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INSTITUTE FOR SECURITY POLICY (ISP)

WORKING PAPER

THE LONG MARCH: GEOPOLITICAL ASPECT OF TRANSITION TO A NEW GLOBAL ORDER

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VIENNA 2020

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I. INTRODUCTION

For the first time, the process of global order change has started before a major geopolitical conflict. It is thus still too early to discuss what a new order may look like. Before any sort of order takes shape, however, the world will be in flux, with the final outcome wide open.

In the past century, world order changes reflected the results of two world wars and the Cold War. The latter ushered in a period of Pax Americana – an unprecedented short era of one country's – the United States of America's – global dominance. This period featured a surge in globalization – a process of global spread of international trade and capital flows, liberal and democratic ideology, and the establishment of universal rules and norms that originated in America and its allies and partners in Western Europe. The system was upheld by the political, financial, economic, and military power of the United States, which was also regarded as the model for others to follow.

Other major global players were either America's junior allies in NATO and under bilateral treaties – like Japan, Australia, Saudi Arabia and others, or were nearly completely focused on themselves: either rising rapidly like China; unshackling themselves from former ideological constraints like India; or trying to reconstitute themselves after a crashing fall like post-Soviet Russia. The U.S. global hegemony was not only unchallenged; it was actually welcomed by much of the world, beyond its Western part, and actively exploited by China to rise quickly within the U.S.-led system.

II. PAX AMERICANA – THE LONG GOODBYE

Yet, in the four decades since its advance began, the current round of globalization has made the world whole, but not uniform. The U.S.-upheld post-Cold War order was essentially driven by trade and economic interests, with geopolitics, along with much of national sovereignty, seemingly rendered obsolete. Nations, however, rise and decline unevenly, and nationalism has a much broader social base in all countries than various forms of internationalism, promoted by the elites. History demonstrates that the underlying world order based on power relations is subject to change from time to time.

The rise of non-Western nations, above all China, but also India, has challenged the power and global position of the United States. China has a different vision of international relations than America or Europe. Beijing's approach is based on China's sovereignty and expansion of economic, technological, and financial power. As for the United States, in order to compete more effectively, it has had to refocus away from the system it had created and supported for a long time and turn to itself, and its domestic, sometimes selfish needs. Thus, the global space is becoming more fragmented and more diversified. This is where we are now.

Exit from Pax Americana will be long and uneven. It comes in stages. The first shoe to drop was the 2008 financial crisis, when the famed Washington consensus on economic policy was exposed as flawed. The reputation of modern American-style capitalism was badly damaged. The second blow to the system came with the 2014 Ukraine crisis, which revived great-power competition, even in this case between the very unequal duo of the United States and Russia. Next came the U.S. decision, under President Donald Trump in late 2017-

early 2018, to change the long-standing policy of hedging and engagement vis-à-vis China, and replace it with a policy of economic, technological, and political containment. The Sino-American relationship, celebrated as *Chimerica* as recently as a decade ago, has deteriorated from competition to rivalry to confrontation.

The 2020 COVID-19 pandemic added new features to the picture. Local responses to the global challenge have powerfully strengthened the trend re-empowering the nation state. Domestic agendas have come to dominate political agendas across the world: in Europe with its many fault lines; in America with its inequality problem; in Russia with the collapse of the oil price; and in China with its need to refocus on the domestic market and replace imports in the wake of the decoupling from the United States.

The formal institutions of the global order are not really coping under these circumstances. The institutions with a global reach, such as the United Nations system, are becoming even less relevant in terms of practical action. They worked, in a circumscribed way, during the Cold War, by helping mitigate the US-Soviet confrontation and by creating functioning institutions embracing the non-communist world. The structures are fortunately still in place, which allows for inclusive dialogue when there is a will for that but are even less capable than before of impacting on the process of change. Ad hoc groups, like G20, made a good start in 2008, but have faded since.

III. AMERICA FIRST

The U.S. leadership, indispensable for Pax Americana, has been in decline for years. Under President George W. Bush, the United States clearly overreached itself with starting wars in Iraq and Afghanistan that it was unable to win. President Barack Obama's policy of retrenchment started the climbdown from the high of U.S. global commitments with a view to refocusing on strengthening the U.S. home base. Outwardly, President Trump's foreign policy looks like an aberration. Trump is usually blamed for dismantling the liberal democratic order. In Trump's view, which is shared by many, however, that order had stopped serving the U.S. national interest. In the increasingly competitive environment, applying maximum pressure on America's rivals and adversaries and making U.S. allies – who are also America's economic competitors – contribute substantially more toward common efforts makes more sense.

Relying largely on U.S. power also leads to abandoning outside restrictions on that power. This means withdrawing from international institutions or at least ending or reducing U.S. financial support for them. Under Trump, the United States has withdrawn from UNESCO, terminated its relations with the World Health Organization (WHO), and essentially blocked the World Trade Organization (WTO). Same goes for international agreements. Trump began by withdrawing in 2017 from the Paris Climate accord and the Joint Comprehensive Plan of Action (JCPOA) on Iran; in 2019 he proceeded to cancel the Intermediate-Range Nuclear Forces (INF) Treaty with Russia; and in 2020 pulled the United States out of the 35-nation Open Skies agreement allowing for aerial reconnaissance as a confidence building measure.

To replace the treaties Trump didn't like, he tried to strike deals on terms more favorable to the United States. He has succeeded with reformatting the North American Free Trade Area (NAFTA) with Canada and Mexico, but his ideas of reopening JCPOA to place more restrictions on Iran's non-nuclear-related activities, and his efforts to include China in U.S.-Russian arms control arrangements have not borne fruit. Trump's insistence on China's participation can prevent the extension of the New START Treaty with Russia, the mainstay of the strategic arms control architecture, may lead to the expiration of that treaty in February 2021. This would also mean the end of the 50-year long history of U.S.-Soviet/Russian arms control. As a result, the global strategic regime will be completely liberalized.

Not just U.S. global leadership; the U.S. leadership of the West is affected. Trump never hid his disdain for NATO and the European Union, and he called G7 outdated. He supported BREXIT. Of course, NATO is not going to disappear. If anything, it looks more focused on its Cold War function – with new troops deployments and military exercises farther to the East – than it has been since the end of the Cold War. Crucially for Trump, NATO allies have committed themselves to a larger share of NATO's expenses than before. The price for U.S. military protection has risen. The EU, of course, will certainly survive Donald Trump's criticisms. Moreover, the U.S. President's actions invited Europe to take a more independent strategic stance: an offer yet to be taken in earnest.

IV. THE END OF CHIMERICA – THE RISE OF CHINA

Trump's surprise suggestion to invite four guest countries – Australia, India, South Korea and Russia – to join the G7 summit in the United States in September 2020 points to the U.S. leader's clear focus on China. Trump broke from the previous practices of trying to manage China's rise and fit China into the US-led system. China had grown too tall for the U.S. to manage it, and while Beijing profited from the global liberal economic system, it refused to liberalize politically. China also avoided being drawn into the G2 format as the United States' junior partner. Xi Jinping's arrival in power in 2012 put an end to any such hopes. In fact, China was rising to be an increasingly more formidable challenger to the U.S. global position, meeting with no resistance from the United States. Barack Obama, already in 2011, announced a U.S. pivot to Asia – in reality, to face the challenge of China, bit he did little to change the basic U.S. approach. It was up to Trump to do that. Crucially and tellingly, his approach received bipartisan support within the United States.

China the challenger was pre-empted by the U.S. change of heart. It took time for Beijing to realize that the game had changed. Even after the Chinese leadership did realize that, it did not come up with a new strategy to replace the peaceful – i.e. unopposed – rise of China. Beijing is not trying to step into the positions that are being vacated by Washington. While it used to talk much about global governance, and the community of common destiny for humanity, China has not been interested in assuming too much global responsibility. Instead, Beijing proceeded to implement its own projects that primarily served Chinese interests, like the Belt and Road Initiative (BRI) and the Asian Infrastructure Investment Bank (AIIB).

China is also the biggest nation in several non-Western institutions: BRICS (Brazil, Russia, India, China, South Africa) and the SCO (Shanghai Cooperation Organization, which brings together China, Russia, four Central Asian countries, India and Pakistan as full members). However, these formats that are sometimes – and incorrectly – compared to the G7 and NATO, respectively, are much looser than the Western analogues and do not feature single-country leadership. In the world of finance, the AIIB, the BRICS Bank and the New Development Bank, where Beijing as the biggest contributor does exercise leadership, play limited roles. The Chinese Yuan (RMB), a potential challenger to the U.S. Dollar, remains hampered by a host of structural problems. Its road to being established as a global reserve currency will probably be long and bumpy.

V. EU'S CHALLENGE OF STRATEGIC AUTONOMY

European institutions, in fact, might have profited from both Trumpian foreign policy and Britain's exit from the European Union. With the United States paying far less attention to Europe than it did during the Cold War, and now building its foreign policy around its relations with China, Europe needs to take more responsibility for its own foreign and security policy. Strategic autonomy was even officially held up as Europe's goal. Yet, reaching that goal will take the kind of intellectual and political leadership that is not at present available in Europe. The main political issue is whether it is even possible to win real autonomy – not to say independence – from the United States while continuing as a collection of junior U.S. allies within NATO, which remains fundamentally responsible for Europe's defense and security.

Structurally, leadership in Europe is not only divided between the European Commission, the European Parliament, and the member states represented on the European Council, but also among the countries themselves. The countries of Europe's North and South, West and East advocate different paths forward. The Franco-German tandem has weakened and in any event is not sufficient to provide guidance and leadership. The European Union will probably manage the problems at hand. It is resilient enough to continue as a major economic and financial powerhouse, a normative power and a pole of attraction to a number of countries on its periphery. However, its ambitions of becoming a full-fledged global strategic player would require fundamental changes which turn out to be politically challenging, if not impossible.

Whether this happens or not, elements of the post-Cold War multilateral liberal and democratic order will survive within the European Union. The rest of the world will be continue practicing or will have to rediscover Realpolitik.

VI. NEW WORLD ORDER: MORE FRAGMENTED AND MORE DIVERSIFIED

After its withdrawal from the EU, the United Kingdom, while keeping many ties with Europe, is gravitating, at least politically, to what one might call the Anglosphere, i.e. the English-speaking world. This former nucleus of the contemporary political West is led by the United States and embraces Great Britain and its dominions: Australia, Canada, and New Zealand. Anglo-American special relations, including integration in the nuclear weapons sphere; close military ties of all Anglophones with the United States and among all the countries concerned; and very intimate intelligence links – the so-called Five Eyes – form the fabric of this old-new association within the West. The Anglosphere is the inner circle of the U.S.-led global architecture.

In India, where English is widely spoken and remains an official language, Prime Minster Narendra Modi prefers to speak Hindi publicly, including in conversations with American and other Anglophone leaders. This is symbolic but telling. India is not rising as fast as China, but it is certainly rising economically and technologically. As the country rises, Delhi's horizons are becoming wider. India is partnering with the United States to better balance China and is maintaining its long-standing relationship with Russia. However, India will not follow either of its partners. Over time, it will look at South Asia and the Indian Ocean as very much a natural area for Indian regional pre-eminence. Like China, India is taking much time to rise and assert itself, but it is headed in that direction.

Japan has often been compared to Britain: an island nation close to but very much separate from the continent, which maintains strong links to a distant ally, the United States. Japan cannot and would not change its position. Tokyo's relationship with Washington is existential, its only realistic alternative being Japan developing and deploying its own nuclear weapons. The Japanese leadership, however, understands the limits of American commitments and is seeking relationships with third countries in the Indo-Pacific region – India, Vietnam, Australia - that would help it maintain national security. It also hopes to rebuild relations with Russia that would make sure that Moscow does not follow Beijing's line on Japan.

Russia itself has been pushing back against the U.S.-dominated order at least since Putin's famous 2007 speech in Munich. Russia's efforts to integrate into the West, and later create a close partnership with it ended in 2011. Moscow's parallel effort to consolidate the bulk of former Soviet republics under its leadership has also failed. Russia's actions in Ukraine in 2014 overturned the post-Cold War order in Europe; its 2015 intervention in Syria signaled not only Moscow's return to the Middle East after a quarter-century-long hiatus: it returned Russia, in the eyes of many around the world, to the ranks of Great Powers, despite its small (2%) share in the global GDP. Despite the glaring asymmetries in many metrics of power, Moscow is resolved to play an independent role vis-à-vis both its new-old adversary Washington and its close partner Beijing. Russia is thus the world's joker.

VII. BIPOLARITY IN THE 21ST CENTURY: OLD WINE IN NEW SKINS?

If there is one organizing principle of the transition period, it is the emerging U.S.-Chinese bipolarity. The current confrontation between the world's two biggest powers is sometimes referred to as a new Cold War, or Cold War II. This is a wrong analogy, because the world of the 2020s is markedly different from the 20th century environment. Globalization continues, albeit in somewhat different form than before; economics, finance and technology, rather than military power, are the top currency; ideology is present, but in a much watered-down version; information space is part of the global commons; and the danger of a nuclear catastrophe does not restrain the parties as it used to, at least after the 1962 Cuban missile crisis.

The United States is now adamant not to allow China to increase its economic, technological and military power and spread its international influence unopposed. For this, Washington, still more powerful than Beijing, is going ahead with economic decoupling, technological restrictions, and all kinds on pressure aimed at its adversary. The Chinese, put on the defensive by U.S. actions, are responding with redirecting the economy toward the domestic market; import substitution; and information counterattacks.

What is happening in Hong Kong is eminently symbolic. Even as China seeks to assert its full authority in the autonomous region, to stamp out anti-Beijing protests, the United States is about to revise the special customs status of the territory under U.S. law. The end of Hong Kong's unique position as a connector between U.S. and Chinese economies, is the end of "Chimerica", a peaceful quasi-integration between the world's two economic giants.

If one is looking for historical analogies, this is vaguely reminiscent of the Anglo-German disconnect in the late 19th century, which ultimately led to the First World War. Then, as now, the main conflict was economic rather than geopolitical. Then, as now, the main issue was economic dominance. Then, as now, the two competing powers were intimately connected socially, and even their royal dynasties hailed from the same country, Germany. Of course, there are major differences. Then, the tipping point was the German naval program which threatened Britain's maritime supremacy. Now, it is the United States finally awakening to China inexorably advancing technologically within the U.S.-led world system while not willing to submit itself to U.S. leadership, particularly in the political domain.

The Anglo-German conflict did not remain a duel. It fed into the web of rivalries and disputes already existing in the world of European geopolitics. The end result was the rise of two coalitions, the Anglo-French-Russian Entente and the four-power alliance of the Central Powers – Germany, Austria-Hungary, and the Ottoman Empire. Today, the United States sits at the center of the world's most ramified system of alliances and partnerships that includes dozens of countries. China, by contrast, has few nominal allies, such as North Korea and Cambodia. Beijing has built a strategic partnership with Moscow, but it falls far short of a politico-military alliance. Crucially, despite its economic superiority over Russia, China does not yet dominate its neighbor – the way the United States dominates all its many relationships.

One of the most important issues facing the world in the near- and medium-term future is whether the U.S.-China confrontation remains essentially a duel or degenerates into a bloc-to-bloc confrontation, akin to the Cold War. The stakes are very high. Should it be the latter, the damage done to humanity would be huge. The global economy would suffer massively. Connectivity would go into reverse. More radical political strategies would be employed by both parties, within and between their blocs. Ideology would triumph over more pragmatic approaches. Ultimately, world peace would be put at the highest degree of risk since the Cold War.

VIII. CONCLUSION

Should the rest of the world, however, manage to keep a distance to the Sino-American confrontation – this does not require equidistance to the antagonists, which would be unrealistic, the worst can be mitigated. The U.S.-China conflict would continue, but not as a conflict in which the rest of the world will be directly involved. Third-party players – Europe, India, Japan, Russia and the others – would keep their alliance and partnerships, but also weigh in with their friends in Washington and Beijing, respectively, to observe the guardrails and, very important, avoid adding their own conflicts to the combustible pile of U.S.-China issues. Again with reference to World War I, one needs to remember that the first world crisis was not sparked off by a direct Anglo-German clash, but by an obscure incident in the Balkans that enraged Austria-Hungary; then brought in Russia; and immediately thereafter projected itself onto the Franco-German dispute, before drawing Britain in.

To make sure that the transition to a future world order does not lead to a world conflict, the powers of the world – those mentioned in this essay and other important players, from the United Kingdom to Turkey to Brazil to Pakistan to South Korea to Vietnam to Indonesia, need to address the changes in the global environment and the dangers inherent in them. The post-Pax Americana situation requires that the countries with more resources and influence rise to the challenge and practice strategic independence or autonomy, as the case may be, and collaborate with the two superpowers and among themselves to keep the U.S.-China confrontation cold. This is the only analogy with the Cold War that is worth adopting.