

## Geopolitical scenarios for 2023 and beyond



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*The illegal and unprovoked invasion of Ukraine by Russia in 2022 not only caused a massive disruption of the European security architecture. This war has also consequences for the geopolitical developments of 2023 and beyond. In this paper I present and discuss five challenges for Western democracies and the liberal international order.*

1. *The War in Ukraine is a turning-point in history and will accelerate geopolitical dynamics that already began in 2020.*
2. *The People's Republic of China and other unsatisfied and pessimistic powers pose a serious challenge to the Liberal International Order (LIO).*
3. *The idea of the LIO will prevail against authoritarian concepts of global order.*
4. *Globalization is in retreat. Regionalization will structure the future economic order.*
5. *Social divisions and radical-right populism are the major domestic challenges for Western democracies and the LIO.*

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## **Thesis 1: The war in Ukraine will be a turning-point in history**

The war in Ukraine is a defining moment in history that will end the phase of Western hesitancy how to cope with the challenges of the 21st century. It will also end a period, in which autocratic and illiberal states exploited the benefits of a liberal international order and at same time undermining it.

We are real-time witnesses of history in making. There are two events in the immediate past that resemble this tectonic shift. First, World War II that resulted in a reorganization and restructuring of global affairs in an unprecedented way. Building and strengthening global institutions, fostering global trade, and stabilizing international financial systems, as well as spreading and defending democracy, became the mantra for the United States and Western democracies in this new Liberal International Order.

The second event was the break-up of the Eastern Block and the demise of the Soviet Union. These events ended more than four decades of system-confrontation between market-oriented Western democracies and command-economy dominated, authoritarian communist states in the East. The United States of America were at the height of their power but did not exploit this unipolar moment to free itself from the shackles of the global order. Instead, Washington sought to extend the global web of interdependencies (for example NATO expansion, the establishment of the World Trade Organization and the Organization of Security and Cooperation in Europe, as well as several trade agreements) and to deeper integrate countries like the Russian Federation or the People's Republic of China into this interdependent network.

The war in Ukraine is a similar event, and a turning point in history. The highly problematic leader of an unsatisfied country challenges the regional European security architecture and hence the global order. By doing so, Putin forces the West to answer this challenge. Either the West succumbs and gives in to Russian demands, or it takes a strong stance and opposes Russian aggression and revisionism. It seems as if the West has already made its decision. It will do both oppose Russian aggression to the bitter end and use this challenge to restructure the global order.

## **Thesis 2: The PRC and other unsatisfied and pessimistic powers pose a serious challenge to the LIO**

Unsatisfied and pessimistic nations pose a serious challenge to the LIO because they are more inclined to wage war to achieve their goals. This thesis builds on the argument that those nations in the international systems that are late-comers to the party are more inclined to revisionist tendencies, challenging the current state of affairs, and initiating conflicts to satisfy their needs (Schweller 1994).

Pessimistic nations have a very unfavorable outlook towards the future. Leaders of these states are tempted to take risky decisions, refer to military means for achieving their goals and generally believe to run out of time, because they fear to be in an even more unfavorable position in the future. Hence, they seek to achieve short gains and capitalize on their current strength, fearing to lose influence relative to other actors in the international system. Optimistic powers, in contrast, profit from the current status quo. They have a favorable outlook towards the future and hence have time and patience to invest in power structures that pay-off in the long-term, such as diplomacy, global governance or trade relations (Drezner 2022).

This conception of pessimistic and dissatisfied nations, as dangerous nations helps us to understand the logic behind Russia's war against Ukraine. The Russian economy is mainly based on commodities. Russia does not attract and bind other countries with its soft power. On the contrary, nations in the Russian sphere of influence (e.g., Azerbaijan, Kazakhstan, etc.) tend to choose the West over a closer relationship with Moscow, if they can. This dynamic directly challenges Russia's self-conception as a great power and undermines its regional and global influence.

Hence, the attack on Ukraine was not the result of a Russia threatened by NATO expansion. Moscow's reference to military means was an attempt to overthrow Ukrainian power structures quickly and decisively, and thereby sending two signals. First, showing other countries in the post-Soviet space, what will happen, if they dissolve their close relationship to Russia and intensify their West-orientation. And second, to the rest of the world, showcasing what a mighty great power Russia still is. However, the result is not the strengthening of the Russian empire, but its long-term weakening. Moscow is on the brink of losing its status as a great power. Current developments in the Caucasus (Azerbaijan's attack on Armenia) and in Central Asia (the escalating conflict between Tajikistan and Kyrgyzstan, or the incremental distancing of Kazakhstan from Russia) underline the fact that the Russian Federation has lost control of its near abroad and is at risk becoming a vassal of China (Kendall-Taylor und Kofman 2022).

The Russian failure in Ukraine also underlines another aspect of these pessimistic and often authoritarian powers: they lack effective command, are too centralized and hierarchical when it comes to decision making, they have no error culture, and are unable to inspire their troops and societies to rally behind a common cause. Despite greater numbers of troops and firepower, Russia lost the war in the first phase because of inferior tactics, a lack of commitment, and a failure of supreme command. Pessimistic states like Russia lack the capacity to fail and learn from their failures (Freedman 2002; Zubok 2022).

This brings me to the People's Republic of China (PRC) and the question how the strategic rivalry between the US and the PRC will evolve and characterize the future global order. The PRC has transformed from a satisfied and reluctant power to a much more assertive, even aggressive, and unsatisfied rising power. This change is directly linked to its strong man, president Xi Jinping. Under president Xi, the PRC has changed its policies in two essential aspects. Economically it follows a marxist/leninist direction of more state-control and less market-orientation. In the realm of foreign and security policy, it follows a nationalistic approach, expanding its military power and pushing more aggressively for its national interests. The political system is becoming even more authoritarian and close-minded, and President Xi successfully eliminated all barriers for limiting his power to two terms. Staying in power for the next 20 years seems possible (Rudd 2022).

This development, however, also has its economic downsides and could result in a slowed economic growth. The PRC may come into a situation where it has to decide either to invest in the economy, social security, and pensions and health care for an aging society, or to further prop up its military. Furthermore, the PRC is increasingly confronted with environmental disasters and struggles with the unclear status of the real estate market.

Strategically, president Xi seeks a "dual circulation economy" (Rudd 2022, 14) which means that he tries to make China's economy self-reliant but at the same time increase the global dependency on Chinese goods and services. Furthermore, the fight against (Western) liberal values such as democracy and human rights, and the liberal way of life has become one of the central aims for President Xi, and a goal he shares with other authoritarian countries such as Russia or Iran.

Hence, it is not surprising that the PRC also became more assertive in military matters. President Xi has ordered his military to acquire all means necessary to take over Taiwan by 2027. Although he prefers a peaceful solution, he is willing to solve this issue also with military means. Taiwan not only has an ideological value for Beijing and could enhance China's productivity in technological terms (e.g., semiconductors). The island also has an essential military strategic value. The control of Taiwan would enable Beijing not only to increase its influence within the first Island Chain, but also allow it to extend its sphere of influence towards the second Island Chain. This, in turn, would increase the pressure on the US and its naval forces to operate in this area. Washington would lose control over the Philippine Sea, a central sea route for global trade (Rittenhouse Green und Talmadge 2022).

Hence, the conflict over Taiwan has the biggest potential for war between China and the US at the moment. However, the war in Ukraine was a warning message for China. Even allegedly stronger powers can run into a quagmire when the victim of an attack is well trained and prepared. And when the international community is willing to support the victim with all means necessary. In addition, war games between the US and Taiwan the last couple of months have underlined the fact, that although a conventional war would have devastating effects on all sides, China will lose this war in almost every single scenario (Cancian, Cancian, und Heginbotham 2023).

### **Thesis 3: It is time for the democratic West to reinvent itself**

So how can or should the "democratic West" react to the Russian invasion in order to uphold the global order and to deter other revisionist countries to follow Moscow's example? In my third thesis I argue that it is time for the "democratic West" to reinvent itself and reconstruct a new global order. As already argued before, global orders often emerge from crises. So, this episode is again a chance for the West to come together, find a common purpose and focus on the most pressing issues. These issues are the war in Ukraine and the destabilizing effects of pessimistic nations; climate change and energy security; global supply chains and securing access to strategic industries and markets. The West's capacity to solve these problems will be the key to its successful leadership (Mazarr 2022).

The question, however, remains, how to organize this restructuring? Should the US again lead or should it be a more decentralized form of leadership as Zelikow (2022) argues? Following Daalder and Lindsay (2022), the answer could be the establishment of a G-12, that is a closer and more formal cooperation between Canada, France, Germany, Italy, Japan, UK, US plus Australia, New Zealand, South Korea, EU and NATO. The US must refrain from unilateral moves and seek the cooperation with weaker powers. The other countries (first and foremost the EU) in exchange have to increase their contributions to global leadership. They cannot hide behind the US and hope that Washington will shoulder all burdens.

That means, these countries have to increase their military capabilities (towards 2 % of GDP) and improve the interoperability of their troops. They have to improve the coordination of their foreign and security policies, strengthen their economic ties, and extend global governance structures.

But there is also a problem that could arise with such a move. A too offensive Western coordination effort, that purposefully excludes actors like Russia, China or India, could encourage these countries to form a counter-alliance. Hence, it would be wiser to define the relationship to these countries following US Secretary of State Antony Blinken's proposition, how to deal with China: "competitive when it should be, collaborative when it can be, and adversarial when it must be" (Daalder und Lindsay 2022, 127).

However, the capabilities of Russia and China to form a counter-alliances are limited. Both are dependent on the Western dominated global political economy. Both lack the soft-power to attract other countries (Repnikova 2022). And both have their own strategic rivalries, that inhibits a closer relationship. Nevertheless, it will be important for the West to include the “global South” to its efforts of reconstructing the global order. The West has to take these countries more seriously. It has to step up its economic contributions and integrate them more deeply into the global governance structures, and on more equal terms. Western democracies cannot afford to lose these countries to Russia and China and their conceptions of a new world order (Ikenberry 2022).

#### **Thesis 4: Regionalization will replace globalization, and governments will increase their control of strategic industries and markets**

What are the consequences of the war in Ukraine from the perspective of political economy? I argue that this war has accelerated already existing trends that became visible first during the Covid-19 pandemic. Regionalization will replace globalization, and governments will increase their control of and influence on strategic industries and markets. States already started to reconsider their position towards strategic industries and markets a couple of years ago. The increase of military spending, the deepening of alliances, climate change and energy security, and the free flow of goods and securing supply chains increasingly became a matter of state security. Although the liberal institutional conviction that states will profit from specialization was not replaced by classic realist thinking of “dog eat dog”, states increasingly included this way of thinking in their overall strategic calculation.

Let me underline this thesis with two examples. First, although climate change is one of the most pressing (maybe even the central) challenge of our time, states globally are reluctant to take firm steps to curb carbon emission and slow or even reverse global warming. The war in Ukraine, however, has shown the Western world, that the reliance on a few key players for providing (fossil) energy is a serious security risk. Hence, it is not so much climate change but the developments in Ukraine that drive countries to reorganize their energy markets and to increase their energy security. States will increase their influence in these markets, strengthen their control, and structure these markets according to their strategic needs. Hence, the future of energy markets will be one of more state control and influence (Bordoff und O’Sullivan 2022).

Second, the war in Ukraine will also affect globalization by strengthening the trend towards more regionalization. Already before the war, countries had a focus on regional ties and not so much on global ties. States most often trade within their regions and not so much beyond it. Geography matters: moving goods across the world is more time consuming and expensive than moving them in the near abroad (O’Neil 2022; Foroohar 2022).

This trend towards more regionalization already started during the Covid-19 pandemic. Governments have incentives to control supply chains and ensure strategic sovereignty, for example for medical supplies or semiconductors. Furthermore, automation reduces the need for cheap labor and makes it more easier to produce goods at home. In addition, new technologies like 3D-printing allows for the easy production of spare parts in smaller numbers at home and hence also reduces incentives for importing goods over long distances. Moreover, consumers have become more sensitive when it comes to regionally produce goods and are increasingly critical of the carbon-intensive transport of goods (Jones 2022).

All in all, there are good reasons to believe that global ties will weaken and that states instead will strengthen their regional trade relations. States will invest in and subsidize the availability of strategic industries, services and goods at home or within the near abroad. This observation is in line with my thesis, that the West will stick together closer and maybe reorganize itself to shape the new global order.

## Thesis 5: Social divisions and radical-right populism weaken democratic states

This brings me to my final thesis. Successfully restructuring the global order by the West is not guaranteed. Democratic states are not only confronted by authoritarian countries that challenge the global order. They also face internal challenges that impede their capabilities of acting decisively. Military and economic power alone cannot guarantee decisive action. These powers are essentially dependent on social stability and cohesive societies at home (Acharya 2022).

The Covid-19 pandemic and the war in Ukraine have a lasting effect on our economies and hence also on our societies. The social cohesion of our societies is threatened (or to put it right, was even threatened before, but this trend has been accelerated by these two crises). Increasing political polarization, the inability of political decision-makers to find a common ground and to compromise over political issues, high inflation rates that especially hit the middle and lower classes, and the rising discontent with political authorities, all these developments threaten the cohesion and solidarity of societies in democracies.

Russia and other authoritarian countries seek to exploit these cleavages and weaken democratic states from within. They do so often in concert with populist and radical-right parties in these countries (e.g., the MAGA Republicans in US, the Freedom Party in Austria, the Northern League in Italy, or the Rassemblement National in France). These populist and radical-right parties share core beliefs with revisionist states like Russia, how to reorganize the international system. They oppose transnational governance, regional integration, and international trade. They are nativists and elevate the nation and their citizens over a more liberal conception of statehood. They favor traditional values, and oppose liberal societies, open and more tolerant conceptions of partnership and marriage (Bustinduy 2022; Chryssogelos 2010; Jenne 2021; Verbeek und Zaslove 2017).

Currently, Russia's attraction as a champion of conservative values is seriously damaged by the war. Nevertheless, the culture wars, that accompany the rise of populist and radical-right actors in global politics, are not over yet. MAGA-Republicans in the US are still on the rise, and although the radical-right Brazilian president Jair Bolsonaro hastily left the country shortly before the inauguration of his successor, his followers are still fighting for his policies.

The question whether the democratic West will succeed in rebuilding the global order will inevitably depend on its efforts to deal with these internal challenges. Without solidarity and social cohesion, these democratic states will first and foremost struggle with domestic fights. They will neither have the time nor the energy to cope with global problems, and they will become victims of external interference in their affairs.

## Conclusion

Making predictions in the social sciences, and especially in political science, is always difficult. We, as a discipline, were wrong often, especially in critical junctures of our history. Only a minority of experts really believed that Russia would invade Ukraine in 2022 and set global politics upside down. Nevertheless, I presented arguments and evidence why these five challenges will dominate geopolitics in the years to come. Time will show, if and how Western democracies succeed in stabilizing and restructuring the Liberal International Order. Even though this order may have its downsides, it contributed to an unseen growth of global wealth and to an unknown phase of peaceful relations between the great powers. Hence, it is an order worth fighting for. ■

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