

THE REVENGE OF GEOPOLITICS



Navigating the Global Power Struggle

The Revenge of Geopolitics

Following the West's victory in the Cold War, there was a general belief that liberal democracy and free market capitalism would spread globally and create an economically interdependent world of representative governments. This teleology was best summarized by Francis Fukuyama's erudite work *The End of History and the Last Man* in which humanity is at "the endpoint of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government." However, this quixotic optimism was soon rendered moot by a concatenation of catastrophes, including the 9/11 terrorist attacks, the war on terror, and the Great Recession. These major events meant that Kantian international relations would give way to more traditional forms of foreign policy and security. The end of history was met by the revenge of geopolitics.

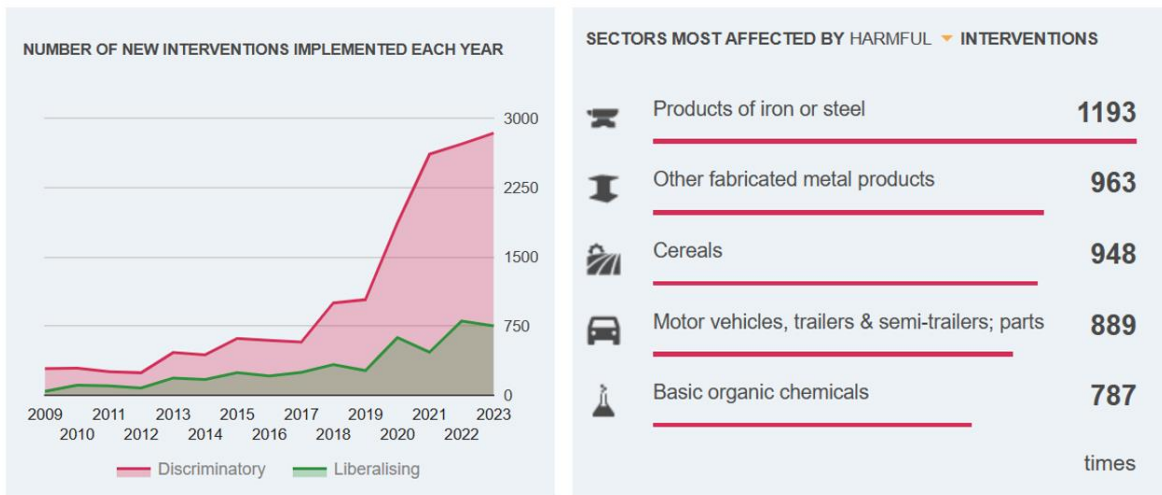


Selected Geopolitical Events 1989-2022

During the Cold War, many countries were focused on defeating the totalitarian empire of the Soviet Union. However, there were [dozens](#) of [local](#) and [regional](#) issues bubbling under the surface that most foreign policy hands were blind to. Although liberal democracy prevailed in the great power competition of the Cold War, when it ended, these local issues came to the forefront and powerful historical forces shattered the illusion of Fukuyama's telos. One of those was the rise of Islamism and terrorist groups like [al-Qaeda](#). The United States had a partial hand in helping al-Qaeda develop as they were an Arab contingent of the mujahedeen America funded in Afghanistan to create a quagmire for the Soviets. However, that did not make America their ally. Once the Cold War was over al-Qaeda began pushing its Islamist agenda in the Middle East and North Africa. Their strategy changed in the mid-1990s when they decided to attack the "[far enemy](#)" (America) to harm the "near enemy" (Middle Eastern governments) because the U.S. backed those regimes, had stationed troops in Saudi Arabia, "killed" Iraqis containing Saddam, and supported Israel. That was al-Qaeda's justification for 9/11.

Of course, transnational Islamist terrorism was not the only local issue with broader implications for ending interdependence. Major issues in Rwanda, Bosnia, Somalia, Haiti, Pakistan/India, Iraq, Panama, Georgia, Armenia, and other countries all saw conflict stemming from historical problems. Each of these conflicts occurred because of deep, long-term struggles concerning religion, ethnicity, colonialism, and/or ideology. No amount of economic growth or new technologies could overcome history.

Subsequently, a primary cause for the revenge of geopolitics in the West was the [Great Recession](#), which caused many people to start [doubting the utility](#) of markets and the Washington consensus. The global interdependence of the market was harmed because of subprime mortgages and toxic assets in the U.S. real estate market, triggering a financial crisis that started in western Europe. Despite the obvious utility of free market capitalism, countries began erecting trade barriers of all sorts, and the general populace wanted more protections for jobs. President Donald Trump embodied that [new protectionism](#) during his administration, but it is important to note that many [Democrats opposed](#) the Trans-Pacific Partnership in the 2016 election to appeal to that same protectionist streak that had arisen after the Great Recession. The European Union, China, and others also started building trade barriers to protect their local industries.



State Trade Interventions - Implemented since the start of the Global Financial Crisis: Source - [Global Trade Alert](#)

The historic problems that brought local conflicts to the surface and the perceived market failures of the Great Recession have caused a rise in illiberalism. The Enlightenment brought certain values, and slowly over the 18th and 19th centuries these values came to dominate political discourse in the West. However, as the world began tearing itself apart politically and economically, new movements adhering to older ideologies appeared in the United States, France, Germany, Hungary, Italy, Brazil, and elsewhere. These movements were more akin to the reactionary views of Joseph de Maistre or Chateaubriand than Edmund Burke and John Adams. For example, [Viktor Orbán](#) in Hungary and [Jair Bolsonaro](#) in Brazil both tried to upend the

liberalism of their regions, though Orbán was far more successful. In the United States, the GOP under Trump has also taken an illiberal turn and moved [towards populism](#). Now, illiberalism does not equate to authoritarianism, but it is anathema to the dominant beliefs of the 20th century. In addition, illiberalism is not just found on the political right; what is colloquially referred to as “woke” or progressive in the U.S. and Europe have also abandoned the liberalism of the Enlightenment.

Connected to these illiberal movements is the return of importance of culture and identity. Essentially, Samuel Huntington was right in the 1990s that the “[clash of civilizations](#)” based on culture and identity would dominate politics and geopolitics in the 21st century. For example, Russia’s invasion of Ukraine was partially inspired by their idea of what being Russian means, i.e., Ukraine is part of Russia and that it is Russia’s job to protect the Rus people. Or look at massive right-wing and left-wing protests in the United States and Europe. Notice how many of these protests are based on the concept of identity: Black Lives Matter, Unite the Right, Free Palestine, Proud Boys, etc. All of these protests are about *identity*, and these identities conflict with what they believe reality should be. Culture and identity will drive conflict and massive protests over the next several decades.



These changes mean that U.S. power projection is at a critical moment, and that matters because America remains currently the [global hegemon](#). As the only truly global power, the U.S. will be fundamental to maintaining stability and a balance of power despite deglobalization and a rising multipolarity. Importantly, though, that hegemony is being challenged by the rise of China, domestic problems preventing the support of Ukraine to contain Russia, and instability in the Middle East (especially the Israel-Hamas conflict). What this fundamentally means is that the revenge of geopolitics is also the return of [blatant and overt realism](#).

Although there are certain interludes in global affairs in which the national interest and balance of power do not guide international relations, history shows that the world overwhelmingly comes back to this behavior because the fundamental assumptions of realism remain true: an anarchic world structure in which countries and governments can never trust others due to the security dilemma and zero-sum nature of power. From Thucydides in Ancient Greece to Augustine of Hippo at the end of the Roman Empire to Machiavelli in the Florentine Republic to Cardinal Richelieu in the Thirty Years War to Metternich in the Napoleonic Wars to Henry Kissinger in the Cold War, the great thinkers and statesmen of foreign policy were most successful when recognizing and then responding to a realist world order.

At IF we believe that analysts and security professionals will need to recognize this truth to accurately assess geopolitical risks for their clients. International relations, and therefore

geopolitics, tend to operate under a specific paradigm, and knowing that paradigm will lead to more accurate insight. The revenge of geopolitics is here because of deglobalization and long historical factors preventing and undoing interdependence. Going forward the 21st century will be controlled by geopolitics with great powers vying for regional and global hegemony while smaller powers and sub-state actors attempt to disrupt the world order by siding with and against these great powers. The end of history was really the beginning of a new geopolitical era.

If your business would like to understand any of these issues more deeply, you can find us at insightforward.co.uk or contact us [directly](#).

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