
Realist World

The Players Change, but the Game Remains

Stephen Kotkin

Geopolitics didn't return; it never went away. The arc of history bends toward delusion. Every hegemon thinks it is the last; all ages believe they will endure forever. In reality, of course, states rise, fall, and compete with one another along the way. And how they do so determines the world's fate.

Now as ever, great-power politics will drive events, and international rivalries will be decided by the relative capacities of the competitors—their material and human capital and their ability to govern themselves and their foreign affairs effectively. That means the course of the coming century will largely be determined by how China and the United States manage their power resources and their relationship.

Just as the free-trading United Kingdom allowed its rival, imperial Germany, to grow strong, so the free-trading United States has done the same with China. It was not dangerous for the liberal hegemon to let authoritarian competitors gain ground, the logic ran, because challengers would necessarily face a stark choice: remain authoritarian and stagnate or liberalize to continue to

grow. Either way, the hegemon would be fine. It didn't end well the first time and is looking questionable this time, too.

China will soon have an economy substantially larger than that of the United States. It has not democratized yet, nor will it anytime soon, because communism's institutional setup does not allow for successful democratization. But authoritarianism has not meant stagnation, because Chinese institutions have managed to mix meritocracy and corruption, competence and incompetence, and they have somehow kept the country moving onward and upward. It might slow down soon, and even implode from its myriad contradictions. But analysts have been predicting exactly that for decades, and they've been consistently wrong so far.

Meanwhile, as China has been powering forward largely against expectations, the United States and other advanced democracies have fallen into domestic dysfunction, calling their future power into question. Their elites steered generations of globalization successfully enough to enable vast social mobility and human progress around the world, and they did quite well along the way. But as they gorged themselves at the trough, they overlooked the negative economic and social effects of all of this on citizens in their internal peripheries. That created an opening for demagogues to exploit, which they have done with a vengeance.

The Great Depression ended an earlier age of globalization, one that began in the late nineteenth century. Some thought the global financial crisis of 2008 might do the same for the current wave. The system survived, but the emergency measures implemented to save it—including bailouts for banks, but not for

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The coming conflict: Taiwanese navy personnel in Yilan, Taiwan, June 2016

ordinary people—revealed and heightened its internal contradictions. And in the decade following, antiestablishment movements have grown like Topsy.

Today's competition between China and the United States is a new twist on an old story. Until the onset of the nineteenth century, China was by far the world's largest economy and most powerful country, with an estimated 40 percent share of global GDP. Then it entered a long decline, ravaged from without and within—around the same time the United States was born and began its long ascent to global dominance. The United States' rise could not have occurred without China's weakness, given how important U.S. dominance of Asia has been to American primacy. But nor could China's revival have occurred without the United States' provision of security and open markets.

So both countries have dominated the world, each has its own strengths and weaknesses, and for the first time, each confronts the other as a peer. It is too soon to tell how the innings ahead will play out. But we can be confident that the game will continue.

BEWARE OF WHAT YOU WISH FOR

To understand the world of tomorrow, look back to yesterday. In the 1970s, the United States and its allies were rich but disordered and stagnant; the Soviet Union had achieved military parity and was continuing to arm; China was convulsed by internal turmoil and poverty; India was poorer than China; Brazil, ruled by a military junta, had an economy barely larger than India's; and South Africa was divided into homelands under a regime of institutionalized racism.

Four decades later, the Soviet Union has dissolved, and its successor states have embraced capitalism and private property. China, still politically communist, chose markets over planning and has grown to have the world's second-largest economy. Once-destitute India now has the sixth-largest economy. Brazil became a democracy, experienced an economic takeoff, and now has the eighth-largest economy. South Africa overturned apartheid and became a multiracial democracy.

The direction of these changes was no accident. After World War II, the United States and its allies worked hard to create an open world with ever-freer trade and ever-greater global integration. Policymakers bet that if they built it, people would come. And they were right. Taken together, the results have been extraordinary. But those same policymakers and their descendants weren't prepared for success when it happened.

Globalization creates wealth by enticing dynamic urban centers in richer countries to invest abroad rather than in hinterlands at home. This increases economic efficiency and absolute returns, more or less as conventional economic theory suggests. And it has reduced inequality at the global level, by enabling hundreds of millions of people to rise out of grinding poverty.

But at the same time, such redirected economic activity increases domestic inequality of opportunity and feelings of political betrayal inside rich countries. And for some of the losers, the injury is compounded by what feels like cultural insult, as their societies become less familiar. Western elites concentrated on harvesting globalization's

benefits rather than minimizing its costs, and as a result, they turbocharged the process and exacerbated its divisive consequences.

Too many convinced themselves that global integration was fundamentally about economics and sameness and would roll forward inexorably. Only a few Cassandras, such as the political scientist Samuel Huntington, pointed out that culture was more powerful and that integration would accentuate differences rather than dissolve them, both at home and abroad. In 2004, he noted that

in today's America, a major gap exists between the nation's elites and the general public over the salience of national identity compared to other identities and over the appropriate role for America in the world. Substantial elite elements are increasingly divorced from their country, and the American public, in turn, is increasingly disillusioned with its government.

Soon enough, "outsider" political entrepreneurs seized the moment.

Having embraced an ideology of globalism, Western elites left themselves vulnerable to a mass political challenge based on the majoritarian nationalism they had abandoned. The tribunes of the popular insurgencies may traffic in fakery, but the sentiments of their voters are real and reflect major problems that the supposed experts ignored or dismissed.

THAT WAS THEN

For all the profound changes that have occurred over the past century, the geopolitical picture today resembles that of the 1970s, and even the 1920s,

albeit with one crucial exception. Diminished but enduring Russian power in Eurasia? Check. Germany at the core of a strong but feckless Europe? Check. A distracted U.S. giant, powerful enough to lead but wavering about doing so? Check. Brazil and South Africa dominating their regions? Check. Apart from the stirrings of older Indian, Ottoman, and Persian power centers, the most important difference today is the displacement of Japan by China as the central player in the Asian balance of power.

China's industriousness has been phenomenal, and the country has certainly earned its new position. But it could never have achieved what it has over the last two generations without the economic openness and global security provided by the United States as a liberal hegemon. From the late nineteenth and into the twentieth century, the United States—unlike the Europeans and the Japanese—spent relatively little effort trying to establish direct colonial rule over foreign territory. It chose instead to advance its interests more through voluntary alliances, multilateral institutions, and free trade. That choice was driven largely by enlightened self-interest rather than altruism, and it was backed up by global military domination. And so the various multinational bodies and processes of the postwar system are actually best understood not as some fundamentally new chimera called “the liberal international order” but as mechanisms for organizing and extending the United States' vast new sphere of influence.

Strong countries with distinctive ideologies generally try to proselytize, and converts generally flock to a winner. So it should hardly be surprising that

democracy, the rule of law, and other American values became globally popular during the postwar years, given the power of the U.S. example (even in spite of the fact that U.S. ideals were often more honored in the breach than the observance). But now, as U.S. relative power has diminished and the U.S. brand has run into trouble, the fragility of a system dependent on the might, competency, and image of the United States has been exposed.

Will the two new superpowers find a way to manage their contest without stumbling into war? If not, it may well be because of Taiwan. The thriving Asian tiger is yet another tribute to the wonders of globalization, having become rich, strong, and democratic since its unprepossessing start seven decades ago. But Beijing has been resolute in insisting on reclaiming all territories it regards as its historical possessions, and Chinese President Xi Jinping has personally reaffirmed that Taiwan is Chinese territory and a “core interest.” And the People's Liberation Army, for its part, has gradually amassed the capability to seize the island by force.

Such a radical move might seem crazy, given how much chaos it could provoke and how deeply China's continued internal success depends on external stability. But opinion polls of the island's inhabitants have recorded a decisive trend toward a separate Taiwanese identity, the opposite of what Beijing had expected from economic integration. (Western elites aren't the only ones who harbor delusions.) Will an increasingly powerful Beijing stand by and watch its long-sought prize slip away?

THIS IS NOW

Over the last decade, Russia has confounded expectations by managing to weather cratering oil prices and Western sanctions. Vladimir Putin's regime may be a gangster kleptocracy, but it is not only that. Even corrupt authoritarian regimes can exhibit sustained good governance in some key areas, and smart macroeconomic policy has kept Russia afloat.

China, too, has a thuggish and corrupt authoritarian regime, and it, too, has proved far more adaptable than most observers imagined possible. Its elites have managed the development of a continent-sized country at an unprecedented speed and scale, to the point where many are wondering if China will dominate the world. In 1800, one would have expected China to dominate a century later—and instead, Chinese power collapsed and American power skyrocketed. So straight-line projections are perilous. But what if that early-nineteenth-century forecast was not wrong but early?

Authoritarianism is all-powerful yet brittle, while democracy is pathetic but resilient. China is coming off a long run of stable success, but things could change quickly. After all, Mao Zedong led the exact same regime and was one of the most barbaric and self-destructive leaders in history. Just as many people once assumed that China could never rise so far, so fast, now some assume that its rise must inevitably continue—with as little justification.

Xi's decision to centralize power has multiple sources, but one of them is surely an appreciation of just how formidable the problems China faces are. The natural response of authoritarian regimes to crises is to tighten their grip at the

top. This allows greater manipulation of events in the short term, and sometimes impressive short-term results. But it has never yet been a recipe for genuine long-term success.

Still, for now, China, backed by its massive economy, is projecting power in all directions, from the East China and South China Seas, to the Indian Ocean, to Central Asia, and even to Africa and Latin America. Wealth and consistency have combined to yield an increasingly impressive soft-power portfolio along with the hard-power one, enabling China to make inroads into its opponent's turf.

Australia, for example, is a rich and robust liberal democracy with a high degree of social solidarity and a crucial pillar of the American order—and it happens to be smack in the path of China's expansion. Beijing's influence and interference there have been growing steadily over the last generation, both as a natural consequence of economic interdependence and thanks to a deliberate long-term campaign on the part of China to lure Australia into a twenty-first-century version of Finlandization. Similar processes are playing out across Asia and Europe, as China embarks on building a Grand Eurasia centered on Beijing, perhaps even turning Europe away from the Atlantic.

Right now, the United States' debasement is giving China a boost. But as Adam Smith noted, there is indeed "a great deal of ruin in a nation," and the United States remains the strongest power in the world by far. Furthermore, this will not be a purely bilateral game. Yes, the United Kingdom allowed Germany to rise and lead a hegemonic challenge against it—twice.

But it also allowed the United States to rise, and so when those challenges came, it was possible, as Winston Churchill understood, for the New World, with all its power and might, to come to the aid of the Old.

In the same way, the United States has allowed China to rise but has also facilitated the growth of Europe, Japan, India, Brazil, and many others. And however much those actors might continue to chafe at aspects of American leadership or chase Chinese investment, they would prefer the continuation of the current arrangements to being forced to kowtow to the Middle Kingdom.

The issue of the day might seem to be whether a Chinese sphere of influence can spread without overturning the existing U.S.-created and U.S.-dominated international order. But that ship has sailed: China's sphere has expanded prodigiously and will continue to do so. At the same time, China's revival has earned it the right to be a rule-maker. The real questions, therefore, are whether China will run roughshod over other countries, because it can—and whether the United States will share global leadership, because it must.

Are a hegemon's commitments co-dependent, so that giving up some undermines the rest? Can alliances and guarantees in one place unwind while those in another remain strong? In short, is retrenchment possible, or does even a hint of retreat have to turn into a rout? A well-executed U.S. transition from hegemonic hyperactivity to more selective global engagement on core interests might be welcome both at home and abroad, however much politicians and pundits would squeal. But cases of successful peaceful retrenchment are

rare, and none has started from such an apex.

History tells us nothing about the future except that it will surprise us. Three-D printing, artificial intelligence, and the onrushing digital and genetics revolutions may upend global trade and destabilize the world radically. But in geopolitics, good outcomes are possible, too—realism is not a counsel of despair. For today's gladiators to buck the odds and avoid falling at each other's throats like most of their predecessors did, however, four things will be necessary. Western policymakers have to find ways to make large majorities of their populations benefit from and embrace an open, integrated world. Chinese policymakers have to continue their country's rise peacefully, through compromise, rather than turning to coercion abroad, as well. The United States needs to hew to an exactly right balance of strong deterrence and strong reassurance vis-à-vis China and get its house in order domestically. And finally, some sort of miracle will have to take care of Taiwan. 🌐

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