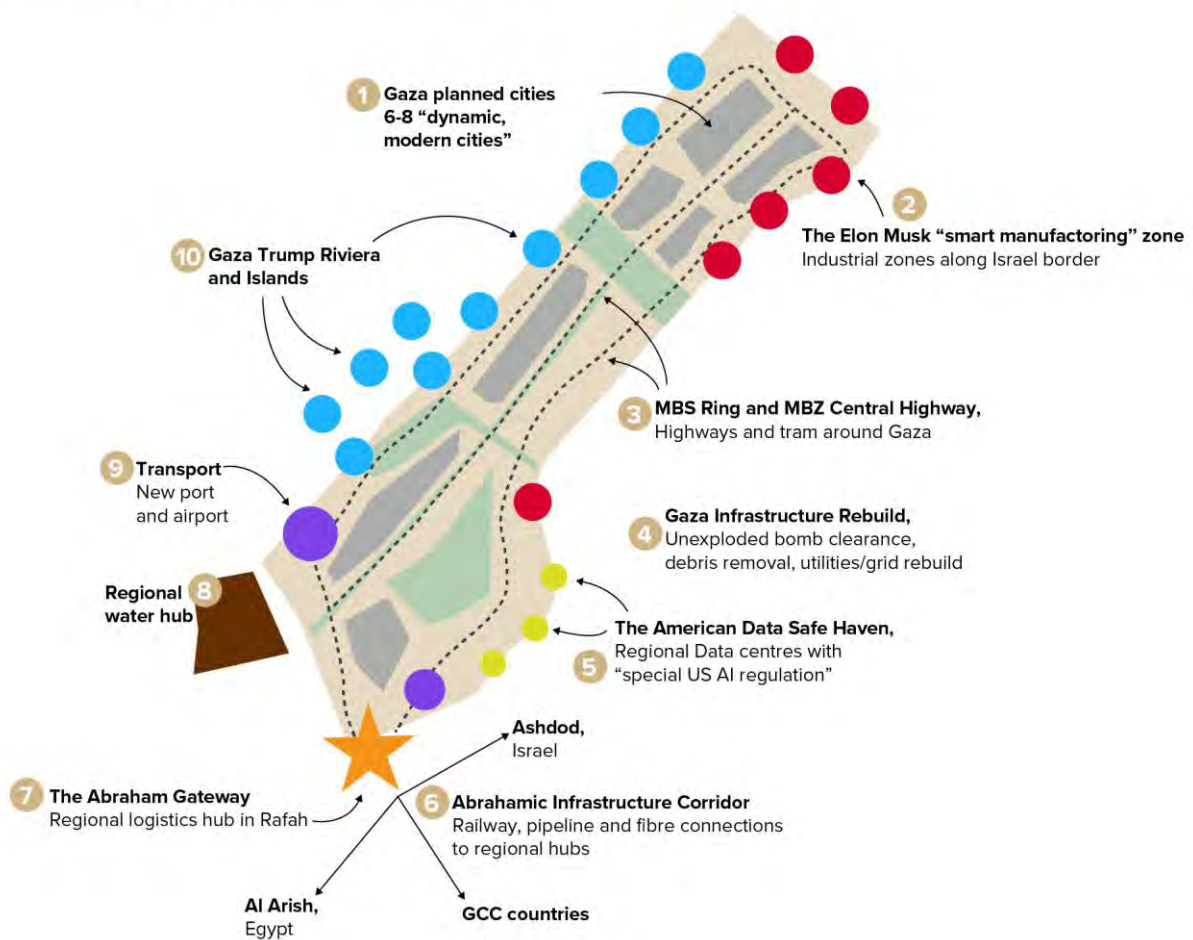
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<sup>29</sup> Graham-Harrison, Emma. Israeli plan for forced transfer of Gaza’s population ‘a blueprint for crimes against humanity’: Military ordered to turn ruins of Rafah into ‘humanitarian city’ but experts call the plan an internment camp for all Palestinians in Gaza. The Guardian, July 7, 2025. [https://www.theguardian.com/world/2025/jul/07/israeli-minister-reveals-plan-to-force-population-of-gaza-into-camp-on-ruins-of-rafah?utm\\_term=686c9b45bc5013ce5aba8892b9202eef&utm\\_campaign=Guardian-TodayUK&utm\\_source=esp&utm\\_medium=Email&CMP=GTUK\\_email](https://www.theguardian.com/world/2025/jul/07/israeli-minister-reveals-plan-to-force-population-of-gaza-into-camp-on-ruins-of-rafah?utm_term=686c9b45bc5013ce5aba8892b9202eef&utm_campaign=Guardian-TodayUK&utm_source=esp&utm_medium=Email&CMP=GTUK_email), [retrieved July 8, 2025]; see also an open letter by 16 Israeli international law experts saying that the plans to concentrate the population of Gaza in a “humanitarian city” constitute a manifestly illegal order, while implementing the plan would be a war crime and a crime against humanity. Israel at War, Haaretz, July 11, 2025. <https://us18.campaign-archive.com/?e=779e704690&u=d3bceadb340d6af4daf1de00d&id=0add72ae1f>, [retrieved July 12, 2025].

<sup>30</sup> Trump says US will ‘take over’ and ‘own’ Gaza in redevelopment plan. Al Jazeera English. <https://www.youtube.com/watch?v=p2TlpHnD1Fs>; Netanyahu, Trump discuss forced transfer of Palestinians out of Gaza. Al Jazeera. <https://www.youtube.com/watch?v=c8WuEXIVohME>, [retrieved July 9, 2025].

## 10 'Mega Projects' for Gaza

FT rendering of an image from the Great Trust slide deck



Source: Megaprojects for Gaza, Chartbook, a newsletter from Adam Tooze: Tony Blair's staff took part in 'Gaza Riviera' project with BCG, Financial Times, 9 July 2025 - [https://www.ft.com/content/0b1bc761-c572-4b61-882a-fb4467259dcd?utm\\_source=substack&utm\\_medium=email](https://www.ft.com/content/0b1bc761-c572-4b61-882a-fb4467259dcd?utm_source=substack&utm_medium=email) [retrieved 9 July 2025]

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Meanwhile, Russia is continuing its griding advance in Ukraine despite rulings from the ICJ<sup>31</sup> and extensive evidence of Russian war crimes.<sup>32</sup> Enforcement mechanisms are weak and President Putin is drawing out the deal-making process proposed by President Trump, while launching broader attacks on civilian targets.<sup>33</sup> President Trump's commitment to brokering a settlement in Ukraine has wavered, but after the US suspended deliveries of air defense systems to Ukraine, he committed to restoring them after an unsatisfactory call with President Putin on July 3.<sup>34</sup>

## VI Efforts to Restore the “Rule of Law”

Pakistan, which has the Presidency of the UN Security Council in July, scheduled a signature debate on July 22 on the *peaceful settlement of disputes*, in light of the Council's inability to respond decisively to protracted crises, noting that resolutions adopted by the Security Council on Gaza have proved largely irrelevant, while the Council's response to conflicts more generally had become performative and ineffective due to vetoes by the Permanent Members.

A growing number of UN member states assert that the Security Council is not using the Charter's provisions for *diplomatic conflict resolution*, and some speakers at the opening of the General Assembly in September, when the UN marks its 80<sup>th</sup> anniversary, plan to call for a new focus on this underused UN tool.

In light of Pakistan's special interest in the Kashmir dispute, Islamabad plans to use the debate on July 22 to assert that diplomacy is a viable alternative to the use of military force, and that the Council needs to act more frequently under Ch. VI of the UN Charter.<sup>35</sup> On July 24 it will seek to

<sup>31</sup> Ukraine filed a case under the 1948 Convention on the Prevention and Punishment of the Crime of Genocide, challenging Russia's justification for its invasion – that Ukraine was committing genocide in the Donbas region. On March 16, 2022, the ICJ issued an order on Provisional Measures providing that Russia must immediately suspend military operations in Ukraine, and that both parties should refrain from any actions that could aggravate or extend the dispute. The ICJ issued a judgement on February 2, 2024: Case 182 – Allegations of Genocide under the Convention on the Prevention and Punishment of the Crime of Genocide (Ukraine v. Russian Federation): Document Number 182-20240202-SUM-01-00-EN. <https://www.icj-cij.org/node/203515>, [retrieved July 6, 2025].

<sup>32</sup> The UN Independent International Commission of Inquiry on Ukraine has recorded attacks on civilians and civilian infrastructure; torture in detention facilities in Kherson and Zaporizhzhia; sexual violence; and unlawful deportation of children to Russia. Commission of Inquiry finds further evidence of war crimes in Ukraine. UN News, October 20, 2023. <https://news.un.org/en/story/2023/10/1142617>. The International Criminal Court has issued arrest warrants for Vladimir Putin and Maria Lvova-Belova over the abduction of Ukrainian children; and for senior Russian military officials for directing attacks on civilians and civilian objects. Ukraine: Situation in Ukraine, ICC-01/22. <https://www.icc-cpi.int/situations/ukraine>; Arrest warrant issued for Putin over war crime allegations. BBC, March 17, 2023. <https://www.bbc.com/news/live/world-europe-64994087?page=2>, [retrieved July 6, 2023]; and Quell, Molly. Europe's top human rights court finds Russia committed major international law violations in Ukraine. AP News, July 9, 2025. [https://apnews.com/article/ukraine-russia-european-human-rights-court-mh17-1bac36842f8a4cfe0e3e787f0fab0c1f?utm\\_source=onesignal&utm\\_medium=push&utm\\_campaign=2025-07-09-Breaking+News](https://apnews.com/article/ukraine-russia-european-human-rights-court-mh17-1bac36842f8a4cfe0e3e787f0fab0c1f?utm_source=onesignal&utm_medium=push&utm_campaign=2025-07-09-Breaking+News), [retrieved July 9, 2025].

<sup>33</sup> Arhirova, Hanna. Russia launches largest missile and drone barrage on Kyiv since war in Ukraine began. AP News, July 5, 2025. <https://apnews.com/article/ukraine-russia-war-attack-missile-drone-58bc08ddcf1038fb409999c56b11e9fa>, [retrieved July 6, 2025]; Lu, Christina. Overnight Attack. World Brief, Foreign Policy, July 9, 2025. <https://link.foreignpolicy.com/view/644279e2aced183da612c74506md1.37n/b8ea2fcc>, [retrieved July 10, 2025].

<sup>34</sup> Harward, Christina et al. Russian Offensive Campaign Assessment. July 8, 2025. <https://www.understandingwar.org/backgrounder/russian-offensive-campaign-assessment-july-8-2025>, [retrieved July 9, 2025].

<sup>35</sup> Chapter VI: Pacific Settlement of Disputes  
Article 33

advance UN cooperation with regional and subregional organizations – including the European Union, the African Union, the Arab League and the Organization of Islamic Cooperation – on conflict prevention and counterterrorism, the dialogue among civilizations, peacekeeping and peacebuilding.<sup>36</sup>

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The parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and security, shall, first of all, seek a solution by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means of their own choice. The Security Council shall, when it deems necessary, call upon the parties to settle their dispute by such means.

#### Article 34

The Security Council may investigate any dispute, or any situation which might lead to international friction or give rise to a dispute, in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security.

#### Article 35

Any Member of the United Nations may bring any dispute, or any situation of the nature referred to in Article 34, to the attention of the Security Council or of the General Assembly. A state which is not a Member of the United Nations may bring to the attention of the Security Council or of the General Assembly any dispute to which it is a party if it accepts in advance, for the purposes of the dispute, the obligations of pacific settlement provided in the present Charter. The proceedings of the General Assembly in respect of matters brought to its attention under this Article will be subject to the provisions of Articles 11 and 12.

#### Article 36

The Security Council may, at any stage of a dispute of the nature referred to in Article 33 or of a situation of like nature, recommend appropriate procedures or methods of adjustment. The Security Council should take into consideration any procedures for the settlement of the dispute which have already been adopted by the parties. In making recommendations under this Article the Security Council should also take into consideration that legal disputes should as a general rule be referred by the parties to the International Court of Justice in accordance with the provisions of the Statute of the Court.

#### Article 37

Should the parties to a dispute of the nature referred to in Article 33 fail to settle it by the means indicated in that Article, they shall refer it to the Security Council. If the Security Council deems that the continuance of the dispute is in fact likely to endanger the maintenance of international peace and security, it shall decide whether to take action under Article 36 or to recommend such terms of settlement as it may consider appropriate.

#### Article 38

Without prejudice to the provisions of Articles 33 to 37, the Security Council may, if all the parties to any dispute so request, make recommendations to the parties with a view to a pacific settlement of the dispute.

<sup>36</sup> Banjo, Damilola. Pakistan Is Still Betting on the UN Charter. PassBlue, July 1 2025. [https://www.passblue.com/2025/07/01/pakistan-is-still-betting-on-the-un-charter/?utm\\_source=PassBlue+List&utm\\_campaign=a1760f2546-RSS-ST\\_SetonHall\\_22Mar2025&utm\\_medium=email&utm\\_term=0\\_4795f55662-a1760f2546-55051982](https://www.passblue.com/2025/07/01/pakistan-is-still-betting-on-the-un-charter/?utm_source=PassBlue+List&utm_campaign=a1760f2546-RSS-ST_SetonHall_22Mar2025&utm_medium=email&utm_term=0_4795f55662-a1760f2546-55051982), [retrieved July 2, 2025].



## VII Tensions between the US and China, and with the BRICS+

The US National Security Strategy<sup>37</sup> and National Defense Strategy<sup>38</sup> of 2022 characterize China as “the only country with the intent to reshape the international order, and increasingly, the economic, diplomatic, military and technological power to do so”; and as “our most consequential strategic competitor for the coming decades.” The US Department of Defense stated: “The 2022 National Defense Strategy ... places a primary focus on the need to sustain and strengthen U.S. deterrence against China. It also advances a focus on collaboration with a growing network of U.S. allies and partners on shared objectives.”<sup>39</sup>

Tensions with China, heightened by Russia’s war in Ukraine, and sharpened by the conflict between Israel and Hamas, Hezbollah and Iran, in respect of which Washington and Beijing have divergent perspectives, have deepened the schism between the West and the “Global South,” with Africa, the Arab world and Latin America becoming the fulcrum of a tectonic dislocation. This has also had an impact on Europe’s relations with China.<sup>40</sup>

Parenthetically, the advances in the nuclear and missile programs of the Democratic People’s Republic of Korea have, meanwhile, reinvigorated discussions on the merits, drawbacks and modalities of nuclear capability for the Republic of Korea. While Washington’s reassurances to Seoul to prevent proliferation have defined the US-ROK alliance in recent years, the Trump presidency has reinvigorated the nuclear debate in the ROK,<sup>41</sup> and in the US.<sup>42</sup>

The expansion of the BRICS (Brazil, Russia, India, China, and South Africa) to include Egypt, Ethiopia, Indonesia, Iran and the UAE, and the inclusion of the African Union in the G20, sustained this fractal momentum during Brazil’s presidency of the G20 in 2024, and South Africa’s presidency in 2025.

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<sup>37</sup> National Security Strategy, October 2022, The White House. <https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>, [retrieved July 31, 2025].

<sup>38</sup> US Department of Defense. National Defense Strategy of the United States of America. US Department of Defense Strategy Documents, No. AD1183539, 2022.

<sup>39</sup> Lopez, C. Todd. DOD Releases National Defense Strategy, Missile Defense, Nuclear Posture Reviews. DOD News, Oct 27, 2022. <https://www.defense.gov/News/News-Stories/Article/Article/3202438/dod-releases-national-defense-strategy-missile-defense-nuclear-posture-reviews/>, [retrieved July 1, 2025].

<sup>40</sup> See e.g. Tercovich, G., L. Comerma, et. al. Europe’s Eyes on Taiwan: Strategic Ties, Different Perspectives. Centre for Security, Diplomacy and Strategy, No. 16/2025, 2025.

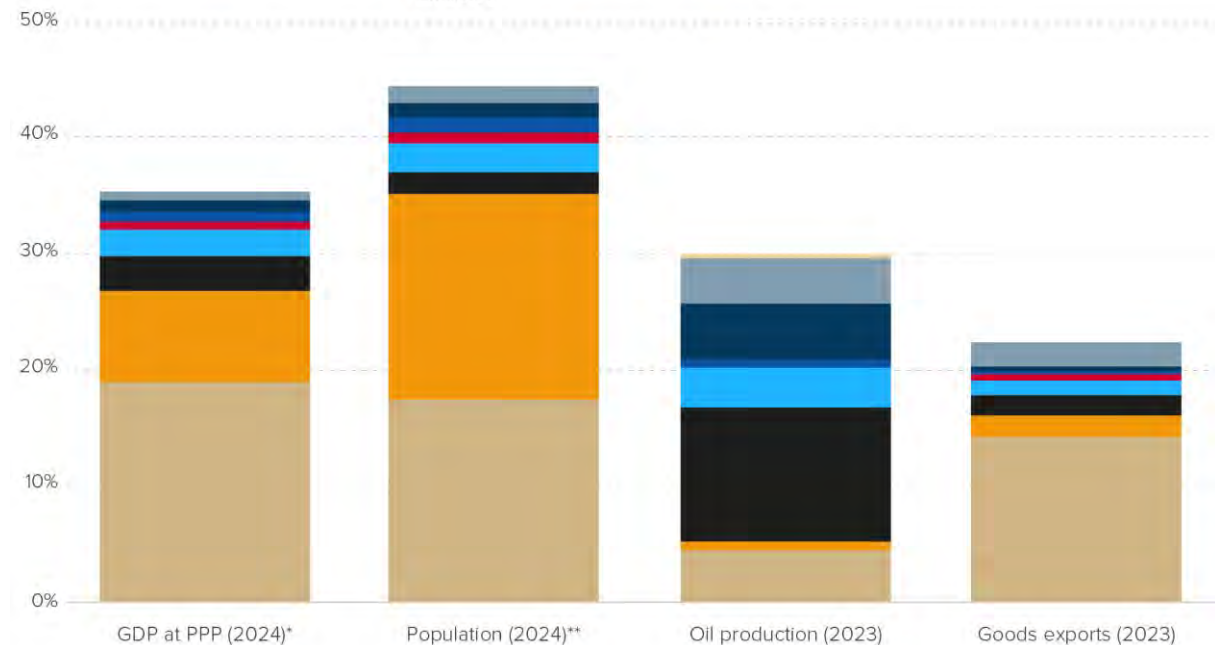
<sup>41</sup> Kim, Jina and Luis Simón. Nuclear Puzzles: What can South Korea Learn from NATO’s Experiences as a Nuclear Alliance? CSDS Policy Brief, November 28, 2024. <https://csds.vub.be/publication/nuclear-puzzles-what-can-south-korea-learn-from-natos-experiences-as-a-nuclear-alliance/>, [retrieved July 1, 2025].

<sup>42</sup> Lee, Rachel Minyoung and Jenny Town. Move Past the Nuclear Impasse on the Korean Peninsula: The Trump administration should define new goals for North Korea and manage the alliance with South Korea. Stimson Center, November 20, 2024. <https://www.stimson.org/2024/move-past-the-nuclear-impasse-on-the-korean-peninsula/>, [retrieved July 1, 2025].

### The Global Clout of the New BRICS

BRICS countries' share of global GDP, population, oil production and goods exports

Original members: ■ South Africa ■ Brazil ■ Russia ■ India ■ China  
 New members: ■ Ethiopia ■ United Arab Emirates ■ Iran ■ Egypt



\* IMF estimates as of April 2024 \*\* UN estimates, medium variant

Sources: IMF, UN Population Division, Energy Institute, WTO.

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BRICS

Tensions with Washington since President Trump's inauguration have reduced the capacity of the BRICS+ – which also admitted 13 partner countries with partial membership benefits in October 2024<sup>43</sup> – and the G20, as the US stayed away from key G20 ministerial and sherpa meetings in 2025, and will succeed South Africa to the G20 presidency in 2026, making the future role of the organization unclear.<sup>44</sup>

The Biden administration had earlier retained the \$360 billion of tariffs and sanctions imposed on the PRC by President Trump and applied new export controls to restrict Beijing's access to advanced technology. It banned US investment in sensitive dual-use technologies in China, quadrupled tariffs on Chinese electric vehicles, tripled those on steel and aluminum, and doubled

<sup>43</sup> Norton, Ben. BRICS grows, inviting 13 new 'partner countries' at historic summit in Kazan, Russia. BRICS held a summit in Kazan, Russia in October 2024, where it invited 13 "partner nations" to join, after adding four new members. These are the most important takeaways from the historic meeting. Geopolotocal.economy.com, October 28, 2024. <https://geopolitocaleconomy.com/2024/10/26/brics-13-partner-countries-summit-kazan-russia/>, [retrieved July 8, 2025].

<sup>44</sup> The G20 was created after the Asian Financial Crisis in 1998 to align the most important industrialized and developing economies through their Finance Ministers, to enhance economic and financial stability. The first summit of G20 leaders in 2008 was a response to the widely perceived need for constructive collective action after the onset of the global financial crisis. It evolved into a major forum for discussion of economic and other pressing global issues, but it has not proven cohesive or particularly effective in recent years. Tensions between high- and low-income states have marked discussions on climate change, economic development, responses to the COVID-19 pandemic and the fallout from the wars in Ukraine and the Middle East. The inclusion of the African Union led Brazil to seek to use the G20 to strengthen the influence of the Global South. South Africa followed in this vein, but the Trump administration has opposed the agenda. See also Siripurapu, Anshu, Noah Berman and James McBride. What Does the G20 Do? Council on Foreign Relations, November 15, 2024. <https://www.cfr.org/background/what-does-g20-do>, [retrieved July 9, 2025].

the duty on semiconductors. Several US Governors signed laws preventing state pension schemes from investing in Chinese equities. President Biden had issued an Executive Order and a *Memorandum on Advancing the United States' Leadership in Artificial Intelligence; Harnessing Artificial Intelligence to Fulfill National Security Objectives; and Fostering the Safety, Security, and Trustworthiness of Artificial Intelligence*,<sup>45</sup> seeking to ensure US dominance in military applications of AI.

## VIII Disruption of the International Trading System with Unilateral Tariffs

Arguing that US tariffs on imported goods will promote the revival of domestic manufacturing, protect national security and compensate for a reduction in income taxes, President Trump has imposed a series of steep tariffs affecting most goods imported into the United States, with the average effective US tariff rate rising over tenfold between January and May 2025. After subsequent adjustments, the average effective rate had been reduced to 15.8% in mid-June.<sup>46</sup>

Trump raised steel and aluminum tariffs to 50%, those on imported cars to 25% and indicated likely tariffs on a range of other sectors. His use of the International Emergency Economic Powers Act (IEEPA) on "Liberation Day," April 2, 2025, to impose broad, universal tariffs on all imports was stayed by federal courts pending oral arguments due to be presented on July 31.

A universal 10% tariff took effect on April 5, with far higher tariffs for 57 major trading partners planned for April 9, although these were suspended for three months after a sharp market reaction. Baseline US tariffs on Chinese goods reached 145%, with Beijing imposing reciprocal tariffs on US goods of 125%, although after negotiations the US reduced its tariffs to 30% and China lowered its duties to 10%. China agreed to resume exports of critical rare earth elements it had curtailed in retaliation.

The uncertainty triggered by the tariffs – still unresolved in mid-July – led to the US Federal Reserve, OECD and World Bank reducing GDP growth projections in 2025, and thereafter.<sup>47</sup> Thereafter, on July 6, President Trump threatened an additional 10% tariff on countries aligned with the BRICS+ while the group was meeting in Rio de Janeiro. A statement from the summit had condemned the bombings of Iran, called for a more open global trade regime and INF quota realignment, and announced loan guarantees to speed investment in member countries through the New Development Bank.<sup>48</sup>

The day after the BRICS+ Summit, President Trump sent personal letters to the leaders of 14 states advising them of steep tariffs increases, ranging from 25-40%, with some of the harshest directed

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<sup>45</sup> Memorandum on Advancing the United States' Leadership in Artificial Intelligence; Harnessing Artificial Intelligence to Fulfill National Security Objectives; and Fostering the Safety, Security, and Trustworthiness of Artificial Intelligence. The White House, October 24, 2024. <https://bidenwhitehouse.archives.gov/briefing-room/presidential-actions/2024/10/24/memorandum-on-advancing-the-united-states-leadership-in-artificial-intelligence-harnessing-artificial-intelligence-to-fulfill-national-security-objectives-and-fostering-th>, [retrieved July 31, 2025].

<sup>46</sup> The Budget Lab at Yale. State of U.S. Tariffs: June 17, 2025. <https://budgetlab.yale.edu/research/state-us-tariffs-june-17-2025#:~:text=The%20Budget%20Lab%20%28TBL%29%20estimated%20the%20effects%20all,as%20if%20they%20stayed%20in%20effect%20in%20perpetuity>, [retrieved July 6, 2025].

<sup>47</sup> World Bank Group. Global Economic Prospects – June 2025. World Bank Group Flagship Reports, 2025.

<sup>48</sup> BRICS Summit signs historic commitment in Rio for more inclusive and sustainable governance. At the 17<sup>th</sup> high-level leaders' meeting, BRICS adopted 126 commitments covering global governance, finance, health, artificial intelligence, climate change, and other strategic areas. BRICS Summit 2025, July 6, 2025. <https://brics.br/en/news/brics-summit-signs-historic-commitment-in-rio-for-more-inclusive-and-sustainable-governance>, [retrieved July 7, 2025].

at developing nations in southeast Asia, including 32% for Indonesia, 36% for Cambodia and Thailand and 40% for Laos and Myanmar.

Bangladesh was advised of 35%, while Tunisia, Malaysia, Kazakhstan, South Africa and Bosnia and Herzegovina were told they faced 30% tariffs, with levies of 25% disclosed to Japan and the Republic of Korea, Washington's longstanding East Asian allies.<sup>49</sup>

The fact that these presidential communications were made while US Secretary of State Rubio was making his first official visit to Asia for meetings with ASEAN and at the East Asia Summit in Malaysia, was surprising. The State Department announced that the Secretary was "focused on reaffirming the United States' commitment to advancing a free, open, and secure Indo-Pacific region ... defending the need to rebalance US trade relationships."

President Trump also announced a 50% tariff on imported copper, and said that pharmaceutical imports might face tariffs of 200%.<sup>50</sup> On July 9, President Trump threatened Brazil with a 50% tariff due to the charges against former President Jair Bolsonaro for inciting a coup to overturn his 2022 election loss. The US had a trade surplus of \$7.4 billion with Brazil in 2024. Algeria, Brunei, Iraq, Libya, Moldova, the Philippines, and Sri Lanka also received letters imposing new tariffs. On July 12, President Trump imposed 30% tariffs on exports from the European Union and Mexico.<sup>51</sup>

President Lula described Brazil as a "sovereign country with independent institutions that will not accept being lectured by anyone" and warned of countermeasures under Brazil's Economic Reciprocity law.<sup>52</sup> Mexico and the European Union were more circumspect.

## IX Responses by Other Western Powers and Impacts on the Developing World

This assertion of economic (and military) "might" by great-powers has led the EU to adopt a geopolitical approach to economic statecraft, aligning economic security with broader foreign policy goals through economic interventionism.<sup>53</sup> Domestic economic protectionism, "friendshoring" and disruption of pre-existing supply chains is the inevitable consequence. President Trump's pressure on other NATO members, endorsed by Secretary-General Rutte, to raise their military expenditure

<sup>49</sup> Trump tariffs explained: what's changed and why have Asian countries been hit so hard? The shifting timeline of Trump's tariffs, the most significant US tariff increase in nearly a century, has roiled global markets and caused widespread confusion. Trump delays tariff hikes again but announces new rates for some countries. The Guardian, July 8, 2025. <https://www.theguardian.com/us-news/2025/jul/08/trump-tariffs-explained-whats-changed-and-why-have-asian-countries-been-hit-so-hard>, [retrieved July 8, 2025].

<sup>50</sup> Jones, Callum. Trump threatens to escalate trade war amid confusion over new tariff rates: US president announces tariffs of up to 200% on foreign drugs and 50% on copper as he continues to shift plans. The Guardian, July 8, 2025. <https://www.theguardian.com/us-news/2025/jul/08/trump-tariffs-trade-war-confusion>, [retrieved July 9, 2025].

<sup>51</sup> Madhani, Aamer. Trump announces 30% tariffs against EU, Mexico to begin Aug. 1, rattling major US trading partners. AP News, July 12, 2025. <https://apnews.com/article/trump-tariffs-eu-mexico-66bf84d97dcd69bbd1f1108e42283afd>, [retrieved July 12, 2025].

<sup>52</sup> Breuninger, Kevin. Brazil will respond to Trump's 50% tariff with 'reciprocity,' says da Silva. CNBC News, July 9, 2025 [https://www.cnbc.com/2025/07/09/trump-brazil-tariffs-bolsonaro.html?utm\\_source=dailybrief&utm\\_content=20250710&utm\\_medium=email&utm\\_campaign=DailyBrief2025july10&utm\\_term=DailyNewsBrief](https://www.cnbc.com/2025/07/09/trump-brazil-tariffs-bolsonaro.html?utm_source=dailybrief&utm_content=20250710&utm_medium=email&utm_campaign=DailyBrief2025july10&utm_term=DailyNewsBrief), [retrieved July 10, 2025].

<sup>53</sup> Balfour, Rosa, Eugenia Baroncelli, Lizza Bomassi et al. Geopolitics and Economic Statecraft in the European Union. Carnegie Europe, November 2024. <https://carnegieendowment.org/research/2024/11/geopolitics-and-economic-statecraft-in-the-european-union?lang=en>, [retrieved July 1, 2025].

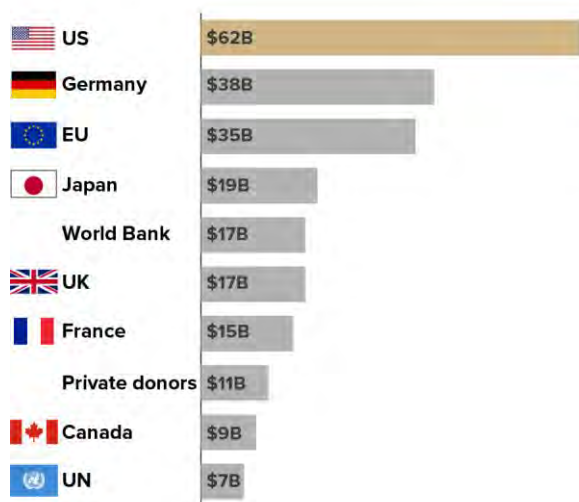
to 5% of GDP by 2035, has led defense-related think tanks across NATO countries to develop strategies to counter Russia in the face of uncertainty about US commitment.<sup>54</sup>

Europe and Canada cannot, of course, assume the erstwhile role of the US in enforcing a global order, as they lack the military power, economic influence and political unity that this would require.<sup>55</sup>

Meanwhile, huge reductions in US foreign aid due to the closure of USAID and the adoption of a trade-based, rather than aid-based, model will have startling effects. USAID programs were slashed by 83%, affecting health, education and humanitarian services across 133 countries. Preliminary projections suggest that these cuts could lead to over 14 million preventable deaths by 2030.<sup>56</sup>

#### Millions at risk from US aid cuts

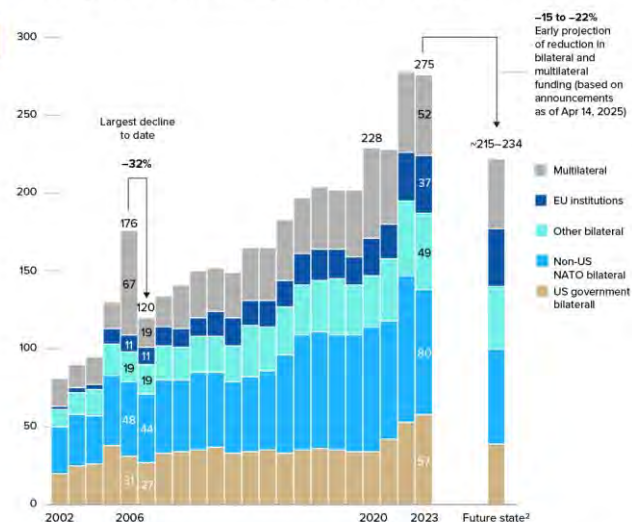
Biggest foreign aid donors



Source: Data for 2023.

#### Recent announcements could imply a 15 to 22 percent reduction in global official development assistance.

Total global official development assistance,<sup>1</sup> \$ billion



<sup>1</sup>As defined by the OECD, this excludes "other official flows," private sector instruments, and private development finance.  
<sup>2</sup>Projection of 17% is based on estimates from public announcements as of Apr 14, 2025; (42% for US, 40% for UK, 38% for Netherlands, 35% for France, 25% for Belgium, 1% for Switzerland, 5% for Sweden) taken proportionally from bilateral and multilateral spend based on current channel mix; projection of 20% is based on an assumed 30% reduction across all non-US NATO countries and a 42% reduction for US government contributions across both bilateral and multilateral spend. In the future state, assistance is likely to be increasingly allocated toward donors' geopolitical priorities and domestic resourcing needs.

Source: Center for Global Development; ForeignAssistance.gov; International Monetary Fund; OECD

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- <sup>54</sup> See e.g. The Vandenberg Coalition & McCain Institute. The Russia Policy Platform: A Conservative Strategy for Countering Russia. Vandenberg Coalition Reports & Statements, 2024; Bruegel, November 20, 2024. [https://www.bruegel.org/policy-brief/european-defence-industrial-strategy-hostile-world?mc\\_cid=9a615a7e50&mc\\_eid=2af4a6f2fc](https://www.bruegel.org/policy-brief/european-defence-industrial-strategy-hostile-world?mc_cid=9a615a7e50&mc_eid=2af4a6f2fc); Parlow, Anita. Hybrid War and National Security: NATO, the US, and the West. Kennan Institute, Wilson Center, November 8, 2024. <https://www.wilsoncenter.org/blog-post/hybrid-war-and-national-security-nato-us-and-west>; Larsen, Henrik. Towards a Europeanised NATO. International Center for Defense and Security, 2025.
- <sup>55</sup> Esteban, M., M. Otero-Iglesias et al. Quest for Strategic Autonomy? Europe Grapples with the US China Rivalry. European Think-Tank Network on China Report, 2025.
- <sup>56</sup> Thompson, Dennis. More Than 14 Million Will Die Following U.S. Foreign Aid Cuts. Health Day, US News, July 7, 2025. <https://www.usnews.com/news/health-news/articles/2025-07-07/more-than-14-million-will-die-following-u-s-foreign-aid-cuts>; see also for the effects of wider cuts to programs of the National Institutes of Health: The cost of US funding cuts. The Lancet, Vol. 6, Issue 3, 100703, March 3, 2025. <https://www.thelancet.com/journals/lanhl/article/PIIS2666-7568%2825%2900022-4/fulltext>, [retrieved July 7, 2025].

Diversion of spending from Overseas Development Assistance to defense by major European donors – including the UK, Germany and France – will exacerbate these effects.<sup>57</sup>

It is clear that this weakens the “soft power” of Western countries vis-à-vis developing and least-developed countries, and China acted swiftly to seize the opportunity. In the *China-Africa Changsha Declaration* on June 11, the PRC Ministry of Foreign Affairs announced that China was signing an agreement of *China-Africa Economic Partnership for Shared Development*, to extend tariff-free admission for all goods exported to China by all 53 African countries that maintain diplomatic relations with the PRC.<sup>58</sup>

Recognizing this, Stephan Klingebiel and Andy Sumner of the *German Institute of Development and Sustainability* (IDOS) have argued the need for the West to rethink the foundations of development cooperation and rebuild multilateral credibility to navigate in a more pluralistic and geopolitically divided global order.<sup>59</sup>

## X Restructuring the Global International Order

The restructuring of the UN Security Council has been under discussion in the United Nations since then-Secretary-General Kofi Annan convened a *High-Level Panel on Threats, Challenges and Change*, which delivered a report entitled *A More Secure World: Our Shared Responsibility*, in 2004.<sup>60</sup> Although the report laid the groundwork for the creation of the Peacebuilding Commission for Post-conflict Reconstruction, shaped the debates around the doctrine of *Responsibility to Protect* (R2P), and set out a compelling case for reform of the Security Council,<sup>61</sup> entrenched interests among P5 members and disagreement on the potential allocation of additional permanent seats obstructed implementation of the Panel’s recommendations.

This notwithstanding, the need for reform is clearer than ever.

The veto rights of the five permanent members of the UN Security Council in respect of any UN enforcement action have enabled the US, Russia (and before it, the USSR) and China to frustrate collective action to advance peace and security.

Since 1991, Russia has vetoed resolutions on Syria (notably after its engagement in support of Bashar al Assad), Sudan, Mali (after the deployment of the Wagner state-backed mercenaries),

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<sup>57</sup> Huckstep, Sam et al. Charting the Fallout of Aid Cuts: Which Countries Will be Hit Hardest, as Multiple Donors Cut Budgets? Center for Global Development, June 12, 2025. <https://www.cgdev.org/blog/charting-fallout-aid-cuts>, [retrieved July 7, 2025].

<sup>58</sup> Eswatini is excluded as it still maintains diplomatic relations with the Republic of China (Taiwan).

<sup>59</sup> Klingebiel, S. and A. Sumner. Four Futures for a Global Development Cooperation System in Flux: Policy at the Intersection of Geopolitics, Norm Contestation and Institutional Shift. IDOS Policy Brief, 2025.

<sup>60</sup> UN High Level Panel on Threats, Challenges and Change; United Nations Secretary General. *A More Secure World: Our Shared Responsibility*. United Nations Publications, New York: UN Department of Public Information, 2004.

<sup>61</sup> Report of the High-level Panel on Threats, Challenges and Change. *A more secure world: Our shared responsibility* [A/59/565]. [https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/hlp\\_more\\_secure\\_world.pdf](https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/hlp_more_secure_world.pdf), [retrieved July 31, 2025].

Georgia and Ukraine (after Russia's invasions of each), as well as a resolution prohibiting the deployment of weapons in outer space and one framing climate change as a "threat to international peace and security."<sup>62</sup>

Since 1991, the United States has vetoed resolutions criticizing Israeli settlements, Israeli military action, and ceasefire and humanitarian resolutions on the occupied Palestinian territories, as well as resolutions proposing UN membership for Palestine, and asserting the jurisdiction of the International Criminal Court over US peacekeepers.

China has tended to veto resolutions that impinge on the principle of national sovereignty, specifically one on Macedonia because of a reference to Taiwan; on Myanmar, where Beijing cited concerns on sovereignty; Syria, where it opposed condemnation of the Assad government and investigation of the use of chemical weapons; and Gaza, where its posture has largely aligned with that of Russia.

The exercise of vetoes in the UN Security Council has caused other states, notably those in the Global South, to question the commitment of the US to the Charter's provisions prohibiting the use of force by the US and its allies. Acknowledging this, and recognizing that it is the product of the nationalistic *realpolitik* of the US and Russia, is essential if we are to restore a robust legal order. Several initiatives are underway and two conceptually-related proposals deserve mention here:

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<sup>62</sup> Akhtar, Syed Ali and Pranav Ganesan. The UN Security Council and Climate Security: Reflections on the Unsuccessful Draft Resolution. *OpinioJuris*, February 14, 2022. <https://opiniojuris.org/2022/02/14/the-un-security-council-and-climate-security-reflections-on-the-unsuccessful-draft-resolution/>, [retrieved July 6, 2025].

- The Global South Perspectives Network, the Inclusive Society Institute, the Foundation for Global Governance and Sustainability, HumanizaCon and the Africa Think-Tank Dialogue convened a strategic dialogue to examine how middle powers, also from the Global South, can recalibrate global governance, revive multilateralism and help democratize international institutions.<sup>63</sup>
- Oona Hathaway and Scott Shapiro have argued for a new approach to the composition and regulation of international institutions, suggesting that an effective system for international peace and security requires empowerment of more state actors to uphold legal norms, rendering them more legitimate and resilient.<sup>64</sup>
- For this purpose they counsel coalitions of midsize and small countries to defend the prohibition on the use of force; advocate a larger role for the UN General Assembly in enforcing the Charter's prohibition on force without collective approval; and propose regional or issue-specific coalitions to advance shared goals.<sup>65</sup>

This outcome can only be achieved if a conference of UN member states is convened under Art. 109, to review and alter the Charter under Art. 108, to allow for smaller states to secure such capabilities.<sup>66</sup> If a General Conference of UN member states is to be called to review the Charter,

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<sup>63</sup> The role of Middle Powers in (Re)balancing the Global Governance System and Reviving Multilateralism and the UN (2025). <https://www.inclusivesociety.org.za/post/the-role-of-middle-powers-in-re-balancing-the-global-governance-system-and-reviving-multilateralism>, [retrieved July 10, 2025].

<sup>64</sup> Oona A. Hathaway and Scott J. Shapiro. Might Unmakes Right: The Catastrophic Collapse of Norms Against the Use of Force. *Foreign Affairs*, June 24, 2025. <https://www.foreignaffairs.com/united-states/might-unmakes-right-hathaway-shapiro>, [retrieved July 1, 2025].

<sup>65</sup> Such coalitions have begun to form: The Council of Europe, for instance, has announced that it is establishing a court to gather evidence against Putin and other Russian leaders and eventually try them for the crime of aggression in Ukraine, and members of the so-called Hague Group – Bolivia, Colombia, Cuba, Honduras, Malaysia, Namibia, Senegal, and South Africa – are working to enforce decisions made by the International Court of Justice and the International Criminal Court regarding the war in Gaza. In May, foreign ministers from the African Union and the European Union vowed to strengthen their partnership on peace, security and economic matters, offering a potential starting point for a peace coalition that does not rely on the United States.

<sup>66</sup> UN Charter: Article 109:

1. A General Conference of the Members of the United Nations for the purpose of reviewing the present Charter may be held at a date and place to be fixed by a two-thirds vote of the members of the General Assembly and by a vote of any seven members of the Security Council. Each Member of the United Nations shall have one vote in the conference.

2. Any alteration of the present Charter recommended by a two-thirds vote of the conference shall take effect when ratified in accordance with their respective constitutional processes by two-thirds of the Members of the United Nations including all the permanent members of the Security Council.

3. If such a conference has not been held before the tenth annual session of the General Assembly following the coming into force of the present Charter, the proposal to call such a conference shall be placed on the agenda of that session of the General Assembly, and the conference shall be held if so decided by a majority vote of the members of the General Assembly and by a vote of any seven members of the Security Council.

Article 108:

Amendments to the present Charter shall come into force for all Members of the United Nations when they have been adopted by a vote of two-thirds of the members of the General Assembly and ratified in accordance with their respective constitutional processes by two-thirds of the Members of the United Nations, including all the permanent members of the Security Council.

Charter of the United Nations: Chapter XVIII – Amendments: Repertory of Practice of United Nations Organs. [https://legal.un.org/repertory/art108\\_109.shtml](https://legal.un.org/repertory/art108_109.shtml), [retrieved July 9, 2025].



it can use the Purposes of the UN, set out in Art. 1,<sup>67</sup> and the Principles, defined in Art. 2,<sup>68</sup> of the Charter, as its starting points.

Other efforts have, meanwhile, been made to improve the efficacy of the UN in maintaining international peace and security. The original “Uniting for Peace” resolution passed in 1950, allows the General Assembly to act when the Security Council fails to maintain international peace due to a veto cast by a Permanent Member, by enabling the Assembly to convene an *Emergency Special Session* to make non-binding recommendations for collective measures, including sanctions or peacekeeping.<sup>69</sup>

1. Russia’s exercise of its veto in the UN Security Council had frustrated adoption of a resolution condemning Russia’s invasion on February 24, 2022. By majority vote after the veto, the Security Council called for an Emergency Special Session of the General Assembly, indicating that Russia’s veto had “prevented it from exercising its primary responsibility for the maintenance of international peace and security.”

The General Assembly thus convened an *Emergency Special Session* and adopted Resolution ES-11/1 on March 18, 2022 by 141 votes for, five against and 35 abstentions,

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<sup>67</sup> UN Charter Article 1

The Purposes of the United Nations are:

- To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace;
- To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace;
- To achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and
- To be a centre for harmonizing the actions of nations in the attainment of these common ends.

<sup>68</sup> UN Charter: Article 2

The Organization and its Members, in pursuit of the Purposes stated in Article 1, shall act in accordance with the following Principles.

1. The Organization is based on the principle of the sovereign equality of all its Members.
2. All Members, in order to ensure to all of them the rights and benefits resulting from membership, shall fulfill in good faith the obligations assumed by them in accordance with the present Charter.
3. All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.
4. All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.
5. All Members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.
6. The Organization shall ensure that states which are not Members of the United Nations act in accordance with these Principles so far as may be necessary for the maintenance of international peace and security.
7. Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII.

<sup>69</sup> Resolution 377A(V), “Uniting for peace” adopted by the General Assembly on November 3, 1950. [https://docs.un.org/en/A/RES/377\(V\)](https://docs.un.org/en/A/RES/377(V)), [retrieved July 9, 2025].

showing that the General Assembly can support the maintenance and restoration of international peace and security in the face of the Security Council's inaction.<sup>70</sup>

A series of subsequent resolutions were later passed by the General Assembly on matters related to the invasion of Ukraine under the same rubric.<sup>71</sup>

2. Lichtenstein also introduced a resolution (A/77/L.52) in the 76<sup>th</sup> Session of the General Assembly, GA/12417 on April 26, 2022, after further criticism of the Security Council's inaction on the war in Ukraine, with the purpose of holding the P5 Council members accountable for their use of the veto.

The General Assembly adopted the resolution unanimously, requiring its President to convene a meeting of the Assembly within ten working days of the exercise of a veto in the Security Council by one or more Permanent Members, for a debate on the situation on which the veto was cast, unless the Assembly is already meeting in an Emergency Special Session on that situation.

For this purpose, the Assembly invited the Council, under Arti. 24 (3) of the Charter, to submit a special report to the Assembly on the use of the veto, at least 72 hours before the debate is to take place.<sup>72</sup>

Despite these initiatives, however, the United Nations has been unable to bring an end to the fighting in Ukraine in over three years since Russian troops entered that country in its "special

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<sup>70</sup> Resolution adopted by the General Assembly, March 2, 2022 [without reference to a Main Committee (A/ES-11/L.1 and A/ES-11/L.1/Add.1)] ES-11/1. Aggression against Ukraine. <https://docs.un.org/en/A/RES/ES-11/1>, [retrieved July 9, 2025].

<sup>71</sup> Key Uniting for Peace Resolutions on Russia's invasion:

1. A/RES/ES-11/1 (March 2022)

Passed during the 11<sup>th</sup> Emergency Special Session.

Vote: 141 in favor, 5 against, 35 abstentions.

Content:

Condemned Russia's invasion of Ukraine.

Demanded immediate, complete and unconditional withdrawal of Russian forces.

Reaffirmed Ukraine's sovereignty and territorial integrity.

2. A/RES/ES-11/6 (February 2023)

Marked the first anniversary of the invasion.

Vote: 141 in favor, 7 against, 32 abstentions.

Content:

Reiterated the call for Russia's withdrawal.

Emphasized the need for a just and lasting peace in line with the UN Charter.

Called for accountability for war crimes.

3. A/RES/ES-11/7 and A/RES/ES-11/8 (February 2025)

Adopted on the third anniversary of the invasion.

Two competing resolutions:

L.10 (Ukraine and EU-backed): Reaffirmed Ukraine's sovereignty and demanded Russia's withdrawal. Passed with 93 votes in favor, 18 against, 65 abstentions.

L.11 (US-backed): Initially omitted references to Russian aggression but was amended to include them.

Passed with 93 in favor, 8 against, 73 abstentions.

<sup>72</sup> General Assembly Adopts Landmark Resolution Aimed at Holding Five Permanent Security Council Members Accountable for Use of Veto, GA/12417. Seventy-sixth Session, 69<sup>th</sup> & 70<sup>th</sup> Meetings, April 26, 2022. <https://press.un.org/en/2022/ga12417.doc.htm>, [retrieved July 9, 2025].

military operation.” It is also worth noting that 11 *Emergency Special Sessions* of the UN General Assembly were convened between 1956 and 2014, without achieving any significant results.<sup>73</sup>

### 1. Preparing for a UN Conference under Art.109, to review and alter the Charter

Despite the difficulties that convening a General Assembly session under Art. 109 of the UN Charter will undoubtedly face, there is no realistic alternative if one is to restore the capability of the United Nations to meet the needs defined in the Charter.

It is worth noting that the China has contributed meaningfully to the debate on global governance in the past decade with its *Global Development Initiative*,<sup>74</sup> *Global Security Initiative*<sup>75</sup> and *Global Civilization Initiative*,<sup>76</sup> and its *Proposal of the People’s Republic of China for the Reform and Development of Global Governance*,<sup>77</sup> the last of which Beijing delivered in anticipation of the *UN Summit of the Future* in September 2024. Proposing that these be studied, interrogated and discussed *en route* to, and in, a UN General Assembly session under Art. 109 does not constitute endorsement of the specifics of the proposals, but does suggest that they merit careful scrutiny and discussion.

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<sup>73</sup> Emergency Special Sessions. General Assembly of the United Nations. <https://www.un.org/en/ga/sessions/emergency.shtml>, [retrieved July 9, 2025].

<sup>74</sup> PRC Ministry of Foreign Affairs, *Global Development Initiative Building on 2030 SDGs for Stronger, Greener and Healthier Global Development (Concept Paper)*. September 21, 2021, [https://www.fmprc.gov.cn/eng/zy/jj/GDI\\_140002/wj/202406/P020240606606193448267.pdf](https://www.fmprc.gov.cn/eng/zy/jj/GDI_140002/wj/202406/P020240606606193448267.pdf).

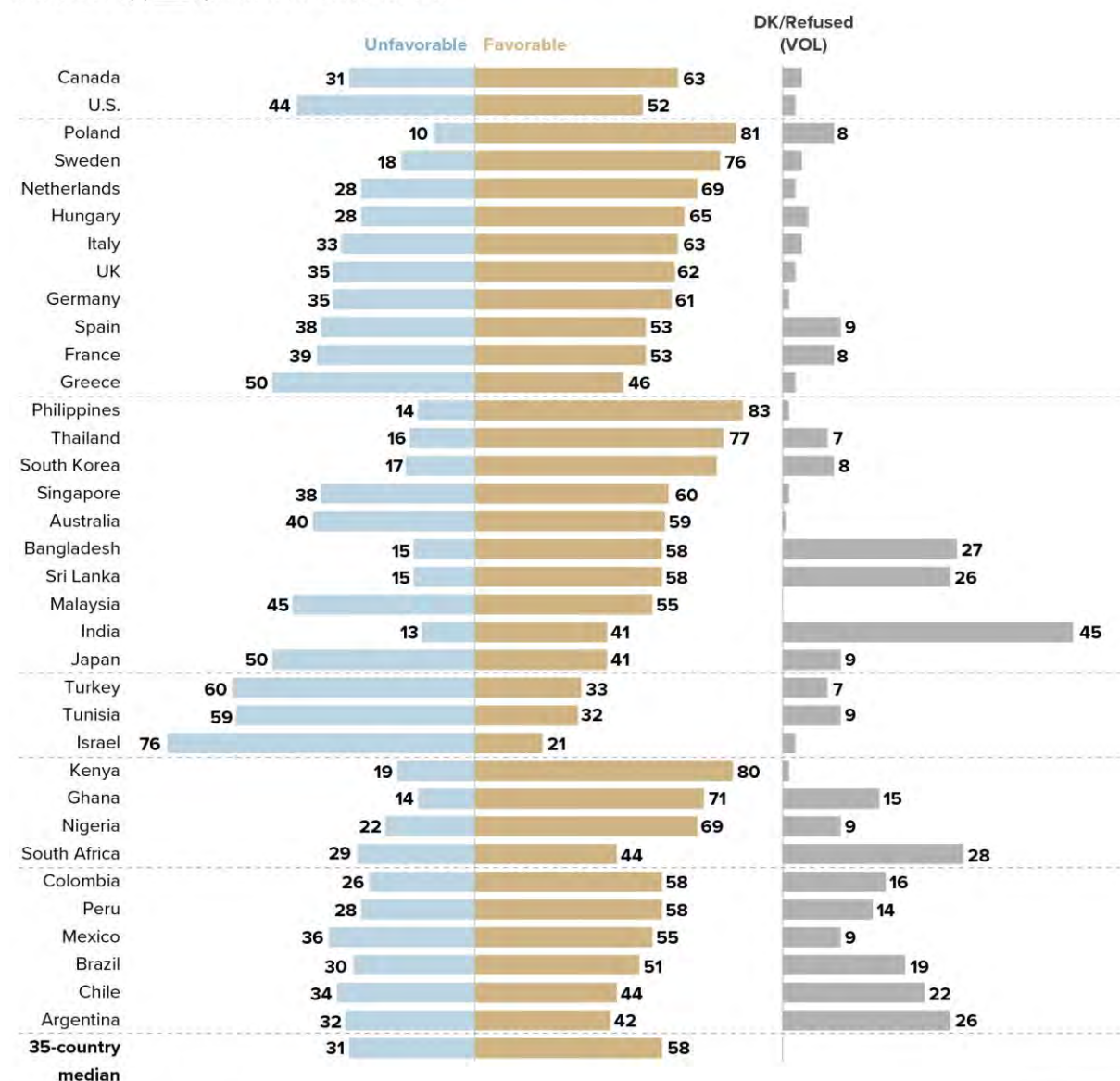
<sup>75</sup> PRC Ministry of Foreign Affairs, *The Global Security Initiative Concept Paper*. February 21, 2023. [https://www.fmprc.gov.cn/mfa\\_eng/wjbxw/202302/t20230221\\_11028348.html](https://www.fmprc.gov.cn/mfa_eng/wjbxw/202302/t20230221_11028348.html).

<sup>76</sup> Wang, Yingwu. *Implementing the Global Civilization Initiative to Write a New Chapter of World Civilizations*. May 6, 2023. [http://cm.china-embassy.gov.cn/fra/zxxx/202305/t20230506\\_11071361.htm](http://cm.china-embassy.gov.cn/fra/zxxx/202305/t20230506_11071361.htm).

<sup>77</sup> PRC Ministry of Foreign Affairs. *Proposal of the People’s Republic of China on the Reform and Development of Global Governance*. September 13, 2023. [https://www.fmprc.gov.cn/eng/zy/gb/202405/t20240531\\_11367498.html](https://www.fmprc.gov.cn/eng/zy/gb/202405/t20240531_11367498.html).

### People around the World generally see the UN more Favorably than not

% who have a(n) \_\_\_\_ opinion of the United Nations



Source: Spring 2024 Global Attitudes Survey.

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A recent survey undertaken by the Pew Research Center indicated that citizens in most countries around the world have a generally favorable opinion of the United Nations. The 35-country median in the Spring 2024 Pew Research Global Attitudes Survey is 58% favorable and 31% unfavorable.

Most European countries surveyed record a favorable view – Greece being the exception; Japan was the only Asian country to reflect a predominantly unfavorable assessment, although high percentages of respondents in Bangladesh (27%), Sri Lanka (26%) and India (45%) were uncertain of their views.

All African and Latin American countries surveyed had predominantly favorable views of the UN, although South African respondents recorded a high (28%) level of uncertainty.

Tunisia (59%), Turkey (60%) and Israel (76%) expressed strongly unfavorable views.

## 2. Challenges within the US Political and Normative System

Persons in the “Western” democratic tradition have taken US leadership of the “West” largely for granted since the end of World War II in 1945/46. Without the Marshall Plan,<sup>78</sup> the reconstruction of Europe would have been far more difficult, and the emergence of the European Union from its origins in the European Coal and Steel Community would have been improbable.<sup>79</sup> The United States was dubbed *l’hyperpuissance* by Hubert Védérine after the fracturing of the USSR in 1991.<sup>80</sup>

Mistakes made due to hubris in the period after 1991 culminated in the decision of the George W. Bush administration to invade Iraq in 2003 without UN Security Council authorization, dividing NATO allies in Europe, and triggering further fractures in the Broader Middle East.<sup>81</sup> The onset of the *Global Financial Crisis* in 2008, with its origins on the sub-prime mortgage crisis in the United States a year earlier, and the *Occupy Wall Street* protests<sup>82</sup> which began in 2011, deepened divides within societies, but also drew major powers together in the G8, and notably in the G20 in 2008, to address the financial crisis and its consequences.

These circumstances long enabled US citizens born since World War II to believe in the exceptionalism of their society, and to assume that their premier economic position and dominant military power reflected their inherently superior status. Since the end of the global financial crisis, however, that ethos has been crumbling, also in the face of widening social divides due to the increasing financialization of the economy. President Trump’s election in 2016 reflected the disruption of the US and international political order established after 1946. While the Biden presidency saw a reversion to familiar principles and policies, President Trump’s victory in 2024 reflected both the waning appeal of conventional policies in the face of demographic and technological disruption, and the opportunity to advance simplistic populist nativism as a political response to social discontent.

The most recent polls reflect the sharp political divides in the US polity, with most US citizens still celebrating their heritage, but far fewer their present circumstance: A 2024 Pew survey found that 72% of US respondents felt their country was once a good model for the world, while only 19% believed that it still is. Likewise, recent decades of rising political polarization have converted the two-party system, a source of institutional strength designed to protect against anti-democratic impulses, into a core weakness, now exploited to consolidate power.<sup>83</sup>

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<sup>78</sup> Marshall Plan (1948), National Archives. <https://www.archives.gov/milestone-documents/marshall-plan>, [retrieved July 11, 2025].

<sup>79</sup> History of the European Union 1945-59. European Union. [https://european-union.europa.eu/principles-countries-history/history-eu/1945-59\\_en](https://european-union.europa.eu/principles-countries-history/history-eu/1945-59_en), [retrieved July 11, 2025].

<sup>80</sup> Védérine, Hubert, *L’hyperpuissance américaine*. <https://www.hubertvedrine.net>, [retrieved July 11, 2025].

<sup>81</sup> The Iraq War 2003 – 2011, Council on Foreign Relations. <https://www.cfr.org/timeline/iraq-war>, [retrieved July 11, 2025].

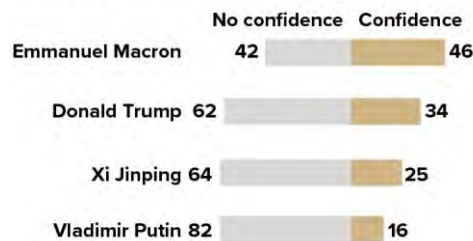
<sup>82</sup> Occupy Wall Street. Britannica. <https://www.britannica.com/topic/Occupy-Wall-Street>, [retrieved July 11, 2025].

<sup>83</sup> Campante, Filipe and Ray Fisman. The Institutions Protecting US Democracy Have Turned Into Traps: America’s two-party system has long been intended as a barrier against an extremism. Polarization is making it an accelerant instead. Bloomberg, July 3, 2025. [https://www.bloomberg.com/news/articles/2025-07-03/us-democracy-s-strengths-turned-out-to-be-weaknesses?cmpid=070525\\_WKNDNL&utm\\_medium=email&utm\\_source=newsletter&utm\\_term=250705&utm\\_campaign=weekendnl](https://www.bloomberg.com/news/articles/2025-07-03/us-democracy-s-strengths-turned-out-to-be-weaknesses?cmpid=070525_WKNDNL&utm_medium=email&utm_source=newsletter&utm_term=250705&utm_campaign=weekendnl), [retrieved July 1, 2025].

The most recent Gallup poll records that, while registered Republicans continue to celebrate their “American” identity, Democrats’ pride in “being American” tumbled to 42% in early 2020, at the end of President Trump’s first term, and to 38% in 2025, early in his second.<sup>84</sup>

#### Confidence in Macron, Trump, Xi and Putin

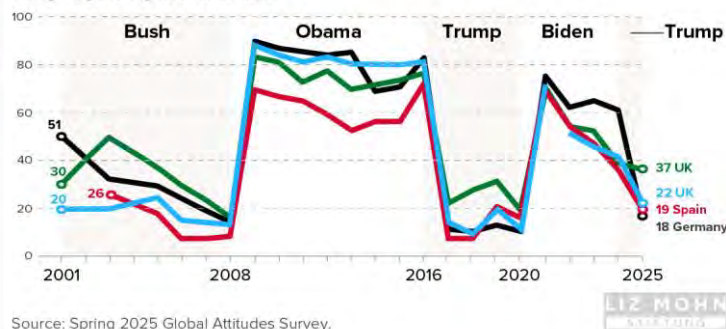
Median percent who have confidence in \_\_\_ to do the right thing regarding world affairs



Note: Percentages are medians based on 24 countries.  
Source: Spring 2025 Global Attitudes Survey.

#### Confidence in U.S. Presidents in Western Europe

Percent who have confidence in each U.S. president to do the right thing regarding world affairs



Likewise, current Pew research reflects that, across 24 countries outside of the US, majorities said that they consider Trump to be “arrogant” (80%), “a strong leader” (67%) and “dangerous” (65%).

Far lower percentages believe that he is “honest” (28%), “well-qualified” (41%), “diplomatic” (41%) or “able to understand complex problems” (42%).

Confidence in Trump is lowest in Canada, Mexico and Western Europe, with the exception of Hungary. He fared better in Israel, India, Nigeria and Kenya.<sup>85</sup> Clearly, political division at home, and the President’s profile abroad, does not position the United States to lead reform of the global system.<sup>86</sup>

## XI The Role of the EU in Reconstruction

The Pew Center poll also recorded the shifts in the confidence of Western European societies in recent US presidents, and the relative levels of confidence of the global sample in Presidents Trump, Macron (the only European leader recorded in the poll), Xi and Putin. Not surprisingly, Western European publics recorded markedly higher confidence in Presidents Obama and Biden (at the beginning of his term), although that fell sharply after the half-way mark. Global publics

<sup>84</sup> Sanders, Linley and Amelia Thomson-Deveaux. National pride is declining in America. And it’s splitting by party lines. AP News, June 30, 2025. [https://apnews.com/article/patriotism-america-national-pride-decline-poll-gallup-0411dd2f28329a6b640d404db8626d3f?user\\_email=0dbab6d3feab7934bc66ee62a8b5f69f671bbcf03257178a197cfb861e3b93c&utm\\_medium=Afternoon\\_Wire&utm\\_source=Sailthru\\_AP&utm\\_campaign=Afternoon-Wire\\_June30\\_2025&utm\\_term=Afternoon%20Wire](https://apnews.com/article/patriotism-america-national-pride-decline-poll-gallup-0411dd2f28329a6b640d404db8626d3f?user_email=0dbab6d3feab7934bc66ee62a8b5f69f671bbcf03257178a197cfb861e3b93c&utm_medium=Afternoon_Wire&utm_source=Sailthru_AP&utm_campaign=Afternoon-Wire_June30_2025&utm_term=Afternoon%20Wire), [retrieved July 1, 2025].

<sup>85</sup> Wike, Richard, Jacob Poushter, Laura Silver and Janell Fetterolf. U.S. Image Declines in Many Nations Amid Low Confidence in Trump. Pew Research Center, June 11, 2025. <https://www.pewresearch.org/global/2025/06/11/us-image-declines-in-many-nations-amid-low-confidence-in-trump/>, [retrieved July 11, 2025].

<sup>86</sup> Lawler, Dave. Trump seen as arrogant, dangerous and strong. Axios, June 11, 2025. [https://www.axios.com/2025/06/11/trump-strong-dangerous-leader-global-poll?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiospm&stream=top](https://www.axios.com/2025/06/11/trump-strong-dangerous-leader-global-poll?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiospm&stream=top), [retrieved July 11, 2025].

recorded most confidence in President Macron (46%), followed by Trump (34%), and Xi (24%), with Putin (16%) bringing up the rear.

This suggests that there is a case to be made for leadership by one or several EU leaders in helping to reconstruct the global order at this fragile moment. To do that successfully, Europe will need to capitalize on its comparative advantage and distinctive competencies. These are clearly, as I argued at the Trilogue in 2024, “effective deployment of diplomacy, focused on conflict prevention, management and resolution, and, in association with other advanced economies and major emerging powers, on rebalancing the global economic system, and ... the global institutional architecture.”<sup>87</sup>

### 1. EU Engagement with China – and Possible Means to End the War in Ukraine

As European Commission President Ursula von der Leyen and European Council President Antonio Costa prepare for their summit with Chinese leaders later in July, tensions between the EU and China have intensified.

While many in the EU believe that China has supported Russia’s war in Ukraine, Beijing maintains that it has not provided lethal weapons to either party in the conflict and has exercised strict controls on exports of dual-use items. It asserts that China’s manufacturing capacity would have enabled Russia to overwhelm, Ukrainian forces if Beijing had supported Moscow’s war effort. China, however, also argues that it seeks peaceful ties with Russia, with which it shares a 4,300-kilometer border, as this is essential for China’s prosperity.

While negotiations on economic relations between the EU and the PRC will necessarily be robust, reflecting the interests of each party,<sup>88</sup> it is possible to craft a constructive partnership to accelerate an end to the war in Ukraine, and a durable peace.

Beijing’s actions after President’s Putin’s invasion of Ukraine on February 24, 2022 did not indicate support for Russia’s invasion. China’s strong aversion to interference in the internal affairs of sovereign states – a pillar of PRC foreign and national security policy – is reflected in the statement by Foreign Minister Wang Yi at the Munich Security Conference on February 19, 2022: “The sovereignty, independence and territorial integrity of any country should be respected and safeguarded ... Ukraine is no exception.”

President Xi Jinping spoke in the same vein in video calls with Presidents Macron and Scholz on March 8; President Biden on March 19; and with EC Commission President von der Leyen and then-Council President Michel, on April 1, 2022.

After Beijing had issued a 12-point *Statement on a Political Settlement of the Ukraine Crisis* on February 24, 2023, outlining a proposal to end the war, premised on an immediate ceasefire, and an end to further weapons deliveries to both parties by foreign actors,<sup>89</sup> EC President von der Leyen

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<sup>87</sup> Cleary, Sean. UN Pact for the Future – International Cooperation in a Polarized World. In: Liz Mohn Stiftung (ed.), *International Cooperation in a Polarized World – in Search for a Contemporary Structure*, Background Paper Trilogue Salzburg 2023. Gütersloh 2023, p. 54–74.

<sup>88</sup> Zhou, Xiaoming, A few suggestions for the EU if it sincerely wants to reset China ties, *South China Morning Post*, July 4, 2025. [https://www.scmp.com/opinion/china-opinion/article/3316776/few-suggestions-eu-if-it-sincerely-wants-reset-china-ties?module=perpetual\\_scroll\\_0&pgtype=article](https://www.scmp.com/opinion/china-opinion/article/3316776/few-suggestions-eu-if-it-sincerely-wants-reset-china-ties?module=perpetual_scroll_0&pgtype=article), [retrieved July 7, 2025].

<sup>89</sup> PRC Ministry of Foreign Affairs. China’s Position on the Political Settlement of the Ukraine Crisis, February 24, 2023. [https://www.fmprc.gov.cn/eng/zy/gb/202405/t20240531\\_11367485.html](https://www.fmprc.gov.cn/eng/zy/gb/202405/t20240531_11367485.html), [retrieved July 11, 2025].

accompanied President Macron to Beijing for discussions with President Xi early in April 2023. These discussions, while constructive, have not yet led to a ceasefire, or an end to the war.

Creation of a viable *European Security Architecture*, premised on the principles of the European Security Treaty that was under negotiation in 2009, and which incorporates the principle of “indivisible security” also endorsed by Beijing, will be essential for this purpose.<sup>90</sup> This should be embedded in a UN Security Council resolution under Chapter VII of the Charter, that will effectively preclude any party to the treaty, including President Putin, from violating Art. 2 (4), read together with Art. 2 (7) of the Charter, vis-à-vis Ukraine or any European state.<sup>91</sup> Securing Beijing’s cooperation in implementing a settlement on this basis, and its commitment to guaranteeing enforcement through the UN Security Council, would powerfully influence President Putin, and greatly strengthen the effect of a peace agreement.

Such engagement should be conducted with care, as Beijing’s present position on Ukraine is not entirely clear.<sup>92</sup> That said, the EU is best placed to explore and interrogate it at present with a view to securing a durable peace. Every political project of substance must address not only the symptoms evident in a crisis, but also the underlying causes. Palliative care, responding only to superficial pain, offers no solution.

European leaders at the fourth Ukraine reconstruction conference in Rome on July 10 expressed uncertainty about the territorial extent of Ukraine under a future peace plan. The present US-led plan is expected to include territorial concessions by Ukraine. A report by the Institute for International Political Studies (ISPI) has indicated that the reconstruction costs in Donetsk, Luhansk, Zaporizhzhia and Kherson would amount to some €200 billion and would accrue to Russia if Ukraine is required to concede control of the four oblasts in a peace settlement.<sup>93</sup> This has important implications.

## 2. Ensuring European Security

Meanwhile, France and the UK have announced a nuclear security agreement, ensuring that they will collaborate to deploy nuclear weapons if Europe faces a major military threat. Europe must also

<sup>90</sup> The draft of the European Security Treaty, President of Russia. November 29, 2009. <http://en.kremlin.ru/events/president/news/6152>, [retrieved July 11, 2025].

<sup>91</sup> UN Charter: Article 2

The Organization and its Members, in pursuit of the Purposes stated in Article 1, shall act in accordance with the following Principles.

4. All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

7. Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII.

<sup>92</sup> Toth, Mark and Jonathan Sweet. Xi Jinping is waging a proxy war against Trump in Ukraine. The Hill, July 10, 2025. <https://thehill.com/opinion/national-security/5391779-xi-jinping-is-waging-a-proxy-war-against-trump-in-ukraine/>, [retrieved July 11, 2025].

<sup>93</sup> Wintour, Patrick. Concern that Ukraine will be split up casts shadow over reconstruction talks: Leaders meet in Rome amid forecasts that more than a third of rebuild costs could fall to Russia if Ukraine concedes land. The Guardian, July 10, 2025. [https://www.theguardian.com/world/2025/jul/10/concern-ukraine-will-be-split-up-reconstruction-talks?utm\\_term=68708fc6144877038913166aa20f616d&utm\\_campaign=Guardian-TodayUK&utm\\_source=esp&utm\\_medium=Email&CMP=GTUK\\_email](https://www.theguardian.com/world/2025/jul/10/concern-ukraine-will-be-split-up-reconstruction-talks?utm_term=68708fc6144877038913166aa20f616d&utm_campaign=Guardian-TodayUK&utm_source=esp&utm_medium=Email&CMP=GTUK_email), [retrieved July 11, 2025].



assess, mitigate and manage the risks inherent in Russia's military expansion, by harmonizing defense industrial standards, and facilitating joint production and procurement. Sharing costs to limit wasteful expenditure and accelerate the programs needed to advance a common defense strategy is clearly essential. Increasing national defense spending will be wasteful without an effective common policy. Translating that into collaborative production and procurement is the only cost-effective path.<sup>94</sup>

### 3. Rebalancing the Transatlantic Alliance

There is likewise a need to rebalance the Transatlantic alliance, whose strength in future will depend on its ability to bridge political divides, harness technological innovation and deliver solutions to the defining challenges of the 21<sup>st</sup> century. The decisions made by the United States, Europe and their allies will determine if the partnership remains a pillar of global order or is sidelined by the shifting balance of power. The German Marshall Fund of the United States convened a *Transatlantic Taskforce* to craft recommendations to rebalance and strengthen the alliance over the five years to 2030, leading to five strategic steps to rebalance the alliance for adaptive, resilient cooperation in a fast-evolving landscape. The taskforce called for implementation of a phased and orderly security transition plan; delivery of high-impact joint US-European industrial projects; streamlining procurement and strengthening innovation; demonstrating the benefits of transatlantic competitiveness to domestic constituencies; and forging strategic partnerships beyond the transatlantic core.<sup>95</sup>

### 4. Capitalizing on, and Strengthening, Economic Capability

Christine Lagarde, President of the European Central Bank, has argued that Europe must strengthen its geopolitical credibility, economic resilience and legal and institutional integrity if it is to play its proper role – and enhance the standing of the euro – in this fractured era.<sup>96</sup> She has recommended completing the single market, reducing regulatory burdens and building a robust capital markets union, and argues that strategic industries – including green technologies and defense – should be supported with coherent, EU-wide policies and financed jointly.

To capitalize on the EU's reputation for respect for the rule of law and the independence of key institutions, she argues for reform of the EU's institutional structure to eliminate the blocking power of a single veto by adopting more qualified majority voting in critical areas. President Lagarde's proposals must be read together with the earlier reports on strengthening the EU's institutional capability, and competitiveness, by Enrico Letta<sup>97</sup> and Mario Draghi<sup>98</sup>.

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<sup>94</sup> Blockmans, Steven. Roadmap Towards a Common Defence for Europe. Centre for European Policy Studies Policy Brief, 2025.

<sup>95</sup> de Hoop Scheffer, Alexandra, Georgina Wright, Martin Quencez and Eamon Drumm. Rebalancing Transatlantic Relations – A Roadmap for 2030. German Marshall Fund of the United States. June 24, 2025. <https://www.gmfus.org/news/rebalancing-transatlantic-relations-roadmap-2030>, [retrieved July 12, 2025].

<sup>96</sup> Lagarde, Christine, Europe's "global euro" moment. ECB Blog, June 17, 2025. <https://www.ecb.europa.eu/press/blog/date/2025/html/ecb.blog20250617~7de14a39c3.en.html>, [retrieved June 30, 2025].

<sup>97</sup> Letta, Enrico. Much More Than a Market: Speed, Security, Solidarity – Empowering the Single Market to Deliver a Sustainable Future and Prosperity for All EU Citizens. Report commissioned by the European Council. Brussels, 2024.

<sup>98</sup> Draghi, Mario. The Future of European Competitiveness: A Competitiveness Strategy for Europe. Luxembourg, Publications Office of the EU, 2024.

## 5. Defense and Revitalization of the UN system

To mitigate the risks of the erosion of the rules-based international order, Europe will also need to act more decisively in defense of the United Nations system, because of the assault on the organization by the Trump administration. The US has been the largest contributor, providing 22% of the UN's core budget, but shortly after President Trump's inauguration, the White House announced a six-month review of US membership of all international organizations and treaties, aiming to reduce or end US funding in August, before the opening of the General Assembly in September, to those that the administration deems misaligned with US interests.

The closure of the US Agency for International Development (USAID) and sharp reductions in most aid programs have greatly weakened UN-related humanitarian programs. The removal of some 1,300 persons from the US State Department is likely to exacerbate this.<sup>99</sup> The core concept of collective responsibility for the principles of the UN Charter – preserving global peace and security, protecting human rights and advancing development – is under threat, and those who place stock in its importance must step into the breach.<sup>100</sup> This is another area in which the EU can find common cause with China and other states. Beijing has prioritized the UN Charter – not least because of its emphasis on the sovereign equality of states, and the principle of non-interference in their international affairs – in all its international policy documents in the past decade.<sup>101</sup>

## 6. EU Commitment to the Protection and Evolution of National Democracy

The principles on which the United Nations was founded in 1945, other than the veto powers reserved to the five permanent members of the Security Council, are derived from the principles of democratic governance familiar to the Western founding partners. These principles were further developed in the *Universal Declaration of Human Rights* proclaimed by the UN General Assembly on December 10, 1948 (General Assembly resolution 217 A),<sup>102</sup> and elaborated in the *International Covenant on Economic, Social and Cultural Rights* and the *International Covenant on Civil and Political Rights*.<sup>103</sup> They are premised on the *sovereignty of the people*, and the obligation of each state to protect, and facilitate, the well-being of its citizens and those legally within its borders.<sup>104</sup>

<sup>99</sup> Lee, Matthew, Farnoush Amiri and Manuel Balce Ceneta. State Department lays off over 1,300 employees under Trump administration plan. AP News, July 12, 2025. [https://apnews.com/article/layoffs-diplomats-state-department-trump-rubio-bfdb86767b7bd5b6570819d404a7782e?user\\_email=0dbab6d3feab7934bc66ee62a8b5f69f671bbcf03257178a197cfb861e3b93c&utm\\_medium=APNews\\_Alerts&utm\\_source=Sailthru\\_AP&utm\\_campaign=NewsAlert\\_Jul11\\_2025\\_07:37AM&utm\\_term=AP%20News%20Alerts](https://apnews.com/article/layoffs-diplomats-state-department-trump-rubio-bfdb86767b7bd5b6570819d404a7782e?user_email=0dbab6d3feab7934bc66ee62a8b5f69f671bbcf03257178a197cfb861e3b93c&utm_medium=APNews_Alerts&utm_source=Sailthru_AP&utm_campaign=NewsAlert_Jul11_2025_07:37AM&utm_term=AP%20News%20Alerts).

<sup>100</sup> Tisdall, Simon. The UN is our best defence against a third world war. As Trump wields the axe, who will fight to save it? The Guardian, July 6, 2025. <https://www.theguardian.com/commentisfree/2025/jul/06/the-un-is-our-best-defence-against-a-third-world-war-as-trump-wields-the-axe-who-will-fight-to-save-it>, [retrieved July 11, 2025].

<sup>101</sup> See e.g. PRC Ministry of Foreign Affairs, Proposal of the People's Republic of China on the Reform and Development of Global Governance, September 13, 2023. [https://www.fmprc.gov.cn/eng/zy/gb/202405/t20240531\\_11367498.html](https://www.fmprc.gov.cn/eng/zy/gb/202405/t20240531_11367498.html), [retrieved July 1, 2025].

<sup>102</sup> United Nations. Universal Declaration of Human Rights. <https://www.un.org/en/about-us/universal-declaration-of-human-rights>, [retrieved July 11, 2025].

<sup>103</sup> United Nations. International Covenant on Economic, Social and Cultural Rights. Adopted 16 December 1966, By General Assembly resolution 2200A (XXI). <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>, [retrieved July 11, 2025].

United Nations. International Covenant on Civil and Political Rights. [https://treaties.un.org/doc/treaties/1976/03/19760323%2006-17%20am/ch\\_iv\\_04.pdf](https://treaties.un.org/doc/treaties/1976/03/19760323%2006-17%20am/ch_iv_04.pdf), [retrieved July 11, 2025].

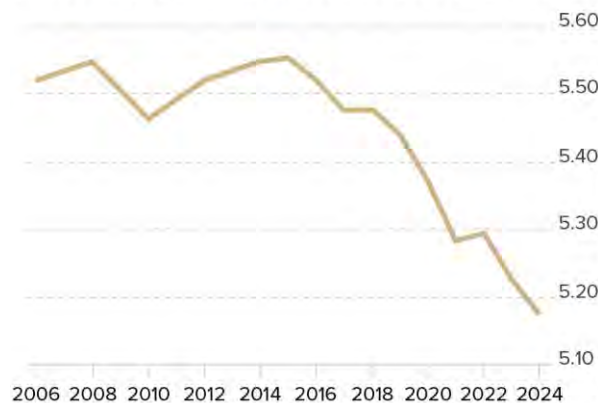
<sup>104</sup> Cleary, Sean. Rebuild After the Crisis on Three Pillars: Equity, Security and Sustainability. 2020.

## 7. Democratic Decline

The Economist Intelligence Unit's (EIU) report on the state of democracy in 2024<sup>105</sup> clarifies the decline of representative democracy over the past decade.

### Charting democracy's ups and downs, 2006 to 2024

Global average Democracy Index score out of 10 (10 = best)



Source: EIU.

### Democracy Index 2024

by regime type

	No. of countries	% of countries	% of world population
Full democracies	25	15.0	6.6
Flawed democracies	46	27.5	38.4
Hybrid regimes	36	21.6	15.7
Authoritarian regimes	60	35.9	39.2

Note: "World" population refers to the total population of the 167 geographies (165 countries and 2 territories) covered by the Index. Since this excludes only micro states, this is nearly equal to the entire estimated world population.

LIZ HORN  
EIU

At present, only 6.6% of the world population, in 24 countries, live in what the EIU characterizes as *full democracies*, with another 38.4% in 46 countries described as *flawed democracies*. Over half the world's population – 54.9% in 96 countries – are in countries governed by what the EIU classifies as either *authoritarian* or *hybrid regimes*.

The US administration's radical deconstruction of USAID and its curtailment of policies related to the promotion of democracy abroad raises the question of what the European Union ought to do to support the principles on which the member states and the Union itself are founded. Some argue that democracy-promotion programs no longer enjoy support in many once-committed democratic governments, as citizen support for democracy has weakened in those countries.

The EIU has noted that while over 70 countries, inhabited by some 4.2 billion people, more than half the world's population, held elections in 2024, including eight of the ten most populous countries – Bangladesh, Brazil, India, Indonesia, Mexico, Pakistan, Russia and the US – elections were cancelled in Burkina Faso, Guinea-Bissau, Kuwait, Mali and Romania, while dozens of polls were neither free nor fair, with ballot-rigging in Azerbaijan, Bangladesh, Belarus, Iran, Mozambique, Pakistan, Russia and Venezuela.

The EIU argues that governments and parties in many democracies have become estranged from their citizens and are no longer responsive to their needs. In many advanced democracies, governments no longer consult the public on important issues, leading large numbers of citizens to think that democracy, in its present form, is not working for them. The rise of populist parties over the past decade reflects problems with traditional parties and the systems they have developed.

<sup>105</sup> Economist Intelligence Unit. Democracy Index 2024: What's wrong with representative democracy? <https://www.eiu.com/n/campaigns/democracy-index-2024/>, [retrieved July 11, 2025].

These problems have arguably reached a tipping point, requiring discussion of necessary changes to make political systems truly representative and to restore trust in democracy.

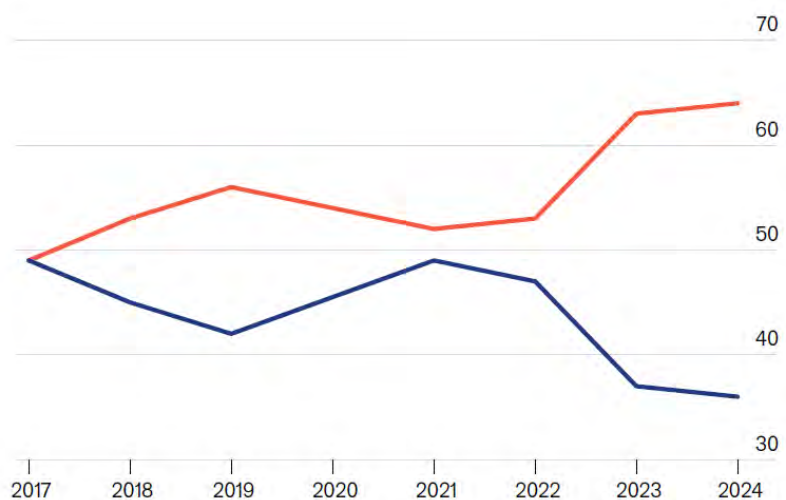
### Satisfaction with democracy across 12 high-income, democratic countries is down in recent years

Median % who are satisfied with the way democracy is working in their country

— Satisfied  
— Dissatisfied

Note: Percentages are medians across 12 advanced economies: Canada, France, Germany, Greece, Italy, Japan, The Netherlands, South Korea, Spain, Sweden, the United Kingdom and the United States. Starting in 2021, U.S. data is from Pew Research Center's online American Trends Panel; older data is from telephone surveys.

Source: Pew Research Center.



## 8. Addressing the Future of Democracy

In an informative paper, Thomas Carothers, Rachel Kleinfeld and Richard Youngs of the Carnegie Endowment have discussed six important issues that require deep reflection and active engagement by persons who support democracy to overcome the malaise. They define these as: leadership and coordination, strategic differentiation and prioritization, the West-rest divide, narratives and models, methods, and overall framing.<sup>106</sup>

It can be argued, however, that representative democracy is no longer systemically appropriate in a digital age and that a greater degree of direct participation by citizens in policymaking, governance and even forms of adjudication – by expanding the role of digitally-enabled, direct democracy – is both feasible and necessary to re-engage younger voters and respond more effectively to citizens' needs.<sup>107</sup>

We can do this in increasingly sophisticated ways by employing a range of digital twins of socio-ecological systems at different scales, to allow us to hypothesize, postulate, test, process feedback, adapt and learn how best to advance participatory resilience and inter-generational sustainability.<sup>108</sup>

## XII Non-traditional Security Threats

The threats to humanity are, of course, not limited to those arising from military aggression, economic mercantilism or the implosion of the social contract within states and national communities.

<sup>106</sup> Carothers, Thomas, Rachel Kleinfeld and Richard Youngs. What Future for International Democracy Support? Carnegie Endowment for International Peace, July 7, 2025. <https://carnegieendowment.org/research/2025/07/what-future-for-international-democracy-support?lang=en>, [retrieved July 11, 2025].

<sup>107</sup> Cleary, Sean. Governance and Government, Festschrift. ResearchGate, July 2020. [https://www.researchgate.net/publication/367253796\\_Governance\\_and\\_Government\\_Festschrift/stats](https://www.researchgate.net/publication/367253796_Governance_and_Government_Festschrift/stats), [retrieved July 11, 2025].

<sup>108</sup> Building a highly accurate digital twin of the Earth. Destination Earth - <https://destination-earth.eu/>, [retrieved July 31, 2025].

The *Institute for Economics and Peace* has identified 50 countries, home to 1.3 billion people, facing severe ecological threats, from water scarcity to food insecurity, which are multipliers of social tensions and catalysts for conflict. Actionable solutions exist: Targeted climate finance can yield transformative results, and water capture and agricultural enhancement can prevent resource conflicts, making a compelling case for preventive action. Relatively modest investments, properly directed, can yield significant returns in both climate resilience and social stability.<sup>109</sup>

But we are far from a satisfactory equilibrium. Ahead of COP29 in Baku, the World Meteorological Organization reported that the global average temperature from January-September 2024 was 1.54°C above the pre-industrial level, with the preceding 10 years being the warmest on record, with ocean heat rising, and Antarctic-sea ice at the second lowest level on record, while glacier loss was accelerating. Extreme weather and climate events have led to massive economic and human losses.<sup>110</sup>

The *IPCC's Special Report on Global Warming of 1.5°C*<sup>111</sup> in 2018 warned that global warming had to be contained to 1.5°C above pre-industrial levels to avert catastrophic disruption. Climate-related risks to growth, livelihoods, health, food security and water supply will rise with warming of 1.5°C from those in 2018 and increase dramatically further with 2°C. The decline in marine fisheries with 2°C of warming will be double that at 1.5°C. Maize harvests will fall by over twice as much. Insect ranges, including those of pollinators, will decline threefold. Sea levels will rise by a further 5 centimeters, putting another 10 million people at risk. The number of people experiencing extreme heat with 2°C warming will be double that of a rise of 1.5°C.

In 2018, the IPCC said that limiting warming to 1.5°C and achieving *aggregate net zero* greenhouse gas (GHG) emissions by 2050 required us to slash global emissions by 2030, 45% below 2010 levels. To achieve that, it said, we shall have to remove 1,000 gigatons of CO<sub>2</sub> from the atmosphere by 2100, through terrestrial carbon sinks, bioenergy coupled to carbon capture and sequestration, and direct air capture.<sup>112</sup>

Achieving this requires a sophisticated combination of *mitigation* – aligning technological solutions with appropriate finance and behavioral incentives to contain emissions – and *adaptation* – enabling vulnerable, low emitting, less-developed societies to adapt to the harm already wrought and still being caused by GHG emissions in the advanced and highly-industrialized emerging economies, and to achieve the Sustainable Development Goals.<sup>113</sup>

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<sup>109</sup> Institute for Economics & Peace. Ecological Threat Report 2024 – COP 29 Edition. Ecological Threat Report 2024, 5<sup>th</sup> ed., 2024.

<sup>110</sup> World Meteorological Organization. State of the Global Climate 2024. WMO Statement on the State of the Global Climate, No. 1368, 2025.

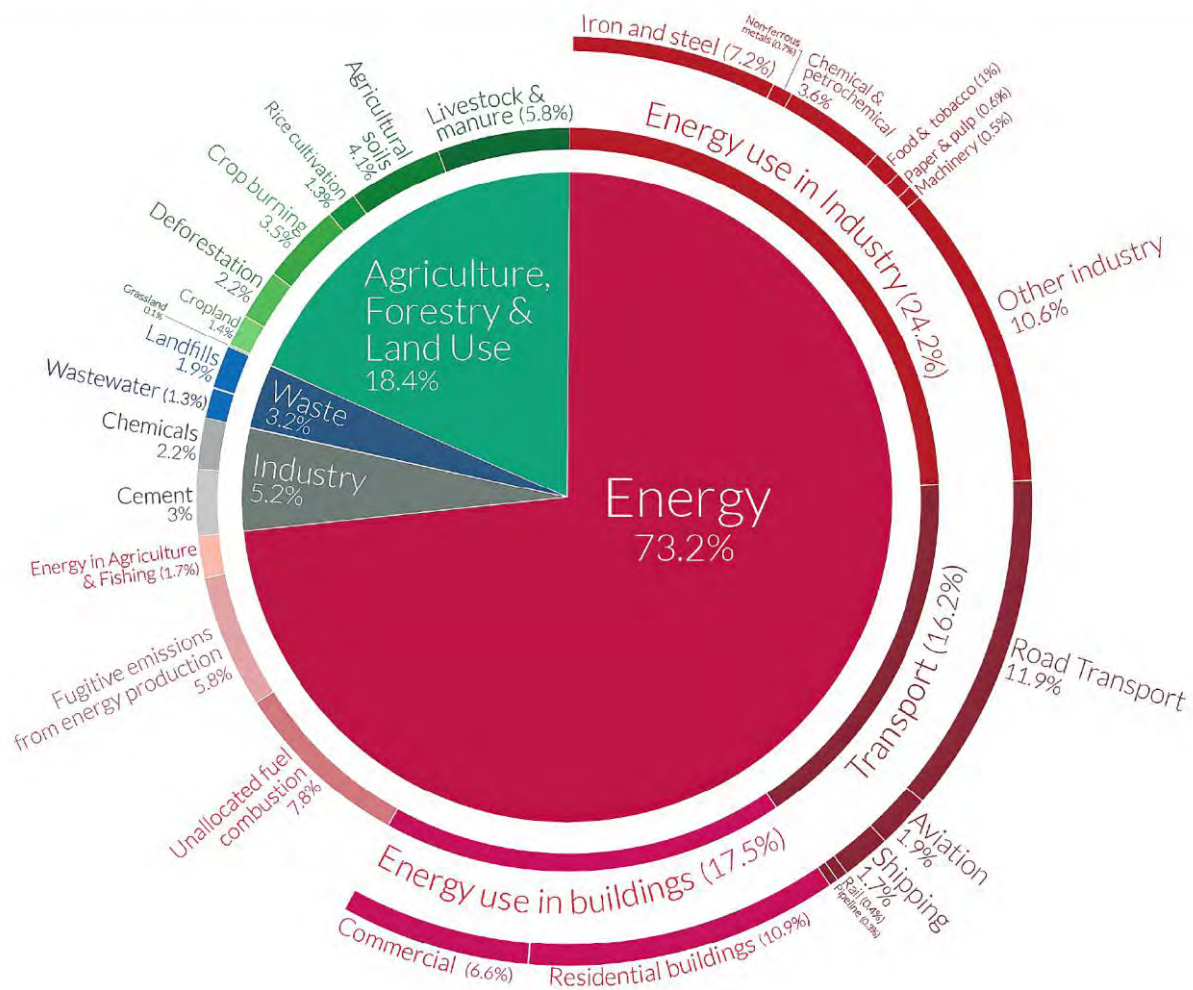
<sup>111</sup> Intergovernmental Panel on Climate Change. Special Report Global Warming of 1.5 °C. <https://www.ipcc.ch/sr15/>, [retrieved July 1, 2025].

<sup>112</sup> Cleary, Sean. Carpe Diem! Climate Innovation Summit, Dublin, 2018.

<sup>113</sup> UN Department of Economic and Social Affairs. The 17 Goals. <https://sdgs.un.org/goals>.

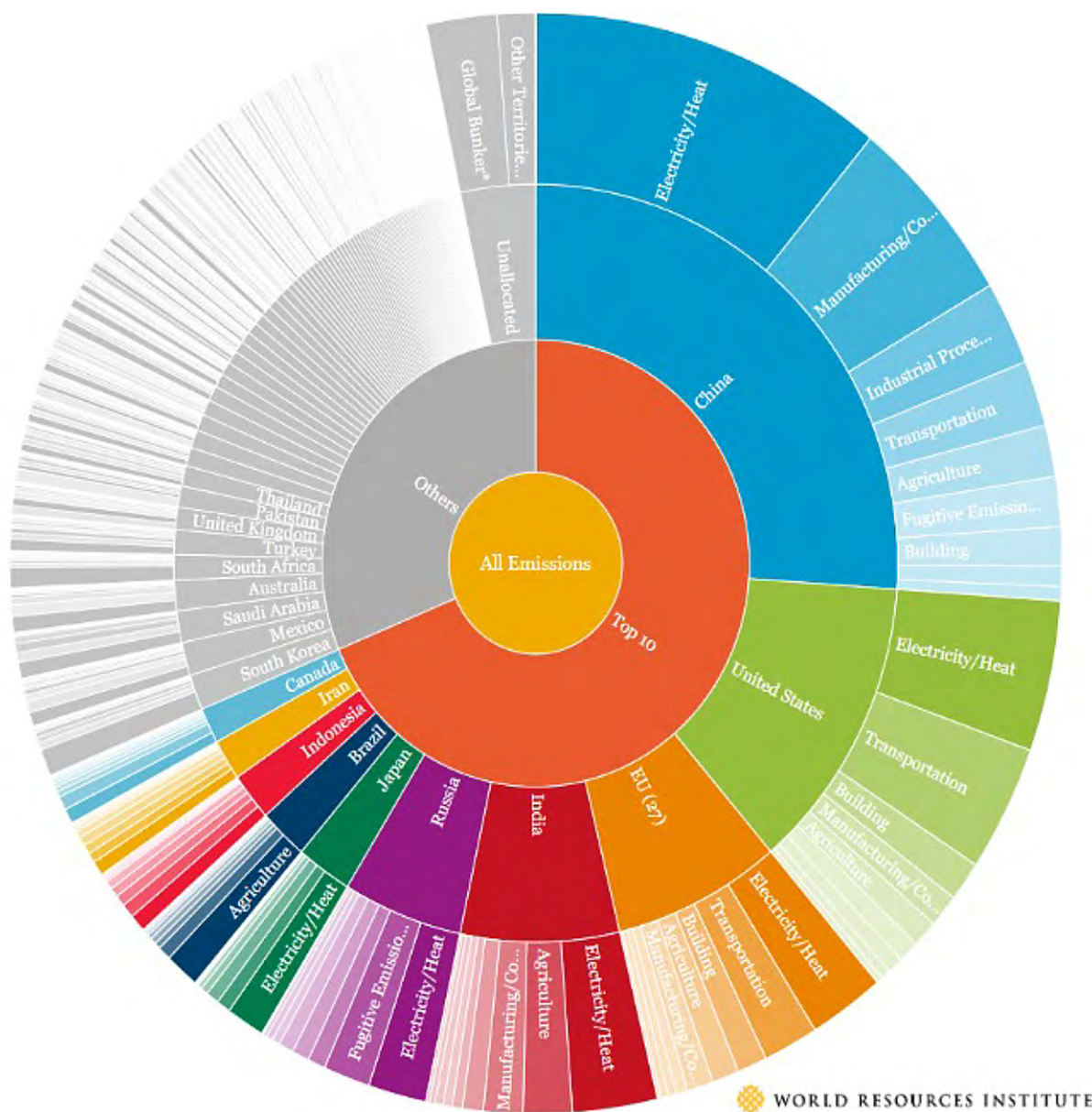
### Global Greenhouse Gas Emissions by Sector

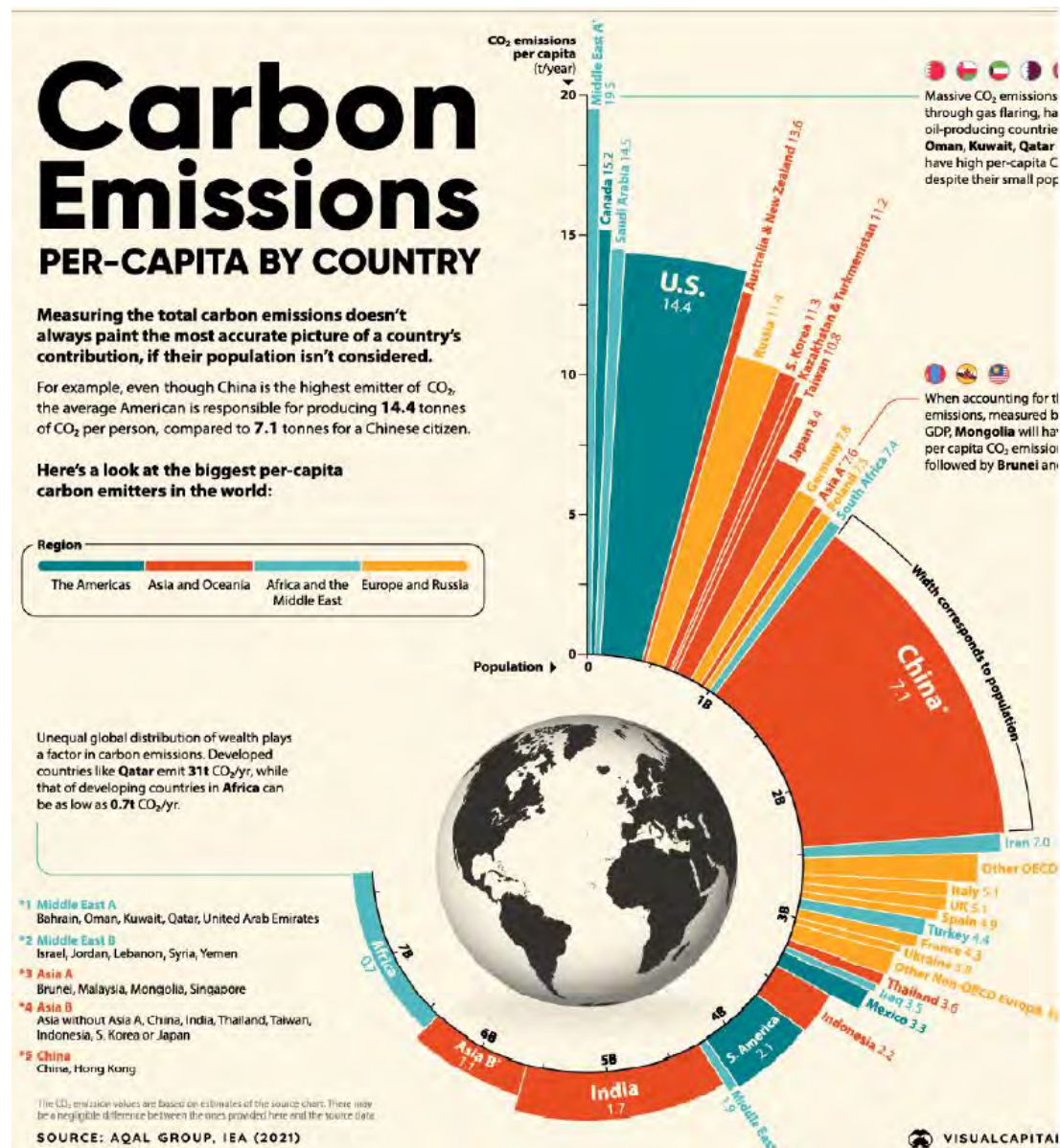
This is shown for the year 2016 – global greenhouse gas emissions were 49.4 billion tonnes CO<sub>2</sub>eq.



Source: Ourworldindata.org – Research and data to make progress against the world's largest problems.  
Climate Watch, the World Resources Institute (2020). Licensed under CC-BY by the author Hannah Ritchie (2020).







Many delegates from Developing Countries left COP29 in Baku disappointed that the \$300 billion pledged by developed countries for adaptation fell far short of the estimated \$1.3 trillion required each year until 2035 to enable developing countries to shift to a low-carbon economy and adapt to climate extremes. The shortfall was sharpened by the statement that a “wide variety of sources” would make up the shortfall. COP29 President Babayev acknowledged that the deal was “imperfect,” but said it was “a major step forward.” The Chair of the African Group of Negotiators, Ali Mohamed, described the agreement as “too little, too late, and too ambiguous in its delivery.”

Even more critical as a threat to international security is the fact that six of the nine planetary boundaries defined by Johan Rockström of the *Stockholm Resilience Centre* and his co-authors in and after 2007<sup>114</sup> have already been breached.

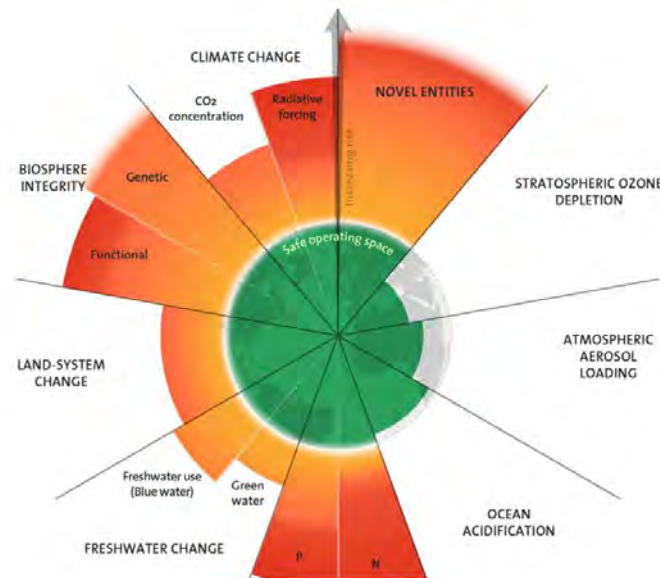
<sup>114</sup> Rockström, J., W. Steffen, K. Noone et al. A Safe Operating Space for Humanity. *Nature*, Vol. 461, 2009, pp. 472–475; Rockström J., K. Vohland, W. Lucht, H. Lotze-Campen, E. U. von Weizsäcker and



## Six of the nine planetary boundaries have been breached

Stockholm Resilience Centre, 13 September 2023

<https://www.stockholmresilience.org/research/research-news/2023-09-13-all-planetary-boundaries-mapped-out-for-the-first-time-six-of-nine-crossed.html>



The integrated impact of these breaches cannot be calculated, but the scale of their effects in a complex, (partially) adaptive system comprising *humanity in the bio-geosphere* will be hugely disruptive.

### XIII Need for Reconstitution of Coherent and Constructive “Collective Action”

It is clearly impossible to address the range of systemic risks<sup>115</sup> that confront humanity, or to manage the *global commons*<sup>116</sup> and *global public goods*<sup>117</sup> successfully, unless we succeed in restoring an understanding of the need for, and a broad commitment to, coherent well-focused, *collective action*.

Elanor Ostrom received the Nobel Memorial Prize in Economic Sciences with Oliver E. Williamson in 2009 for her “analysis of economic governance, especially the commons.” She offered eight rules for managing the commons: understanding and agreeing the scope, clarifying the rules, ensuring participatory decision making, monitoring outcomes, managing and resolving conflicts, and applying sanctions where needed.<sup>118</sup>

T. Banuri. Making progress within and beyond borders. In: Schellnhuber, H.-J., N. Stern, M. Molina et al. (eds.). *Global sustainability: A Nobel cause*. Cambridge University Press, 2010, pp. 33–48.

<sup>115</sup> World Economic Forum. *The Global Risks Report 2025*. [https://reports.weforum.org/docs/WEF\\_Global\\_Risks\\_Report\\_2025.pdf](https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf); Eurasia Group. *Top Risks 2025*, Eurasia. <https://www.eurasiagroup.net/issues/top-risks-2025>; Prendeloup, Chloé. *Energy Transitions and Ecological Security Risks*. Council on Strategic Risks (Center for Climate and Security, Fellowship Briefer Series), Briefer No. 77, 2025.

<sup>116</sup> Hardin, G. *The Tragedy of the Commons*. *Science, New Series*, Vol. 162(3859), 1968, pp. 1243–1248; Rockström, J., L. Kotzé, S. Milutinović et al. *The planetary commons: A new paradigm for safeguarding Earth-regulating systems in the Anthropocene*. *Proceedings of the National Academy of Sciences*, 2024.

<sup>117</sup> Buchholz, W. and T. Sandler. *Global Public Goods: A Survey*. *Journal of Economic Literature*, Vol. 59(2), 2021, pp. 488–545.

<sup>118</sup> Ostrom, Elinor. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press, 1990.

These are the same principles that underpin public international law, some parts of which are specific, being embodied in treaties, binding only on the parties to those instruments, while some are more extensive peremptory principles of international law (*jus cogens*).<sup>119</sup> The latter are international legal principles acknowledged by the global community as so fundamental that they cannot be violated or ignored.<sup>120</sup> Extending this to the constitutional principle of the *rule of law*, the Salzburg Statement on “The Critical Role of Lawyers in Safeguarding the Rule of Law” employed the definition earlier advanced by UN Secretary-General Kofi Annan:

The Rule of Law is a principle of governance in which all persons, institutions, and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency. (UNSG Kofi Annan, 2004 S/2004/616)

The Law Fellows Network asserted that the *rule of law* is essential for equal access to justice; human rights; public health; the protection and preservation of the natural environment for current and future generations; peace and security; economic development; and the responsible use and governance of technology; and defined the *Foundational Value of the Rule of Law*:

- The rule of law is the foundation for a life of freedom, without fear, where justice is accessible to all.
- The domestic rule of law is best protected in a system with separation of powers, where the law is certain and the product of an open, transparent and inclusive participatory process.
- Justice, as a key tenant of the rule of law, is inextricably linked to universal human rights and clear norms and standards. This includes the provision of access to remedy by means of an independent and impartial arbiter and representation by a competent lawyer.
- Companies both benefit from and uphold the rule of law when operating in accordance with human rights and environmental standards.
- The rule of law contributes to states’ internal and external peace and security and their economic well-being. It requires that states comply with their obligations under international law, including the prohibition on the use of force.<sup>121</sup>

Applying these principles to international relations, Hedley Bull had asserted almost five decades earlier that a global society had to comprise “... a group of states, conscious of ... common interests

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<sup>119</sup> International Law Commission. Analytical Guide to the Work of the International Law Commission: Peremptory norms of general international law (*Jus cogens*). [https://legal.un.org/ilc/guide/1\\_14.shtml](https://legal.un.org/ilc/guide/1_14.shtml), [retrieved July 10, 2025].

<sup>120</sup> LegalBrief AI. Peremptory norm – Meaning in Law and Legal Documents, Examples and FAQs. <https://www.legalbriefai.com/legal-terms/peremptory-norm>, [retrieved July 10, 2025].

<sup>121</sup> Salzburg Global. International Law and the Future of Nations: A Statement from Salzburg Global. Salzburg, 2025.

and common values ... conceiv[ing] themselves to be bound by a common set of rules in their relations to one another.”<sup>122</sup>

Achieving this condition does not require all states to align all societal values, but it does require all to recognize a certain quantum of common interests that justify subordinating national discretion, in certain cases, to achieve collective purposes.

It does not require *nations* to abandon their cultures, or *states* to abnegate their national interests, but it does require them to recognize that the *exclusive* pursuit of national interests, uncaring of the effect that this has on others, undermines aggregate human welfare.<sup>123</sup>

International security in a highly connected world cannot be achieved by seeking to impose exclusive national, or civilizational, values by force, or by cynically asserting the superiority of particular national interests. It is only attainable through serious and honest efforts to craft a balance of interests and a normative framework that can enable human, national, regional and global security.

Coexistence by over 8 billion people on one planet demands compromise and a willingness to craft transnational détente, reflecting a recognition that the sustained application of force, or compelling economic pressure, to advance sectional interests at the expense of others is socially, economically and morally debilitating.

Only acceptance of the principle of *shared responsibility* for constructive collective action can advance global security. We must re-engage with the implications of this simple truth.<sup>124</sup>

#### XIV Collective Action in the Context of Complex (Partly-)adaptive Systems

The challenge, of course, is that human societies constitute archetypally complex systems, with many strongly interdependent variables, feedback loops, extreme sensitivity to initial conditions, and a non-Gaussian distribution of outputs, all resulting in multiple (meta)stable system-states, where a small change in societal conditions can precipitate a major change in the system. This makes it impossible for governments to control outcomes, much though many might prefer to do so.

On the international scale, the challenges are exponentially greater. We are where we are today, largely because we adopted an economic model premised on exceptionally high global financial and supply chain connectivity, in pursuit of optimal economic efficiency. As societal tensions rose progressively over the past two decades, in part due to the “financialization” of many economies and weakened performance by national governments, the construct of an “international community” fractured, and the instruments of the global polity – the UN, IMF, World Bank and the World Trade Organization – proved incapable of bridging the gap.

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<sup>122</sup> Bull, H. *The Anarchical Society: A Study of Order in World Politics* (Chapters 1–3). New York: Columbia University Press, 1977.

<sup>123</sup> Cleary, Sean. UN Pact for the Future – International Cooperation in a Polarized World. In: Liz Mohn Stiftung (ed.), *International Cooperation in a Polarized World – in Search for a Contemporary Structure*, Background Paper Trilogue Salzburg 2023. Gütersloh 2023, p. 54–74.

<sup>124</sup> Shrivastava, P. and S. Dixon-Declève (eds.). *Enduring Peace in the Anthropocene*. Reports to The Club of Rome series, 2025.

This must be urgently remedied. All periods of relative international stability over history have been characterized by a dynamic equilibrium (a “balance of power”), within a normative system whose legitimacy is accepted by all state actors capable of disturbing it. Every effort must now be made to restore that condition.

The UN Secretariat has sought to address this need over the past five years – with UN@75, through the UN Secretary-General’s report on *Our Common Agenda*,<sup>125</sup> and the work of the *High-Level Advisory Board on Effective Multilateralism*,<sup>126</sup> to the *Summit of the Future* and the *Pact for the Future* that emerged from it.<sup>127</sup> We must take the next steps in this process – despite all the obstacles – if we are to avoid the predictable and dangerous consequences of the conflation of nationalist populism, primitive mercantilism and surging military spending, amidst a disregard for international law<sup>128</sup> now upon us in the midst of an extraordinary post-industrial, bio-digital revolution.<sup>129</sup>

The Industrial Revolution (1760–1860) – which comprised little more than the Spinning Jenny and the steam engine – bought the American and French revolutions, the Napoleonic wars, the transformation of the British political system, the end of Empires across Europe and the Mediterranean in the wake of the revolutions of 1848, and the shift in the center of global economic gravity from Asia to Western Europe. The vastly more profound and complex bio-digital revolution on which we are now embarked will have far greater economic, social and political impacts.

Managing these will require much deeper understanding of the nature, potential opportunities, evolutionary potential, and risks associated with the emerging technologies, as well as an appreciation of the purpose for which each is to be deployed, the norms that should guide its application, and the instruments and institutions required to ensure universal compliance. Avoiding a catastrophic technological arms race is imperative. The statute of the International Atomic Energy Agency<sup>130</sup> and the Non-proliferation Treaty are instructive precursors, but the scale and speed of the evolution

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<sup>125</sup> United Nations. *Our Common Agenda: Report of the Secretary-General*. New York: United Nations, 2021.

<sup>126</sup> United Nations University. *Breakthrough for People and Planet: Effective and Inclusive Global Governance for Today and the Future*. Report of the High-Level Advisory Board on Effective Multilateralism. Tokyo: United Nations University, 2025.

<sup>127</sup> United Nations. *Pact for the Future, Global Digital Compact and Declaration on Future Generations*. United Nations, 2024.

<sup>128</sup> The absence of mutually agreed rules of engagement – evident in the sense in the “Global South” that the West is applying the values and principles of the “rules-based international order” inconsistently vis-à-vis Russia in Ukraine, Israel in Gaza, Lebanon, and now Iran, and in wars in Sudan and in the Sahel – renders conflict management and resolution greatly more difficult. The erosion of widely-accepted principles of international law – including *jus cogens* – on which those seeking to mediate between conflicting parties, or use public international law to address disputes, can rely is profoundly threatening.

<sup>129</sup> Humanity is on the cusp of the deepest and most wide-ranging technological revolution in human history involving not only GenAI and other innovations in information technology, which pose challenges to digital trust, political processes and economic opportunities, but breakthroughs in biotechnology like AlphaFold and CRISPR-Cas9 and other transformative capabilities in genetic engineering, all converging with advances in nanotech and advanced experimentation in neuro-technologies. This conflation of transformative technologies is redefining the meaning of knowledge – long assumed to be a human prerogative, but now potentially available to generative pre-programmed transformers (GPTs) based on large language models (LLMs) which may evolve into artificial general intelligence – and thus challenges the essence of human ontology.

<sup>130</sup> International Atomic Energy Agency. *The Statute of the IAEA*. <https://www.iaea.org/about/statute>, [retrieved July 12, 2025].

of digital technologies shows the limits of these instruments and the importance of more adaptive instruments.<sup>131</sup>

Amidst these challenges, provocative rhetoric, unwarranted military expansion and wanton use of economic instruments that will harm the welfare of other states are both counter-productive and potentially highly dangerous.

To achieve success in this remarkable global transition, European states will have to play a leading role in an international project that should be undertaken and coordinated across the European Union<sup>132</sup>, and, as far as possible, the Council of Europe<sup>133</sup> and the European Political Community<sup>134</sup>. It will not be easy or cost-free – major historical transitions never are – but it is essential if we are to avert the most dangerous consequences of the present moment.

## XV Reverting to the Metaphor

Circe's advice to Odysseus to sail closer to Scylla, recognizing that she would likely swallow a few of his crew, rather than risk sacrificing the whole ship and all the sailors to the fury of Charybdis, seems apt at present. It will serve no purpose, however, to seek to conceal the risks that we face.

The most challenging times require insight into context and clarity of purpose; recognition that complexity precludes certainty about the future; a determination to press forward while tacking and adjusting the sails to accommodate unforeseen conditions; and inspired leadership to cause others to follow, while learning continuously from their insights and discoveries.

Carpé diem!

## XVI Summary of the Findings

- We are at an historical inflection point characterized by an unusual number of geopolitical conflicts, while the rules governing the international system are in dispute.
- This has led major state powers, notably the Russian Federation and the United States, to act militarily, politically and economically outside of the peremptory rules of the international legal system, in pursuit of what they define as their national interests. Russia has repeatedly struck civilian targets in Ukraine and caused large-scale destruction of life and property. Israel has capitalized on Washington's support to implement radical military actions in response to the terrorist attacks on Israeli civilians by Hamas on October 7, 2023, inflicting massive harm on civilians and civilian property in Gaza, and striking targets in Lebanon and Iran – including nuclear facilities in the latter – without UN Security Council authorization. The US likewise struck Iranian nuclear facilities with GBU-57A/B Massive Ordnance Penetrators and missiles without UN Security Council authorization.

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<sup>131</sup> Kaspersen, Anja and Wendell Wallach. Envisioning Modalities for AI Governance: A Response from AIEI to the UN Tech Envoy. Artificial Intelligence & Equality Initiative. Carnegie Council for Ethics in International Affairs, September 29, 2023. <https://www.carnegiecouncil.org/media/article/envisioning-modalities-ai-governance-tech-envoy>, [retrieved July 12, 2025].

<sup>132</sup> European Union. [https://european-union.europa.eu/index\\_en](https://european-union.europa.eu/index_en), [retrieved July 1, 2025].

<sup>133</sup> Council of Europe. <https://www.coe.int/en/web/portal>, [retrieved May 30, 2025].

<sup>134</sup> EPC Observatory. <https://epc-observatory.info/what-is-the-epc/>, [retrieved May 30, 2025].

- Other state actors – in Europe, Latin America, Asia and Africa – are unnerved and disturbed by these acts and divided in their assessment of the proper responses. The PRC and the BRICS condemned the strikes on Uranian nuclear facilities. The US posture, and the support extended by other Western states to Israel's military campaign, has led to deep cynicism in many states about the meaning, and prospect of survival, of the “rules-based international order.”
- The UN Security Council has been unable to act to advance its primary responsibility for the maintenance of international peace and security. Efforts made by the UN General Assembly under its *Uniting for Peace* mandate have been ineffectual. The International Court of Justice (ICJ) and the International Criminal Court (ICC), although seized of putative violations of international law in these conflicts, have been unable to effect timeous outcomes, and the US administration has imposed sweeping sanctions – asset freezes and travel bans – against judges and officials of the ICC, and the UN Special Rapporteur on the Situation of Human Rights in the Palestinian Territory.
- The US administration has imposed punitive tariffs against a large number of countries without reference to the World Trade Organization, ostensibly to secure revenue to cover the effects of tax reductions for US citizens under a law passed by Congress and signed by the President. A variety of justifications have been asserted at different times, including the existence of trade deficits with certain countries, and non-tariff measures affecting US exports. High tariffs are threatened against Brazil to induce the country's President to cause the courts to abandon prosecution of his predecessor for an attempted insurrection to overturn the results of the 2022 presidential election. Certain countries have imposed countervailing measure against the US. The continuing uncertainty associated with these actions has led the World Bank and OECD to revise growth prospects downwards for 2025 and two years thereafter.
- The US Administration has closed down USAID; sharply cut funding for hundreds of aid programs in developing and least developed countries; withdrawn from the Paris Climate Agreement, the UN Human Rights Council, the UN Relief and Works Agency for Palestine Refugees, and the World Health Organization. It has begun a formal review of its membership of UNESCO, and of all international organizations supported by the United States.
- The US President has called into question the continuing commitment of the United States to Art. 5 of the NATO Charter, demanded that all NATO allies boost their military spending to 5% of GDP by 2035, and required European NATO allies to assume primary responsibility for the defense of Ukraine, *en route* to a ceasefire and settlement of the war on terms that are to be negotiated by the US and the Russian Federation – unless the US chooses to walk away from the talks, if it appears that Russia and Ukraine will not agree on the terms.
- All this is occurring amidst a sharp decline in the appeal and efficacy of representative democracy around the world, spurring nativist populism; and on the cusp of a bio-digital technological revolution radically transforming our social, economic and political systems.

## XVII Policy Recommendations

- The European Union should use the occasion of the 80<sup>th</sup> anniversary of the United Nations in 2025 to advance a General Conference of Members of the United Nations under Arts. 108 and 109 of the UN Charter in order to review the Charter to make it fit for purpose in the 21<sup>st</sup> century.
- The European Union should engage diplomatically with the PRC, in the context of Beijing's proposals to end the war in Ukraine, building on the visit to China by President Macron and President von der Leyen in April 2023, and with the United States, in the context of President Trump's proposals for a ceasefire and a durable peace, to use the draft European Security Treaty (2009), backed by a UN Security Council resolution, supported by France, the UK, US and China, to end the war in Ukraine. This should be done within the framework of a revised, constructive, transatlantic relationship, building on NATO and the OSCE, while strengthening the strategic autonomy of the EU.
- The European Union, with the support of the UK, should engage constructively with the US and the PRC, as well as the G20, to effect reform of the World Trade Organization to restore a rules-based global trading system to replace the arbitrary use of tariffs, and check the drift to nation-alist-mercantilist disorder.
- The EU should reflect deeply on the weakened state of representative democracy and engage constructively with states that embrace popular sovereignty and the obligation of governments to ensure the security of their citizens and advance their well-being, and should consider how best to use emerging digital technologies to promote broader and more constructive citizen engagement and enhance the efficacy of governmental processes.
- As an adjunct to this process, the EU must increase its efforts to secure the broadest possible international agreement on the regulatory principles that will apply to the *development and deployment* of AI and related large language models (LLMs), the *norms* that must inform the principles, and the *institutions and instruments* needed to enable the constructive use of AI and related technologies, while preventing where possible – and effectively inhibiting in all cases – uses that cause societal disruption, or otherwise pose threats to safety and human security.

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## Abrupt Break or Gradual Development?

Jürgen Wertheimer

### I Introduction

The motto of this year's Trilogue demands a decision from us. Do we want an abrupt break with what has been valid up to now, or are we hoping for more or less organic change and gradual development? This is a problem that seems more than legitimate given the many upheavals roiling our world.

A series of sudden attacks has startled us, tearing us from the slumber of our habitual routine: Names such as Bucha, Gaza, Putin, and Trump are synonymous with this disruption. The blows have hit us unexpectedly and with full force. The democratic system is not inherently equipped for total, ruthless aggression; it does not expect to be overwhelmed and, therefore, often seems defenseless and paralyzed in such cases.

### II The Attack: Background

This shocking experience is by no means a phenomenon unique to the modern era. It has accompanied democracy since its ancient beginnings. Terror breaks into the orderliness of the polis in the form of Medea just as vehemently as it does in Euripides' *The Bacchae*, in which a horde of unfettered maenads rampages so terribly that the city of Thebes is brought to the brink of ruin. The strength of the democratic-republican system is such that it always anticipates scenarios of this kind and literally acts them out. At least, we once had this ability.

One can only hope that it still exists with the same intensity. A turning point seems to occur suddenly in the middle of the enlightened 18<sup>th</sup> century, when the first doubts arise as to whether democracy's and reason's fragile defenses are sufficient to resist the chthonic forces of anarchy. The nightmare begins taking shape. Its name: Rameau, nephew of the great musician Jean-Philippe Rameau. He violates the dictates of taste, custom, order, tact – and, due to these idiosyncrasies, clearly fascinates both society, which prides itself on being enlightened and cultured, and philosophers. Whose negative assessment is not free of clandestine admiration – since Rameau, that destroyer of systems, brutally reveals the side of reality that civilization has repressed. He is the “other” incarnate, a sort of social virus that invades both closed systems and well-ordered societies. He abandons and negates the conventional rules of discourse and directly expresses (almost) everything he thinks and feels. Enlightenment's advocate has surprisingly little at his disposal to refute the provocateur's torrent of words. Shortly thereafter, the protagonist literally collapses under the force of the ruthless attacks. The unsettled ego withdraws into the shell of its threatened identity. Correspondingly, the antipode's personality gradually charges itself with energy. Anyone who is as radically pragmatic a thinker as Rameau's nephew does not leave the one he considers his opponent any room for moral considerations. Precisely for that reason, the representative of common sense stands on the verge of capitulation, helplessly and passively regarding the triumphant St. Vitus' dance performed by the artiste of morality: He feels truly sick and consoles himself with the assumption that “this will soon be over.”

No, it will not be over so soon. Locked within itself, within its own morality, within its self-imposed bourgeois “virtues,” the Enlightenment itself is increasingly becoming a problem.

It is no coincidence that this dialogue was only allowed to circulate in handwritten form. Publication of this highly skeptical view seemed undesirable. And, in principle, it still is today. A considerable amount of time, occasionally too much, passes before we are willing to acutely perceive our opponent in his relentlessness, his destructive and disruptive rage.

There must be a third way, however, a path of organic evolution, one between the inglorious departure of the Enlightenment thinker Diderot and a stubborn resistance availing itself of the same methods, a path that ensures pressure-free innovation and reasonable change. What could it be? What would it look like? What gait might we adopt as we trod it into the future?

### III Evasive Maneuver

If I am not mistaken, we are proceeding strictly according to the precept of avenging like with like – a tariff for a tariff, if such wordplay is allowed. The predominant attitude is that the enemy only understands the language of force. For this reason, we frantically attempt to respond by paying him back in his own coin. Or more concretely: arming ourselves, sending battalions to the fore, stationing them as close to the border as possible as a way of demonstrating military strength. All these measures may be necessary and legitimate at the present time. Whether they promise success in the medium term or add to the potential for escalation, even radicalization, is another question. Overall, the model of strike and counterstrike seems to me too infantile to be successful over time. Indeed, the intellectual room for maneuver is growing ever smaller: Even the idea of seeking ways out of the dilemma, third ways, is often viewed as a betrayal of the common cause, the cause of democracy, which has tipped out of balance. The question of autonomy, too, is often dismissed as reprehensible or naïve. The possibilities for negotiation become fewer and fewer.

When it comes to successfully navigating compromise and conflict in the highly charged field between evolution and disruption, other maneuvers must be initiated.

Above all, it is important to react in good time and not wait until the tanks are rolling and the bombs are falling. Everything that is proposed below as a way out, a third path, is only suitable for deployment in the **run-up** to conflicts.

This, of course, touches on one of the main pitfalls of our perceptive abilities. Due to a combination of intellectual laziness and unwillingness to take risks, we generally wait until the floodwaters have risen to our chins – to use the precarious issue of environmental protection as an example. As disillusioning as it may be, we delay taking decisive action as long as possible. Max Frisch's successful play *The Arsonists* illustrates our almost grotesque ability to reflexively and pointedly ignore impending disaster. It should be required reading given its insight: Conflicts arise and proliferate to the degree they are suppressed.

Another pitfall, one that is no easier to overcome, is the step from recognition and diagnosis to action. If a fire is seen as it is developing but not combatted at that very moment, the consequences will be unpredictable.

This applies on both a small and large scale. The potential implications of the conflict in Ukraine were evident after the massive protests on the Maidan. In the ten years leading up to Special Operation Z, little was undertaken on the political or diplomatic front to enter into negotiations with the future aggressor and defuse the potential threat. The combination of aggression, on the one hand, and lethargy, on the other, is a dangerous concoction.

Perhaps even more precarious is the steep decline of the Gaza Strip. Generations of Palestinian and Jewish authors and political thought leaders pointed out ways to douse the blaze that had smoldered for decades. The oft-called-for “two state solution” was one of these proposals. Yet what happened? People accepted that hardliners on both sides repeatedly fueled this conflict (for their own political gain), thereby keeping death alive. Yitzhak Rabin was perhaps the most tragic victim of this lethal policy of appeasement. His murderers are still alive and remain active today.

This leads us to the third and ultimate point of our three-stage navigation model. After all, the will to action does not inherently imply the means to intervene successfully. What are needed are neutral, regulatory forces that are capable of following words and strategies with deeds. Given their current mandate and equipment, blue-helmeted UN peacekeeping troops are not up to the task. They are not trained to carry out armed patrols between the fronts, effectively secure corridors for refugees, etc.

We have the choice: Either we grow accustomed to the images of misery emanating from various war zones, or the world takes concrete action to protect humanity. As well intentioned as symbolic moral gestures and appeals might be, when push comes to shove, the only things that can help are early intervention and the presence of a third party. As unusual as it might presently seem, strong military forces taking preventive local action will occasionally be unavoidable – even if only to impede the worst (massacres in Srebrenica, Rwanda, Gaza) from occurring.

Our last word can hardly be adopting the role of spectator and acting horrified after the fact. When one considers Europe’s pitiful, divided position vis-à-vis the tragedy that has been unfolding in Gaza for weeks, massive doubts naturally arise.

When it comes to entering more productively into the maze of disruptive demands and humanitarian defense, into the territory between annexation and coexistence, other strategies must be adopted, namely those that combat – systematically and preventively – the underlying causes.

#### IV Combatting the Causes

In this brief format, I can of course only examine the European sphere, which has specific characteristics that can be easily generalized. It all comes down to defining Europe in the long term differently than the EU has done until now. Among the various measures that are conceivable, I would like to highlight just one idea: **coexistence**. The idea of coexistence describes nothing more than the simultaneous presence of different systems, the more-or-less peaceful, independent juxtaposition of two (or more) state structures. The options range from truly peaceful coexistence to mere tolerance, as was the case during the “Cold War” from 1962 to 1979. It is certainly not an ideal situation, but one that at least allows for a minimum of exchange and prevents military conflict. Any form of coexistence walks a fine line and is at risk of immediate collapse, making it beholden to all types of diplomatic and political support. Some of the prerequisites for its realization are the following rules, which are certainly not spectacular, but helpful. In addition to being cognizant of the needs and hopes of the other side, they include:

- The idea that, for the sake of its own interests, each group needs to tolerate the beliefs of the other – no more, no less.
- The expansion and facilitation of various types of “minor border traffic,” which can increase the standard of living and introduce a modicum of normality to the tense situation. Instead of a growing number of border fences, the creation of border areas would be the far more productive path. In biological/economic terms, coexistence of two species is only possible if sufficient resources are available and both species have access to these resources.
- It will and must become known that this type of regional free trade area is economically beneficial for both the country in question and its neighbors.
- Systematic avoidance of terms and actions that clearly serve only as a demonstration of one’s own dominance and as a provocation for the other side.
- This delicate balancing act requires sensitivity and good will. If they are lacking or are deliberately sabotaged by interest groups, the deployment of external forces will be necessary – at least temporarily.
- This gives rise to buffer zones between possibly antagonistic states or regimes, which – if properly communicated – can be advantageous for both sides. The example of the highly controversial “eastern expansion” and its consequences should serve as a lesson to us.

Buffer area, hub, juncture – whatever we might call them, neutral zones must be systematically desired and politically established if we want to minimize the likelihood of conflicts erupting.

Such undertakings are hardly discernible at the moment. Alternatively, we would be forced to leave the comfort zone of non-committal concern and take action without waiting to see if, for example, the United States is willing to cooperate or not. Establishing a corridor to supply the Palestinian civilian population in Gaza would be one example of an action that is both legitimate under international law and, in humanitarian terms, long overdue. NATO as well should not consider itself too good to clearly fulfill its peace-keeping mandate and enter the area between the hardliners’ battle lines, instead of standing by and watching as genocide unfolds before its eyes, as in Srebrenica.

Europe’s true strength does not lie in becoming a major military power by arming itself to death. It lies instead in playing a decisive role between the ideological blocs. Be it as a central mediation platform, as a guarantor of a minimum of social justice, as a counter-narrative to all the brutal attempts at ideologization and manipulation that would plunge millions into misery. Adopting the role of superpower of critical thinking and committed action – I would have no objection to this type of “Eurocentrism.” For the time being, however, we should not rely on artificial intelligence, but rather focus on training from scratch the natural resources afforded by our brains and our channels of perception. This is an educational and “mental armament” mandate that should be financed and promoted *now* – with the same determination that underlies our hectic preparations to invest trillions in elaborate weapons of mass destruction. True evolution must begin with us. As quickly and intensively as possible!

## V Epilogue: Little Europe

- Europe is currently taking the stage militarily. Incredibly powerful armies are being assembled in no time at all – at least verbally. Positions are being adopted on Europe’s eastern edge, and proclamations made that blood will be shed to defend every inch of NATO’s territory. After all, this is the last summer before the great war. At least, that is what the media are reporting day after day.

If one speaks to people on the street, in cafés or in university lecture halls, a different but no less alarming picture emerges: one suggesting the sense of a great weakness. We are insignificant, people say, none of the major players takes Europe seriously. We are trundling half-heartedly through the world, neither fish nor fowl.

What have the former colonizers who conquered the globe become now? Moral cowards of world history? Bickering loners? With their “values” that they themselves no longer really believe in, with their teetering democracy and sterile EU bureaucracy?

- A destructive caricature? In any case, this is the feeling that’s in the air and that, if not vigorously countered, could have severe consequences for the psyche of the entire continent. At worst, it could cause Europe to disintegrate from within.
- What Europe urgently needs at this historically critical moment is not so much comprehensive military rearmament as a “mental” rearmament. Every sports coach seems to understand this better than the EU bigwigs. Without a belief in oneself, in one’s own abilities and qualities, nothing is possible. Technology and military might are all well and good, but what attitude, what inner conviction must we demonstrate at the moment of truth – and the moment of truth is now!

No, I am not calling to “make Europe great again.” On the contrary. Europe’s strength has always been its multiplicity, its diversity. Its tradition of critical and self-critical thinking – ever since antiquity. Its ability to endure controversial dialogues and place the individual at the center of each of them.

Are we really so insignificant and puny as we are currently convincing ourselves, and allowing ourselves to be convinced by others? Have we nothing to offer the world? I believe we do: As a sort of “neutral zone,” hub, negotiating platform, we could take on the eminently important role of mediator. We aren’t planning a Russian empire dragged from history’s dustbin, no hulking, clumsy US imperium, no Islamist-based annexation, and no megalomaniacal new Silk Road. Our almost forgotten soft power of communication and negotiation, our ability to aid and facilitate could help the ideologically overheated world to exit the vortex of its self-hypnosis and once again become a world in which people can flourish and prosper, instead of dying in the trenches for nothing. A world capable of disarming the deluded *Führer* bent on keeping it in their thrall.

## Transformation and Opportunities in the Multipolar Era: Regional Integration, Global Governance and China's Historical Wisdom

**Henry Wang**

The world today is undergoing profound transformation. The once dominant unipolar order, US hyperpower, has gradually given way to a more complex and diverse multipolar landscape. While China has long been an advocate of multilateralism, now its presence is no longer deniable. At the Munich Security Conference, it was the central topic of discussion and treated effectively as already a truism.<sup>1</sup> Further new blocs are rising, regionalism is resurging and independent actors are asserting their autonomy. Traditional patterns of influence are being replaced by new forms of cooperation and competition. Amid this sweeping change, understanding the motivations and dynamics behind these shifts – especially how countries like China are likely to respond, drawing on their deep historical and cultural legacy – has become essential to grasping the future of international relations.

This evolving global landscape is still neck deep in the throes of globalization. Even as the star of economic liberalism seems to be under threat and liberal internationalism in retreat, the processes of regional integration and cooperation across multiple continents have only accelerated, signaling a decisive move away from centralized power toward a more distributed and interconnected world order. This is the core of Globalization 3.0, that even as economic globalization slows at the broadest scope, all the forces undergirding globalization have remained in play and adjusted to this new post-hegemonic order.

And now that the movement towards multipolarity is unmistakable, with power and influence no longer concentrated in a single superpower or locked in bipolar rivalry, we are seeing a world of greater freedom of action, for better and worse. Power dispersed across multiple centers and programs of regional integration as a reaction stands out as one of the most vivid expressions of this shift.

In North America, the United States has embarked on an effort to build its own pole, first under the Biden administration, when it tried to retrench itself in its traditional alliance structures and build a united front against the rising power of China, with assemblages such as the Quad and AUKUS as well as increasing NATO involvement in the Pacific. But amidst the second Trump administration, the US has changed course, embarking on a more narrowly focused North American pole, attempting to coerce Canada, and Belgium via Greenland, to pursue closer relations, while threatening to reassert control over the Panama Canal. These moves reflect a changing world and a determination to solidify a more modest pole amid intensifying global competition.

Meanwhile, Europe is accelerating its integration process and investing in military capacity and cooperation. Emerging from its post-Brexit slowdown, the European Union, which has since its inception expanded from six founding members to 27, now looks to continue with countries like Ukraine and Moldova as official candidates, signaling continued interest in external growth. Meanwhile internally, economic integration, with the expansion of the EU's single market, the Eurozone and the Schengen Area, continues. Taken together, these facilitate the free movement of goods, capital, services and people and have seen member states cede rights and limited sovereignty by entrusting the supranational EU with greater authority, on topics ranging from the negotiation of

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<sup>1</sup> <https://securityconference.org/en/publications/munich-security-report-2025/executive-summary/>.

trade deals to regulations on food production. Meanwhile, military spending within NATO is soon to rise to 4.5 percent of GDP across the Alliance, mostly impacting Western European members by signaling the end of their peace dividend and Europe as a disarmed continent. Despite challenges from populism and political extremism, the EU remains committed to pressing forward with a dual-track approach of deepening and widening integration, while investing in the assets needed to act independently of the US security guarantee.

Beyond Europe and North America, the rise of the Global South has catalyzed the decentralization of power within the international system and demonstrated another path forward. The 2008 global financial crisis propelled emerging economies into global governance and led directly to the creation of the G20 Leaders' Summit – forming the basis of a new framework for cooperation on economic and global issues. Emerging economies hold 11 seats within the G20, and the African Union's inclusion at the 2023 New Delhi summit further amplifies the Global South's voice. BRICS countries stand as prominent representatives of this new wave and have become key drivers of the multipolar evolution. In 2022, measured by purchasing power parity, the BRICS nations accounted for 31.5% of the world economy – surpassing the G7's 30.7%.<sup>2</sup> This gap is only likely to widen as opportunities for developing economies outpace those of developed ones.

At the same time, Asia is witnessing a surge in regional cooperation. High-profile summits involving China, ASEAN and the Gulf Cooperation Council have underscored efforts to enhance economic connectivity, energy collaboration and diplomatic dialogue – reflecting a growing recognition of the importance of regional solidarity in navigating global uncertainties.

Within Southeast Asia, the “ASEAN-X” mechanism exemplifies a pragmatic and flexible approach to regional integration. By allowing differentiated and phased implementation of commitments, ASEAN advances regional unity while respecting member states' sovereignty and diversity. Simultaneously, Southeast Asia is actively deepening cooperation with external powers and international partners, enhancing its strategic connectivity and influence in global governance. ASEAN's own dual approach – strengthening internal cohesion and expanding external partnerships – reflects the broader trend also seen in Europe of intensified regional cooperation under multipolarity. It positions Southeast Asia not only as a cohesive regional bloc but also as a dynamic actor contributing to the construction of a balanced, multipolar international order.<sup>3</sup>

Similarly, Latin America is actively pursuing regional integration as a strategic response to external pressures and internal challenges. The 27<sup>th</sup> São Paulo Forum, convened in Tegucigalpa, Honduras, gathered over 1,000 representatives from more than 400 political parties, organizations and social movements across Latin America, the Caribbean and 21 countries worldwide. Under the theme of regional integration, the forum critically examined challenges posed by US and NATO hegemonic actions, the rise of right-wing forces and ongoing global crises that undermine regional unity. In response, it emphasized the necessity of strengthening solidarity and cooperation among left-wing parties to advance pluralistic and inclusive regional integration. Rejecting neoliberalism,

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<sup>2</sup> People's Daily Online. Let World Hear More BRICS Voices, Witness Greater BRICS Contributions. August 22, 2023. <https://en.people.cn/n3/2023/0822/c90000-20061840.html>, [retrieved July 15, 2025].

<sup>3</sup> Dai, Yi and Lai Zhengshi. 2025. Institutional Changes of 'ASEAN-X' and Regional Integration in Southeast Asia. *Southeast Asian Studies* 1: 49–62. <https://doi.org/10.19561/j.cnki.sas.2025.01.049>.



neocolonialism and exclusionary trade agreements, the forum advocated resistance against imperialist interference and unconventional warfare.<sup>4</sup> Through comprehensive development plans and political unity, Latin America demonstrates a clear commitment to enhancing regional cohesion and collective empowerment.

Across Latin America, Africa, India and all the nations of the broader Global South, there has been an increasing latitude and tendency to pursue independent foreign policies. This impulse is comingled with a refusal to align strictly with any major power bloc, with non-alignment reflecting a desire for greater autonomy and diversified partnerships. Meanwhile, liberal internationalism has receded in the US, and the rise of tensions has hindered the free flow of trade. Yet despite these two factors, the continuing growth of global trade demonstrated another quiet truth: If the state of global trade over the past decades has been a dance, then yes, the dance partners may be changing, and regional dynamics may grow more pronounced. But people are still looking for partners in the waltz. Trade itself remains fundamental to undergirding the prosperity of the present even as it has become more unpopular in developed nations.

Further, the global south as a whole seems to thoroughly understand that global challenges, such as climate change, development and security, require flexible, multilateral solutions. Collectively, these trends illustrate that the world is no longer defined by singular or binary power structures. Instead, regional blocs and independent actors together shape a complex new multipolar order characterized by overlapping networks of cooperation, competition and negotiation.

As alluded to earlier, during the Biden administration, attempts were made to revive a Cold War-style ideological approach, building coalitions of “like-minded” countries to counter China. Initiatives like AUKUS and the Quad brought in new partners such as India, and framed the issue as a struggle between democracy and authoritarianism to preserve the “free world.” However, with changes in US leadership and shifting geopolitical realities, these ideological divisions have rapidly fallen by the wayside and China’s relations with countries previously aligned against it have begun to improve.<sup>5</sup> This shift highlights a defining feature of the emerging multipolar order: The world is no longer shaped by rigid ideological blocs, but by a flexible, overlapping web of pragmatic regional groupings.

If disruption is a rupture – a sudden break where conditions on the ground are exposed as having rested on false assumptions, as with the collapse of the Soviet Union and the end of the bipolar order – then evolution is when leaders and stakeholders recognize change early and understand its implications.

We have already cleared the first hurdle: We have seen the change coming. Just as thinkers like John Robert Seeley foresaw that Britain’s era of global hegemony would not last as “nations organized on a vaster scale,” we today stand at the threshold of a new multipolar era. Fundamental shifts in the world’s economic organization are already under way, signaling the slow but inexorable end of American hegemonic power.

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<sup>4</sup> Wang, Ximan and Hu Jiahui. 2025. An Analysis of the 27<sup>th</sup> São Paulo Forum Meeting. *Contemporary World and Socialism* (Bimonthly), no. 1: 170–190. <https://doi.org/10.16502/j.cnki.11-3404/d.2025.01.017>.

<sup>5</sup> Manning, Robert A. and Mathew Burrows. Biden’s Foreign Policy Legacy: A Troubled Interregnum. The Henry L. Stimson Center, November 19, 2024. <https://www.stimson.org/2024/bidens-foreign-policy-legacy/>.

China's response to this oncoming global change and the solution it offers is deeply rooted in its millennia-old history and rich cultural traditions, which imbue the country with a distinctive sense of confidence and composure. Over thousands of years, through the rise and fall of dynasties, through the birth of the modern Chinese state, the Chinese people have cultivated a broad historical perspective, one that allows engagement with today's international challenges as transient episodes within the vast continuum of time. A long-term view fosters a mindset of patience and careful deliberation, encouraging thoughtful responses rather than impulsive reactions. By understanding that crises and upheavals are often temporary, China is approaching global uncertainties with a calm prudence, always seeking the right timing and approach to navigate change effectively.

This long perspective is complemented by China's heritage, which has instilled a strong sense of pragmatism and stability in the national character. For centuries, self-sufficiency in agriculture shaped a collective mentality centered around "having enough to eat, no need to panic." Even when external circumstances become turbulent or threatening, the worst-case scenario requires a calm focus inward on sustaining the nation. This has freed China from a need to respond aggressively or make hasty compromises under pressure. With the exception of the Mongol invasions of Japan, which were birthed of a young foreign dynasty in control of the Chinese mainland, China has always calmly set its own pace and strategic direction: avoiding starting wars, and instead maintaining stability even amid instability.

However, this pragmatic approach should not be mistaken for conservatism or isolationism. History shows that China has often turned periods of turmoil into opportunities for transformation and growth. Many of its greatest leaders and founding emperors emerged in times of chaos, seizing moments of uncertainty to establish new orders and reshape the nation. Meanwhile, it was the complacency and hegemonic breakout of the Qing dynasty that led to the great divergence in both military and technology that in part led to China's weakness in the 19<sup>th</sup> and early 20<sup>th</sup> century. This historical experience nurtures a mindset that change itself is not something to be feared; rather, it is a natural and inevitable part of life that must be understood and harnessed. Change represents opportunity and what truly matters is the ability to recognize emerging trends, set clear objectives and adapt flexibly to evolving circumstances.

Consequently, China's strategic approach today is anchored in having well-defined long-term goals while maintaining flexibility in how to achieve them. It embraces a pragmatic attitude that any method or path contributing to these goals is worth pursuing, without rigid adherence to fixed formulas or ideologies. In the complex and shifting landscape of international relations, China not only seeks to protect its own national interests but also aims to play a constructive role in global governance.

China's success reinforces this message. China proves that peaceful nations can both benefit from economic globalization and deftly sail against the headwinds facing our current era, offering compromise, peace and mutual benefit for all.

For example, in crises such as the conflicts in Ukraine or the Middle East, China consistently maintains an independent and balanced stance, actively engaging in diplomatic mediation efforts to promote peace and stability. This reflects an understanding that global disorder can also create openings for constructive influence, and that success depends on seizing the right moments to shape outcomes beneficially for both China and the wider world.

Reflecting on the tumultuous history of the last century, China's journey offers valuable lessons. During periods of national crisis and decline, the Chinese people engaged in tireless experimentation with various social, political and economic models in search of a viable path forward. The country became a vast laboratory where multiple governance systems – from parliamentary democracies to presidential regimes – were tested. Many of these efforts faced significant challenges due to incompatibilities with China's unique cultural and historical context.

Through intense competition among these different ideas and real-world trials, the People's Republic of China as it exists today gradually took shape. This historical process underscores a simple but important truth: Sustainable solutions arise only from pragmatic approaches tailored to a nation's specific circumstances and realities. Since the founding of the PRC, this principle of pragmatism has guided many of China's most pivotal decisions – from the historic normalization of relations with the United States to the launch of the reform and opening-up policies that propelled China's rapid modernization. Had China chosen alternative paths, the country and indeed the world today would look very different.

And now China offers its own solution to all who would listen: a peaceful and empowering evolution, rather than a hard rupture of disruption – through the five principles first articulated at the Bandung Conference in 1954: mutual respect for sovereignty, non-aggression, non-interference, equality and mutual benefit, and peaceful coexistence. China is offering itself up, engaging economically and peacefully with every continent, looking towards the mutual benefit born of trade, trust and capacity building that can glue us all together in an evolution, not a revolution, to bring the world together and make it a better place. From the China-CELAC forum in Latin American to the China-FOCAC forum in Africa, from the ASEAN-X models to the Regional Comprehensive Economic Partnership (RCEP), China is committed to this path.

In sum, the world stands at a crossroads of evolution and disruption. The trend toward multipolarity and regional integration marks a clear break from the colonial era's spheres of influence and the rigid bipolarity of the Cold War. Today's world is shaped by voluntary cooperation among sovereign states, overlapping inclusive regional frameworks, and pragmatic, flexible strategies rooted in each nation's history and culture. China's approach – anchored to long-term goals while adapting with flexibility – exemplifies how historical wisdom and practical experience can provide stability and opportunity amid uncertainty. As global power continues to diffuse and regional networks grow more complex, the ability to adapt, cooperate and maintain clarity of purpose will be essential to navigating the challenges and opportunities of the multipolar age.

## Pushing Past a Stalemate Society: The Triple Threat of Disruption

**Harold James**

### I Introduction

The Silicon Valley doctrine “move fast and break things,” which appeared to be the mantra of the first months of the second Trump administration, runs counter to other pieces of conventional wisdom. Do we need to break everything? James Q. Wilson described societies that could be wrecked through the demonstration effect of “broken windows”: Seeing ordinary objects damaged or vandalized would break down a sense of order and encourage escalation of antisocial behavior and crime. And Americans often tell themselves, “If it ain’t broke, don’t fix it.”

Periodically societies face stalemate. They then devote impressive psychic energy imagining ways out of the stalemate. Conflicting interests and ideas mean that visions clash. The clash then reinforces stalemate, with the result that only a violent upheaval offers a way out. Even many people who dislike the personality of Donald Trump intensely (it’s not too difficult to do that) often try to rationalize his approach as a disruptive strategy that has at least the potential to deal constructively with the many challenges of the present, and with a globalization that appears to be deeply disruptive. The adage that you can’t make an omelet without breaking eggs has often served as an apology for dictators; but dealing with the legacy of authoritarians and dictators also requires dramatic measures. The collapse of Soviet communism brought shock therapy, and a whole range of modern critics from left to right think that capitalism, too, needs its own version of shock therapy. They need to understand how and why they are wrong.

The United States is living through an acute version of the stalemate debate, but analogous developments have taken place in almost every modern society. Everywhere people argue passionately that something has gone wrong. But every debate about stalemated societies generates remedies that go in wildly different directions. Parties of the far right and the far left now regularly borrow and adapt each other’s ideas and programs. The combination of radical new technologies (in particular the increasingly rapid adoption of AI), the loss of many old jobs (initially in manufacturing but now increasingly in services and white collar occupations, for instance in routine clerical and legal work), and the belief that the old financially driven economy has failed, has created a violent political mix. Is the answer a retreat to economic and political nostalgia, or embracing technical change more fully? In every case, the miserable present is contrasted with a glorious something else.

Radicalism reflects dramatic new potentials, and an awareness that they can only be realized effectively and efficiently by destroying past ways of doing things. The tariffs, the purging of the civil service, the war against universities all become a weapon of transformation, with US Treasury Secretary Scott Bessent arguing that any tariff-induced pain is really a “detox period,” and Trump talking of tariffs as an “operation” and as “medicine.” Meanwhile, Russell Vought, the new head of the Office of Management and Budget explains that “we want the bureaucrats to be traumatically affected.”

In reality, the revolution of chaos brings a triple threat: to democracy, to the economy and to international order. These are considered in turn. They raise the question of whether they will be so destructive that a new vision, a new sense of order arises: probably somewhere else.

## II The Threat to Democracy

The new radicalism overloads conventional democratic practices. When democracy worked well – as in post-1945 western Europe – it depended on the perception that changes were incremental, and that any undesirable legislative or institutional move might be undone by the next, periodically mandated election. The existential choices of today mean that governments supported by a chance democratic mandate have the possibility – and the incentive – to institute permanent and irreversible changes, which would rule out utterly the possibility of implementing rival and competing alternative conceptions of a just and durable social and political order. Higher stakes follow from radical possibilities; but threaten the institutional viability of democracy.

## III The Economic Threat

The radical approach also destroys the international economy and the basis for prosperity – and indeed for democracy. Trump is like the stereotypical headteacher in the old joke who always explains to pupils he will cane – in an effort to show his deep humanity – that “this will hurt me more than it will hurt you.” This dictum certainly applies to the new trade regime. Yes, it will hurt the United States more than most countries affected by the supposedly reciprocal tariffs announced on so-called “Liberation Day,” April 2.

It used to appear that the tariff regime initiated by the first Trump administration, and lamentably continued under the Biden presidency, was shooting itself in the foot, in the sense that – as later academic studies showed – the tariffs did not generate new jobs (although the measures had a political effect in that they increased support for Republican candidates). The new regime after April 2 is much more destructive. It increases costs for a large number of US businesses, including very important exporters. Steel and aluminum tariffs inevitably damage machine tools, engineering, aerospace with the cost of imports (a direct burden on American producers) rising by some \$100 billion. Automobile producers are hit by increased costs of parts that are shipped from Canada and Mexico and then turned into US cars that are then exported. The tariff regime is America shooting itself in the head.

It is self-consciously arbitrary. Asked in July to explain why two close allies, South Korea and Japan, were hit with new 25-percent tariffs, White House press secretary Karoline Leavitt simply said: “It’s the president’s prerogative and those are the countries he chose.”<sup>6</sup> (There are parallels with Franklin Roosevelt, who also exulted in his power to set prices. In November 1933, he increased the gold price by 21 cents while in bed, explaining to Henry Morgenthau that it was a lucky number, seven times seven, with Morgenthau then dictating in his diary, “If anybody ever knew how we really set the gold price through a combination of lucky numbers, etc., I think that they really would be frightened.”)<sup>7</sup> In fact, Trump’s obsession with Japanese surpluses dates back to the 1980s, when one incident outraged him: He was outbid in a 1988 Sotheby’s auction of the piano that starred in the Ingrid Bergman and Humphrey Bogart movie *Casablanca* by an anonymous Japanese investor – at the moment that the Japanese bubble was in full swing.

Most critically, the concept of trade war fails to take into account the complexity of modern globalization, and in particular of very long and intricate supply chains that extend the old principle of

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<sup>6</sup> <https://www.theguardian.com/us-news/2025/jul/07/trump-tariffs-japan-south-korea>.

<sup>7</sup> Henry Morgenthau, Farm Credit Diary, November 5, 1933 entry. <https://www.fca.gov/template-fca/about/MorgenthauFarmCreditDiaryApril1933-Nov1933.pdf>.

specialization and comparative advantage. An iPhone is not made in one country: Some 43 countries are involved in some stage of the production process. Garments are spun and woven and dyed across frontiers. Pharmaceuticals often involve raw materials and active pharmaceutical ingredients (APIs) from China, and are then manufactured into generics in India. Putting in one set of tariffs simply leads to a tweaking of supply chains, with strategic relocations of production processes and ultimately more rather than less complexity in the geographic distribution of production. It is not just a matter of simply making more bits of the iPhone in India and less in China.

Some of the worst Trump tariff damage will be done to relatively poor countries, such as Lesotho which had the distinction of topping the April 2 list with a 50-percent rate and which sells a mixture of high value diamonds and cheap textiles. UNCTAD explained how Madagascar with a 47-percent rate was being taxed for sales of goods which the US does not produce. The tariff regime is America shooting itself in the heart.

MAGA on the surface is about turning one's back on the rest of the world, with echoes of the aviator Charles Lindbergh's isolationist America First movement of the 1930s. It demands turning back all the elements of the globalization that drove the world at the turn of the millennium. What it is in fact doing is attempting to create a heartless and headless world, driven solely by the great power fantasies of autocratic rulers.

Before MAGA, there was open trade and the accession of new countries, China and Russia, to the WTO, in an attempt to convince them of the benefits of an open and liberal world order. That is now replaced by a bewildering slew of high tariffs, mostly directed against traditional US friends and allies. In the previous era, large numbers of migrants, skilled and unskilled, crossed the frontier. Now they are being sent back, often brutally. And once there were open capital markets. Now the President's advisers are thinking about extraordinary interventionist measures, such as pressure to convert short-term Treasury securities into very long-term bonds, a disruptive move that probably constitutes a default. All are forms of disruption, intended to remove a system that many Americans felt and feel has not worked for them.

But in fact, globalization is going on, just in a different form. Former key adviser Elon Musk has a vast international portfolio of business interests, notably in China. Trump himself has global real estate; his family is busy extending the footprint. These interests play a key role in defining US policy. The only really powerful card the administration might play to bring President Putin to the negotiating table over an end to his war on Ukraine is the prospect of a large inflow of American investment in energy and minerals.

#### IV The Threat to Security

Finally the shock therapy tactic is destroying international order. The use of threats which may or may not be serious (invade Greenland? Panama? Canada?) has contributed to a "catastrophic collapse" of norms against the use of force in international affairs.<sup>8</sup> A few months after Liberation Day, the intensification of the Israel-Hamas-Iran conflict gave another instance of the divided character of the Trumpian vision of international order. One of the main attractions of the MAGA vision for many Americans was the promise of global disengagement, a revival of Charles Lindbergh's neutralist vision of America First in the 1930s and 1940s, condemnation of "forever wars" and the

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<sup>8</sup> Hathaway, Oona A./ Shapiro, Scott J. Might Unmakes Right: The Catastrophic Collapse of Norms Against the Use of Force. In: Foreign Affairs, July/August 2025.

claim that the first Trump administration was the first postwar presidency to avoid foreign military intervention. In 2019, Trump characteristically proclaimed that “going into the Middle East is the worst decision ever made.” But in 2025, going for a settlement by the master of the “Art of the Deal” required the same threat escalation as had been applied to trade policy, and the same risk that escalation might do deep damage, in this case even much more dangerous scenarios of unpredictable military engagement and even nuclear conflict. What happens if a threat is not enough to intimidate the Iranian leadership, and then when the GBU-57 superbomb potentially fails to destroy the underground nuclear facility in Fordow? The use of a tactical nuclear weapon?

Either likely outcome, escalation to full out conflict or de-escalation as America steps down, will reduce the credibility and hence the power of the United States. That logic was already abundantly clear in the tariff case. The yo-yo of tariff announcements, with a pullback after business protests about the extent of the damage, created a new narrative: Trump had been forced to step down by the sharp Chinese response. The Geneva economist Richard Baldwin concluded in a social media post in May that the Trump method is: “‘Art of the Reel’. Hit hard. Get hit back. Go home. Declare huge triumph.” Reformulated by Robert Armstrong of the *Financial Times* as TACO, Trump Always Chickens Out, the analysis drove Trump into an incandescent rage, and made the likelihood of dangerous and damaging escalation in both trade and Middle Eastern politics more rather than less likely.

The shock tactics of a revolutionary therapy are thus dissolving democracy, the economy and the international system. The only hope of preserving some stability is that other countries may well be so deterred by the chaos of the Trump experiment that they will try to recast democracy, the economy and international order.

## V Learning from the Past

We can learn from previous eras of revolution. Two cases appear especially potent as alluring references in our fraught political discourse: the 16<sup>th</sup>-century Reformation and the late-18<sup>th</sup>-century American and, above all, French revolutions. In both revolutionary eras, the present appeared unsatisfactory, but the search for a replacement was deeply disruptive.

The Reformation was driven by the perception that meaningful religious practice was no longer adequately upheld by the expensive and increasingly exploitative institutions that had been designed to perpetuate eternal truth. The attack rested on selecting particular cases of outrageous clerical misconduct, and then intimidating particularly abusive monasteries in order to soften up the sector as a whole for a comprehensive attack. The strategy was clearly articulated. Thomas Cromwell’s enforcer in the ecclesiastical visitations that would dissolve the monasteries and sequester their rich properties, Richard Layton, explained how “there can be no better way to beat the King’s authority into the heads of the rude people of the North than to show them that the King intends reformation and correction of religion. They are more superstitious than virtuous, long accustomed to frantic fantasies and ceremonies, which they regard more than either God or their prince, right far alienate from true religion.”<sup>9</sup> The authority of a newly forming bureaucratic state was needed to beat down a tradition that looked obsolete and corrupt.

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<sup>9</sup> Knowles, Dom David. *The Religious Orders in England. Volume 3, The Tudor Age*. Cambridge University Press, 1959, p. 269.

The Reformation attack on ecclesiastical abuse was taken up some 250 years later, but then as part of an even more wide-ranging program of political and social disruption. Everyone – well, every thinking person – could see that something was wrong in 18<sup>th</sup>-century France, the most powerful and populous European power. Despite its impressive size and wealth, it was less militarily efficient than smaller states, in particular Britain, largely because in the late 17<sup>th</sup> century a new monarchy had instituted linked parliamentary and fiscal reform, which dramatically lowered the cost of borrowing and thus made it possible for Britain to devote more resources, in case of a security need, to military preparedness.

*Ancien régime* France by contrast was crippled by fiscal exemptions and the legal privileges (separate laws and exemptions) of the nobility. Reform was, at the same time, desperately needed and politically and institutionally impossible. There were too many veto players who could block any part of a reform initiative. Tax farmers had an interest in maintaining their position, which meant that they would obstruct any reform designed to raise government revenue in a more just way. Aristocrats defended their privilege as essential for the provision of military capacity, despite the fact that centuries earlier the monarchy had tamed a warlike class by luring them to an increasingly ornate, indeed frivolous and wasteful court in Versailles. The answer after 1789 was even more dramatically brutal than the Henrician Reformation – brutal by orders of magnitude.

There were passionate evocations of the destruction that resulted from a reordering of society and politics by means of the guillotine. The great Anglo-Irish Whig politician and philosopher, who produced eloquent denunciations of British imperial rule in India and North America, Edmund Burke, in 1790 produced an eloquent rhapsody for the old world that had gone: “But now all is to be changed. All the pleasing illusions which made power gentle and obedience liberal, which harmonized the different shades of life, and which, by a bland assimilation, incorporated into politics the sentiments which beautify and soften private society, are to be dissolved by this new conquering empire of light and reason. All the decent drapery of life is to be rudely torn off. All the super-added ideas, furnished from the wardrobe of a moral imagination, which the heart owns and the understanding ratifies as necessary to cover the defects of our naked, shivering nature, and to raise it to dignity in our own estimation, are to be exploded as a ridiculous, absurd, and antiquated fashion.”<sup>10</sup>

Burke was right in the sense that the dramatic breaking of an order had its long-run consequences. The long-term legacy of the revolutionary upheaval lay in the proclivity to diagnose the stalemate society in quite new political orders, or to think of revolution as a necessary and permanent process; and France embarked on a century of violent disruption, a revolutionary cycle spanning the violence of 1848 and 1871, that also carried a high economic cost. France fell behind Britain, and then Germany, when it came to industrialization. The revolutionary legacy carried a high burden.

Critics of France’s peculiar trajectory in the mid-20<sup>th</sup> century diagnosed “Malthusianism,” with a low rate of population growth but also a low propensity to innovate. The two were linked in the sense that a Malthusian approach to population and the family means simply fewer young people, and in consequence fewer people who see the possibilities of innovation. An older population favors the status quo, and is also dissatisfied by the threats of change. We – humanity especially in mature

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<sup>10</sup> Burke, Edmund. *Reflections on the Revolution in France*, The Works of the Right Honourable Edmund Burke, Volume III, Wentworth Press, 2019 p. 200.



industrial societies – are thus becoming psychologically more cautious at a moment when we need to be most adaptive.

## VI Some Contemporary Challenges (not an exclusive list)

The urgency of adapting to new challenges means a questioning of practically every contemporary institution. Our institutions are the product of different circumstances, sometimes existing centuries ago, sometimes dating back just to the 1940s, when the world went through its last significant trauma of brutally dislocating upheaval. Here are just five problematical cases:

- The bureaucratic and administrative state (from the early modern era, reshaped in the age of the French Revolution)
- The modern university structure (from the 19<sup>th</sup> century, in a secularized version of a medieval institution)
- Medical provision (with public support systems developed mostly in the mid-20<sup>th</sup> century)
- The world trading and financial system (largely established in the mid-1940s)
- The US and worldwide banking industry (revolutionized by technology of the 1980s and 1990s)

The *bureaucratic and administrative state* has become burdensome and inefficient. Citizens find their interactions with authorities complex, full of irritating hurdles, often demeaning. Everyone can supply compelling personal anecdotes about incompetence: the length of time it takes to get a residence permit, a tax certificate or verification of entitlement to benefits. The processes of dealing with citizens in a modern welfare state are necessarily complex in order to reduce the possibility of fraud; but then accusations of widespread fraud build up to discredit the administrative system. It is possible to think of counter-examples: One of the most widely admired is Estonia's rapid move to E-government. But such revolutions – because they do require a revolution – can occur only after some bigger upheaval. In the Estonian case, the driver was the combination of a substantial cybernetics research community with the obvious discontent driven by late-Soviet bureaucracy.

Just to make a revolution cannot guarantee success. There have been some spectacular failures in over bold reform initiatives, including the Trump-created DOGE. As its co-originator Elon Musk stepped back in May 2025, his own AI Chatbot Grok summed up the balance sheet: "As a Special Government Employee, Elon Musk led the Department of Government Efficiency (DOGE), claiming \$160 billion in savings by terminating wasteful contracts, like \$255 million from 269 contracts, and modernizing IT systems, such as digitizing the OPM retirement process. DOGE also cleaned Social Security records and supported voter integrity measures. However, these efforts face criticism for potential costs of \$135 billion in lost productivity, legal challenges and service disruptions. Concerns about Musk's business conflicts and political motivations persist, with public opinion divided, as 54% view him unfavorably."<sup>11</sup> The dramatic changes produced many costs and very few obvious benefits. Failed revolutions of this mold discredit the idea of necessary reform, and leave citizens

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<sup>11</sup> <https://economictimes.indiatimes.com/news/international/global-trends/elon-musk-logs-out-of-doge-with-160-billion-savings-and-135-billion-setbacks-says-grok/articleshow/121481677.cms?from=mdr>, May 29, 2025.

even more bewildered and frustrated than ever, and a demand for revolution, but of a different kind, intensifies.

The *modern university structure* has generated immense scientific advances. We know much more about the universe, about climate, about biological processes, intelligence, computing; much of the new wisdom is easily translated into very apparently and immediately beneficial interventions. Problems appear however when the large research models appropriate for research harnessing big data in the natural sciences get translated into humanities and social sciences, and produce an unattractive combination of dogmatic ideology (known to its critics as wokeism), arbitrariness and exclusiveness. The perception of much research being fundamentally fraudulent is underlined by well-publicized high-profile cases. University administrations have become bloated and obsessed with regressive identity politics. Fraudulence, bloating, wokeness and highly restrictive admission regimes all made very wealthy research universities into easy targets: targets that looked as if they were the modern equivalents of 16<sup>th</sup>-century or 18<sup>th</sup>-century monasteries. The Trump administration was simply behaving as a modern Henry VIII or Thomas Cromwell, but its actions are a response to a genuine problem. There is a need for real soul searching about how universities can really communicate effective ideas to society at large. Otherwise they become subject to the revolutionary challenge.

*Medical care* offers increasingly innovative treatments (perhaps the word revolutionary is appropriate here), but also suffers from increasing bureaucratization as the care revolution leads to escalating costs. We can think of dramatic breakthroughs, such as the potential use of mRNA to treat some common cancers, or the increasingly apparent benefits of new treatments of obesity and diabetes. More and more people can read about such treatments, but at the same time they become aware of how, especially if they live in remote or deprived areas, they do not have regular access to doctors or pharmacies, and hence think of the new miracles as inaccessible. It is possible to think of digital technologies as offering solutions: telemedicine, an automatic provision of regular health data meaning quick intervention at much lower cost than if morbidities are allowed to develop unchecked, and the provision of medication through mail-order pharmacies. But innovation inevitably generates unease.

The *world trading and financial system* lay behind the late-20<sup>th</sup>-century wave of globalization, which led to a generalized and worldwide increase of living standards. It allowed the realization of technical gains in transport efficiency in many countries. Goods moved across oceans. The locus of production shifted, often repeatedly. Thus from the 1970s, Italian producers disrupted the producers of large household appliances in other European countries; by the 2000s they were challenged by Chinese products. The same processes that made for more and better goods also inevitably produced dislocation, and a widespread sense of confusion. Especially as the old centers of the industrial world, Britain, Germany, the United States, saw other countries developing more quickly and overtaking them.

Complex supply chains formed. An iPhone in 2025 included 2,700 parts from 28 countries, including protective glass from the United States, camera lenses from Japan, backlighting for display from Korea, a 5G chip developed in Munich.<sup>12</sup> The complexity was difficult to explain, and countries that wanted to dominate struck back at the complexity and tried to ensure that they – not anyone else – controlled the supply process. And other features of globalization simply appeared absurd,

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<sup>12</sup> From <https://ig.ft.com/us-iphone/>.

costly and environmentally degrading: for instance, the transportation of cheap US beer (Budweiser) across the Atlantic to be sold as a luxury item to European consumers, while Americans drink Becks and Heineken. An iPhone is an appropriate monument to ingenuity that can only originate in the complexity generated by large numbers of people in different settings and from different traditions working together; while the transport of beers and mineral waters is a testimony to misconceived abundance. How to make a case for complexity for audiences that insistently demand ever more simple and radical solutions?

The *US and worldwide banking industry* innovated products that made access to finance easier. Mortgage origination, for instance, became infinitely easier (and cheaper for consumers); credit generally more accessible. But the move contained risks, and banks then became a source of instability that exploded in the financial crisis of 2007–2008. Making the financial system safer might be thought to require disintermediation, avoiding a concentration of risk through a shift to new non-bank institutions, including private credit and direct peer-to-peer lending. But this too produced its own risks, and banks consequently could wield some convincing arguments when it came to restraining competitors that they thought would endanger their positions.

In each case, incumbents resist change, insistently, persistently. Bureaucrats, university administrators, academics, medical doctors, pharmacists, bankers: All do not want to lose their privileges and struggle vigorously to maintain them. Consequently they block criticism, delay investigations, stymie the development of alternatives, frustrate reform initiatives. Is the guillotine the only answer to a stalemate society? Aren't there better options?

## VII Ethics and Order

Some MAGA advocates have tried to argue that there is indeed a profound ethical principle underpinning their movement's attempt to reinvent not only America but the world. It is a principle of sovereignty, that every country – and especially big and powerful countries – have a primary even exclusive duty to their own inhabitants. America First.

In a now celebrated interview with Fox News, Vice-President J.D. Vance explained: "You love your family, and then you love your neighbor, and then you love your community, and then you love your fellow citizens in your own country. And then after that, you can focus and prioritize the rest of the world." Defending this, the Vice-President, a recent convert to Catholicism, then added on Elon Musk's X platform: "Just google '*ordo amoris*.'" It is doubtful that many of his audience understood the reference, but it triggered an intellectual storm, and in the end a condemnation from the lips of the dying Pope Francis.

*Ordo amoris* refers to St. Augustine's presentation of the consequences of divine love, and the problem of a duty to love all humans when it is clear that that love often involves choices or what modern political scientists would term tradeoffs. We ought to be most conscious of an obligation of charity to those who are closest to us. But there is nowhere in St. Augustine or in the Christian tradition the implication that this means that the family is the first priority, and neighbors in a strictly geographic sense the next and so on. On the contrary, *caritas* is about the application of a principle of divine love to strangers, when and if we interact with them. And globalization means that this interaction can be across long distances. Vance wanted to end the *ordo* with the American frontier. The backlash against American disorder will create a discussion about a genuine *ordo*.

## VIII The Chances for Multilateralism, and for Europe

Globalism, or the ethically and morally unanchored pursuit of advantage and interest on a global scale, is at the core of MAGA. The vision and the approach produce, as the language of Augustine suggests, disorder rather than order. Jäckh was right about a battle for the world's soul. It may now be time to Make America Ethical Again, but that will only occur when the world becomes more ethical and more genuinely multilateral.

Europe has a powerful role to play here. Its political and economic elite is now speaking with new confidence. It is possible it may also act with more confidence. One of the great flaws of the early 1990s was the failure to develop European security and military cooperation. In the same days in November 1991, as the Soviet Union was dismembered in the meetings of Russian, Ukrainian and Belarus leaders in Belovezh, the west European political leaders were preparing monetary union at Maastricht. It may ironically be good that a big cumbersome European military bureaucracy, which would have perpetuated the mindset of the late 20<sup>th</sup> century, was not installed. Today, in the aftermath of Russia's attack on Ukraine, and especially after the dramatic demonstration effect of Ukraine's Operation Spider's Web in June 2025, the emphasis is on cheaply produced drones, the use of AI, but also of volunteer social networks that assemble and disseminate military information (and guide drones): a real civil militia fighting a new kind of war.

## IX An Economic Toolkit to Shift the Debate from Trade to Financial Flows

Economic weapons can also be a tool for Europe to assemble the basis for a new and better and more universal multilateralism. Trade and exchange rate policy in past eras of globalization were characteristically handled by different agencies, commerce departments and finance ministries, and the interaction has always made for conflict. In the 1930s, the world lurched into division and conflict because trade negotiators argued that they could not produce a settlement before the exchange rate was fixed, and monetary officials agreed that some exchange rate settlement was desirable but could not happen before a general trade opening. Hence there was a stalemate, and protectionism escalated.

A further mechanism has now come to the fore. This can best be understood through reflection on the balance of payments. A country with a large trade deficit, like the US, still needs to be in balance, or fund the deficit; and it gets there because foreigners buy American securities or invest in America. The inflow of foreign funds to finance corporate investment, but also government deficits, now running at very high levels, over 7 percent in 2024 and estimated at a similar level in 2025, is so crucial because Americans do not save very much. Thus the country imports savings from the rest of the world, and they pay for the trade deficit.

This is where the tariff proposals complicate matters. The US wants foreign investment as a key to future American growth. Biden needed this for the big infrastructure investments under the Inflation Reduction Act and the Infrastructure Investment and Jobs Act; and Trump needs this even more for reshaping the country – making his “golden age” – through AI. The character of the deal was at the fore during the inauguration. One of the first guests in the White House under the new administration was SoftBank CEO Masayoshi Son, there with the CEOs of Oracle and OpenAI. A new venture, Stargate, initially in Texas, is supposed to steer the AI revolution.

There may be an irony in the way a project of reclaiming sovereignty to launch what Trump calls “a thrilling new era of national success” depends on technical change paid for through global funding. It was, after all, the combination of technology and globalized finance that made American workers and the American middle classes vulnerable. Job losses and insecurity turned them into Trump voters.

The dependence is not just rich in irony. It makes for a fundamental vulnerability. The success calculation depends on foreign money, but if that dries up, the promise of a miracle also fades. And it is possible to think of different ways that abundant funding – which had been the key to the era of globalization – might end.

First, the funding might end if globalized bond markets worry about the capacity of the US to repay the large debt built up. Since 2022, and the experiment of the Liz Truss government, which wanted to make a similar gamble on growth, the UK bond market has been cited as a warning to Americans. The privilege of having a reserve currency does not mean that you can do absolutely anything. At some point, and usually very dramatically, as in 1931 or in 1971, the sentiment shifts. Revulsion and incredulity replace credibility. The use of the US dollar as a foreign policy instrument in a divided world makes that outcome even likelier.

Second, the funding would stop if the promise of the future suddenly appears oversold, or if the technology disappoints. Many investors worry that the soaring stock prices for tech stocks indicate a bubble on the point of bursting. A gamble on growth will require vast investments, but if the bubble bursts they may be unfinished, orphaned and wasted.

Third, the funding would end if major providers of capital intervened to stop their citizens and their corporations investing in the US. Such an action could well be a response to the problems created across the world by some combination of American tariff policy or a strong dollar regime. If goods from French winegrowers or German automobile producers, or Chinese cars, aircraft or solar panels cannot be sold, those countries’ governments might contemplate limiting investments in the United States. Figures like Masayoshi Son who bring investment and jobs would face more and more constraints.

The flow of funds across frontiers has been most readily influenced by governments by changing the tax treatment of foreign investments. One of the drivers of the new Trump initiatives is pressure from the tech giants to change unfavorable tax treatment, notably in Europe. The OECD’s negotiated global corporate minimum tax is under threat. An escalation of tax conflict would mean Europeans taxing not only foreign corporations in Europe, but their own corporations and citizens investing in the US. Such a step would make the balancing of US payments harder, but might also divert European funds back into Europe. It may be one of the quick paths to decline that Trump’s shock tactics have opened up. It should be presented as a way of increasing European competitiveness.

Economic fashions are contagious. It is only a matter of time before the logic of the tariff imbroglio becomes apparent and somebody makes “Make Europe Great Again” the central slogan of European politics. But the real debates will be about the management and control of investment and financial flows, and not about trade. As the new discussion unfolds, it will be the perverse and unintended result of the globalist US campaign against globalism. Alternatives to globalism will actually prove to be just as global as the world order their followers wanted to, and tried to, replace. Globalization will be back, in a reinvigorated and multilateral form.

## X The Search for Answers to the Stalemate Society

Two prefatory comments as we search for a new basis for stability and order. First, societies often innovate in the face of a profound external challenge. That is why the era of Trump and Putin is not only a threat, but also a great opportunity, for the rest of the world. Plenty of people are realizing – everywhere – the flaws, errors and unaccountability of the Strong Man vision of politics. But vulnerability requires a response. Major institutional adaptations were in the past frequently associated with the legacy of military defeat, and the Polish Nobel laureate novelist Olga Tokarczuk came to the melancholy conclusion that perhaps it will require an alien invasion for humanity to coordinate effectively.

Second, it's good to think of the past, and to avoid the obstinacy and the narrow-mindedness of the *ancien régime*. We need to think of ways of making it easier for existing institutions to embrace a reform agenda, and of conceiving of social processes aimed at a common good.

- More power to the young. Institutions, whether parliaments or corporate boards, should be designed specifically to have young and future-oriented individuals in key positions. Europe in particular has developed the reputation of being a much harder place for young people to reach positions of responsibility (in contrast to the US); this should be corrected.
- Wider access to those institutions. This could mean choosing representatives by lottery (a standard and not dysfunctional practice of late medieval city states); or also defining eligibility differently (more strict term limits, more rotation: also common in the late middle ages). Technology generally should enable greater access to places of learning, but also to political decision-making.
- Create incentives to do new things. Some corporations have experimented with systems to reward those who suggest new ideas, including sharing in the proceeds generated by innovation.
- Listen to experienced and senior people but don't put them in charge. Political systems should have senates that go back to the original meaning of the term, representative institutions which transmit the accumulated wisdom and benefits of age. Henry Kissinger, who died two years ago at 100, was worth listening to and indeed got wiser every year: He was a one-person senate in the real sense.
- Think hard about the uses and abuses of technology. Forget the iPhone. Healthy societies require active measures to wean people (young people!) off social media, which pull them away from meaningful engagement with other people in the real and not the virtual world.<sup>13</sup> Such engagement strongly requires a sense of sympathy, even love: but love is the one emotion that has been devalued most intensely in a world of marketization and commodification, which has extended itself to, and often poisoned, personal relations.

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<sup>13</sup> See in particular the analysis of the psychologist Haidt, Jonathan. *The Anxious Generation: How the Great Rewiring of Childhood Is Causing an Epidemic of Mental Illness*. Allen Lane, 2024.

Burke may be a good guide to thinking about how societies can be held together by a common engagement. At the end of his excoriation of revolutionary change that destroyed old France, he laid out a new alternative formation: “There ought to be a system of manners in every nation which a well-formed mind would be disposed to relish. To make us love our country, our country must be lovable.”

Sometimes we yearn for stability. Stability is, however, often the characteristic feature of undynamic institutions, graveyards. We need to think of ways of coming to terms with the unpredictability and excitement that could make today’s life worth living, and visions of the future once more appealing.

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## A Tool for Turbulent Times: Leveraging the Art and Science of Forecasting

**Marshall Reid**

### I Introduction

The world is seldom a predictable place. Despite the countless institutions and organizations established to impose order and maintain stability, unforeseen variables, coincidences and simple chance often prove unavoidable. This fact has been repeatedly and emphatically confirmed over the past decade, as a cascading series of unprecedented events has thrown the international order into turmoil. From the election of Donald Trump and Brexit to the COVID-19 pandemic and the Russian invasion of Ukraine, volatility has seemingly become the norm.

This era of uncertainty has forced policymakers around the world to reckon with increasingly difficult questions. For democracies in particular, recent events have been profoundly destabilizing. Economic pressures, combined with new technologies and foreign influence operations, have spurred the rise of anti-establishment, populist movements. These fissures have been exacerbated and exploited by authoritarian regimes, who have worked to subvert longstanding international norms in pursuit of increasingly ambitious objectives. With discontent festering at home and tensions rising abroad, many democratic leaders have found themselves in essentially reactive positions, forced to make decisions amid an onslaught of new and evolving challenges. Perhaps predictably, many of these choices have proven suboptimal.

With the present in flux, looking to the future has become a difficult prospect. Around the world, political time horizons have grown shorter and shorter, even as challenges have grown in scope and complexity. This myopic approach to policymaking is understandable, but increasingly insufficient. In failing to think systematically about future events, decision makers are more likely to produce policy that is short-sighted, imprecise and ultimately ineffective.

In an effort to address this growing blind spot, the Bertelsmann Foundation and the Bertelsmann Stiftung created the RANGE forecasting platform in 2023. Founded on the science of crowd-sourced forecasting, RANGE aggregates the wisdom of thousands of forecasters on some of the most pressing questions facing international leaders. In the years since its inception, the platform has provided a wealth of valuable insights and data points for policymakers, shedding light on previously undiscussed variables and bringing nuance to conversations that sorely lacked it. In doing so, it has helped strengthen the case for forecasting as a powerful tool for navigating an increasingly complex policy landscape.

### II What Is Crowd-sourced Forecasting?

In a 2005 study, the University of Pennsylvania's Philip Tetlock analyzed decades of decisions by experts in a wide range of fields, evaluating their rates of success based on a variety of metrics.<sup>1</sup> Ultimately, he arrived at a striking conclusion: While expertise and experience are undoubtedly valuable elements of the decision-making process, they by no means guarantee that a decision

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<sup>1</sup> Tetlock, Philip E. *Expert Political Judgment: How Good Is It? How Can We Know?* Princeton, NJ: Princeton University Press, 2006.

maker will arrive at a correct conclusion. In fact, Tetlock found that predictions made by experts were often no more accurate than random chance.

Simultaneously, however, Tetlock noted that a relatively small contingent of forecasters was considerably more successful. Rather than merely guessing based on personal experience and knowledge, these individuals applied a more rigorous, systematic approach to decision-making. They utilized a variety of heuristics, breaking complex topics into smaller, more manageable, more measurable signals. These more structured approaches allowed them to overcome their own assumptions and biases and achieve a deeper view of future events.<sup>2</sup> In short, they had refined the art and science of forecasting.

It is worth noting at this stage the distinction between forecasting and foresight. The two terms are often incorrectly used interchangeably, and are actually quite distinct. Foresight is a structured exploration of a variety of possible futures on a particular topic that considers a range of scenarios across a long-term time horizon of decades. It tends to be speculative, uncertain and qualitative given the timescale at play. Forecasting, by contrast, deals with concrete questions, trends and data with short (typically one- to three-year) timelines which can directly inform the policy process in the present and near-term future. In our work on the RANGE platform, we often conduct workshops that bring the strategic foresight process into the room to create scenarios that are used as a springboard to developing more insightful and useful forecasting questions.

It is this interplay between these two practices that informs the Bertelsmann Foundation's and the Bertelsmann Stiftung's work with RANGE. By approaching questions in a more systematic manner, both experts and non-experts alike can make more accurate decisions. In turn, this can help facilitate the creation of more nuanced, inclusive and effective policy. RANGE aims to capitalize on these benefits by providing a venue for forecasting on a wide variety of subjects and generating actionable data points for decision makers of all types.

### III The Wisdom of the Crowd

As Tetlock noted, the ability to forecast is not limited to experts. While authorities on specific topics play a critical role, informed and engaged non-experts can often bolster the predictive accuracy of policymakers. This becomes even more pronounced when extrapolated to larger numbers. As numerous studies have demonstrated, when significant quantities of forecasts from non-experts are aggregated, the resulting conclusions frequently surpass the accuracy of smaller groupings of experts.<sup>3</sup> This phenomenon is often described as the "wisdom of the crowd."

At its core, RANGE is designed to take advantage of that wisdom. In the years since its creation, the platform has attracted over 1,700 forecasters. These individuals come from a wide range of backgrounds, including students, consultants, journalists, academics and government officials.

On a regular basis, new questions are posted on the RANGE platform. Many of these questions are derived from discussions with groups of stakeholders around the world, and are intended to capture the most pressing issues facing international decision makers in both foreign and domestic

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<sup>2</sup> Scoblic, J. Peter and Philip E. Tetlock. A Better Crystal Ball. The Right Way to Think About the Future. In: Foreign Affairs, November/December 2020, pp. 10–18.

<sup>3</sup> Simoiu, Camelia et al., Studying the "Wisdom of Crowds" at Scale. Stanford University, n.d., <https://web.stanford.edu/~csimoiu/doc/wisdom-of-crowds.pdf>.

policy matters. In order to submit a forecast, participants must provide two equally crucial components: a probabilistic assessment of the likelihood of the event in question occurring; and an explanation of the rationale used to arrive at each forecast. Critically, the platform encourages users to update their forecasts over time, allowing it to account for new variables and changing circumstances. RANGE then aggregates these inputs and generates real-time statistical overviews, all of which are available as a treasure trove of data and qualitative information.

Since 2023, RANGE users have made over 10,000 forecasts on 159 questions. Their responses have provided an abundance of new perspectives and insights, both quantitative and qualitative. As the following examples demonstrate, RANGE's pool of forecasters has also proven increasingly accurate, even when faced with a wide variety of complex, multifaceted and fluid questions.

#### Will the winner of the United States presidential election also win the popular vote?

Consensus Trend



Source: Pew Research Center.

In the leadup to the 2024 United States presidential election, national polls suggested an exceedingly close race. Former president Donald Trump had seen a sizable lead evaporate following Vice President Kamala Harris' late entry to the contest, injecting further uncertainty into an already volatile contest. For some commentators, the campaign appeared to be an echo of the 2016 presidential race, when Trump defeated former Secretary of State Hillary Clinton.<sup>4</sup> Both contests featured widely unpopular candidates, took place against a backdrop of intense political polarization and were marred by significant controversy. Notably, the 2016 election was also one of five in which the winner of the Electoral College did not win the popular vote.<sup>5</sup>

Given these parallels, it seemed increasingly possible that the 2024 election would see a similar split between the Electoral College and the popular vote. Nevertheless, RANGE's pool of forecasters was consistently skeptical of such an outcome. Throughout this question's scoring period (October 2 – November 6), forecasters correctly projected that the winner of the Electoral College

<sup>4</sup> Bump, Philip. 2024: 2016, Part 2. The Washington Post, July 11, 2024, <https://www.washingtonpost.com/politics/2024/07/11/election-2024-2016-biden-trump-clinton/>.

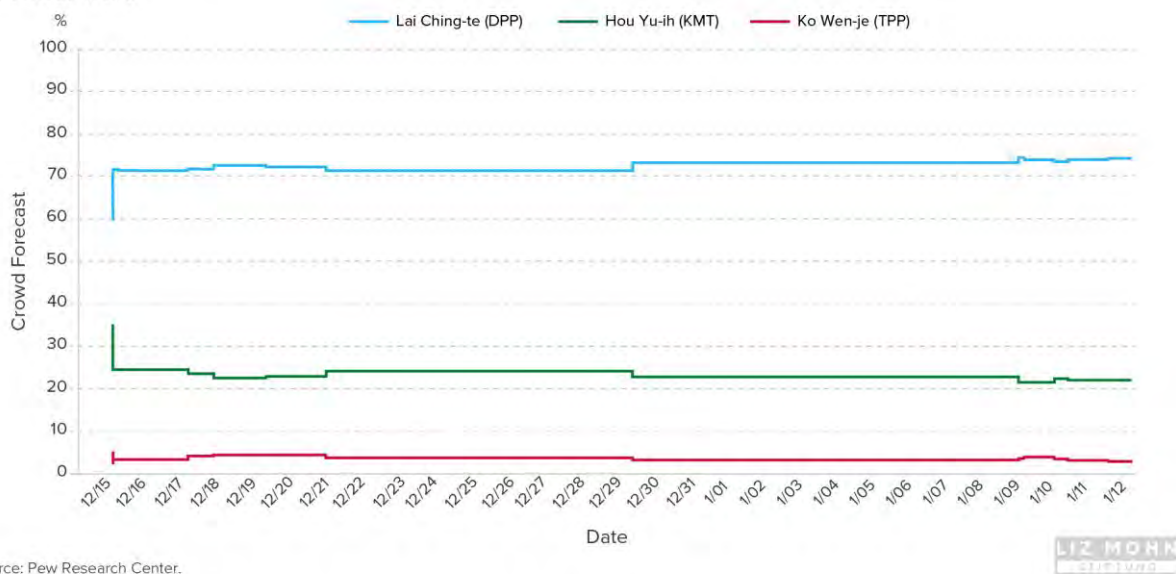
<sup>5</sup> List of U.S. Presidential Elections in Which the Winner Lost the Popular Vote. Encyclopædia Britannica, n.d., <https://www.britannica.com/topic/list-of-US-presidential-elections-in-which-the-winner-lost-the-popular-vote>.

would also win the popular vote. In their rationales, members of the crowd highlighted a variety of signals, including polling data, swing-state dynamics and demographic preferences.

Ultimately, the 2024 election proved remarkably difficult to project. While many polls showed Trump with reasonable odds of victory, very few correctly predicted the final outcome. However, this question – along with several others focused on the election – demonstrated the wisdom of the RANGE crowd. Out of six election-related questions, RANGE forecasters correctly projected all six, even when polling deviated significantly from their conclusions.

#### Who will win the 2024 Taiwanese presidential election?

Consensus Trend



As Taiwan approached its 2024 national elections, much remained uncertain. After eight years under the leadership of the Democratic Progressive Party's (DPP) Tsai Ing-wen, many commentators predicted a return to Kuomintang (KMT) rule. As of January 2023, most polls showed the KMT with a modest lead, with its presumptive candidate, New Taipei City Mayor Hou Yu-ih, enjoying strong polling numbers.<sup>6</sup> The DPP, led by then-Vice President Lai Ching-te, had experienced significant losses in the 2022 legislative elections, and was hampered by voter fatigue and anemic economic figures. By most metrics, circumstances appeared favorable for the KMT.

By late 2024, however, the race had been thrown into disarray. Following an abortive attempt to merge its ticket with that of the insurgent Taiwan People's Party (TPP), the KMT had struggled to regain its footing.<sup>7</sup> While the DPP had done little to improve its standing, the growing competition between the KMT and TPP threatened to split the opposition vote. As a result, most polls showed Lai with a small lead in the final weeks of the election, albeit with wide variances.

Despite this uncertainty, RANGE's crowd correctly projected a win for the DPP, with few forecasters giving the KMT or TPP a realistic chance of victory. These predictions held firm in the closing days

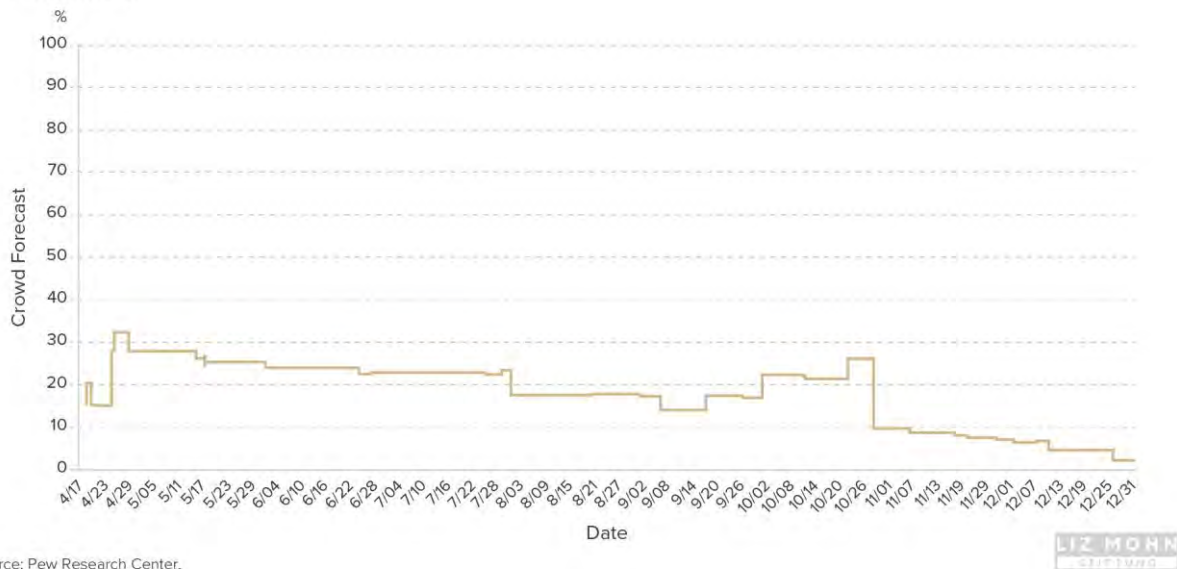
<sup>6</sup> Rigger, Shelley. Taiwan's 2024 Elections: Everyone's a Winner-and a Loser. Brookings Institute, February 6, 2024, <https://www.brookings.edu/articles/taiwans-2024-elections-everyones-a-winner-and-a-loser/>.

<sup>7</sup> Hioe, Brian. Taiwan Opposition's Bid for a Unity Ticket Collapses. The Diplomat, November 20, 2023, <https://thediplomat.com/2023/11/taiwan-oppositions-bid-for-a-unity-ticket-collapses/>.

of the election, even as polls showed a significant surge in support for the KMT. In defense of their projections, users cited incumbency advantages, scandals facing all three parties and the role of China in voter calculus. Given the complexity and unpredictability of Taiwan's democratic system, the RANGE crowd's successful projection is particularly noteworthy.

#### Will Russian control of Ukrainian territory decrease in 2024?

Consensus Trend



Since Russia's unprovoked invasion of Ukraine in early 2022, the two states have been locked in a grinding war of attrition. Following rapid Russian gains in the early days of the conflict, Ukraine had slowly regained territory throughout 2022 and 2023.<sup>8</sup> Despite these efforts, however, Russia maintained control over much of the initially occupied territory, taking advantage of defensive terrain and numerical superiority to fend off Ukrainian attacks. By the beginning of 2024, both sides were experiencing logistical, numerical and morale challenges, making projections about future events difficult.

Assessing Russian territorial control was further complicated by Ukraine's August 2024 incursion into Russia's Kursk Oblast, which forced Russia to divert thousands of troops away from the front-lines.<sup>9</sup> Nevertheless, RANGE forecasters remained firm in their projection that Russia would maintain its occupied territory throughout 2024. In support of their predictions, users cited Russian manufacturing advantages, weakening Western support for Ukraine and delays in arms shipments to Kyiv.

From the start, the Russian invasion of Ukraine has been profoundly difficult to predict. Both sides gained and lost the initiative at various points, and Ukraine has proven remarkably effective in

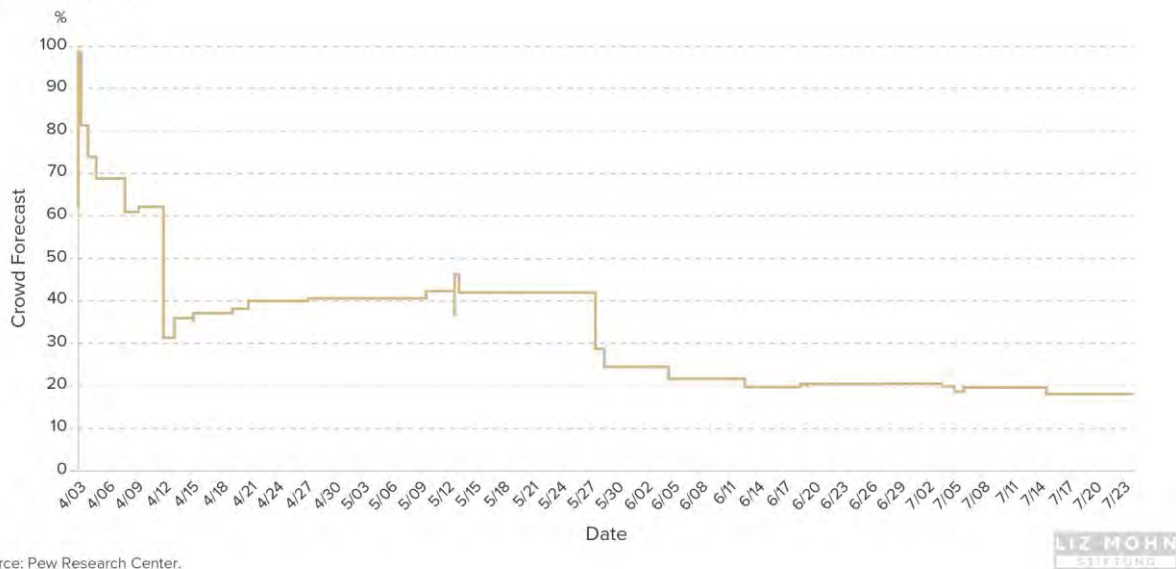
<sup>8</sup> War in Ukraine | Global Conflict Tracker. Council on Foreign Relations, May 27, 2025, <https://www.cfr.org/global-conflict-tracker/conflict/conflict-ukraine>.

<sup>9</sup> Ukraine's Kursk Incursion: Six Month Assessment. Institute for the Study of War, February 6, 2025, <https://understandingwar.org/backgrounders/ukraine%E2%80%99s-kursk-incursion-six-month-assessment>.

defending its territory. Despite this unpredictability, RANGE forecasters have consistently been accurate in their assessments, suggesting their systematic approaches are effective.

**Will the United States announce that it will reduce the number of troops stationed in European NATO member states by 15,000 or more by December 31, 2025?**

Consensus Trend



Since his return to office in January 2025, Donald Trump has profoundly altered US foreign policy. His administration has withdrawn from multilateral organizations, imposed tariffs on dozens of key allies and pursued a bombastic, unilateral approach to nearly every relationship. This shift in tone has been particularly pronounced in Trump's interactions with Europe.<sup>10</sup> Deeply skeptical of the continent and its relevance to US policy priorities, the president has repeatedly questioned the role of the US in European defense. While such rhetoric previously centered on European defense spending, it has increasingly turned to US troop commitments in Europe.

In recent months, both Trump and Vice President JD Vance have discussed withdrawing US troops from Europe, a remarkable occurrence given the longstanding US military presence on the continent.<sup>11</sup> Despite these pronouncements, however, RANGE forecasters remain skeptical, with most assigning little likelihood to a US withdrawal. In their rationales, forecasters cite US rhetoric toward Europe, Congressionally-mandated military spending and Trump's evolving ties with Russian President Vladimir Putin.

Due to his trademark unpredictability and well-publicized disdain for precedent, Trump is a difficult figure to forecast. His tendency to conduct policy through sudden announcements without underlying policy processes further complicates projections. However, RANGE forecasters have proven adept at looking beyond the president's bluster, isolating signals amid the noise. With many other

<sup>10</sup> Smialek, Jeanna. How Trump Is Bringing Europe Together Again. The New York Times, July 21, 2025, <https://www.nytimes.com/2025/07/21/world/europe/trump-europe-unity-eu-tariffs.html>.

<sup>11</sup> Lubold, Gordon, Dan De Luce and Courtney Kube. Pentagon Considering Proposal to Cut Thousands of Troops from Europe, Officials Say. NBCNews.com, April 8, 2025, <https://www.nbcnews.com/politics/national-security/pentagon-considering-proposal-cut-thousands-troops-europe-officials-sa-rcna199603>.

questions contingent on Trump's decision-making, these insights will continue to be valuable in predicting what may be in store for the transatlantic relationship.

#### IV Forecasting amid Uncertainty

With democracies on the defensive and geopolitical tensions on the rise, political decision-making has grown increasingly difficult. On both sides of the Atlantic, leaders are contending with profound and seemingly intractable questions about the future of their respective countries. The international order, once defined by relative stability, has been thrown into turmoil, while new and evolving crises appear around every corner. For decision makers looking for a crystal ball to predict what's next, RANGE has provided policymakers across Europe, North America and the Asia-Pacific with an additional tool in their policymaking toolbox. To date, this project has conducted forecasting workshops with the US Department of State and government ministries in Germany, Spain, Belgium, Greece and Japan, among others. The development of a forecasting culture will be central to navigating an increasingly unpredictable international order.

Despite these many challenges, leaders can still take steps to improve their decision-making. By introducing more systematic, forward-looking approaches to their processes, leaders, institutions and citizens can reach more nuanced, well-calibrated conclusions. By engaging with the principles of forecasting and the data it yields, they can work to extend the political horizon, push back against purely reactive policymaking, and shine a light into a future that seems murkier than ever. In doing so, they can dramatically improve the prospects for prosperity at home, and stability abroad.

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