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SEARCHING FOR SHREDS OF ORDER. THE STRUCTURE OF TODAY'S INTERNATIONAL SYSTEM

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Abstract: After a brief introduction, dedicated to historical desire and philosophy of the international relations (IR) and order or to its specific personalities and their spiritual bridges to contemporary trends, this paper follows the demarche based on three sections. The first section dwells upon different IR schools of thought, the second grapples with the original notion of the alliance capitalism and the third sketches the basic tenets of the grape shaped international system while conclusion outlines direction for future research.

Key words: alliance capitalism, international relations (IR), international order, inequalities, polarization

1. INTRODUCTION

It is not very original to say that today's world remains gripped somewhere between war and peace; between stability and instability. It is not probably threatened by a looming global conflict such as were the XX century cascade of hegemonic clashes (1914-1918; 1939-1945, supplemented by a Cold War- 1945-1990) but still has to respond to numerous crisis of different sorts, from financial recessions, wide spread hunger, the structural impotency of national economies to generate work opportunities for both young and senior people, transnational terrorist networks pandemics or that irradiate seemingly out of nowhere to test the limits of modern medicine. From a more taxonomical perspective, one needs to reassess notions such as nation-state, great/small power, sovereignty.

In an exercise in historical philosophy, Daniel Drezner draws comparative bridges between the age of Saint of Augustin and today. Both now as in the dawn of Middle Ages as reflected in De Civitate Dei:

"We are at the dawn of a new epoch that may well be as chaotic as that one and that may come upon us more quickly because of the way the electronic and communications revolutions, combined with a population boom, have compressed history. [...] In The City of God, St. Augustine revealed that it is the devout — those in search of grace — who have no reason to fear the future. And as the tribes of old now slowly come undone in the unstoppable meat grinder of developing-world urbanization, religion will be more necessary than ever as a replacement. Alas, extremist Islam (as well as evangelical Christianity and Orthodox Judaism in the West) may make perfect sense for our age, even as its nemesis may not be democracy but new forms of military authority. Late Antiquity is useful to

the degree that it makes us humble about what awaits us. But whatever comes next, the charmed circle of Western elites is decidedly not in control." (Kaplan, Foreign Policy, 19 December 2013)

In order to alleviate some of those methodological problems our article proposes the grape metaphor with predictive potential for short-to-midterm dynamics in the international system. Thus, our suggested model envisaged a picture shaped by both great power rivalry as well as interdependence. More so, even though great power rivalry will not vanish, the risk of direct clash runs low, but at the same time one may notice an increased probability that those great powers become eager to assert their regional hegemony and force themselves upon smaller neighbors.

The reminder of this paper contains three sections. The first dwells upon theoretical shortcomings of different IR schools of thought, the second grapples with the notion of alliance capitalism and the third sketches the basic tenets of the grape shaped international system while outlining direction for future research.

2. THE UNDERUTILIZATION OF NEOCLASSICAL ECONOMICS IN INTERNATIONAL RELATIONS

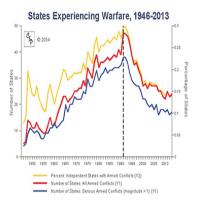
The behavioral revolution helped the systematization of social sciences. Borrowed models from neoclassical economy and cybernetics opened new fertile paths to research and brought closer the perennial ambition of transforming humanities into something more akin to hard science. Especially for the study of International Relations behaviorism strove to move away a still essayistic domain, largely tributary to history into a predictive algorithm.

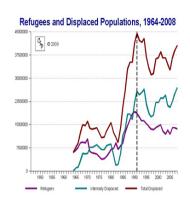
Thus, Kenneth Waltz argues that states should be considered rational actors behaving according to costs-benefits analysis. Drawing upon that he linked the overall systemic stability with the number of great powers/poles occupying the map. On the same veneer while expanding the Waltzian perspective, ground-breaking theories of Robert Keohane and Joseph Nye maintain the rational actorness of

states but describe an international environment where anarchy and security dilemmas are mollified by rules, international organizations, channels of communication, all wrapped up by the economic interdependence that swept away since 1960s till today. Unfortunately, none of those authors did not use to the fullest the potential of economic thinking.

The world that emerged after 1991 did not fully vindicate nor validate any of the major paradigms in IR. It did not entail a global counterbalance against the United States, or the breakdown of the nascent European Union as some realists would have argued. At the other end nor has ushered unbridled pace and open-to-all prosperity as many liberals have wished. As for the victory of market-driven development, it may have proved wrong Socialist dirjisme, but Marxism will have reasons to reveal disequilibrium as long as the gap between the have and the have-nots gushes, North-South divide traps millions in daunting poverty or middle class dwindles in OECD countries as many studies demonstrate.

Concerning global trends in armed conflicts, 1991 marked a turning point with lowering in this sense but at the same time the number of worldwide refugees embarked on a ascendant path:







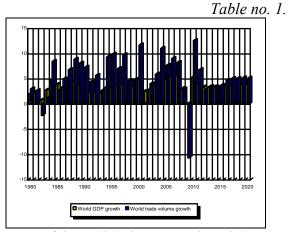


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Source: Center for Systemic Peace, 2013

Two other important rates, namely the rates of economic growth and global trade volume growth, reveal the specific gap between these international economic major results, and describe a perennial increase in the domestic macroeconomic interdependences, for the both valid periods of analysis, the first being based on the real facts, during 1980-2014, and the second as a medium-term forecast or prognosis, for the period 2015-2020 (Table no. 1, based on statistical data of *Global economic knowledge at your fingertips, IMF*, Spring Catalog 2015).

The world economic growth and the world trade volume growth, in percentage value

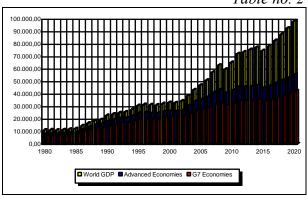


Source of data: Global economic knowledge at your fingertips, IMF, Spring Catalog 2015,[online] Available on:

http://new-allirs.rhcloud.com/info/Global-economic-knowledge-at-your-fingertips,-IMF,-Spring-Catalog-2015/

The macroeconomic results, through the general trends of the structure of GDP formal or current value in billions US Dollars reflect a contradictory process (Table no. 2), but this is just relative and formal, if the analysis does not apply demographic corrections, using GDP per capita and different tendencies between of the highest wealth's level and the average dimensions of the same indicator:

GDP nominal value, in Billions US. Dollars *Table no. 2*



Source of data: Global economic knowledge at your fingertips, IMF, Spring Catalog 2015,[online] Available on:

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The relative decline of the middle class, together with the increasing polarization and inequality, described as the three major contemporary economic and social trends, have been detailed and finally aggregated by Thomas Piketty (Piketty, Postel-Vinay, Rosenthal, 2006, pp.236-25; Piketty, 2014), in his latest regional or global researches, in published papers and books:

"Between 1987 and 2013, the highest global wealth fractiles have grown at 6%-7% per year, vs. 2,1% for average world wealth and 1,4% for average world income. All growth rates are net of inflation (2,3% per year between 1987 and 2013)" (Piketty, Zuchman, 2014, p.93)

What finally resulted instead of expected world cohesion was a hybrid combination that cuts through several methodologies. Thus we may take notice of a multilayered cake where:

- great powers tailor a century style concert and become aware of the necessity to shoulder planetary responsibilities. Hegemonic wars are less probable now due to the existence

- of nuclear weapons; (Mandelbaum, Winter 1998-1999, pp.20-38)
- regional blocs formed and continue to mature based on geo-cultural proximity and economic parity;
- nations try to stay connected to international finance albeit with a protectionist twist, courtesy 2008 crisis:
- outsourcing generates a multinational division of labor and rewrites geopolitical alliances.

3. THE ALLIANCE CAPITALISM - A THEORY BUILDING CONCEPT

A new kind of free market economy, or more precisely a new capitalism, is emerging and developing under the eyes of the theorists, and especially of the practitioners concerned with modern relations and realities. The reasons and arguments for that new inceptive process are mainly related with the economic sphere. According to the authors of this article, there are premises, which are amplified through their importance and impact, and also exogenous factors that have accelerated and are still accelerating a process of doubtless crystallization of the new capitalism of alliances. First, a functional prerequisite of international relations, built solely on their economic basis, identifies the fact that the is more modern economy and substantially rewarding all those who managed to fully achieve things, and thus closed the so much needed economic cycle of the existence of mostly balanced international relations, providing energy resources, raw materials and new technology for producers, bringing their products and services to the market and thereby making possible the balance of meeting potential demand by offering real supply, in international markets where the consumer is in fact bounded by the national economies. The phenomenon of incentives and rewards have generated, over time, structured alliances, networks derived from their de facto node, defined by companies or corporations nationality, transiting reverberating redefining trans-nationality, and the layers of the political fabric, or materialized political power, having become structural and energetic

flows, have acquired new regional, national and international trends, being placed in a continuous and contradictory inter-layer dynamics, very much like some physical phenomena in the theory of stationary waves (expansions of regional layers are offset by the contractions of international and global strata). (Săvoiu, Iorga Simăn, Crăciuneanu, 2012, pp.5-27)

By redefining the globalized and structuring context of international relations in the global economy (vertically launching the local company or corporation, in regional, national and transnational or international networks). Each entity is transcendent temporally, and has subsequently managed, through spatial alliances within horizontal networks, to generate specific inter-relational layers, and finally a type of capitalism completely original excessive concentration. A survey. conducted at the end of 2011 by the Swiss Federal Institute of Technology in Zurich (Glattfelder, Battiston, 2011, online), managed via processing a database comprising about 37 million companies and investors around the world, as well as the then existing 43,060 transnational corporations (in keeping also with their share of property, which reunited them, as well as customizing their characteristic alliance through network nodes) - to confirm the final setting up of the new kind of capitalism. The major features of alliance capitalism combine the five principles of contemporary globalization and another three axioms of modern alliance.

Thus, the principles of *internationalization* (initiated in trade relationships and completed in political, etc. relationships), liberalization (generating more and more open international relations by easing the economic restrictions imposed to governance in interstate dynamics), universalization (derived from the process of rapid innovation and technological change, impacting international relations). on modernization (extension of the social structures of the classic capitalist world to the flexible ones of modern alliances, etc.) and deterritorialization of the world (as a consequence of a new reality, where space tends to no longer include distances and borders, following a set of alliances an increasingly adapted type of capitalism) are





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supplemented by the axiom of guaranteed negotiation of the win-win type (for the signatories of the alliance), the axiom of imposed negotiation of the win-lose type with the rest of the companies located outside the alliance, as well as the axiom of the continuous contraction of space or the network external to the alliance.

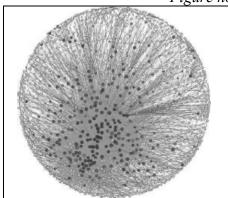
Globalization has become "the inexorable integration of markets, nation-states and technologies to a degree never witnessed before, and that empowers corporations, countries, and individuals to reach around the world farther, faster, deeper, and cheaper than ever before, and in a way that is enabling the world to reach into corporations, countries, and individuals farther, faster, deeper, and cheaper than ever before" (Friedman, 1999; 2005), but also the more detailed (and deepest) "integration of countries and peoples of the world, due to the severe reduction in transport and communication costs by the bankruptcy of barriers to flows of goods, services, capital, knowledge and human capital" (Stiglitz, 2002); it becomes, from a possible historical process, a practically fulfilled especially as a result of alliance capitalism, which dominates contemporary international relations.

Some of the findings of the research conducted by the Swiss Federal Institute of Technology in Zurich, resulting from processing the largest database until then, identified a process of network control of the exploitation revenues, or in other words a control of transnational companies over national companies, of national companies over local companies, and emphasized that at the first level of concentration of transnational companies feature only 147 transnational companies or corporations, which already held 40% of the exploitation revenues, generating a

second ring or network of concentration by investigating their control over the regional and national level – including 737 corporations which owned circa 80%.

The scope of the global economy and the network of expansion of alliance capitalism via transnational companies or corporations

Figure no. 1



Source: Vitali, Glattfelder and Battiston, 2011 p. 6 There is also criticism of the *liaisons* dangereuses nature of these new alliances, which appear to be the natural result of the monopolistic character of international life by increased connectivity through risk sharing at the expense of those situated outside the alliances (Battiston, Gatti, Gallegati, Greenwald, & Stiglitz, 2012, pp.1121-1141), and also by constantly influencing the processes of mergers investment acquisitions, outlining a systemic risk of access in the international relations for those that are not part of the alliance.

Investment, by its component having the greatest involvement in the medium and long term, not hot at all compared to portfolio investments, i.e. foreign direct investment (FDI), represents a 20% share in global GDP and is ranked second among the most important exogenous factors of alliance capitalism. The alliance reinvests in its own economic spaces, or the spaces that are potential signatories of the agreement or

alliance partnership, and never outside it – the essential cause being mainly lack of control over the repatriation of earnings (thus, repatriation becomes an obsolete concept, its meaning becoming closer to returning to the space of the alliance).

What is easily identifiable as the third and last major exogenous factor of alliance capitalism is reshaping partnerships and alliances in the increasingly diverse and complex temporal and spatial contexts of contemporary world. The unions, alliances and consortia supplement and fill all this universe of alliances, focused on monetary principles (the European Monetary Union), on free trade areas, on complementary resources and technologies, dilating the reference spaces to one-continent and even many-continent dimensions, etc.

Summing up, the remarkable investigation undertaken by the Swiss researchers (Vitali, Glattfelder and Battiston, 2011) confirms the maturation of a phenomenon of transformation of modern capitalism into an alliance capitalism, which is actually preparing globalization at its maximum expansion, as the original limit of potential alliances.

4. THE CHALLENGE OF CONSTRUCTING A MODEL OF INTERNATIONAL POLITICS BASED ON THE ALLIANCE CAPITALISM NOTION

In the last section we push forward what we chose to baptize: "the grape-shaped model" of international politics which basically outlines that in the foreseeable future (15-20 years) great powers will choose to cooperate in spite of their continuing rivalries but, at the same time, they are more prone to dominate and even conquer their near abroad.

We have seen in statistics that the contemporary international relations and realities oscillate between imbalance and balance; being placed in a continuum spacetime dimension, similar with no man's land in international conflicts, and thus neither war nor peace can dominate.

Now that we have been acquainted with the notion of alliance capitalism, it remains to be examined how one can employ in so as to model the landscape of today's international politics.

We shall follow the same path of the structuralisms. For both Waltz and Keohane hold the premises that market represents a homogeneous environment bound by likeminded units bound by profit seeking (with the only difference being their seize). However in reality market brings together all kinds of actors, private and governmental, local and transnational with different functions and areas of activity. Michael Gerlach, above mentioned. studied how the Japanese culture harmonized public agencies with keiretsu, banks along enterprises in generating welfare other (Gerlach, 1996). The alliance capitalism model helps us to explain:

- 1) how market involved actors can be simultaneously rival and still cooperative or bound by certain rules (transparent practices, legality etc);
- 2) how economy creates division of labour and specialisation (some make goods; other services, and other engage in money lending).

Point 1) has correspondence in international politics where nuclear weapons and multilayered interdependence limit the behavioral exaggeration of all important actors (Mandelbaum, 1998-1999, 20-38).

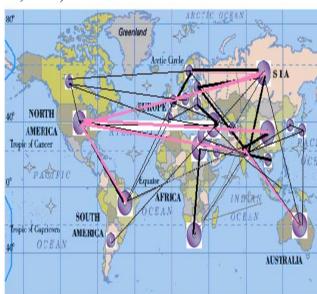
With respect to the 2) point, we should ask ourselves why nation-states cannot conceived as performing different roles and behaving according to a systemic division of labor? Thus some of them are agro-industrial, other base their economy on tertiary sector, while others act as fiscal havens! Concerning security one can also notice differences between great, regional and smaller powers, or between status-quo entities and revisionist entities. One of the best examples for all said above is the entanglement between the United States and People's Republic of China. The noun < Chimerica > coined by Niall Ferguson and Morris Schularick described in early 2000s a symbiosis with America cast as the big spender and China as the big lender (Ferguson, Schularick, The Wall Street Journal online, 5 Feb 2007; Ferguson, The Telegraph, 94 Feb 2007; Bernstein, The New York Times, November 4, 2009; Karabell, The Huffington Post, November 13 2009). Another sample,





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caught in an ongoing drama is the relationship between NATO/EU and Russian Federation. After 1991, a weakling Russia, still recovering after the Soviet collapse dwell on the brink of failure and was substantially helped by the Western world. At the same time. supranational organizations in the like of NATO and EU pushed their realm closer to Russian borders to the irk of Kremlin (Tsai, 2003, pp.68-69). When Moscow recovered due to oil revenues and a more nationalist elite, it changed the third world money borrower image with a boastful neoimperialist face bent to recover former glow (Perovic in Perovic, Orttung, Wenger, 2009. pp.1-21; Mearsheimer. Foreignn Affairs. September/October, 2014; Petre, CSEEA, May 19, 2014).



Another category that should be taken into consideration by an alliance capitalist based IR theory is the failed states. Hovered by shoddy institutions, massive poverty, non-governance and often safe havens for terrorist networks there are the equivalent of toxic assets which can hamper a solid market.

John Dunning eclectic paradigm which dresses the alliance capitalism notion helps explains how firms invest based on geographical consideration and display eagerness to acquire immobile assets: " Contemporary economic events are suggesting that the nature and composition of a country or region's comparative advantage, which has been traditionally based on its possession of a unique set of immobile natural resources and capabilities, is now more geared to its ability to offer a distinctive and non-imitable set of location bound created assets, including the presence of indigenous firms with which foreign MNEs might form alliances to complement their own core competencies. [..] .. it may be inferred that as the dynamic gains from spatial clustering and network linkages become more pronounced, so will the locational choice of firms become a more critical strategic variable. It also follows that national and regional authorities should pay more attention to the fostering of immobile complementary assets and cluster related public goods as part of their policies to attract

2000, pp.163-190, esp.178) In the language of strategy we can translate economics in order to understand why the motives behind the race pinpoint geographic, mineral and economic locations, and most importantly why several emerging powers are bent to assert themselves in the proximity (see China, Japan, and Vietnam play in South China Sea; Russia's push in Ukraine and Southern Caucasus or Central Asia, Iran involvement in Iraq to shape the course of the country and stop the spread of ISIS). (O Europă sigură într-o lume mai bună. Strategie europeană de securitate, 2003, pp.3-4; Friedman, The Atlantic, 24 December 2013;

and retain mobile investment." (Dunning,

Grumaz, Adevărul, 13 January 2015; Conflict Barometer 2014, 2015, pp.19-20)

The authors of this article argue that an alliance capitalism inspired IR theory has a fertile potential to read the dynamics of a multipolar world where globalism and regionalism will be riddled by probable local conflicts, and where we need a concerted effort to better the future.

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