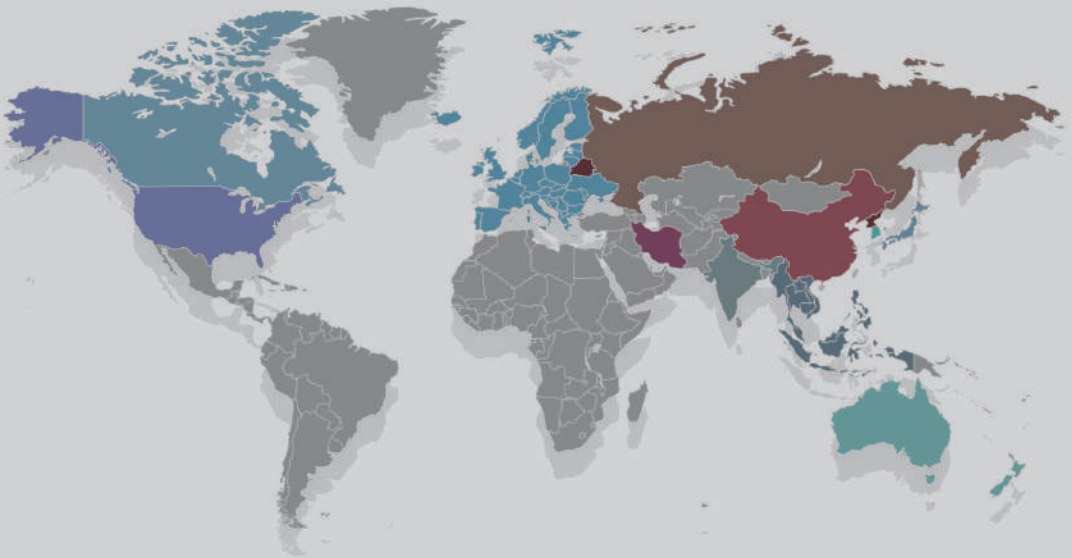


# QUO VADIT MUNDUS : COMPETING FOR ORDER IN A FRAGMENTING WORLD

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2023 NEAR  
GLOBAL SURVEY REPORT  
ON THE WORLD ORDER



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# 2023 the NEAR Global Survey Report on the World Order

It is with a great honor that we now present the 2023 NEAR Global Survey Report on the World Order to a global audience, under the title *Quo Vadit Mundus: Competing for Order in a Fragmenting World*. We have indeed chosen a colossal theme for this survey report: *Quo Vadit Mundus*. It encapsulates both the unbridled trajectory of today's world order and the pervasive angst among thinkers, academics, and policymakers. These are foreboding times. Nothing in the international landscape looks familiar anymore. The academic and research communities around the world are directing their frantic efforts toward attaining some coherent bearing, if not a silver bullet. While I humbly think this report may not have discovered an entirely novel answer, I believe that we have successfully laid the essential groundwork needed for the next steps ahead.

This report is an analytical compilation, meticulously curated from the insights of eminent researchers from around the world. The report does not confine itself to the perceptions of any particular country or region. We have been especially careful not to presuppose any particular country's strategic frame or pander to the opinions of any particular region.

This report takes as its starting point a reflection on the strategic engagements that have taken shape since the end of the Cold War and on the weakening of the global multilateral order, the rise of regionalism, and the excessive systemic competition that has led to a return to the great powers of the past.

We now try to seek answers to some disturbing questions: Where are we tumbling toward, and how do we steady the ship again? This disturbing milieu of our times provoked a multitude of questions in the minds of NEAR Foundation researchers. Exploring these questions quickly led to a realization that the analyses, opinions,

and policies from different countries and regions of the world varied widely.

These dynamics undeniably expanded international trade and investment, promoting global prosperity and wealth. It was a short-lived epoch of relative peace. Now, however, we are facing the irony of all ironies: liberalization and globalization have inadvertently weakened the very foundations of the multilateral system. The liberal international order is fragmenting, leading to conflicts along systemic and ideological lines.

This report underscores the prevailing global scenario characterized by persistent conflicts and tensions, exacerbated by a diminishing capacity for international leadership to effectively address these challenges. The world grapples with ideological, religious, and values-based divisions, further compounded by disparate historical perspectives. The regulatory role of international leadership is mired in chaos, as stakeholders increasingly target each other's vulnerabilities. Scholars aptly depict the global village as a ship adrift without a compass, prompting a collective call for a "new arena of cooperation" to reconcile these conflicts.

This proposal for a new arena of cooperation will be imperative in shaping a transformative international order amid the current transitional phase. Given the escalating interdependence among states, now is the opportune moment for the United States and China to align their efforts toward a shared objective.

The researchers at the NEAR Foundation painstakingly put together a questionnaire and asked eminent experts from around the world to kindly share their views. Our queries were met with responses from over forty preeminent experts. NEAR Foundation researchers then collated and analyzed their responses, distilling key insights for planning paths forward and assessing future prospects. This report covers five main areas as follows:

Informed by a comprehensive analysis of global shifts and competitive dynamics, the NEAR Global Survey has identified the following questions as pivotal in navigating the evolving international landscape.

- “ **1. World Disorder and Great Power Competition**  
**2. Emerging Competition with China– Persistent and Probably Unavoidable**  
**3. Evolving Concept of Economic Security**  
**4. Indo–Pacific Strategies and Evolving Security Architecture**  
**5. Rebuilding Multilateralism ”**

With these assessments, perspectives, and recommendations on current world affairs and security issues, this report serves as a crucial reference point for the ongoing discussions and debates on critical international issues.

This report was released on December 6, 2023, in Seoul, South Korea. The presentation was attended by several world–renowned scholars who expressed their opinions and intensively discussed the same topics. Quo Vadit Mundus? Where will these changes lead us? We hope that the report compiled by the NEAR Foundation, with the participation of many experts from different regions, will provide an important reference for the various discussions and debates currently taking place around the world.

Above all things, South Korea is now accelerating its efforts to move from the fringes to the global mainstream. As a stakeholder in all international issues, South Korea will now receive the attention and effort it deserves. This also expresses Korea’s willingness to play the necessary role and share the costs as a partner in researching the core issues of the world. This extends beyond Korea’s focus confined to the Korean Peninsula and Northeast Asian geopolitics.

We highly encourage experts, think tanks, and policymakers to utilize this report in their quest for global peace and prosperity. It would be a great honor and privilege if this report sparks vibrant debates and research. Finally, we extend our heartfelt appreciation to the many individuals whose dedication helped bring this survey report to fruition. They are listed here in our grateful recognition of their contributions.

**2023. 12.6**

**Duck Koo Chung**

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## **Chapter 2: Emerging Competition with China—Persistent and Probably Unavoidable**

*“The confrontation is inevitable as the power competition between the US and China is structural but not irreversible. The key factor is to what domestic political economy in each country supports their respective foreign policies. The rise and decline of their economy will have an impact on the trend”*

—European Asian respondent

*“...China’s leadership has become convinced that the US is bent on the containment of the PRC—which is true to an extent—but seems impervious to the motivations of the US attitude. It’s not just ‘normal’ power competition, it’s also a reaction to China’s assertiveness in the South and East China Seas, its unfair economic practices, its promotion of disinformation and propaganda, repression in Xinjiang and Hong Kong and retaliatory measures against foreign countries, ranging from Australia to Lithuania to others still.”*

—European respondent

*“The current confrontation appeared to be a long game 3-4 years ago. It is now a ‘hot war’ in Europe and a short timetable for aggression in Taiwan with vigorous responses. There is no positive breakthrough in sight. The international order in 2022–23 is what we should expect for the coming decade, mixing hot and cold war. The confrontation is beyond compromise, but all efforts to find peaceful ways forward should be considered as long as they do not resemble the response to Russian aggression in 2014, which whetted Putin’s appetite and Xi’s as well.”*

—North American respondent

Chapter one highlighted our respondents' belief that world politics is de-centering. Responses flagged US relative decline and weakening structures of global governance, such as the United Nations (UN) and the World Trade Organization. The most obvious culprit of this shift away from US dominance is the rise of China. Given that China's preferences regarding Taiwan—the abolition of its sovereignty and democracy—and the South China Sea—maritime control—clash with those of the US and its partners, conflict with China in the coming decades is a realistic possibility. The foreign policy community in Washington has already absorbed this belief. The US debate on China has turned noticeably more hawkish in just the past five years. And in China too, the turn toward “wolf warrior” diplomacy under President (for life) Xi Jinping suggests a new overseas belligerence. Pessimists and hawks in both camps are winning the debate. Our respondents anticipate a sustained competition. Our respondents spoke to seven questions emanant from the growing democratic consensus on China as a competitor, if not an opponent.

## **Sino–US Strategic Competition in the Medium–Term**

Most of our respondents expect the emergence of a Cold War characterized by provisional compromises to limit escalation and to maintain at least some of the trade benefits the world has captured from Chinese growth. But lurking in the background are conflict-igniting flashpoints, particularly along China's maritime perimeter. That there is an emerging consensus—that the US and its allies are falling into a Cold War with China and similar autocracies (Russia, North Korea, Iran)—is itself an important shift. For many years, the business community in democratic capitalist states was a critical “dovish” interest group in the debate on China. National security hawks in the US, and in conservative parties around the world, have worried for decades that facilitating the rise of a China, a dictatorship, via trade with it, was a huge risk. This debate is now mostly over, and the hawks won. Today, the discussion is how to “de-risk” or “de-couple” from China and blunt its growing revisionist behavior. Even major Chinese trading partners like Japan and Korea are looking to

diversify away from it.

The next ten years will test this assessment. US respondents all agreed that the US-China relationship would remain confrontational. They attributed this dynamic primarily to China's actions under President Xi Jinping rather than simply China's economic or military rise. As one US respondent explained, "China does not have to challenge the US but China under Xi seems more inclined to do so than one might like." They therefore believed there was a serious risk of a direct military clash over regional flashpoints such as Taiwan or the South China Sea in the coming ten years. Asian respondents shared this pessimistic outlook, putting greatest emphasis on the role of leadership dynamics in both the US and China. Experts cited President Trump's crucial role in galvanizing US public opinion, the 2024 US presidential elections, Xi Jinping's consolidation of power and purges of rivals, and Xi's self-proclaimed deadlines for the "rejuvenation" of the China Dream.

By contrast, European respondents generally viewed US-China competition as technological in nature. A German respondent noted that, "The main area of competition is and will remain that of technological rivalry with implications for the military and the economic strength of both. The main risk, a conflict over Taiwan, is not least driven by technological calculations." European respondents were more likely to mention opportunities for US-China cooperation on climate change, natural disasters, and food security. They also placed more emphasis on domestic politics in both the US and China, rather than just China, with one respondent suggesting that "the domestic use of the China issue within US politics is a fundamental factor, with the risk that China will be 'used' by one party or the other to consolidate its domestic consensus."

Besides the costs of decoupling or conflict, there are obvious military reasons to contain confrontation. The US and China are both nuclear powers. Both are pursuing a major modernization of their nuclear forces, and China is expanding its warhead stockpile. Both are investigating low-yield options, and arms control regimes are failing. The US and China also have the world's two largest and most potent conventional militaries. Both also have militarily-capable allies and partners.

A kinetic conflict between the US and China would be disastrous.

Finally, China and the US also share some interests, opening the door for limited deals and bargaining. Both worry about climate change, financial stability, North Korea's nuclear weapons and proliferation, mutual investments, and trade rules. This opens space to build a positive-sum relationship. Crucially, in the first Cold War, the US and the Union of Soviet Socialist Republics (USSR) were much more disjointed from each other. This made their mutual slide into hostility easier. By contrast, our respondents see shared concerns facilitating compromise and slowing a drift toward thoroughgoing competition akin to that between the US and Soviet Union in the 1950s.

## **Will the US and China Fight Over Taiwan, or Elsewhere in East Asia?**

The current talk about a new Cold War implicitly assumes that US-China rivalry may stay “cold” rather than lead to direct military conflict or all-out nuclear war. But while the US and the Soviet Union never came to direct blows, it is worth recalling that the US and China fought each other during the Korean War, and the US considered the use of nuclear weapons against China during that conflict. With US military commanders increasingly talking about a looming “window” for war over Taiwan by 2027 or earlier, respondents were next asked to consider the likelihood of US-China competition escalating into a military clash over the next five to ten years. Answers varied depending on the scenario and flashpoint being discussed, including Taiwan, the East and South China Seas, North Korea, or a spillover from non-military competition.

## 1) Taiwan

Our respondents remain mildly optimistic that Sino-US competition over Taiwan can be contained. Less than a quarter of them anticipate a military conflict over the island in the next ten years. The constraints on Sino-US conflict discussed above – the costs of economic decoupling, the risks of escalation – support the respondents’ conclusion. There are also reasons particular to Taiwan – discussed below – which counteract routine Western media assertions of imminent Chinese irredentism. Interestingly, none of the US respondents thought a war over Taiwan was likely in the next five or ten years. By contrast, some of the Korean, Russian, and Singaporean respondents answered that they thought a military clash could take place in the next five to ten years, when Xi Jinping’s fourth term begins.

Clearly, China has stirred up this anxiety though. For decades, the CCP has loudly and relentlessly demanded “reunification” with Taiwan. It has told the US and the world repeatedly that Taiwan is a “core national interest” on which China will not budge, strongly signaling that it will fight if necessary. China engages in aggressive “united front” action (sabotage and subversion) against Taiwan, and when Xi was pursuing his third term for president last year, he talked up imminent unification and made oblique threats.

However, an open Chinese move against the island – an invasion – is, per our respondents, still unlikely for several reasons. First, the Taiwanese are not foolish enough to provoke a conflict with China, by, for example, seeking formal independence, or by developing nuclear weapons. Second, the stability of the Taiwan status quo is also valuable to China. Taiwan is a useful nationalist whipping boy for the CCP. It nicely diverts internal attention from domestic troubles whenever such a need arises. Third, it is far harder to invade Taiwan than popular news reporting – or chest-thumping Chinese pundits – seem to realize. A Chinese attack against Taiwan is often analogized to Russia’s 2022 invasion of Ukraine. While there are political similarities, operationally, the two cases differ. China might very well lose this war.

Indeed, our respondents were skeptical of a resounding victory. More likely, if force is used, it would take the form of a blockade or missile barrage.

China could mine the entire sea around the island, or it could use its large rocket and drone fleet to strike ships entering and leaving the island. It could use its navy to quarantine Taiwan as the US did to Cuba during the 1962 Missile Crisis. It is unclear what the US and its partners would do in such a situation. In regard, it is noteworthy that both U.S. and Japan are enhancing their readiness to respond to the Taiwan contingency.

## **2) The East and South China Seas**

The other big Sino–US flashpoint identified by our respondents is China’s various maritime claims in the East and South China Seas. China claims the Senkaku islets, at the southern tip of the Ryukyu island chain near Taiwan. These are administered by Japan, and the US has affirmed that they are covered by the US–Japan alliance. A Chinese move against them would threaten a major escalation and is therefore unlikely. Control of the Ryukyus and Taiwan by governments friendly to the US is critical, as they bottle up the Chinese navy within the “first island chain,” which runs south from Japan to the Philippines.

A more likely flashpoint is the tangle of overlapping national claims in the South China Sea (SCS). There, the littoral states – most importantly, China, Vietnam, and the Philippines – are engaged in a tense maritime stand-off. The objects of dispute are the various shoals, islands, and sandbars that dot the SCS. The Spratly Islands and Paracel Islands particularly are at issue.

If the possibility of formal, intended hostilities around Taiwan are low, then our respondents agree that the possibility of unintended hostilities – deriving from an accident or collision – is growing in the SCS. US and Chinese ships or helicopters might collide, akin to the US spy plane incident near Hainan Island in 2001. Aggressive Chinese tactics against Philippine and Vietnam ships or installations could lead to major damage, a sinking, or deaths. This could thrust the US and China into an unwanted but escalating spiral of retaliation.

Our respondents agree that the stakes are high. Control of the islands themselves is not that valuable.

The real value is the ability to deny access to the sea lines of communication (SLOC) that traverse the SCS. Approximately one-third of global shipping passes through that narrow body of water. If China controlled the islands throughout it, it could easily impose a blockade or embargo by stopping ships enroute or closing the Bashi Channel.

China could close the sea as geoeconomic punishment. China has a history of using economic leverage as a political tool. In recent years, it has targeted South Korea, the Philippines, and Australia with market access denial. Domination of the SCS would give China a powerful tool. It could open or close that crucial sea body to punish states for behavior it dislikes. Indeed, we should be prepared for that behavior.

Particularly critical for US regional partners is their flow of imported carbon fuels from the Persian Gulf through the Indian Ocean and South China Sea. A Chinese naval cut-off of SCS oil shipping would be disastrous for the economies of Japan, South Korea, Taiwan, and the Philippines. These countries do not have the air and naval capabilities to fight China to re-open that traffic. The US would have to do this, opening yet another avenue for Sino-US conflict. If the US did not step in and force the SLOC open, regional states would be tempted to appease China to re-open it.

## **De-Linking Economic Cooperation from Security Competition**

As strategic competition between the United States and China is now spreading across various fronts, involving their respective partners, the de-linkage of geopolitics from geo-economics might be a path forward. However, given close modern linkages between security, economics, and technology, this effort may no longer be realistic. As a US respondent wryly observed, “Delinking of geopolitics from geo-economics is easier said than done.” Many respondents used adjectives like “impossible,” “unrealistic,” “inextricable,” and “intertwined” to emphasize why separating the security and economic dimensions of relationships is no longer possible.



Our respondents support the reduction of geopolitical tension by trying to de-link other issues from political flashpoints, even if they are skeptical about the effectiveness of these efforts. As noted above, China and the US—and their respective neighbors and trade partners—share some deep interests which restrain competition by tying them together. This is an important difference from the Cold War, where the autarky of the communist bloc left little in common with the West. Consequently, their slide into rivalry was easier during the Cold War.

The most obvious issue enmeshing China and the US is economics. So tied together are their markets that a respondent used the term “Chimerica” to capture their interdependence. China is America’s second largest trading partner, and America is China’s largest trading partner. China retains over three trillion dollars in US currency reserves. China is the world’s leading exporter of critical rare earth metals, and China’s modernization requires the importation of Western technologies. There was never anywhere near this level of interdependence between East and West during the Cold War. Indeed, it is rare in human history for geopolitical rivals to also be economic partners.

Related to the export relationship is the financial one. China is a player in global finance in a way the Soviet Union never was. Chinese officials hold high positions in the World Bank and International Monetary Fund. China has emerged as a major development aid lender, and flirted developing states with alternative political economy institutions in the Belt and Road Initiative (BRI) and the Asian Infrastructure Investment Bank (AIIB). China’s dollar reserves create a unique “mutual suicide” problem for the two countries. In a conflict, China could rapidly dump those dollars on the market, sending US inflation and interest rates soaring as the US dollar’s value fell under a flood of newly released money. China, however, would lose the massive savings value those reserves represent. They are the stored labor of a generation of Chinese workers, and that value would be lost if China were cut off from the global dollar market and SWIFT system.

Finally, climate change is a clear issue where the US and China—as the two largest economies in the world, and two biggest polluters too

—share a large interest, a responsibility even. Other major polluters—most noticeably India and Brazil—must change too, but the US and China must be the leaders on climate change, or nothing will happen.

Our respondents are confident that both will firstly try to pass the burden to the other. Both will abdicate leadership if it means sacrifice. But as the costs of climate change accumulate, it will be harder and harder for the two countries to avoid the value of joint action. The US and China both have long coastlines and tens of millions of citizens facing floods, hurricanes, and other extreme weather. As this century progresses, climate change will increasingly emerge as an existential security threat to the planet, and the world will look to the US and China to lead.

Therefore, our respondents are mildly optimistic that these shared concerns could de-link politico-military competition from non-strategic areas. The US has said repeatedly that it will cooperate where possible and compete when it must. That offers a pathway to a business-like relationship rather than the aggressive bloc confrontation that characterized the Cold War. The managed—if mutually unsatisfying—status quo around Taiwan suggests it may be possible to freeze strategic competition and move on to other issues.

## **Managing Sino-US Strategic Competition**

Both the United States and China maintain that they want to avoid any type of military conflict. If US-China strategic competition seems unavoidable for a considerable period of time, they will need systems and guardrails to manage that competition and prevent escalation into a military conflict. At the same time, a US respondent noted that, “China may believe that US guardrails ironically invite US risk-acceptance because there is a mechanism to reduce risk; while ironically concluding that no guardrails may induce greater US caution because of the higher costs and risks of something going wrong.”

Our respondents foresee gradually rising competition, but they are fairly confident that compromise and workable deals can be arranged.

Here, the history of the first Cold War is, at last, encouraging. As the US and USSR realized the danger of their nuclear weapons, there came a gradual acceptance of “mutual accommodation” and détente.

Competition continued, but there were some vague rules of the road to prevent unanticipated spirals. Previous experience with great power competition suggests multiple possibilities to constrain and limit Sino–US competition. A European respondent noted that, “Bridging differences is a hard sell, but what we should focus on in the short time perspective is risk reduction, maintaining communication and dialogue and trying to rebuild some form of trust. The ongoing arms race in Asia needs to be complemented with equal energy and resources on risk reduction.” A few of the ideas suggested by our respondents include arms control, restricting competition to proxy conflicts, diplomacy and crisis communication, and respect for each other’s core interests.

### **1) Arms Control**

The US and the USSR came to accept arms control efforts by the late 1960s/early 1970s. Both grasped that missile and nuclear warhead arms racing was unwinnable and costly. This model could be applied to a Sino–US Cold War too. For example, a US respondent answered, “We should pursue guardrails, including strategic arms control. We should keep trying to bridge differences without wishful thinking.” The US and China already have ample economic and strategic interaction. Recently, China has been reticent to meet at higher levels, but that does not preclude working groups at lower levels of formality. It took US deterrence theorists two decades to “teach” their Soviet counterparts about the logic of nuclear stalemate and arms control. Because this is well–understood now, China will hopefully absorb this lesson sooner.

### **2) Restricting Peripheral Competition to Proxies**

The US–Soviet Cold War quickly spilled over into the third world. Both sides sought allies and partners in what evolved into a global competition. The Sino–US competition will likely head in this direction too. But China and the US can prevent their competition from becoming aggressive or violent by restricting their intervention to support for proxies, while avoiding direct intervention themselves.

Both will inevitably intervene in weaker and peripheral states as competition heats up. Both will probably militarily support favored proxies in important geographic areas. But avoiding overreaction to changes in the periphery and avoiding direct confrontation will blunt zero-sum perceptions and risk-taking.

### **3) Diplomacy**

Another convergence into which the Soviets and Americans matured over time was diplomacy. After the ideological heat of the 1950s, the two sides slowly came to talk with each other more often. Diplomacy had previously been mostly limited to awkward interactions at the UN, as in the famous Security Council showdown during the Cuban Missile Crisis. That brush with nuclear war helped convince all parties of the need for more dialogue, including direct communication between leaders to prevent events from spinning out of control. This record of diplomacy and détente is a template for Sino-US competition today. In the Sino-US case, China is a new, rising superpower. Initially, it may, like the USSR and US in the 1950s, insist on strategic goals at the expense of accommodation. China may need time to “learn” that forcing its preferences on its neighbors will only provoke balancing and containment. When that lesson sinks in, China will be ready to deal.

### **4) Respecting Core Interests**

The most important adjustment the US and USSR made to each other over time was respecting each other’s core territories – not just the homeland, but critical allies and territories too. In the Chinese case, this territorial respect will be the hardest area of adaption, because China has clear territorial ambitions on Taiwan highly valued by the democratic community of states – Taiwan. The US, by contrast, will grow closer to Taiwan as its relationship with China sours. This makes a territorial accommodation similar to the Helsinki Accords very difficult. By contrast, a territorial accommodation might be possible in the South China Sea. The stakes are lower there than in Taiwan, and the territories at issue are very small. The real issue in the SCS is not territorial control but freedom of navigation. As a major exporting state, China has a vested interest in safe and open sea lanes. That might generate enough common interest to build “rules of the road” there.

The Cold War provides useful lessons for how the US and China might mutually bend to accommodate each other. That history suggests competitors must go through a dangerous competitive phase first, where acceptance is understood as appeasement by domestic ideologues and hawks. It took two decades for the US and Soviets to move beyond that to coexistence. China and the US might be able to move faster. They can learn from the history of the first Cold War to avoid similar mistakes a second time around – such as direct confrontation over an otherwise minor territory like Cuba. Critically, the two sides have a major shared economic interest, which the US and USSR never had, to induce moderate behavior. And both, of course, share the self-interest of preventing military escalation toward a nuclear exchange. For all these reasons, our respondents were moderately optimistic that Sino-American “rules of the road” can be found.

## **Multilateral Balancing Against Chinese Geoeconomic Coercion**

Collective efforts are being made by the US, the EU, and their partners vis-a-vis China’s “wolf-warrior diplomacy” and coercive economic behavior abroad. These efforts are bearing fruit despite triggering regular belligerent rhetoric from China. US and multilateral efforts can aid countries on the receiving end of the weaponization of economic interdependence. Our respondents see two clusters of state reactions to China:

### **1) Hedging**

Our respondents generally agreed that the US, Asian democracies, and other partners are drawing closer together given the belligerent turn of Chinese foreign policy – “wolf warrior diplomacy” – under current President Xi. Our respondents see that as a natural balancing reaction. Most East Asian states, they note, do not wish to overtly align against China. Most are “hedging” instead. As China-US competition heats up though, our respondents suggest that these middle countries will increasingly face decision forks. It will become harder and harder for them to assuage the US and China simultaneously.

Both will increasingly push local states to choose one side or the other. The zero-sum competition was common in the Cold War. If the US and China do not find a mutual accommodation that permits space for third-party fence-sitters, most Asian states will likely tilt one way or the other.

## **2) Alliances**

Right now, the alliance constellation favors the US. Two US-led groupings have appeared: AUKUS (Australia, US, United Kingdom) and the Quad (the US, India, Australia, and Japan). NATO has also started referring to China as a challenger. The US also has five formal alliances in the region – with Australia, Japan, South Korea, the Philippines, and Thailand. The US continues to provide a widely flung security umbrella over countries feeling bullied by Chinese geo-economic leverage. These countries can, and are, directing their trade elsewhere. But as a US respondent noted, “We are only at the early stages of building a coalition to resist Chinese economic coercion. It’s too early to tell whether multilateral efforts to stop Chinese economic coercion have been effective, but Beijing has seen how it’s wolf-warrior diplomacy and tactics of economic coercion have resulted in global backlash.” European respondents also noted that China’s diplomatic coercion has backfired in Europe, with one stating that “China is currently seeking closer relations with the EU, thus it toned down its wolf-warrior diplomacy.”

## **The Sino-Russian ‘No Limits’ Partnership**

China and Russia have inked “no limits partnership,” but the limits are already apparent according to our respondents. If the upgrade of China-Russia strategic alignment holds over time, it could be a decisive factor in determining the course of US-China strategic competition and changes in the international order. For many Asian respondents, this was viewed as a serious threat and “decisive factor” in what a Korean respondent called, the “arrival of [a] new era where the US-centered nations and the China-centered nations will define the course of action.” But China’s hesitation to support Russia’s struggling war in Ukraine suggests it will not take serious geopolitical

risks for Russia.

The Ukraine war is threatening Russia's status as a great power. Russian GDP has already fallen out of the global top ten. The sanctions imposed on it will worsen its economic troubles and likely lead to stagnation over the coming decade. The war has also revealed that the Russian military is far less capable than widely thought. It is now very clear that were Russia to fight NATO, its defeat would be crushing. The course of the war will determine China's willingness to sacrifice for the "no-limits partnership."

In short, our respondents broadly concur that the Sino-Russian partnership is transactional rather than affective. It is based on shared interests – a resentment at American power, and analogous irredentist claims. Russia wants Ukraine; China wants Taiwan; and each is willing to cover for the other diplomatically for these goals. But the two states do not share the normative bond behind the alliances of the democratic community of states. Chinese pragmatism was observed as a key difference from Russia's resort to military force, with a European respondent stating, "It is mostly a marriage of interests rather than a real alliance based on strategic long term interests, shared values, or other reasons." A US respondent noted, "Increasing pressure on both Russia and China may initially push them closer together; in the long run, it will increase competition and tensions between them, driving them apart."

Autocracies, although structurally similar, do not share the ideological affinity for each other that undergirds the long-standing peace among democratic states. Where democracies genuinely seem to care when other democracies are attacked or are losing a conflict, autocracies act out of narrow interest. China's relationship with North Korea—ostensibly based in a shared warfighting history and ideology—is probably now transactional rather than affective. And China's stand-offish behavior toward Russia in its current hour of need suggests the same. China needs access to Western export markets, and it is not going to jeopardize them for a weak, desperate power like Russia. Thus, our respondents are skeptical of a Sino-Russian duopoly or condominium restructuring global rules.

## No Axis of Authoritarianism

Our respondents believe the war in Ukraine and US-China strategic competition will encourage a vague gathering of China, Russia, North Korea, Iran, and other rogue states that one respondent called a “quasi-alliance.” An Australian respondent suggested that North Korea was the key winner of this alignment, observing that “North Korea is benefitting from this perceived connection between the countries.” For Korean respondents, the “presence of such blocs would greatly compound the difficulty in managing the North Korean nuclear threat, not to mention achieving Korea reunification.” A Singaporean respondent concurred, noting, “The bifurcated groupings already emerged during the Six-Party Talks. The situation now is more dire than back in the 2000s. Back then, even Putin [was hopeful] to bridge the trans-continental gap by persuading North Korea to be part of the energy and infrastructure connectivity plan. Now, no persuasion is enough to change North Korea’s thinking.”

The Biden administration has spoken of a global contest between liberal democracy and autocracy. The emerging Sino-US rivalry may be complemented by two camps clustered around these two poles—where a grouping of the US, Britain, the EU, Japan, Australia, and South Korea squares off against China, Russia, Iran, and North Korea. But it is hard to imagine that these vague affiliations will congeal into blocs or alliances. If that does happen, it is more likely to occur on the democratic side due to the specific affinity democracies have for one another. Today’s autocratic grouping is more like a loose cooperative united by dislike for America. The Cold War communist bloc had Marxism as an ideological glue. Today’s autocracies have no positive vision for the world economy besides multipolarity.

An autocratic bloc would struggle to build a real identity, shared goals, affective affinities, and joint capabilities. The Shanghai Cooperation Organization (SCO) has been touted for years as a vehicle for a counter-hegemonic, anti-American bloc, but that has not emerged. Similarly, China has proven to be deeply reticent in supporting its “no limits” partner Russia in its current crisis. Russia has been forced to approach North Korea instead, which strongly signals that China does place limits on its Russian partnership and more generally, that it has not thrown in aggressively with rogue states.



Our respondents concur that there is no autocratic axis in the making. A dislike for the US-led global economy is not enough to overcome the transactionalism of autocratic alignments.

Thus, a challenge for the democratic states is to keep a tight autocratic alignment – an axis or alliance – from emerging. China is the critical state in any such effort. It is the only autocracy with the resources and military capabilities to credibly challenge the democratic community. The democracies will likely try to prevent a decoupling by China, to prevent it from balancing against them. Chinese with capitalist states makes a counter-integration with much poorer rogue states a very costly choice. So long as China is not isolated or excluded from the world economy—in the manner Russia is now experiencing—Beijing will likely reject other autocracies' hopes – most obviously Russia's – that it will openly break away from the democratic capitalist states and lead a bloc against them. Our respondents agree that this far-fetched scenario, if perhaps more probable than in the past, is still quite a remote possibility.

## Conclusion

*“If we assume that China is not meant to disappear neither to see its influence diminishing, it is evident that a new equilibrium must be identified to avoid a direct confrontation between Washington and Beijing... However, if a compromise won’t be identified, a confrontation will be inevitable, and pareto suboptimal for the two countries as well as for the rest of the world, and in particular for Asian countries.”*

–European Asian respondent

Our respondents were subdued but realistic about future Sino-US relations. They will likely be simultaneously tense, particularly on security issues, and at the same time cooperative, especially on economic issues. As long as the costs of a decoupling are vast, then both sides have powerful financial and trade incentives to limit escalation spirals. The emerging great power competition between the US and China is different from previous great power stand-offs because the US and China are so deeply interwoven economically. But that economic interaction also means that China is a vastly wealthier competitor than the US has ever faced before. If the US and China really do fall into a cold war, it could last even longer than the US-Soviet one, because China’s ability to carry long-term military costs is greater than the USSR’s.

Our respondents flagged well-known flashpoints in the East and South China Sea. Taiwan is the most obvious location where the two might collide. Biden has made plain that the US would fight for the island, abandoning decades of “strategic ambiguity.” But the fluidity of claims in the South China Sea probably makes that a more likely location for a clash. The rules and borders in that body of water are deeply uncertain, giving all sides incentive to press advantages. China’s implacable resistance to a SCS code of conduct is deeply unhelpful.

Our respondents were more optimistic about an “axis” of anti-American or authoritarian states. China shares a dislike of US hegemony with Russia – and North Korea and Iran. But these states all have different ideas of what a post-American, multipolar order

should look like. Indeed, China may not want multipolarity at all, but global bipolarity atop a regional unipolarity. Hence, our respondents were comfortable describing the Sino–Russian partnership as limited despite the “no limits” rhetoric. China’s refusal to seriously help Russia in its botched war in Ukraine is the best example of their divergence. China will not risk losing Western market access for a declining, corrupt petro–state like Russia. The best way for the democratic world to prevent China from aligning with openly revisionist states like Russia, North Korea, and Iran is to continue to trade with it. That vests China in the status quo and supports dovish Chinese domestic interests committed to trade and engagement who can contest hawks in the CCP and the military.

The Biden administration seems committed to this vision of competitive engagement. Biden has avoided the demonization of China over the COVID–19 pandemic, which was common during the Trump presidency. Biden and his team are also far more skilled at diplomacy than the Trump administration was. The Biden White House has regularly reached out to China, and the San Francisco summit which was held in November, 2023, was a small step forward in this regard.

The goals of that summit and future Sino–American interaction should be institutionalization. Institutions create rules, fix expectations, and generate predictability. This will dampen misunderstanding, inhibit spirals, and reduce the likelihood of violent encounters between the two militaries. The lack of rules in the SCS—with its collisions and near–misses—illustrates the risks of leaving the relationship to the occasional personal interaction of elites.

Institutions would also facilitate joint policy–making. China and the US share concerns about financial stability, nuclear proliferation, terrorism, and so on. Focusing on realistic targets will manage expectations and prevent disappointments. But a framework of regularized interaction—an institutionalization of the relationship—should breed over time the strategic trust necessary to take greater cooperative chances.

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