



TSC INSIGHTS

GREAT POWER COMPETITION IN THE TWENTY-FIRST CENTURY

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Executive Summary

Rather than a new phenomenon, competition, and hence the possibility of conflict, between states – as well as cooperation – has existed as long as states have interacted. While the particularities of great power competition have ebbed and flowed over the past decades, the twenty-first century has seen a return to “normal” as competition between states has translated into open conflict, such as the war in Ukraine, while interdependence due to globalization, renders inter-state conflicts, as well as strategic rivalries, increasingly complex. Even as the US is redefining its engagement with the world and the US and China are geopolitical facts no country can ignore, other countries will not necessarily be constrained to a binary, fully aligned with one over the other. Rather, states, including throughout the Global South, will likely pursue policies that still maximize their strategic national autonomy within the constraints of their respective realities.

Introduction

Russian aggression in Ukraine and US-China strategic competition have made the world more uncertain and dangerous. The war in Gaza between Israel and Hamas is yet another example of the dangers of instability in the Middle East. Policymakers pay a lot of attention to events and not enough attention to context and to the processes in which events are necessarily embedded. As we grapple with the complexities of Ukraine and US-China rivalry, it is crucial to put them in proper perspective by seeing them through the lens not only of geopolitics but of psychology.

Great Power Competition: An Age-Old Phenomenon

Competition is inherent in any struggle between sovereign states. States have competed since the inception of the Westphalian system. Of course, they have collaborated too. But while competition and cooperation have coexisted, the harsh reality is that competition all too often turns into conflict. The historical record shows recurring cycles of interstate violence, particularly between major powers.

The twentieth century was particularly bloody: the First World War (1914 – 1918), the Second World War (1939 – 1945), the Korean War (1950 – 1953), the Vietnam War (1955 – 1975), three major wars between Israel and the Arab states (Israel's War of Independence and Palestinian Nakba: 1948-1949; Six-Day War: 1967; Yom Kippur War: 1973), Soviet invasions of Hungary (1956), Czechoslovakia (1968), and Afghanistan (1979), the Iran-Iraq war (1980 – 1988), and China's invasion of Vietnam (1979), among others. Decolonialization spawned numerous conflicts as Asia, Africa, the Middle East, and Latin America struggled with their former masters and each other in the context of Cold War rivalry between the US and the Soviet Union. Many, perhaps most, conflicts, particularly in the Global South, became proxy wars between the two superpowers.

Less than twenty years separate 1989, when the Berlin Wall came down, and the global financial crisis of 2008. The period brought widespread American disillusionment on both the left and the right with US-led globalization. The overwhelming dominance of the US masked the reality of great power competition, and American ideas of international order seemed beyond reproach.

During this short and historically exceptional—indeed abnormal—span of years, vicious genocidal conflicts erupted in the former Yugoslavia and Rwanda, and the US and its allies invaded Iraq and Afghanistan.

We have since returned to a more normal period of world history. War in Ukraine and Sino-American rivalry conform to established patterns of state behavior and the uncertainties and risks they pose. The possibility of events getting out of hand—

of nuclear escalation, among other things—is what the late Donald Rumsfeld was referring to when he spoke in 2002 of “known unknowns”: “There are known knowns—there are things we know we know. We also know there are known unknowns—that is to say, we know there are some things we do not know. But there are also *unknown* unknowns, the ones we don’t know we don’t know.”¹ Known unknowns are previous iterations of events that we have successfully navigated— under whose shadow we have even grown and prospered. If we remain calm and exercise reasonable prudence, there is no *a priori* reason we cannot do so again.

The War in Ukraine and the Global South

Russian aggression against Ukraine is without question an egregious violation of fundamental norms of international relations that cannot go unchallenged. But the suffering that Ukraine is enduring is unique only in its scale and because, for the first time since the Balkan wars of the 1990s, it is occurring in Europe, in an EU-candidate country. Similar tragedies have been well-nigh a daily reality to many in the Global South for decades. For the most part, these aggressions went unchallenged or were only weakly challenged. Some were even initiated or supported by the West, no doubt for reasons the West thought compelling but still in violation of “rules-based order.” Obviously, not all such violations have been regarded as unacceptable or treated with equal seriousness.

No country can pursue a completely consistent foreign policy. But double standards explain why support for the war in Ukraine in the Global South is more tenuous than many in the West may assume, as French president Emmanuel Macron warned at the Munich Security Conference in February 2023. There are, Macron said, “those in Asia, the Pacific, the Middle East, Africa, and Latin America who . . . continue saying, ‘There are double standards. You keep spending massive amounts on Ukraine, yet you still don’t spend anything on us. You are fighting against this war with all your might but you don’t do enough to fight poverty in our countries. We’ve been living with war for decades and you’ve done practically nothing about it!’ We . . . need to use diplomacy to re-engage all these countries in order to convince them to join us in pressuring Russia and laying the groundwork for peace. It’s our responsibility. In particular, we must do this by countering this narrative of a double standard that is taking root.”²

¹ Defense Secretary Donald Rumsfeld, speech at the Pentagon, February 12, 2002, <https://youtu.be/REWeBzGuzCc>.

² Speech by M. Emmanuel Macron, President of the Republic, at the Munich Security Conference, Munich, Germany, February 17, 2023, <https://www.elysee.fr/admin/upload/default/0001/14/49a39d55783d5cf816c4e7287ba99e478640b7b4.pdf>.

The Global South does not play an immediate battlefield role in Ukraine. But as the war drags on, its political and diplomatic support will become more important if sanctions against Russia are to be maintained over the long term.

The Complexity of 21st Century Interdependence

The US has repeatedly made clear that it will not get directly involved in Ukraine. The most important reason is that Russia has nuclear weapons. Vladimir Putin has periodically rattled his saber to remind us of this fact. But there is another reason. Russian aggression is certainly an existential threat to Ukraine. It is a serious threat to EU members on the eastern fringes of Europe. But what kind of threat does it really pose to the US?

Ukraine is a second-order issue. The first-order issue is China. Defense Secretary Lloyd Austin has candidly said that the US wants to use Ukraine to weaken Russia so it can never invade another country. Left unsaid—but clear enough, given Moscow’s “partnership without limits” with China, concluded only weeks before the invasion while Russian forces were massing on Ukraine’s borders—was that strong support for Ukraine was also an object lesson for Beijing. The Russian invasion has made Ukraine an unwitting proxy of US-China strategic rivalry, perhaps the first proxy of the US-China phase in the enduring cycles of great power competition and conflict.

This is not to suggest that there is nothing new under the sun. One of the most intellectually lazy tropes is to describe US-China competition as a “new Cold War.” This fundamentally misrepresents the nature of the rivalry, because it evokes a superficially plausible but in fact inappropriate historical analogy.

During the Cold War, the US and the former Soviet Union operated under two separate and distinct political systems connected with each other only at the margins. Although the prospect of mutual destruction tempered the rivalry and eventually led to détente, to the very end, the two countries’ essential aim was for one system to usurp the other. In 1956, Soviet premier Nikita Khrushchev told the Polish politician Władysław Gomułka and other Western diplomats, “We will bury you.”³ He was speaking of the existential struggle between capitalism and communism: the Cold War was about which system could better organize modern industrial society to give its people a better life. In the event, it was the Soviet Union that was buried, and today, China is only one of five Soviet-style systems that survive. No one can any longer seriously hope or fear that communism will replace capitalism.

³ Fiona Macdonald, “The Greatest Mistranslations Ever,” BBC, February 2, 2015, <https://www.bbc.com/culture/article/20150202-the-greatest-mistranslations-ever>.

After Deng Xiaoping's reforms, the US and China both became vital, irreplaceable parts of a single global system, intimately enmeshed with each other and the rest of the world by a web of supply chains of a scope, density, and complexity that is historically unprecedented. The very metaphor of a "chain" understates the complexity, because a chain is an essentially simple linear structure. A more appropriate metaphor is the root system of a tree leading to its trunk, leading to branches, twigs, and leaves. The global system comprises a thick forest of trees intertwined with each other across continents.

That forest was planted and spread during the short post-Cold War period of unchallenged American dominance. It is now an established fact in its own right that has outlived US dominance. Its consequences are what we today call globalization and interdependence. There had been earlier periods of interdependence between rival major powers, but nothing exactly like this complex forest has ever existed before. This is what distinguishes twenty-first-century interdependence from earlier periods of interdependence.

But neither the US nor China is comfortable. Their interdependence exposes vulnerabilities, which both countries have tried to temper. Americans and their allies by trying to upgrade manufacturing sectors in their own and friendly countries in order to reduce dependence on China, and by denying China key technologies; China by trying to become more technologically self-reliant and placing a greater emphasis on domestic household consumption to drive growth. Neither will succeed, at least not to the extent either country may hope. Achieving diversification and self-reliance is easier said than done, and even if it works, it would take a long time for either to have a significant effect.

Nevertheless, partial bifurcation of the system has already occurred in certain sectors. And there will be further separation for security reasons. This certainly puts pressure on globalization. But apocalyptic scenarios of an exceptionally complex global system dividing across all sectors into two separate systems, as existed during the US-Soviet Cold War, lack credibility. Globalization will be patchy and will slow down, but it will not be reversed.

Even the closest American ally is never going to cut itself off from China, politically or economically, however deep its concerns. Treasury Secretary Janet Yellen recognized this reality when she made clear in April 2023 that the US was not pursuing a strategy of "decoupling," even as it intended to compete vigorously with China. And as EU president Ursula von der Leyen put it a month earlier, the EU will "de-risk" economic relations with China but will not decouple.⁴

⁴ Demetri Sevastopulo, "Janet Yellen Warns US Decoupling from China Would Be 'Disastrous,'" *Financial Times*, April 20, 2023, <https://www.ft.com/content/b38478a6-7a30-47f0-a8f7-6c89dd77d324>; Speech by President von der Leyen on EU-China Relations to the Mercator Institute for China Studies and the European Policy Centre, Brussels,

The Chinese government's "dual circulation" strategy acknowledges Beijing's inability to separate itself from the world and its continual reliance on exports. Despite tensions and disruptions, the total volume of US-China trade was more than \$690 billion in 2022. This does not suggest any significant decoupling. For the foreseeable future, China has no real alternative but the West for critical technologies and its most important markets. The Global South is not an adequate substitute. It is an open question whether China's closest partners in the Global South are assets or liabilities. Pakistan and some debt-ridden African states come to mind. Russia itself is an albatross around China's neck that will weigh increasingly heavy as the effects of sanctions accumulate, but Beijing has no other partner anywhere in the world of Moscow's strategic weight that shares its distrust of the West.

Like it or not, the US and China must accept the risks and vulnerabilities of remaining connected to each other. The two countries will compete and will do so robustly within the single system of which they are both vital parts. The dynamics of competition *within* a system are fundamentally more complex than the binary competition *between* systems that existed during the US-Soviet Cold War.

The geopolitics of high-end semiconductors is an illustration. High-end semiconductors are a serious vulnerability for China. All the most critical nodes in the semiconductor supply chain are controlled by the US and its allies and friends. But China is about 40 percent of the global semiconductor market. Can you completely cut off your own companies and those of your friends and allies from 40 percent of a market without doing them serious damage?

This impels a policy of fine judgments rather than a simple decision. In August 2022, the *Wall Street Journal* reported that up to that point, most applications for exemptions to bans on exports of technology to China had been approved.⁵ It is not clear that the CHIPS and Science Act passed earlier that month will substantively change the need for a nuanced approach, at least at the lower to middle range of the semiconductor value chain.

Most crucially, competition within a single system is *not* about one system destroying or replacing another. That is not possible without undermining the entire system and risking grievous self-harm. Instead, competition within a system is about using interdependence as a tool of competition: positioning one's own country to continue to benefit and mitigating one's own vulnerabilities while exploiting the gaps and shortcomings of one's rival.

Belgium, March 30, 2023,
https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2063.

⁵ Kate O'Keeffe, "US Approves Nearly All Tech Exports to China, Data Shows", *Wall Street Journal*, August 16, 2022, <https://www.wsj.com/articles/u-s-approves-nearly-all-tech-exports-to-china-data-shows-11660596886>.

Interdependence and its Impact on Great Power Conflict

Interdependence does not eliminate the possibility of war. But along with nuclear deterrence, it reduces the utility of war as an instrument of policy. The prospect of mutually assured destruction kept the peace between the US and the Soviet Union; mutually assured destruction—now not just nuclear but also economic—will, in all probability, also keep the peace between the US and China. The key risk is not war by design—war as an instrument of policy—but of miscommunication and miscalculation—an accident spiraling out of control, fanned by nationalist narratives that both sides have deployed for domestic political reasons and cascading toward conflict. That risk is highest in the Taiwan Strait.

Still, that risk does not detract from the fact that since the Cold War, the US has faced no existential threat anywhere in the world. Russia remains a tough adversary, but even before the Ukraine war, its long-term trajectory was, for economic and demographic reasons, trending downward. Putin’s miscalculation in Ukraine has hastened that trajectory. After the initial shock of 9/11, it has become clear that terrorism, whether state-sponsored or by non-state actors, is certainly dangerous; but it is not an existential threat to any well-constituted state, and certainly not the United States. China is a formidable peer competitor. Its economy is far more viable than the Soviet economy ever was and far stronger than the post-Soviet Russian economy at its peak. But is it an existential threat?

Is it really in China’s interest to replace the existing system with its own system, even assuming it has the ability to do so? Serious structural problems confront the Chinese economy. China is a—possibly *the*—major beneficiary of the post-Cold War global economy. Beijing may want to displace the US from the center of the global economy and dominate it, but that is different from wanting to kick over the table to seek radically new arrangements. China’s behavior in the East, the South China Sea, and the Himalayas is certainly aggressively revanchist. But to call it “revisionist” or to call the country a “systemic competitor” is to overstate the case.

Framing the Ukraine war and US-China competition in universalist alternatives as a contest between democracy and authoritarianism, as the US has done, is to focus on the epiphenomenal rather than the essential. This simplistic formulation cannot capture the complexities of US-China competition, cannot erase hard economic facts, and is both inappropriate and ineffective.

Inappropriate, because both are protean terms. There are many variants of “democracy” and of “authoritarianism,” existing along a spectrum, and the distinction between them is not as clear-cut as the US pretends—as a glance at the list of invitees to the Biden administration’s March 2023 Summit for Democracy revealed. Ineffective, because not every aspect of every Western variant of democracy attracts unqualified admiration from everyone; nor does everyone

regard every aspect of every variant of authoritarianism with total revulsion. Framing the contest in this way may rally the already converted, but limits rather than expands support in the rest of the world.

China makes a parallel false distinction when it claims that it offers an alternative to the Western model of development. Former Foreign Minister Qin Gang recently boasted that China had “shattered the myth that modernization is Westernization.”⁶ This claim, which also underpins Xi Jinping’s Global Civilization Initiative, is at best only partially true. The myth was shattered long ago, and not by China.

China’s general development trajectory is not essentially different from that of Japan, South Korea, Singapore, or any other country that has successfully modernized. Modernization has always necessarily entailed westernization, with a lower-case *w*—never Westernization—because it has always involved adapting the ideas and techniques of modern industrial society to local conditions. Until post–Meiji Restoration Japan, all modern industrial societies were Western.

The only choices were to adapt the US-European model, of which Japan was a variant, which stressed the market and its version of liberal democracy based on the individual, or to adapt the Soviet-Russian model, which emphasized the planned economy and “people’s democracy,” in which the individual is subordinated to the vanguard party. Communism is not an ancient Chinese philosophy, and the vanguard party was not invented by some ancient Chinese emperor. But whatever the choice, there were always national particularities, and successful adaptations have never been mere carbon copies of either model. China is a particular case of a general phenomenon and unique only in the sense that every country is unique.

Redefining US Global Leadership and Engagement

Without an existential threat, there is no longer a reason for Americans to bear any burden or pay any price to uphold the international order. The key priorities of every post–Cold War American administration have been domestic, with the George W. Bush administration an exception forced by the al-Qaeda terrorist attacks of September 11, 2001—which led the US into ill-advised incursions in Afghanistan and the Middle East. Since then, every president has tried to rectify Bush’s mistakes by disengaging from those entanglements, with limited success until President Biden finally cut the Gordian knot in Afghanistan in 2021.

⁶ Zhao Ziwen and Dewey Sim, “China’s ‘Two Sessions’ 2023: Chinese Development ‘Shatters’ Modern-Is-Western Myth, Foreign Minister Qin Gang Says,” *South China Morning Post*, March 7, 2023, <https://www.scmp.com/news/china/diplomacy/article/3212712/chinas-two-sessions-chinese-development-shatters-modern-western-myth-foreign-minister-qin-gang-says>.

That ruthless move and the domestic focus of all post–Cold War administrations have often been misrepresented as America retreating from the world. But such actions are more accurately understood as America redefining the terms of its engagement with the world. Again, this is not entirely new.

Half a century ago, the US corrected the mistake it had made in Vietnam by withdrawing from direct intervention on the mainland of Southeast Asia. Instead it would maintain stability throughout East Asia by assuming the role of an offshore balancer, relying primarily on naval power and airpower. It has been remarkably consistent in that role ever since. A shift to an analogous role is occurring in the Middle East, where the US is unlikely to intervene again with large-scale ground forces. In the aftermath of the 10/7 attacks, the US moved military hardware into the region in the form of two carrier strike groups deployed for force protection and deterrence. The US Fifth Fleet is still in Bahrain, and the US Air Force is still in Qatar and the United Arab Emirates. Sooner or later, a similar shift will occur in Europe, perhaps delayed but not diverted by the war in Ukraine.

An offshore balancer is not in retreat but demands more of its allies, partners, and friends to maintain balance. In the Obama administration, this took the form of an emphasis on multilateralism, which is a form of burden-sharing. Donald Trump made unilateral and crudely transactional demands. President Biden is consultative, but he does not consult allies, partners, and friends merely for the pleasure of their company. He is doing so to ascertain what they are prepared to do to help meet America’s strategic concerns.

For those that meet expectations, President Biden seems willing to go beyond any of his predecessors in providing the tools to further common strategic aims. Thus, the 2021 trilateral AUKUS security partnership enabled Australia to acquire nuclear-powered submarines, the first time in more than sixty years that the US and the UK had shared such technology. In this sense, President Biden’s consultative approach is a more polite form of Trump’s crude transactionalism. If you do not meet expectations, the Biden administration will probably still be polite, but you should not expect to be taken too seriously.

The shift to a more transactional American foreign policy is, I think, permanent, although it remains to be seen if future American leaders will be as polite about it as President Biden. US partners and friends in Asia and the Middle East (particularly the Gulf states) and even some European allies are beginning to grapple with this new reality and are not entirely comfortable with it. Old debates about America’s reliability have resurfaced.

These debates are beside the point. The war in Ukraine has underscored the vital and irreplaceable role of the US in maintaining regional balances at a time when China’s behavior in the East and the South China Sea and the Himalayas, its unwillingness to distance itself from Russian aggression, and its often predatory economic practices have aroused concerns in almost every region, even if such

concerns are not always publicly articulated. There is only one America, and every country must decide for itself what it is prepared to do or not do with the US to maintain regional balances.

The Saudi-Iran deal to restore diplomatic relations announced in Beijing on March 10, 2023, is a case in point. This was undoubtedly a diplomatic coup for China. But the Beijing announcement was only the icing on a cake that Oman, with the assistance of Iraq, had been baking for more than two years of quiet mediation and confidence-building between Saudi Arabia and Iran in which no external power had much of a role. In other words, without crucial preparatory work by Oman, and had Riyadh and Tehran not, each for their own reasons, wanted to stabilize their relationship, there would have been nothing to announce, whether in Beijing or anywhere else.

Yet within the region, Iran is attempting to deal with the fallout from the Hamas attacks of October 7th, now seemingly engaged in a shadow war with Israel while its proxy forces engage in tit-for-tat reprisals with both Israel and the United States. Iran's internal situation is even more precarious, and a leadership transition cannot be far off. A day before the Beijing announcement, on March 9, the *Wall Street Journal* reported from an obviously deliberate Saudi leak that Riyadh was prepared to join the Abraham Accords and recognize Israel in return for security guarantees from the US and a nuclear cooperation agreement with the US that allowed it to master the fuel cycle.⁷ For Riyadh, the choice of Beijing as a venue was the start of a complex process of indirect bargaining with the US driven by Saudi fears of Iran and the recognition that only the US—despite the stresses in US-Saudi relations—could provide the kind of security Riyadh seeks. The Gaza war may delay and complicate, but not completely derail, Saudi-Israel cooperation against common threats.

Conclusion

As we prepare to navigate twenty-first-century great power competition, all countries are confronted with two set of realities. First, the US and China are geopolitical facts that no country can ignore, and precisely because of their rivalry, dealing with both simultaneously is the necessary condition for dealing with either effectively. Without the US, dealing with China will take place in an unbalanced environment that will certainly disadvantage every country; without China, the risk

⁷ Dion Nissenbaum, Dov Lieber, and Stephen Kalin, "Saudi Arabia Seeks U.S. Security Pledges, Nuclear Help for Peace with Israel," *Wall Street Journal*, March 9, 2023, <https://www.wsj.com/articles/saudi-arabia-seeks-u-s-security-pledges-nuclear-help-for-peace-with-israel-cd47baaf>.

of the US brushing aside any sovereign state's interests or taking the relationship for granted rises considerably.

Second, there are few, if any, countries—not the closest US ally or the most deeply dependent on China—that are without concerns about some aspect or another of *both* American and Chinese behavior. The concerns are not the same for the US and China, and not every country holds them with the same degree of intensity, but they exist.

Faced with these realities, most countries are going to try to maximize national strategic autonomy within the constraints of their specific circumstances. No country, even formal US allies or those economically dependent on China, will want to align all their interests across all domains in one direction or another. They will try to align different interests in different domains in the most advantageous direction. Since all countries face the same imperative, no country's choices need be confined to only the US or China.

These complex dynamics, far more so than binary US-Soviet competition, provide each sovereign state considerable space to maneuver and exercise agency. Of course, whether we have the intelligence, agility, and courage to recognize the opportunities to use that agency is a different matter.

About the Author

Bilahari Kausikan is Chairman of the Middle East Institute at the National University of Singapore and a retired senior Singapore diplomat. This piece was adapted from the Distinguished Dinner Lecture delivered at the 14th Asia-Pacific Programme for Senior National Security Officers (APPSNO) on April 25, 2023.



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