



The America-Eurasia Center's European Program

June 21, 2022

The Davos Summit: Europe and the World Order in Crisis



The World Economic Forum, Davos, Switzerland, May 22-26, 2022
Photo Credit: World Economic Forum

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The Davos Summit: Europe and the World Order in Crisis



**Panel of First Movers on Environmental Issues, John Kerry, Bill Gates discuss Climate Issues
Photo Credit: World Economic Forum / Mattias Nutt**

The Davos summit this year has included many discussions, ranging from projections of pessimism and discontent towards the international system, as well as potential policies and mechanisms which could create a better future. Most of the optimistic discussions were contextualized in the topics of overcoming the COVID-19 Pandemic, the future of the internet and a modest attitude towards what the markets have to offer towards employment as well as stabilization of national and international economic channels. The pessimistic topics included the loss of legitimacy in collective deliberation at any governmental scale, as well as the re-emergence of nationalism at the cost of the collapse of global neo-liberalism.

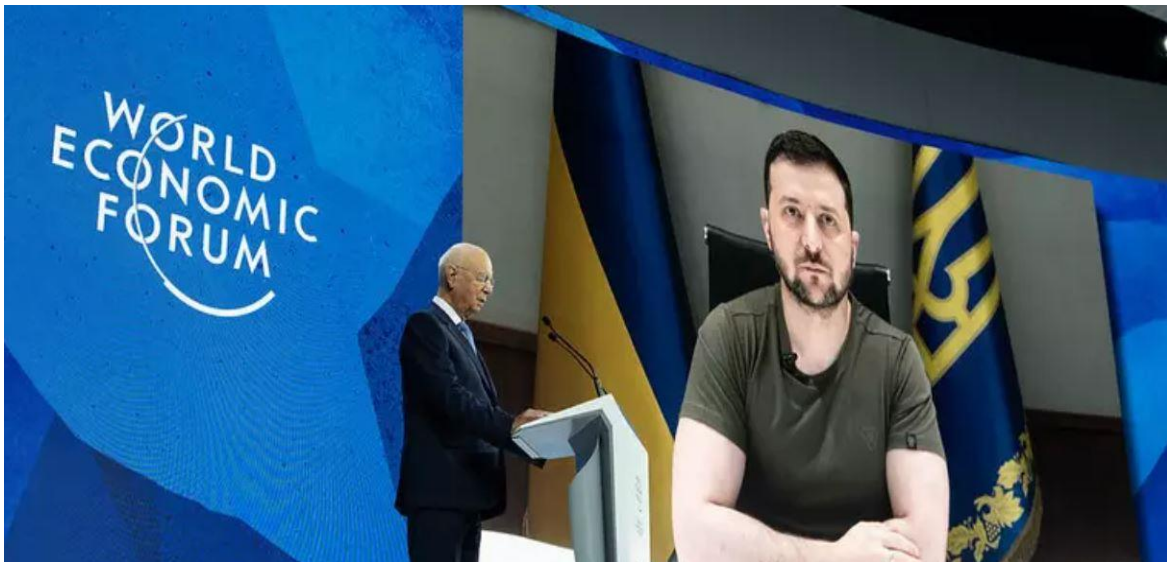
The most pressing topic of the Davos Forum was the current Russo-Ukrainian war. What makes this specific conflict historically unique is that the winning side is not necessarily benefitting

economically. Historically, nations have gone to war in order to accelerate their industries, increase employment, and project economic authority. However, due to the fiscal constraints imposed on Moscow, these historical explanations do not explain the current crisis. We see the Western powers having the capacity to use SWIFT blockages amongst other financial tactics in order to mitigate the possibility of Moscow financially benefitting from the war. For the first time in the history of warfare, the unity of the West relies on financial leveraging as well. This also has significant implications for the current as well as future power of the Euro and the Dollar in world economic markets. “Economic Warfare” has taken a new approach, while also arguably reinforcing and rejuvenating Western alliances, through NATO and possible future member states joining NATO.

Some of the introductory remarks of the discussions pertained to the food shortage caused by the Russian blockade around the Black Sea. In addition, corn production has decreased by 54%, and wheat production by 35%. Aside from these substantial resource shortcomings which affect dozens of nations in the global south, Ukraine also has substantial unexplored resources in the domains of gas, as well as steel. Arguably, the development and maximization of these industries will become beneficial in the discourse of rebuilding the Ukrainian infrastructure.

Zelensky’s speech received tremendous attention in Switzerland. By constantly promoting and proving the fighting spirit of the Ukrainians, his leadership as well as command of Ukrainian forces display the heroic qualities of bravery and resilience. His ambition is also to ensure that the current Russo-Ukrainian war would lead towards a future geopolitical landscape with the capacity of every country to secure and preserve their legitimate right of self-determination. Zelensky also expressed his disappointment towards the lack of normative force within the spaces of international institutions that could thwart Putin’s ambitions. The most demanding claim, however, has been his continuous request of Western funds, specifically \$7 billion on a monthly basis.

France 24 reports on the further economic significance of the Russian constraints. Most European states have renounced 90% of their oil dependency from Russia. However, Hungary, Slovakia and the Czech Republic opted to maintain their supply chains at the time. Given the rise of illiberalism through Europe as well as Asia, these states are opting for economic agreements with Russia that will only continue to perpetuate the antagonist rhetoric of anti-EU cohesion, while favoring the sovereignty of independent states within the European Union.



**Zelenskyy Addresses The World Economic Forum, Davos, Switzerland, May 23, 2022
Photo Credit: World Economic Forum**

Aside from Zelenskyy's contributions, the Davos Summit resumed its discussion pertaining to the Russo-Ukrainian framework with attitudes towards a necessity to protect democracy, rebuild Ukraine, and further facilitate the aid that would enable Russian losses. The Black Sea ports are currently blocked by the Russian Navy. Even if some food resource production chains continued their readiness to ship and continue interacting with the international markets, it is quite difficult to ensure that Ukrainian tactics will secure the necessary trading routes in the near future. Denmark has given the Ukrainians Harpoon missiles which could remove the Black Sea blockages. It was argued at Davos that such artillery could be used to further negotiate trade disputes with the Russians. However, Putin and his regime do not share the same attitudes. Their rationale is that such trade

blockages exist because the Western world has decided to impose many economic constraints in the form of a novel type of warfare. In order for the Ukrainians and their Western patrons to succeed against these Russian obstacles, they must be able to consider their steps both militarily, as well as politically against false Russian narratives.

The Ukrainian Minister of Foreign Affairs shared the same pessimism at Davos. The objective to kill Russian exports should remain the priority. The fact that Russians are an oligarchical structure is the primary reason why the Ukrainians are winning Western popular support. Russian propaganda may frame the West as an antagonistic and a competitor to Russia since WWII. The nuances here can exceed the geopolitical containment of the Russo-Ukrainian War. Russian television frames the narrative as that the West cares more about Russia losing than Ukraine winning. They promote the idea that Western support of Ukraine is more an expression of “the enemy of my enemy is my friend” mentality. If this were not the case, both Ukraine and Georgia could have already joined NATO at the 2008 Bucharest summit. Irrespective of a NATO threat and risk assessments with regard to Russian aggression, the primary objective has consistently been an assurance that Western Europe at least, as well as the United States, are free from Russian tension, even at the cost of other Eastern European states.

These underlying realities have indirectly been expressed at Davos as well. Notwithstanding the ongoing support of aid and weaponry, to a minimal extent, the continuous Western purchase of Russian resources will continue to fund Russia’s geopolitical expansionist agenda. Such performative contradictions and constraining behavioral dichotomies also reflect further discussions at the Davos Summit, pertaining to the legitimacy of the European Union, NATO, their possible expansion, as well as the nuances in European fiscal reforms at all possible administrative levels.

Croatian representatives have a clear optimist view. Even though a lot of decisions that pass-through Brussels can take an extensive amount of time to resolve due to bureaucratic procedures, the

decisions made in the context of Ukraine have been swift, responsive and helpful. All 27 member-states have promptly agreed not only to policies regarding Ukraine, but also COVID-19 containment. These developments portend the further promise of a more centralized, cohesive, and unitary European Union. However, not all Summit speakers expressed the same Euro-Optimism, as there were also arguments against such attitudes. Questions in relation to the legitimacy of international institutions, whether European or not, as well as counter-arguments advocating in favor of localities and grassroots political structures were also prevalent and debated.

George Soros' speech pervaded with apocalyptic pessimism. Namely, that the world as we know it, with prosperous, neoliberal democracies that have the capacity to inspire hope, trust and prosperity in their citizens are fading. His speech also painted a dystopia where there are more disadvantages resulting from COVID containment policies than advantages, respectively. Soros argued that such surveillance technologies will only increase, that the pandemic justified the further use and abuse of such surveillance techniques and rhetorically emanated an Orwellian society where we have no reason to believe that governments will work for the benefit of innocent civilians. Soros was also skeptical of further bureaucratic, social, and political unity within the European Union. The fact that such system of governance has no veto power or capacity to fully sell the narrative of European Unity to other citizens, will likely entail that even member states will not be willing to give up their sovereignty in exchange for a transformative continent that can economically outcompete the United States.

The same worries, criticisms and cynicism were further extended in other discussions as well. Tamin Bin Hamad Al Thani, Amir of Qatar, stated that international organization are losing the normative persuasiveness they had before. Additionally, the right of self-determination has further been contextualized by the Amir in the tensions between Israel and Palestine. Perhaps Soros,

Zelensky, and the Amir were pointing towards the same international issue: there is no guarantee of sovereignty and the right of self-determination.



**Tamin Bin Hamad Al Thani, Amir of Qatar, addresses the World Economic Forum, Davos
Photo Credit: Reuters**

In NATO-centric panels, the notions of autonomy, resource management, and centralization were actively debated as well. Germany has not yet made the necessary adjustments on being free from Russian gas, nor are nuclear power plants running sufficiently. Additionally, it was also observed that France, Germany, and Italy would have to give up some autonomy in order to fully maximize NATO functionality and efficiency.

The next order of priority via NATO discussions were about the possible adherence of future states. Poland has clearly shown support of the notion of integrating Ukraine. The next ones in line awaiting a fully confirmation, would be Finland and Sweden. Their respective adherence is questioned and challenged by the Turkish government. Their charge is that the Nordic states are

cultivating terrorism but support Kurdish political parties. Although there is surely no evidence or reason to believe such claims, it is nonetheless in Turkey's political agenda to use this opportunity to leverage their accession to NATO by curbing assistance to the Kurds. One of the speculative reasons could be that Turkey is in some ways aligning with Russia on some defense policies. This "play both sides" mentality is also expressed by India and Australia. India imports weapons and gas from Russia, while promoting themselves as the sole functional democracy in Asia. Additionally, Australia enjoys the security protection of the American grand strategy, while heavily trading internationally with China. Such apparent inconsistencies in strategic choices display that some states are willing to obtain the best possible result militarily and economically, even at the cost of their commitments to their alliance partners.

Whether politics takes the turn as per the framework of Martha Finnemore, where institutions will regain their normative legitimacy and construct political conventions in good faith, or more proximal to the views of Joseph Nye, a world where these commitments will primarily focus on the interdependence of the market and an increasing valuation of Western currencies, it is clear that alternative possibilities should not be neglected. John Mearsheimer's realism is alive and indisputable, a non-normative description of politics where the foundational maximizing criteria of a state is power, through whichever means it can be projected for the sake of writing rules in the favor of the winning states. Or, perhaps, Eric Grynaviski's views will gain traction, a paradigm in which anti-elitist politics will gain further salience. Through this views, grassroots systematic approaches, localization and decentralization could indeed reflect the future of administrative policymaking, and the world could move further away from the elitism and over-celebration of the political elites, in favor of the hard-working people that receive no recognition, despite their valuable input in the civic, economic and political life of their respective localities and provinces.

Whichever perspective might turn out to be the case, one substantial event to look forward to, still, originates from Switzerland. The Swiss will hold one of the non-permanent seats of the UN Security Council. Despite the remarkable and historically consistent claims from Founder and Executive Chairman of the World Economic Forum, Klaus Schwab, Switzerland does seem to, in some way, deviate from its position of completely rejecting any type of internationalist position. The Swiss will definitely become more relevant in the discourse of international security, even though Chairman Schwab has explicitly stated that the Swiss have no interest in any type of membership pertaining to a military alliance. The semantic nuances through which the Geneva Convention was initially constructed, now, once again through the Swiss adherence to the council, display innovative political methods to participate in the international order, to increase its influence, without any cost to their national political capital.



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