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Navigating Great Power Competition in the 21st Century: Beyond the Cold War Paradigm

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SYNOPSIS

Russian aggression against Ukraine and US-China strategic competition have made the world more uncertain and dangerous. But as we grapple with the complexities of Ukraine and the US-China rivalry, it is crucial not to lose the psychological poise needed to put them in proper perspective.

COMMENTARY

Russia's war on Ukraine is a clear violation of international law and is unique in scale, and in being the first armed conflict in the European theatre since the Balkan Wars of the 1990s. Other violations of the international "rules-based order" have not necessarily been any less egregious, but rather, less scrutinised.

In response to these perceived double standards, Global South nations, some of which have faced similar tragedies in recent decades as a result of Western military intervention, have been more tenuous in condemning Moscow. The presentation of the conflict as part of a broader struggle between democracy and autocracy is also contentious in the Global South.

The Global South does not play an immediate battlefield role in Ukraine. But as the war drags on, its political and economic support will become increasingly important if sanctions against Russia are to be maintained over the long-term. The Russian occupation also carries implications for the ongoing strategic rivalry between the US and China. From an American perspective, strong support for Ukraine would serve as an object lesson for Beijing. This, in theory, would warn China and its allies against similar aggression, and reduce both the likelihood and intensity of further threats.

In reality, strategic competition between major powers has historically led to recurring cycles of inter-state violence. The war in Ukraine is merely a proxy of the US-China phase in the enduring cycles of great power competition and conflict, and a return to the historical norm following an unprecedented era of relative peace after the end of the Cold War.

The Dynamics of 21st Century Interdependence

This is not to say, however, that the Russian invasion in any way represents a "new Cold War" between the US and China. This fundamentally misrepresents the nature of US-China competition because it evokes a superficially plausible but in fact inappropriate historical analogy. During the Cold War, the US and the former Soviet Union led two separate systems connected with each other only at their margins. Conversely, key to understanding the US-China dynamic today is acknowledging competition between both powers within a single global system, of which they are both irreplaceable parts.

As a result of Deng Xiaoping's economic reforms in the 1980s, both the US and China are now deeply interconnected with each other and the rest of the world via an unprecedentedly dense and complex network of supply chains. Despite increasing tensions and divergence between the US and China, the sheer scale of interdependence between both powers ensures that a full "decoupling" is as unlikely as it is unfeasible – or indeed, undesirable. The geopolitics of high-end semiconductors provides a useful illustration, as US export restrictions on semiconductors to China – the world's largest semiconductor consumer – may potentially result in annual losses of up to US$83 billion. Moreover, most applications for exemptions to bans on US technology exports to China have been approved.

As such, the US and China of the 21st century cannot be neatly divided into two separate systems à la the US and the Soviet Union of the 20th century. This impels a policy of fine judgements rather than simple binary decisions and ensures that US-China competition within the contemporary global system will be far more complex than the binary competition of the Cold War era. Rather, both powers are likely to use interdependence as a tool of competition: by positioning themselves to continue to benefit from interdependence and mitigating their own vulnerabilities, while exploiting their rival's vulnerabilities. Diversification and self-reliance are both easier said than done, and even if they work, will take a very long time to have a significant effect.

Maintaining Balances Amid the Lack of an Existential Threat

Crucially, competition within a single system is not existential by definition, because it is not about one system destroying or replacing another. Notwithstanding the risk of direct military conflict between both powers (most notably in the Taiwan Straits, where even the greatest risk is not a war by design but rather an accident spiralling out of control), neither the US nor China poses an existential threat to each other.

Unlike the US-Soviet competition of the 20th century, there is little incentive for either the US or China to seek to topple or replace the other, particularly with China as a major beneficiary of the post-Cold War global economy. Beijing may want to displace

the US from the centre of the global economy and dominate it, but that is a different matter from wanting to kick over the table to seek radically new arrangements.

The lack of an existential threat has also relieved the US of any perceived obligations to uphold international order and allowed it to redefine the terms of its engagement with the world. Consequently, the US is unlikely to again intervene with large scale ground forces in the Middle East, and instead more likely to rely on naval and air power. The shift from onshore containment to offshore balancing mirrors similar moves in Southeast Asia following the Vietnam War and is likely to occur in Europe in the future, perhaps delayed but not diverted by the war in Ukraine.

Such moves not only allow the US to minimise the risk of entanglement, but also to maximise demands on trusted partners in order to maintain balance. This shift to a more transactional American foreign policy is likely to be permanent. While some allies may have reservations about a more transactional relationship with the US, the war in Ukraine has underscored the vital US role in maintaining regional balances. China's behaviour around the East and South China Seas and the Himalayas, its unwillingness to distance itself from Russian aggression, and its often-predatory economic practices have also likely aroused even greater concern among US allies in every region.

What can Nations Do to Navigate 21st Century Great Power Competition?

Given the complex dynamics of interdependence in 21st century great power competition, a simplistic binary between democracy and authoritarianism is most unsuitable for understanding complicated relationships between states within a single global system. In reality, few if any nations – both Global North and South – are without concerns about some aspect or another of both American and Chinese behaviour. No single nation's choices of friends need be confined to only the US or China.

In fact, the modern dynamics of interdependence provides nations with much more manoeuvre space than they previously had under the binary US-Soviet competition in the Cold War era. While there will be further tensions and divergence between the US and China, particularly in areas of technology that has security implications, apocalyptic scenarios of the exceptionally complex global system bifurcating all sectors into two separate systems as existed during the US-Soviet Cold War lack credibility. Globalisation will be patchy and will slow down but will not be reversed.

Ultimately, all nations must decide for themselves how best to engage with the US and China to maintain regional balances. The US and China are geopolitical facts that no country can ignore, and precisely because of their rivalry, dealing with both simultaneously is a necessity for dealing with either effectively.

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