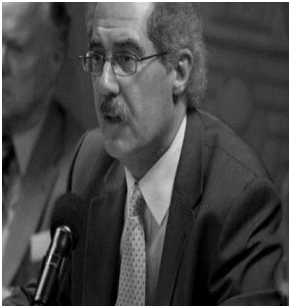


INTENSE COMPETITION: THE END OF THE POST-COLD WAR ERA AND THE US-CHINA BATTLE FOR GLOBAL LEADERSHIP



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The world is adrift and we are witnessing the transition from the rules-based global order which dominated much of the 20th century and was overseen by the United States and its allies to a new emerging global order, in which China plays a highly important, if not a dominant role. I argue in this short article that this transition to a new order has been emerging for some time but that Russia's ruthless invasion of Ukraine - a neighboring, fully sovereign and independent country - has made the rapid disintegration of the post-Cold War order brutally clear. The terrible war in the Middle East has further contributed to this. Nevertheless, for the foreseeable future both the US and China may well be interested in attempting to work with each other though clearly within an overarching framework of "intense competition."

Clashing Global Orders

Russia's invasion of Ukraine on February 24, 2022, marked the end of the post-Cold War period. It led to a global paradigm shift. This shift to a world in which an embattled West plays a less dominant role in global politics and China an increasingly important one was further deepened by war in the Middle East that followed Hamas' ruthless terror attack on Israel on October 7, 2023, and Israel's furious response. The division of the world into two increasingly antagonistic blocs has accelerated significantly as a consequence of both wars. In this era of transition to an as yet unknown new global order both rising and established middle powers play a much more influential role than was the case during the Cold War years in the second half of the 20th century. Still, these middle powers, both autocratic and democratic ones, have not yet achieved a particularly decisive role in global politics. Instead the world remains bipolar.

On the one hand there are autocratic powers, such as China and Russia, who strongly oppose western "hegemony," as they call it, and the many countries in the 'Global South', who for mostly economic but sometimes also ideological and anti-colonial reasons, side with them and, by and large, follow their lead.

On the other hand, there are the US and its transatlantic allies in Europe as well as Washington's partners and allies in Asia, such as Japan, the Philippines, Thailand, Australia and other "like-minded nations", who wish to hang on to the existing global order. Created in its economic and monetary dimensions at the 1944 Bretton Woods conference, this global order evolved into a formidable rules-based (western) system of governance during the Cold War years. Despite all emerging challenges, this post-World War II order still functioned reasonably well in the years after the disintegration of the Soviet Union in 1991 – the post-Cold War world.

More than three decades after the end of the Cold War most western countries believe that this order continues to be a good basis for global governance. While reforms are necessary, such as tackling the underrepresentation of non-western countries on international institutions such as the IMF and World Bank,¹ there is no need to dramatically overturn the existing global order. Instead, gradual reforms and the attempt to continue integrating other powers, notably China but also India and perhaps eventually also a post-Putin Russia, remains the objective.

The American "empire by invitation" as it had evolved in the 1950s and the following decades, is part of this order.² This "informal" or "benign" empire remains very much accepted in both Europe and Asia – certainly in its security dimension and fortified by the US led NATO alliance. This "empire by invitation," however, is badly understood in China and other autocratic states where, for instance, French strivings for independence from American tutelage and the creation of an autonomous Europe are perceived as the much more natural behavior of a sovereign nation state.

Yet, due to the existing geopolitical and military realities, French President Emmanuel Macron's desire for European "strategic autonomy" is the exception to the rule in 21st century Europe and remains somewhat unrealistic as there is little support for it among other EU states. Instead, in view of the continuing and escalating "systemic rivalry" with China in Europe and much of Asia and for want of a good alternative, the US is still widely seen as the "indispensable nation" by most western countries. The term was coined by the Clinton administration in the 1990s.³

¹ Klaus Larres, "A Volatile World is Among the Challenges Facing the World Bank at its 2023 Annual Meeting in Morocco," in Mark Kennedy et al, "360View of Priorities for World Bank-IMF Meeting," Wilson Center: Insight & Analysis, Whaba Institute for Strategic Competition (Oct. 10, 2023): <https://www.wilsoncenter.org/article/360deg-view-priorities-world-bank-imf-meeting>

² Geir Lundestad, "Empire by Invitation? The United States and Western Europe, 1945-1952," *Journal of Peace Research*, Vol.23/3 (1986), pp.263-277. See also Klaus Larres, *Uncertain Allies: Nixon, Kissinger, and the Threat of a United Europe* (New Haven, CT: Yale University Press, 2022).

³ Robert J. Lieber, *Indispensable Nation: American Foreign Policy in a Turbulent World* (New Haven, CT: Yale University Press, 2022).

A Multipolar or a Bipolar World?

Nevertheless, the US and its allies have been struggling to maintain and continue their eighty years long political, economic and military global preponderance. Some countries, and not least those rising in global importance, such as India, Egypt and Brazil and increasingly even NATO member Turkey, believe that the wind is very much blowing into an anti-western direction and are attempting to remain neutral to advance their own economic and geopolitical positions. This, however, has contributed little to the stabilization of the rather volatile and chaotic world in which we have descended.

In view of the manifold challenges and difficulties the western world is faced with, policy makers in Beijing are deeply convinced that the West, and in particular the US, is in terminal decline. The bipolar world, they frequently argue, has been replaced, by a multipolar world more conducive to the creation of a stable, more egalitarian and peaceful international situation.⁴

In fact, however, the vast majority of policy makers in Beijing, Washington and Brussels (and in most European countries) are hardnosed realists. They know that geopolitically our age is very much still a bipolar one – and design their foreign policies accordingly. As Norwegian scholar Jo Inge Bekkevold has outlined, together the US and China make up half of the world's spending on defense and their joined GDP equals the 33 next-largest economies put together.⁵

While the rising middle powers and growing emerging economies of the 'Global South' as well as the economic, financial and normative influence of the EU are of increasing importance in global politics, they simply can't rival the huge overall might of either the US or China. Despite the fact "that significant power is concentrated in more than two states," ours is not yet a world of "unbalanced multipolarity, as is often claimed."⁶ In the last resort it is the US and China who call the shots globally, either directly or often indirectly.

At the beginning of the Biden era in January 2021 the US and China were very much still the leading proponents of global military and economic might and global order – while holding very different ideas about the nature of that

⁴ Tianyi Wu, "China's Audacious Bid for its Vision of a Multipolar World," *The Diplomat* (May 13, 2023): <https://thediplomat.com/2023/05/chinas-audacious-bid-for-its-vision-of-a-multi-polar-world/>

⁵ Jo Inge Bekkevold, "No, the World is Not Multipolar," *Foreign Policy* (September 22, 2023): <https://foreignpolicy.com/2023/09/22/multipolar-world-bipolar-power-geopolitics-business-strategy-china-united-states-india/>

⁶ Emma Ashford and Evan Cooper, "Yes, the World is Multipolar. And this isn't bad news for the United States," *Foreign Policy* (October 5, 2023): <https://foreignpolicy.com/2023/10/05/usa-china-multipolar-bipolar-unipolar/>

global order. Despite the formidable distraction by the wars in Ukraine and the Middle East and issues such as climate change and economic dislocation, this explains the great attention the Biden administration and the European Commission in Brussels pay to China. In particular, Russia's onslaught on Ukraine in February 2022 profoundly affected the policy of the entire western alliance toward China.

Intense Competition with China

China's long-standing emphasis of the "five principles of peaceful coexistence," which includes the mutual respect for sovereignty and territorial integrity and mutual non-aggression, counts for little in the world of real-politics. Beijing, it turned out, has had no problems violating its own principles. Despite Putin's invasion of a neighboring sovereign country Beijing has still not condemned Russia's onslaught. Instead China remains committed to supporting Putin's Russia in manifold political and economic ways, though not (yet) by means of direct military aid deliveries.

Most importantly, the huge energy dependency and intensive trade relations of many European countries (no more so than Germany) on Russia made western countries realize that the even higher economic and trade dependency on China needs to be reversed. The first warning signs had already been noticed during the Covid19 pandemic when significant global supply chain problems first emerged. It became obvious that the dependency on China regarding the cheap manufacturing of certain medical provisions, including face masks, was rather counterproductive.⁷

Since the Trump years (2016-21) the US has essentially pursued a policy of containment and partial de-coupling with China. The rising tension in the South China Sea and over Taiwan has made US policy makers during both the Trump and Biden presidencies decide on attempting to contain the military might and activities of China in the Indo-Pacific by encircling China with reliable US friendly countries. Washington's intensified relations with Vietnam, Thailand, Japan and South Korea, also India, to name but a few (and much improved relations between Tokyo and Seoul) as well as the establishment of the Quad (US, Japan, India, Australia) and AUKUS (Australia, UK, US) are meant to keep China's geopolitical influence and military power well contained.

The tariffs, exports controls and sanctions imposed on China by both the Trump and Biden administrations are meant to prevent (or at least postpone) China from developing the sophisticated high-tech semi-conductors and AI-

⁷ See the report by Alexander Brown et al., "Investigating state support for China's medical technology companies," *Merics* (Berlin: November 20, 2023): https://merics.org/sites/default/files/2023-11/MERICS_Report_MedTech%20State%20Support_November%202023_final.pdf

technology needed for a modern military. Trade relations and economic engagements with China in other less high-tech fields continue, however.

The Biden-Xi meeting in San Francisco in November 2023 demonstrated that both the US and China have accepted this state of intense competition while being prepared not to challenge each other too vigorously and keep communication channels open to prevent any unforeseen military escalation.

For the European Union and many export-dependent European countries, such as Germany and France, the US approach to China is still viewed with a good deal of skepticism. While the EU under EU Commission President Ursula von der Leyen has moved much more than hitherto toward the hardline China policy pursued by both presidents Trump and Biden, on the whole the EU and in particular individual European countries are keen on finding a middle way.⁸

This zone in the middle is meant to assure the US that the EU is supportive of Washington's China policy while it is also aimed at not antagonizing China too much. The fairly constructive and harmonious visits by German Chancellor Olaf Scholz to China in November 2022 and French President Macron in April 2023 are evidence of this tendency of many European governments. After all, the EU and the economies of most European countries are much more dependent on good trade and investment relations with China than the US is whose two-way trade with China is much smaller. Naturally, the US is thus much less dependent on good economic relations with China.

In view of the EU countries' economic dependency on China and Beijing's serious domestic economic problems and fear that too many western countries are leaving China or no longer investing in the country, the EU-China summit in December 2023 may well be a fairly agreeable affair.

Outlook – three expectations:

1. It is unlikely that the relatively stable and strategically fairly clear global order of the post-Cold War world can be resurrected. The transition toward the emergence of a new global constellation is continuing though the precise shape of this new global order remains rather vague and ambiguous for the time being. Putin's Russia and Ukraine as well as the Middle East will remain unstable and wrecked by war and enormous human rights violations. It is unlikely that China will stick out its neck and accept the risk of failure to attempt stabilizing the situation and contribute to the development of a new global order in either theatre.

⁸ Klaus Larres, "2023 State of the Union Address by EU Commission President Ursula von der Leyen. How will the EU Answer the Call of History?" Wilson Center, Washington DC: Insight & Analysis (September 18, 2023): <https://www.wilsoncenter.org/article/2023-state-union-address-president-ursula-von-der-leyen-how-will-eu-answer-call-history>

2. Despite the successful Biden-Xi meeting in San Francisco in mid-November 2023 the intense competition between the US and China will continue though perhaps within a somewhat more controlled and managed way. In the short term it can perhaps be expected that as long as China is facing serious economic problems at home and is fearful of the further flight of western companies and investments from the country, Beijing will contain itself and not challenge and test the US and its allies too assertively regarding Taiwan, the South China Sea and its response to the imposition of US high-tech export controls.

Likewise, the presidential election campaign in the US makes Washington interested in stable relations with China. The global upheaval in Ukraine and the Middle East is occupying US foreign policy fully. President Biden is not interested in having a third major crisis in the Indo-Pacific on his hands. How the situation will develop beyond January 2025, when the new US president will be inaugurated, is anyone's guess.

3. The EU and most European countries will continue attempting to steer a middle course between Washington and Beijing - though characterized by a strong US-leaning tendency. This middle course applies above all to economic, investment and trade relations with China. In the geopolitical and human rights realms the EU tends to side much more strongly with Washington, a fact which is often overlooked in Beijing. As long as US-Chinese relations remain relatively stable and constructive - albeit within an overarching framework of intense competition - the EU is unlikely to attempt challenging the status quo.



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Andreas THEOPHANOUS	THE ANARCHIC INTERNATIONAL ENVIRONMENT AND CYPRUS
Van COUFOUDAKIS	A DYSFUNCTIONAL UNITED STATES FACING A WORLD IN CRISIS
Klaus LARRES	INTENSE COMPETITION: THE END OF THE POST-COLD WAR ERA AND THE US-CHINA BATTLE FOR GLOBAL LEADERSHIP
Odysseas CHRISTOU	ENERGY SECURITY IN TURBULENT TIMES FOR THE INTERNATIONAL SYSTEM
Soteris KATTOS	THE ANGLO-AMERICAN BLOC: A THREAT TO GLOBAL STABILITY AND PEACE
Virginia BALAFOUTA	LEGAL ANALYSIS AND PROPOSALS FOR THE ADMINISTRATION OF JUSTICE CONCERNING THE FORCIBLE FLEEING OF MORE THAN 100.000 ARMENIANS FROM NAGORNO-KARABAKH
Robert MOOD	THE MIDDLE EAST AFTER THE WAR
Victoria PISTIKOU	EU AND RUSSIA'S ECONOMIC TIES WITH ISRAEL
Vassilis K. FOUSKAS	SUB-IMPERIALIST TURKEY AND THE GAZA CRISIS
Kyriakos REVELAS	CRISES AND WARS – EU ACTION REQUIRED FOR THE REFORM OF THE INTERNATIONAL SYSTEM
Marat YULDASHEV	FROM THE GLOBALIZATION OF ECONOMY TO THE GLOBALIZATION OF CONFLICT



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