



History Isn't Over After All: Company Strategy in the "Era of Wars"

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EXECUTIVE SUMMARY: The "era of wars" in which we now live has reshaped the global economic order, and corporate strategy in the advanced industrial technologies sector has changed along with it. Post-Cold War assumptions of inevitable globalization no longer apply as renewed authoritarianism, regional conflict, financial fragmentation, and institutional weakening have transformed the operating environment for multinational firms. Companies at the intersection of civilian and military technologies are shifting away from efficiency-driven globalization and toward resilience, political alignment, and integration with national security priorities. Israel's experience after October 7, 2023 demonstrates that geopolitical instability must be treated as a permanent, core business risk if a company is to enjoy long-term corporate survival and profitability.

The geopolitical reality that emerged in the first quarter of the 21st century is now often referred to as the "era of wars" – that is, the time when globalization and the liberal world order, which Francis Fukuyama, in his 1992 work *The End of History and the Last Man*, labelled "the end of history", came to its own end. The revival of authoritarianism/totalitarianism, the rise of populism and religious fundamentalism, the crisis of liberal democracy, the loss of influence experienced by many international institutions, and the outbreak of multiple regional conflicts all served to erode Fukuyama's concept. As the "end of history" revealed itself to be a premature notion, companies operating in the field of advanced industrial technologies have revised their strategies.

Old, seemingly obsolete concepts developed in the early 20th century are finding their way back into geopolitical discourse. Among the many antiquated

ideas to be experiencing a revival is the notion of "Pan ideas" once promoted by the German geopolitician Karl Haushofer, whose work heavily influenced Nazi foreign policy. The modern adepts of Haushofer advocate dividing the world into several "Pan regions", each led by a great power and each autarchic, or economically self-sufficient. This concept's ideal is a multipolar order in which the world is not ruled by a single power but is distributed among several "geopolitical poles", with several large nations possessing their own "natural living space" – a term borrowed by Adolf Hitler.

Although the world, particularly post-2022, has been moving ever closer to the picture painted by Haushofer a century ago, its ultimate development – despite the crisis of globalization – will not accord with Haushofer's or his adherents' visions. Our era of networked interconnectedness, technological development, innovation, cross-cultural models, competition and cooperation are likely to lead to more flexible and constructive scenarios. The "pan-regional" ("multipolar") model ignores critical transnational issues (e.g., the climate crisis, migration, pandemics, digital security). No country or "pan-region" would be able to respond to these global challenges unilaterally.

Several false concepts are being used to justify the advent of the "era of wars". The first is the so-called "decline of Europe". This thesis serves as a false justification for de-globalization. It distracts from the more genuine causes of current challenges and masks the interests of "revisionist" players, while frequently also demonizing the liberal world order. Europe faces serious challenges – aging populations, energy transitions, defense dependencies, integration issues, and competition from larger states. But the continent also remains an economic giant, has resilient institutions, stands at the forefront of environmental regulation and human rights, has stable democracies, continues to innovate technologically and culturally, and has advanced public services and quality of life.

Another false concept is the "global South," which has no geographical coherence, contains incompatible economies, ignores political diversity, erases cultural differences, hides conflicts and rivalries, relies on outdated colonial binaries, and oversimplifies global power dynamics. The "global South" presents a myth of unity that is unconnected to reality. The concept is not only insidious but an outright falsehood, as it frames the world's stratification under the guise of a "new solidarity" and attempts to justify a departure from global rules and the destruction of global institutions. It is frequently used as a propaganda tool in the war against the liberal order, offering no concrete alternative to globalization.

One might ask why the "global South" is a false concept and the "global West" is not. Simply put, the "global West" is a civilizational, institutional, and

political category with genuine coherence. The “global West” refers to a historically connected family of societies that share a long, traceable development involving philosophical foundations, political institutions, economic organization, social norms and alliances. In the current rehashing of Haushofer's narratives, the theses of the "decline of Europe" (and the West in general) as well as the concept of the "global South" are forming the ideological smokescreen under which the "era of wars" is currently unfolding.

The current wave of antisemitism and anti-Israelism is by no means accidental but is in fact a systemic symptom of the "era of wars." It reflects the collapse of universal norms and the legitimization of hatred. There has been a direct transfer of hostilities from modernity, the West, and globalism toward Israel and the Jewish people. Antisemitism and anti-Israelism are a litmus test that reveals those leading the world into the "era of wars". Those who demonize Israel and the Jewish people seek not justice but a new world in which justice is absent – where there are neither rules nor any sense of common dignity. This idea is at the heart of the ideology of the powers who desire to usher in the "era of wars".

The economic and financial causes of the "era of wars" were best described by Adam Tooze, one of the most influential analysts of global processes (see Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World*, 2018). He outlines the 2008 financial crisis as a turning point that destroyed trust in both globalization and the United States as an economic anchor. It also led to a distrust of international institutions, leading to a further fragmentation of the world order. Global institutions such as the IMF, the UN, the WTO, and others proved incapable of responding to challenges like financial shocks, pandemics and threats to the climate. The economic and technological confrontation between the United States and China also played a role.

The main systemic challenge of the 21st century is no longer simply competition but a fundamental conflict of worldviews that is moving ever closer to geopolitical confrontation. The transformation of energy and the climate crisis are adding to the growing instability. In addition, liberal democracies around the world are being weakened by internal inequality, political fragmentation and the rise of populism, making the West vulnerable to both internal authoritarian challenges and external authoritarian regimes that are becoming increasingly aggressive.

According to Tooze, transatlantic finance (i.e., the financial elites, institutions, and capital of the US, UK, and EU) is not directly responsible for the "era of wars" but contributed to the destruction of global stability, exacerbated social and political fissures, and weaponized finance itself, which has become a part of the new geopolitics. Tooze identifies the eurozone crisis as a crucial link in

the chain of events leading to the "era of wars". He describes the concept of a "multipolar world" not as a solution but as a symptom of the disintegration of the world order, which is in turn leading to deglobalization, increased geopolitical competition, economic and strategic bloc thinking, and conflicts around the globe.

It is important to emphasize that over the past 15 years, US political leadership has increasingly stepped back from the role of sole enforcer of a global order, sometimes through domestic pressure and sometimes through inconsistent policymaking. The shift is real but does not yet constitute a full withdrawal. The US remains globally dominant, but is less interventionist and more selective in how it exercises that dominance.

Global corporations have not abandoned the idea of globalization but are transforming it into a new hybrid model that could be termed "globalization adjusted for geopolitics." Their strategy is not isolation but rather a duplication of supply chains, market diversification, digitalization and increased political influence. Localized or regional models include China+1, the transfer of certain production from China to other Asian countries such as Vietnam, India and Malaysia. Friend-shoring/ally-shoring, which is the placement of production in friendly countries, can be seen in the US increasing production in Mexico. We also see near-shoring, which is the transfer of production closer to key markets—for example, European companies relocating factories to Eastern Europe or North Africa.

It is instructive to focus on companies working in the field of advanced industrial technologies, which include General Electric, Honeywell, Emerson Electric, Schneider Electric, Siemens, Yokogawa Electric, and ABB. Why these companies? They were by no means the largest investors in countries that hastened the reversal of the "end of history", those being China, Russia, and Turkey, to name a few. The first reason is that these companies are at the forefront of the current industrial transformation from automation and digitalization to defense technologies and energy solutions. Secondly, they are at the intersection of the civilian and defense sectors. In the "era of wars", the line between civilian and military technologies is blurring. These companies are directly involved in defense supply chains, cybersecurity, critical infrastructure, and, most importantly, improving the efficiency of production and the overall economy of the host country.

Issues that destroy trust in globalization relationships include theft of intellectual property (IP), diversion of technologies and products, and end use contrary to national security (NS) and/or foreign policy interests. Previously, the strategy of advanced industrial technology companies was built on efficiency, cost reduction, and global optimization. Today, sustainability,

control, political loyalty and technological superiority are the main priorities. Companies are moving toward closer integration with national military and political objectives.

This shift in strategy is not a reaction to the market but a response to a shift in the global paradigm away from globalization and toward confrontation. During peacetime, corporations are inclined to take risks to increase profits: send low-cost production in China, send supplies to unstable regions, and invest in politically risky assets. But in the "era of wars", the fear of financial, legal, and reputational loss is shaping corporate decisions.

To illustrate this, let us compare the approaches of two hypothetical flagships of advanced industrial technologies – Company A (US) and Company B (EU). Despite similarities in technological profile, their approaches differ significantly, reflecting different national contexts, corporate cultures and degree of dependence on global supply chains.

For Company A, there is a focus on defense and national interests, meaning it takes steps to actively strengthen defense, aviation, and cybersecurity as well as to integrate into US strategic programs from the Pentagon to NASA. It supports Washington's policy of friend-shoring and decoupling from China and plays a key role in localizing critical technologies in the US and allied countries. Company A operates as a state-owned corporation within the framework of US industrial policy, promptly abandoning countries "unfriendly" to the US and the West in general despite those countries' having been considered promising in terms of business development ("high-growth regions") in recent decades.

Company B desires a balance between globalization and cautious adaptation. Historically, it has been more integrated into global markets, especially China. Post-2022, it began a restrained reorientation while avoiding radical action. Its focus is on infrastructure, energy, and digital transformation – in other words, the civilian side of industrial policy. It maintains business in China and other regions considered to be high risk and strives to minimize politicization.

Whereas Company A is an example of a corporation strengthening national sovereignty and defense capability, Company B is an example of a corporation attempting to maintain a global presence and avoid severing ties while carefully adapting to the new era. The question is, which strategy is more appropriate in the "era of wars"?

The strategies employed by Company A are more appropriate in terms of survival and strengthening of position in the face of long-term militarization and conflict between East and West. The strategies of Company B carry greater

risk, but may bear fruit in the context of de-escalation and the preservation of global interconnectedness.

The changing importance of corporate functions in the "era of wars" is a key aspect of business transformation. What was previously auxiliary or "back office" is now moving to the forefront, while some of the more "glamorous" functions of the era of globalization are starting to lose relevance. Lawyers and GR (Government Relations) are now key members of top management, as they are responsible for compliance with sanctions and access to licenses, permits, and subsidies. The heightened importance of these roles reflects the need for intelligent risk-taking and an ability to navigate compliance laws on the national, federal, state and local levels. There are also the challenges of determining which unilateral policies or multilateral agreements preside over others in multi-country relationships; the benefits of "end use" assurances; and the risk of failing to understand the legal definition of "origin" with regard to technology when entering into coproduction or codevelopment agreements for new products or technology.

Supply chain is now at the center of business strategy; it is no longer simply a back office matter. Security, IT, and cyber structures are no longer a "service" but a company's shield. Global marketing and ESG (Environmental and Social Governance) have diminished in importance while functions relating to risk, sustainability, government relations and security are increasingly prominent. In this regard, companies are acting like mini-states: managers are transformed into strategists, lawyers into geopolitical navigators, and logisticians into military dispatchers. The corporate export compliance function is no longer a narrow legal office or paperwork department. It has evolved into a strategic, intellectually driven, company-wide security function.

The technologies most sensitive during the "era of wars" are the following: advanced semiconductors and microelectronics, AI and machine learning, quantum technologies (computing, key distribution, sensors), cyber and information warfare technologies, space and satellite technologies, advanced materials, biotechnology and bioengineering, autonomous and unmanned systems, hypersonic, critical infrastructure, energy tech and energy security, clean water technology and agri-tech.

Modern war is highly energy dependent, far more than in any previous era. Success on the battlefield and the ability to sustain a conflict depend on the quantity of available energy, the security of energy supply chains, the quality of energy technology (efficiency, resilience, and innovation), and control over global energy markets and chokepoints. That is why energy aspects must be an essential part of a company's strategy in the "era of wars". Clean water technology and agri-tech have become critical components because in the 21st

century, wars are no longer decided by weapons alone. They are decided by resources, resilience, and the ability to sustain civilian life under stress.

Advanced industrial technologies are increasingly sensitive to the modern “era of wars”. Though they are often seen as civilian or commercial in nature, these technologies have become central to strategic competition, defense production and national resilience. Multinational company readiness in the “era of wars” should be focused on the following domains: geopolitical risk intelligence and scenario planning; supply-chain resilience and diversification; cybersecurity and digital infrastructure hardening; sanctions, compliance and regulatory alignment; financial resilience and liquidity management. Readiness will mean not only surviving in the “era of wars” but also maintaining profitability.

It is worth noting the strategy of companies from countries not fully aligned with revisionist powers, for example India, South Korea or the Gulf states. These states are becoming technological hubs while playing a balancing game in their geopolitical arenas. Core characteristics of their company strategies are flexible neutralism, opportunistic advantage-taking, dual technology ecosystems, supply-chain hedging, sanctions-resilient finance, a south-south focus, defense and cyber investment, energy and resource security, and green transition pragmatism. In the “era of wars”, these states’ ultimate goal is to profit from global fragmentation while avoiding direct alignment in great-power conflict.

How can the experience of Israeli business after the catastrophe of October 7, 2023, help multinationals develop strategies in the modern “era of wars”?

The events that beset Israel after October 7, 2023 – huge numbers of mobilized reservists, supply-chain disruptions, a global trade shock, and reputational volatility – demonstrate that it is no longer safe to view war as a rare outlier. For many companies, conflict may well affect operations sooner or later. The Israeli case stands as a tough, real-time experiment in resilience, flexibility, and strategic crisis management.

For multinationals, the key takeaway is simple but profound: geopolitical instability must be treated as a core business risk, not an exceptional event. That means embedding resilience, flexibility and ethical stakeholder awareness into long-term strategy. Resilience means planning for scenarios in which mobilization, supply-chain disruption, cyberattacks, and mass displacement occur. Flexibility means possessing dual sourcing capabilities, geographically diversified production and operations, and an ability to shift operations rapidly. Ethical stakeholder awareness means carefully weighing the tradeoffs between short-term gains and long-term brand, legal, and ethical consequences.

When can we expect the end of the modern “era of wars”? When Chat GPT was asked that question, it gave an honest answer: “Nobody knows for sure when (or even if) the world will revert to a “pre-2020” kind of globalization”.

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