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Rising geostrategic competition



A woman adjusts a Chinese flag before the US-China Strategic and Economic Dialogue in Beijing, China © REUTERS/Ng Han Guan/Pool



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In the years following the Cold War, the prevailing view was that the world had moved towards a liberal, democratic consensus. The break-up of the Soviet bloc, the integration of Russia and China into the global economic system and a fresh wave of democratic transitions, from Latin America to Eastern Europe, led many to believe that superpower rivalries were finished. Globalization, the free market and the 'interdependence' of countries would make wars less likely, while a greater role was forecast for multilateral bodies like the United Nations in responding to issues that put everyone at risk.

This did not relieve us of security concerns, but from the 1990s onward, the so-called new challenges were regarded as asymmetric. Rather than fearing strong, opposing states, we worried about state weakness, the

breakup of countries, or the global reach of non-state, terrorist networks.

Today, however, renewed competition between key actors is a concern. According to the Survey on the Global Agenda, both Asian and European respondents ranked the rise of geostrategic competition as the second most important global



Geopolitics – and realpolitik – is once again taking centre stage.



trend. While the old Cold War is not making a resurgence, recent developments have led to tectonic shifts in state interaction. Geopolitics – and realpolitik – is once again taking

centre stage, with potential wide-ranging consequences for the global economy, politics, and society.

The obvious illustration of these changes is the worsening tension between Russia and the West. The Obama Administration's attempts to improve relations between America and Russia were already faltering when the collapse of the Ukrainian government and rise of separatist movements brought to the fore a clash of fundamentally opposing worldviews. The perspective of 'Europe whole and free' collides with a world of 'zero-sum games and spheres of influence'. With the exchange of economic sanctions, and Russia attempting to lead a Eurasian Union as a counterweight to the European Union, the next decade could be marked by Russia complaining of 'encirclement' and attempting to revise developments that took place during the years when it was perceived as weak and vulnerable. At the same time, the West may be moving away from the economic interdependence with Russia that was once hailed as a guarantor of regional peace and stability.

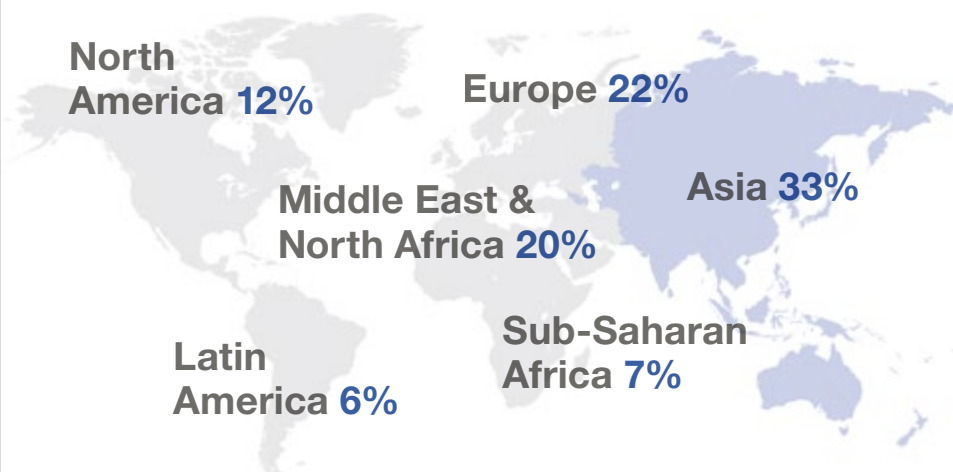
A potentially more important development is taking place in Asia. A shift in the global political order is evident in the rise of China and its uncertain role on the world stage. According to a study by the Pew Research Center, almost half of respondents across all regions believe China has overtaken the US as the world's leading superpower, or will eventually.

A realpolitik dynamic between Japan and China – fuelled by a significant loss of trust, rising nationalism, weak institutions and maritime disputes – affects the world's second and third largest economies, and threatens to directly involve the largest, the United States. The management of China's rise, by its neighbours and by China itself, is of crucial importance in the coming decades.

The Middle East has also taken a turn for the worse, with the breakdown of a state system hastily imposed by the victors of the First World War. Cross-border insurgent group Islamic State – which aims to establish a caliphate in parts of the region – threatens to

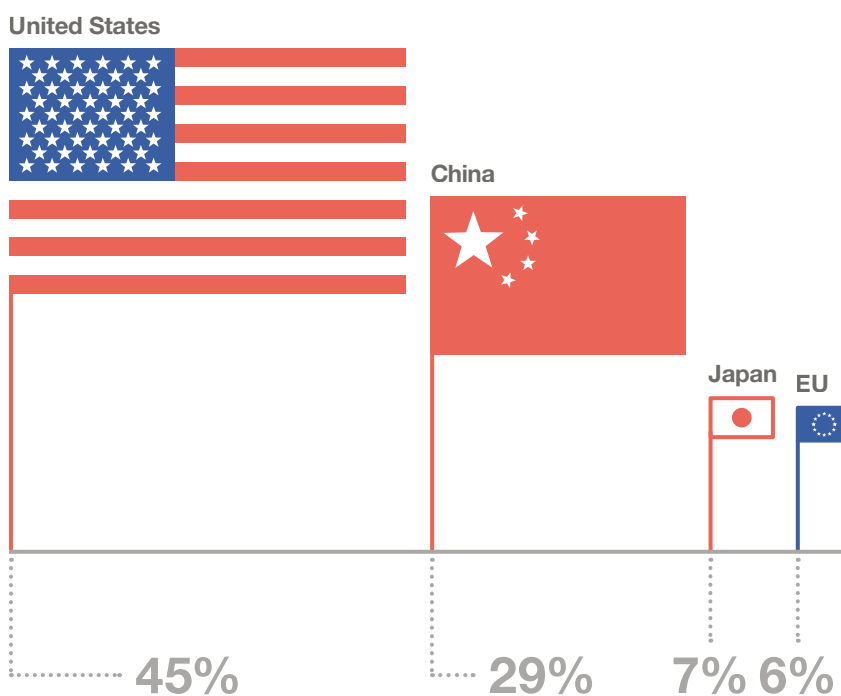
Rising geostrategic competition: Inside the data

Which region will be most affected by **rising geostrategic competition** in the next 12-18 months?



Source: Survey on the Global Agenda 2014

Who is considered to be the **world's leading economic power**?



Source: Pew Research Center Global Attitudes Project, 2014

What are the top 5 solutions to rising geostrategic competition?



#1

Negotiation and understanding



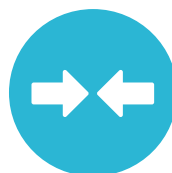
#2

Structures for governance



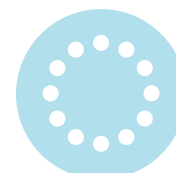
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Pro-cooperation foreign policy



#4

Resolve conflicts and tensions

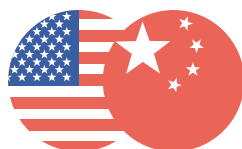


#5

Improve multilateral organizations

Source: Survey on the Global Agenda 2014

Will China eventually replace the USA as the world's leading superpower?



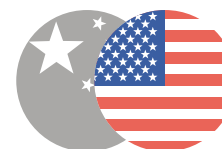
31%

think China will eventually replace USA



15%

think China has already replaced USA



34%

think China will never replace USA

Source: Pew Research Center Global Attitudes Project, 2014

render traditional peace mediation efforts irrelevant. The situation is exacerbated by regional powers exploiting the chaos – even fuelling it – in order to promote their own self-interest.

What we see today is a pattern of persistent, multidimensional competition and the simultaneous weakening of established relationships, a trend that trickles down and spills over into multiple sectors and issues. In this fluid, amorphous world order, we must manage both asymmetric and symmetric challenges together. The changing relationship between world powers has reduced the political energy available for tackling shared problems like climate change and global health, not to mention second-order crises. Chaos has festered.

Yet in the face of potential globalization (and indeed de-globalization), rising nationalism and a deepening disbelief in multilateralism, the most important lesson from 2014 is that we cannot remain passive. We need more international cooperation, not less. Regional and global intergovernmental organizations will be put to greater tests; meanwhile institutions like the World Economic Forum must continue to create a confluence of private and public actors, civil society and academia to impress upon political leaders the importance of collective reflection. Far from improving conditions for its participants, the current pattern of geostrategic competition threatens to harm us all ■