TI Observer

by Taihe Institute

Unity in Diversity:

Navigating Multipolarity Through Bilateral Channels



Contents

01	In the Quest for Multilateral Cooperation Ong Tee Keat	01
02	China and Multilateralism Amid an Era of Great Power Competition Waseem Ishaque	07
03	An Australian View on China and the Emerging Multipolar World Colin Mackerras	13
TIO Spotlight Talk	Multipolarity: Disruptions and Opportunities in a New World An Interview with Einar Tangen	20
Youth Voices	The New Economic Frontier 3.0: Prospects for an Integrated Community Gulshan Bibi	26

In the Quest for Multilateral Cooperation

Ong Tee Keat



Senior Fellow of Taihe Institute
President of the BRI Caucus for Asia Pacific

Humanity is grappling with an unprecedented multi-dimensional litany of existential challenges amid an incoherent global governance. The conventional West-centric dictates that have served the geopolitical purposes of the West over the past seven decades have now come to a bottleneck. The existing global order has ostensibly outlived its relevance.

The evolving dynamism and paradigm have dawned upon us that the changing world could never be the same as before. All nation states, including the reigning hegemon, must learn to live with the new reality of multi-polarity where "embracing diversity" with inclusivity is the evolving order of the day. This constitutes the pre-requisite of multilateral cooperation underpinning the global governance.

Yet, in reality, humanity is now left with a heavily fragmented world order with dysfunctional global institutions following the onslaught of the coronavirus outbreak.

Parallel to this, the impact that the common challenges brought upon the prevailing global order is unprecedented. Western supremacy and the accompanying deeply rooted exceptionalism are now openly contested. Normative condescension by the old colonial powers of the West to their former colonies in the developing world is increasingly challenged.

The Global South's growing disillusionment with the current international order can no longer be concealed. An evolving alternative order in the world of multipolarity is in the making, though the trajectory ahead is anticipatedly bumpy as the global trust deficit widens.

Never before has the latitude for genuine multilateral cooperation been suppressed in almost all dimensions of human endeavors. Unilateralism cloaked in the outfit of economic nationalism and political populism is rearing its ugly head again, thus lending momentum to the de-globalization zeal. The prognosis for multilateral cooperation continues to look bleak. Silo mentality is mushrooming. Regional economic integration, once touted as the bulwark of multinational cooperation, is now put to test.

Chipping of the foundational architecture for economic integration is occurring more rampantly than ever before through exclusionary mini-lateral engagement. The roll-out of the Indo-Pacific Economic Framework for Prosperity (IPEF) is a clear case of the proverbial elephant in the room.

Washington may seek to justify the inception of IPEF in the name of ensuring resilience of supply chains. However, excluding China - a country equipped with a full gamut of industrial supply chains - is in itself a travesty of multilateralism.

The inception of the U.S.-led IPEF, which constitutes part of Washington's Indo-Pacific strategy, was purportedly designed to target China by locking out the nation from the global supply chain, on the pretext of ensuring supply chain resilience, and making purported over-reliance on the Chinese supply chain attributable.

In essence, this runs contrary to the interests of economic integration in Asia Pacific that the Regional Comprehensive Economic Partnership (RCEP) was intended for. In this context, mini-lateralism is being weaponized as an exclusionary geopolitical tool.

Resorting to hostile exclusionary mini-lateral partnership will only further exacerbate the trust deficit in the prevailing global governance. The misplaced selective mini-lateralism is a great disservice to the inclusive multilateralism underpinning the global order.

Amid the evolving global order, mini-lateralism may make a good complement to multilateralism for a good cause, but certainly not as an alternative designed to

substitute the latter, much less as a wedge driven by an insidious hegemon in the web of global cooperation and solidarity.

The world sees Washington's actions for what they are in the aftermath of the pandemic-induced supply chain disruption. As Beijing is dubbed the "most serious competitor" by Washington, the latter's insidious moves were visibly calibrated to slow down China's economic progress. The anguish of Washington for fear of being displaced as the sole global leader is evident.

Parallel to this, ASEAN, the comprehensive strategic partner of China, was dragged into the Sino-US face-off when the Indo-Pacific Economic Framework for Prosperity (IPEF) was announced with supply chain resilience as one of the four pillars promised.

Under the prism of Washington's Indo-Pacific strategy, ASEAN as a regional bloc is pivotal as it makes an ideal target for the US wedge driving bid to turn against China.

In this regard, small and vulnerable nation states, notably from the developing Global South, tend to fall easy prey to mini-lateral partnership cloaked in the outfit of multilateralism, primarily to have their priorities addressed.

In the case of ASEAN, concern for potential supply chain disruption is real and relevant. This explains why some ASEAN member states must bank on the hedging strategy to avert over-reliance on the Chinese supply chains, though they insist on positions of not picking sides in the China-U.S. geopolitical rivalry.

To Washington, mini-lateral collaboration did not begin with the IPEF. In recent years, it has become the favored form of security cooperation mooted by the U.S. in the Asia-Pacific region. The revival of Quad since 2017 and the establishment of AUKUS in 2021, each with cross-continental membership, provide relevant examples exemplifying the trend.

In this context, "like-mindedness" rooted in "political value identification" that is trumpeted by Washington deals another blow upon multilateral cooperation. In the name of preserving supply chain resilience, calls for "friend-shoring" have openly been made to woo U.S.-invested and foreign ventures in China to relocate their industrial establishments to the like-minded countries. Political system and ideological affiliation are both made the key criteria based on the whims and

fancies of the U.S., albeit not without exception so long as it serves the geopolitical interests of Washington. Vietnam, a socialist state of different polity, is a clear case in point. Again, China is the real target of the US gameplan.

The reigning hegemon, holding sway over the world governance for the past seven decades after WWII, is more obsessed with offering such binary choices as "democracy versus authoritarianism" to the international community.

Specters of the Cold War were resurrected from the old toolbox to perpetuate the political divide. Under the prism of zero-sum mentality, the perceived decline of the West's dominance sparks the renewed Sinophobia in the West that justifies their so-called "counter-authoritarianism" move.

In this perspective, rekindling the Cold War spark in the name of "crusading for democracy" is certainly not a viable option for humanity. It is no solution to the quagmire confronting humanity, and will only flare up at various flash points across the world, thus pushing the globe to the edge of Armageddon.

Yet, in reality, common sense does not seem to prevail. Ideological lines are deliberately drawn much to the detriment of multilateral cooperation, which is supposedly a cross-divide endeavor transcending the ideological barriers. The thinly veiled intention of insulating, isolating and alienating China from the rest of the world is conspicuously apparent and provocative.

To this end, Washington has become hellbent on ramping up the negative portrayal of Beijing from a mere bogeyman to an authoritarian demon posing threat to the world. Decorum of diplomacy is totally left in disregard. The overwhelming discourse power of the West-controlled international media is being used to the hilt as a propaganda tool against China.

Under the prevailing "rules-based order" dictated by the U.S.-led West, China's wings of pursuing excellence are clipped in all dimensions by the reigning hegemon with the omni-present hurdles of pan-securitization of almost all aspects of human endeavors, with or without links to national security of any one nation. After all, the pan-securitization architecture is devised to serve the US interests by presenting a conducive global environment deemed safe to Washington. The collateral damage that goes with it is that trust gap will continue to widen at the expense of multilateral cooperation.

Under the prevailing framework, global order is getting increasingly out of sync vis-à-vis the rising aspirations of the developing Global South. The latter which had long been denied its fair share of say in global governance is on a quest for a coherent global leadership in the face of various challenges.

The spectrum of exigencies, ranging from food and energy insecurity to climate change, is elevating to an unprecedented catastrophic level. Shared destiny of humanity has now been growing more pronounced than ever before as the collective survival of humanity is at stake.

From the perspective of weak and vulnerable nation states, they have legitimate rights, on par with others, to determine the trajectory of their own development. All models of governance are rooted in the respective civilizational norms and societal priorities varying across the world. There is no single model or benchmark of governance that fits all nation states.

In the present context, the coercive imposition of the Western model of governance on others, particularly developing and least developed nations, irrespective of the local social conditions is, in itself, hegemonic in nature. And these countries, in most cases, are doomed to fail as the templates of Western democracy and human rights are totally alien to their people.

In retrospect, the humanitarian disasters sweeping across Iraq and Afghanistan could have been averted had the "regime change" by force not been enacted by Washington. The weaponization of democracy and human rights based on the belief of "might is right" shows flagrant disregard for human rights of the highest order, largely blinkered by the perpetrators' hegemonic greed and arrogance.

All this does not augur well to the global pursuit of multilateral cooperation, as the less developed Global South looks set to be further marginalized. The aggravated disparity between the Global North and South will only serve to further accelerate the pace of resetting the existing global order.

This is beyond the control of any single nation state. The U.S.-led West, instead of accusing China for attempting to supplant the existing order with an alternative choice of its own, should learn to be more accommodative with inclusiveness in the prevailing multi-polar world.

After all, time and again Beijing has been reassuring Washington that it has no

intention at all to supplant the US primacy. The latter should be confident enough to excel and spearhead breakthroughs in human endeavors instead of being hellbent on stifling the competitiveness of others.

As the reigning global leader, Washington would have all the competitive advantages in nurturing multilateral cooperation had it been more inclusive and self-confident. Only then would we be able to address the common challenges concertedly under the framework of a more coherent global order.

China and Multilateralism Amid an Era of Great Power Competition

Waseem Ishaque



Senior Fellow of Taihe Institute Professor of International Relations Director, China Study Centre, National University of Modern Languages (NUML), Islamabad, Pakistan

Introduction

The world is in the process of profound and complex changes. Global challenges are becoming more prominent, and security threats are becoming increasingly integrated, complex, and volatile. Economic globalization, multi-polarity, and rapid advancement in science and technology are three major driving forces transforming the global security landscape today. International strategic competition and contradictions are intensifying, but trends toward peace, development, and cooperation are also emerging.

Phrases like "America is back" blared following President Joe Biden's speech at the Munich Security Conference in February 2021, an address clearly designed to draw a line under the Donald Trump presidency and mark a new start. "We are not looking backward," Biden promised. "We are looking forward together." Yet a cornerstone of the Trump's foreign policy was: "great-power competition." "We must prepare together for a long-term strategic competition," Biden told the conference, adding that "competition with China is going to be stiff."

Unfortunately, while "great-power competition" has been Washington's favorite buzzword in recent years, it remains frustratingly narrowly defined. Indeed, most commentators skip the big questions (Why are we competing? Competing over what?) and go straight to arguing about how to achieve victory. Since possible answers to these questions range from the entirely reasonable i.e., that states should be able to conduct domestic affairs without interference, to the dangerous

and utterly unrealistic i.e., that Washington should be pursuing regime change in Beijing and Moscow, it's hardly something which can be ignored in our strategic calculus.

The 2017 National Security Strategy, for example, describes the world as an "arena of continuous competition" for which the United States must prepare. This is the global strategic landscape we are confronted with today. Despite this, peaceful coexistence is still possible and attainable in spite of rhetoric, coercion, and zero-sum mentality demonstrated by the U.S.-led status quo.

Understanding the Enigma of Great Power Competition

In today's international order, triangular relations between China, Russia, and the U.S. are of great importance. Due to intense China-U.S. competition and the Russia-Ukraine war, many international relations scholars concur that the world has become more uncertain and dangerous. Such developments indicate that the future will be riven with divisions, with countries separated into hostile competing blocs, and geopolitics becoming a zero-sum game. However, states have cooperated and competed in the past as well. The last century was punctuated by periodic violence: World War I, World War II, the Korean War, the Vietnam War, several wars between Israel and Arab states, and numerous small-scale wars in the Global South amongst others. During the Cold War, the risk of nuclear escalation made direct confrontation between Moscow and Washington too dangerous, but their rivalry sparked many hot conflicts and proxy wars around the world. Even the so-called unipolar moment, when the United States reigned supreme, was not free of conflict: vicious genocidal wars erupted in Rwanda and the former Yugoslavia; the United States invaded Iraq, Afghanistan, Libya; and conflict developed in Ukraine, amongst other examples.

The main drivers behind US war mongering and Great Power Competition are drastic shifts in US National Security Strategy (NSS) priorities from the 2010 NSS onwards. In NSS 2010, President Obama welcomed peaceful development of China and acknowledged China as an important actor in international affairs. However, US NSS 2017 issued by President Trump brought a drastic change, where Great Power Competition with China and Russia was unveiled as the new direction of US foreign and defense policy. A similar line with even harsher rhetoric has been adopted by President Biden in US NSS 2022. The quantitative analysis indicates that NSS 2017 contained the words "competition with China" 33 times while NSS 2022 mentions the phrase 55 times. This reality must be acknowledged when analyzing US global priorities for the future.

Decoding International Relations Theory and Great Power Competition

It is pertinent to refer to Security Dilemma and Power Transition Theory to decode Great Power Competition. The security dilemma in IR (international relations) refers to increase in the security of one state might result in insecurity of the other state, while A. F. K. Organski's Power Transition Theory helps in identifying the changing pattern of polarity by analyzing the factors that are contributing to systemic changes at international, domestic, societal, and individual levels.

In the context of U.S.-China relations, we must consider the widely debated concepts "Thucydides Trap" and "Kindleberger Trap." Thucydides Trap, a term popularized by American political scientist Graham T. Allison, describes a tendency towards war when an emerging power threatens to displace an existing great power as a regional or international hegemon. This term has gained popularity since 2015. In contrast, the Kindleberger Trap highlights that status-quo powers' miscalculation that rising powers are not strong enough, therefore creating preemption to displace rising powers. Both these paradigms are overwhelming the US State Department and Pentagon; therefore, inevitable rivalry may escalate to a level of direct conflict between the U.S. and China when viewed from the US perspective.

US policy makers are underpinned by warmongering research from US scholars, especially, since the end of cold war in 1991 and elevation of U.S. as a unipolar power. For instance, Graham Allison's book *Destined for War* is a best-seller in U.S. and around the world, but the work can at best be regarded as a fiction when analyzed from the Chinese perspective, as war though possibility is not a preferred option in any scenario, but the US impetus for trumpeting war hysteria to achieve the ends of National Security Strategy to justify Great Power Competition analogy.

The U.S. has embarked upon a China containment strategy. Starting in 2012, the US Pivot to Asia strategy announced by Barack Obama's administration, aimed to build an alliance partnership in Asia-Pacific region, enhancing the presence of all three US military service personnel and capabilities around China. It also aimed to flip narratives on regional hot spot issues and create uneasy situations in the garb of freedom of navigation in air and maritime domains. Aggressive US strategies like the Indo-Pacific Strategy, AUKUS, QUAD and recently formulated trilateral U.S.-Japan-South Korea alliance are intimidating and point towards unnecessary hostile posturing. The ongoing trade war, tech war, U.S.-Taiwan defense cooperation and exchange visits are highly provocative and create dangerous scenarios of miscalculation, which need to be handled pragmatically and cautiously.

There is little to say about U.S.-Russia relations. After the collapse of the Soviet Union, US Secretary of State James Baker assured Boris Yeltsin that if Russia removed its nuclear arsenal from Eastern European countries, NATO would not move an inch eastward.

However, Zbigniew Brzezinski, the former US National Security Advisor, wrote an article in *Foreign Affairs* in January 1995, creating a roadmap of expansion for NATO and the security architecture of Europe, which was later amplified in his book in 1997, titled "The Grand Chessboard." The NATO enlargement in 1999, 2004, and 2008 almost confirmed this roadmap.

The next stage of expansion involves countries surrounding the Black Sea, including NATO member Turkiye, and others such as Georgia, Bulgaria, Romania, Moldova, and Ukraine. If this happens, Russia would be denied its Black Sea fleet. Similarly, the proposed NATO liaison office in Japan moving from North Atlantic to North Pacific would deny or at least constrain the Russian Pacific fleet near Vladivostok. US policy makers may be overwhelmed by Mackinder's theory of Heartland and Mahan's theory of Sea Power for controlling Sea Lines of Communication in containing Russia by all means.

The outcome of Ukraine conflict will decide the future of U.S.-Russia relations. As of now, it is being portrayed as an ideological war by Russia, to strong public support. Popular terms like Neo-Nazism and attack on liberal world order have become international buzzwords. In the context of a security dilemma, NATO's eastward expansion is an existential threat for Russia; therefore, it cannot be ignored. U.S.-Russia relations in the evolving international order will continue to be a confrontational zero-sum game.

China and Multilateralism

A prominent feature of international relations post-Cold War is a notable increase in the practice of multilateral diplomacy across several levels, including the global, cross-regional, regional, and sub-regional domains. The concept of multilateral diplomacy, as used in this context, refers to the interactions that take place between nation states inside both permanent and temporary global and regional international institutions, conferences, and negotiations, involving the simultaneous participation of more than two actors. The inception of multilateral diplomacy can be traced back to the establishment of the United Nations in 1945. Nevertheless, the process of globalization during the Cold War era quickly transformed the United Nations into a platform where the East and West engaged

in confrontations. The function of multilateral diplomacy was significantly limited because of an inflexible bipolar framework.

The dissolution of the bipolar global framework has ushered in a new epoch characterized by the prominence of multilateralism. The recent improvement in ties among the dominant global powers has reinvigorated the role of the United Nations Security Council. This development has led to an increased likelihood of the five permanent members, commonly referred to as the P5, reaching a consensus on significant matters pertaining to global peace and security.

Furthermore, the conclusion of the Cold War has generated impetus for the advancement of regionalism in once rigidly delineated areas characterized by opposing political and military alliances, hence augmenting intra-regional multilateral engagements. Furthermore, the feasibility and effectiveness of multilateral approaches to resolving interstate and internal disputes have increased because of the reduction in superpower competition in several geographically volatile regions.

China's support for multilateralism can be traced in the Chinese leaders' speeches at international forums. In a speech at the United Nations, the Chinese President Xi Jinping emphasized that multilateralism is an effective measure to maintain peace and promote world development, adding that "pursuing multilateralism is inseparable from the United Nations, international law, and cooperation among countries." The world needs genuine multilateralism, and all countries should act in accordance with the purposes and principles of the UN Charter, refrain from pursuing unilateralism and hegemony, and should not use multilateralism as a pretext to form small circles or stir up ideological confrontation. China will continue to support the work of the United Nations and that of Secretary-General António Guterres, as well as uphold genuine multilateralism, the Chinese President highlighted.

The maintenance of multilateralism is crucial for the effective resolution of global issues, particularly when contrasted with the approaches of empire, hegemony, and balance-of-power politics. To foster effective governance and establish a durable global framework, it is crucial for the international community to prioritize the principles of multilateralism, while concurrently addressing issues pertaining to governance deficiencies. There is urgent need for reform addressing societal divides between the relevant groups.

The necessity of reform is indicated by a minimum of three dimensions within

contemporary multilateralism. Initially, the establishment of multilateral institutions was undertaken with the goal of addressing challenges that emerged from intergovernmental interactions. The sole membership of these institutions was intentionally limited to nation states. Insufficient engagement has been notably evident as an increasing number and diverse range of people assume significant roles in global affairs within the context of globalization. Furthermore, the presence of hegemony casts a looming shadow over the contemporary implementation of multilateralism. The establishment of international institutions is frequently contingent upon the presence of hegemonic capacities. Furthermore, it incorporates aspects of hegemony as defined by Antonio Gramsci. The governing principles and structures of the post-war global order, which mostly emerged from European and American contexts, are commonly perceived as possessing a universal nature, implying their applicability to all nations. The current system fails to accurately represent the true nature of the rising global society, which is characterized by diversity. Furthermore, the present state of multilateralism heavily relies on the underlying assumption of individual rationality. Member states perceive multilateral institutions as an additional avenue for pursuing their national interests.

Conclusion

In this era of interdependence and economic globalization, a new cold war, though possible, seems a difficult proposition, despite continuing irritants like decoupling, de-risking and others. China has created three excellent visions for global goods, the GCI (Global Civilization Initiative), GDI (Global Development Initiative) and GSI (Global Security Initiative), which provide global net positives, and should be prioritized instead of attaching geopolitics. Through exchange of civilizations and mutual accommodation, we can create a community with a shared destiny and future, through mutually beneficial cooperation. We can create a world free of suffering, wars, and conflicts, only if we respect individual core national interests and build a prosperous world with common agenda of global good through multilateral forums and conduct international relations out of zero-sum game.

An Australian View on China and the Emerging Multipolar World

Colin Mackerras



Professor Emeritus at Griffith University, Brisbane, Australia

Introduction

A major factor in world politics over the past few years has been competition imposed by the U.S. on China, the technology and economy of which has risen at an astounding rate. As the dominant hegemon, the U.S. is extremely reluctant to resign its place at the top.

The world is multipolar and transitioning into a more advanced stage of multipolarity, in which hegemonic power is on the decline, while others, and especially China, are on the way up. China does not represent a "replacement" to the U.S., despite some US voices insisting that it does.

Tensions between Australia and China remain palpable, but recent visits by Australian Prime Minister Anthony Albanese to China and Chinese leaders to California contributed to an improvement in relations between China and Australia, on the one hand, and the U.S. on the other. These visits soften geopolitical tensions, but do not completely alleviate them.

This article aims to take up a few issues concerned with the two visits. Specifically looking at the situation through the eyes of an Australian, it makes an analysis of the world situation with a focus on the bilateral relationship between China and Australia.

China-Australia Relations

Australia is starting to transition from an extended period of tense relations with China. A government led by a coalition of two conservative parties ran the country from 2013 to 2022. This coalition produced several prime ministers, the last of them being Scott Morrison, who held the office from 2018 to 2022. The various conservative coalition governments including Morrison had frostier relations with China.

The Morrison government purchased nuclear-powered submarines from the U.S. under an agreement called AUKUS (Australia, the United Kingdom, and the United States), announced in September 2021. An enormously expensive deal, this potentially signaled a return of British military forces to the Pacific region.

In May 2022, Anthony Albanese was elected Australian Prime Minister, and visited China in November 2023. In its early days, the Albanese government favored a more Western-centric foreign policy. Albanese made numerous overseas visits, meeting with US President Joe Biden and various other Western leaders, but remained cool towards China. Albanese reinvigorated Australia's support for AUKUS at a meeting with Biden and British Prime Minister Rishi Sunak in March 2023 in San Diego, California and was insistent about China's relaxation of trade restrictions on certain commodities, including barley, lobsters and wine, though overall trade with China rose significantly. On the other hand, Albanese also abstained from antagonistic "megaphone diplomacy" aimed at China that Morrison had utilized. The Australian Labor Party (ALP) government initially ignored potential opportunities it could have built with China, but enjoyed a warmer relationship than its predecessor.

Albanese's visit in November 2023 marked the fiftieth anniversary of a similar visit by Gough Whitlam, who established Australian diplomatic relations with China. Albanese affirmed with Chinese leaders that there were no fundamental conflicts of interest between Australia and China. He also confirmed a strategic partnership agreement reached in 2014 and confirmed that meetings at prime ministerial level would take place every year in China or Australia.

The underlying deciding factor for China-Australia relations is trust. While Morrison's policy and behavior undermined trust, Albanese tried to rebuild it. Albanese's visit began the process of rebuilding a broken trust. China remains by far Australia's largest trading partner and agreements seem to suggest trade in timber and other commodities is deepening. Two-way trade between China and Australia in 2022 was valued at USD 186 billion.

One other highly significant matter appeared to show a revival of mutual trust. In 2015 the conservative government of the Northern Territory approved a 99-year-lease of the Port of Darwin to the Chinese-owned Landbridge group. The deal gave Landbridge complete operational control and 80 percent ownership. Although Landbridge saw Darwin as a trade port, it is very near US and Australian defence facilities. It is hardly surprising that many in Australia saw it as a security matter, with China hawks in Australia believing it could be used as a spy base.

There were several reviews undertaken. Before the May 2022 election, Albanese had stated that he believed "it should never have been sold to the Chinese." However, a final decision was reached in October 2023 to confirm the lease. Even people who had spoken up against the deal remained silent. I consider this decision is significant for the Australian trust in China it implies.

Popular opinion regarding China in Australia has had peaks and valleys, but I fear there is a deep-seated and unfortunate Sinophobia in Australia that frequently crosses into outright racism. Annual surveys undertaken by the Lowy Institute, based in Sydney, track how Australians feel on international questions, especially China. In June 2023, 52 percent of Australians viewed China as more of a security threat than an economic partner. This is disappointing until we realize that the figure had been 63 percent in 2022 and 2021. This suggests that Sinophobia has reached its peak and is now waning. However, even Albanese's visit will hardly change the Australian media's hostile sentiment towards China.

Despite various incentives, the Australian government and public still favors the AUKUS agreement. The Lowy Survey of June 2023 said that no less than 80 percent of Australians still believe the U.S. is crucial for Australia's future security. Former Prime Minister Paul Keating gave an interview to the prestigious National Press Club in Canberra in March 2023, and denied categorically that China was a threat to Australia.

China-U.S.-Australia Triangle

China-U.S. relations exercise considerable influence on Australia's attitude towards China. Since 1951 Australia has had a security treaty with the United States (the Australia, New Zealand and United States Security Treaty, ANZUS Treaty), which forms the basis of Australia's foreign relations. It is possible for Australia to disagree with the United States on major foreign policy matters, but the inherent structure of the ANZUS Treaty makes this difficult.

The Chinese and US leaders recently met outside San Francisco before the Asia-Pacific Economic Cooperation (APEC) group meeting. During the meeting, China and the U.S. agreed to interface on various matters, including military cooperation and the environment.

An area of importance where Australia has deviated from the U.S. is on policy regarding critical minerals. Access to these materials is a key area of contention between the three nations. At the San Francisco meeting, Australia's Trade Minister Don Farrell made it clear that, despite the US disapproval, Australia would continue to allow Chinese investment in its critical mineral industry.

The Role of Educational Exchange and People-to-People Relations

We should never forget the role of people-to-people relations. If I could be personal, just for a moment, I'll never forget that I got a chance to teach in China in 1964 at a time when very few Australians visited the country, let alone lived there. This experience gave me the chance to get to know Chinese people well and listen to their point of view. It made me permanently well disposed both to China and its people.

The readout of the China-U.S. talks on November 15, 2023, has a segment which reads: "The two leaders also encouraged the expansion of educational, student, youth, cultural, sports, and business exchanges." Being a student in another country provides the chance to experience other cultures, languages, and points of view.

In both Australia and the United States, educational and cultural exchange suffered due to COVID-19 and partisan politics. To quote Australia's Department of Education: "China remains Australia's leading market for international students, with 153,239 Chinese students studying at our universities in 2022." Although this figure is down 11 percent from 2021, there are indicators it will increase again.

Unfortunately, the Confucius Institutes, bodies specifically aimed at the spread of Chinese language and culture, have come under threat in several Western countries, especially the United States, on the totally unreasonable grounds of being national security threats. The improvement in relations brought about by China-Australia and China-U.S. meetings should help relieve this situation. The Confucius Institutes are of great value and the spread of culture and language can only do good. It is crucial in the world today that we understand each other's cultures and lifestyles.

China in the Wider World

Despite key geopolitical relaxations, international tensions remain high. The Ukraine conflict grinds on, with the much vaunted 2023 counter-offensive by Ukrainian forces yielding minor successes but enormous losses.

The United Nations tells us of a worsening situation when it comes to global hunger. More people are suffering from malnutrition in 2023 than in 2022, with famines in Burkina Faso, Mali, Somalia, and South Sudan. Reasons for the worsening situation include conflict, the climate crisis, and the price of fertilizer.

Chinese relations with the U.S., other Western nations, and many Middle East nations appear to be improving. Several of China's recent initiatives, including the Belt and Road Initiative (BRI) and the Global Civilization Initiative, have achieved concrete results.

In terms of "soft power," in 2022 the Brand Finance's Global Soft Power Index ranked China fourth after the United States, Britain, and Germany, China's highest rank yet. Following Joseph Nye, the index defines soft power as a nation's ability to influence other actors "through attraction or persuasion rather than coercion," and the authors commented, "though China's performance may be a surprise to some in the Western world, it will have been expected across many developing countries."

The countries of the "West" tend to team up against China. Used to being "number 1," they are not willing to relinquish their position of dominance. In particular, the United States has an obsession with "exceptionalism" and has convinced itself that, in terms of ideology, military, economic, technological and social progress, it must be the world's leader. Its response to China's rise was initially to support it, but under Trump turned against China with wars in the economic and technological spheres. Its most important objective is now to prevent China from overtaking it.

Although Japan and a few others, have tended to align with the West against China, the Global South has adopted a different stance. The composition of the countries participating in the BRI shows that the Global South view China increasingly positively.

What American political scientist John Mearsheimer called "the unipolar moment," with the U.S. being the only superpower forming the only "pole," lasted from the fall of the Soviet Union in 1991 until 2017. The global geopolitical balance does

not indicate the U.S. is on the way out, but does seem to be moving towards a multipolar system, as opposed to a U.S.-dominated hegemony.

The "unipolar moment" has given way to multipolarity. China-related multilateral groupings, especially BRICS (Brazil, Russia, India, China, and South Africa) and the Shanghai Cooperation Organization (SCO) are eclipsing traditional groups, such as the G7, in importance. The US dollar remains the global reserve currency, but its supremacy looks increasingly shaky and unlikely to last indefinitely.

The West must accept a new multipolar reality where power and influence are distributed amongst other nations. China does not wish to dominate the world, but it does want to share with others. Being one of the great civilizations of the world, that aspiration seems perfectly reasonable to me.





Multipolarity: Disruptions and Opportunities in a New World

An Interview with Einar Tangen

Einar Tangen



TIO Content Advisor
Senior Fellow of Taihe Institute
Independent Political and Economic Affairs
Commentator

TIO Considering recent global tensions, what do you think of the development of multilateralism and the multipolar world? Are we heading towards a diverse system of global cooperation, or a more protectionist, siloed reality?

Tangen There are several time frames, short, medium, and long term, involved. Over the short term, the political pressures are enormous. About 40 countries will be holding elections in 2024, and that means politics will take precedence over reality.

Why? Because for the last four decades, and especially today, conflicts, polarization, isolationism, economic headwinds, and geopolitical rivalry have stoked voters disenchanted with the status quo. Voters have turned to populists who use fear and paranoia to fuel their futile simplistic solutions. Enormous economic disparities have voters asking who is standing up for them. The latest example was in Argentina (with Javier Milei), and it is a scenario likely to be repeated in America and other countries around the world.

The point is, over the medium and long term, few leaders, old or new, are bringing realistic sustainable solutions. For example, inflation continues to be a problem that central banks are addressing with rate cuts. This ignores the root cause of their inflation, which isn't in an overheated economy, but service industry wage increases unrelated to productivity. Efficiency is what brings down inflation, not self-promotion and trumpeting, "we're number one" or something in that vein.

In the medium and long term, things must be efficient. The countries that are most efficient are going to win. It's not an issue where those who build the longest, tallest walls will win. All this accomplishes is walling in inflation and increased prices. It's very difficult over the medium and long term to win with a short-term strategy.

This is the tension that you see happening around the world. There is desire to look strong to achieve results, without understanding that the best results come through competition, or finding a place where a country can do better than other countries. If we can return to a more results-efficient paradigm, it will be very useful. China has put forward an idea based on Global Security Initiative, Global Development Initiative, and Global Civilization Initiative, which is all about creating a platform like a three-cornered stool.

These three pillars work together to create, not a world order, but a conceptual framework of how countries can work together. There should be a development path, countries should feel secure, and they should be able to make their own decisions in terms of being sovereign nations. This is what China believes. The world can no longer rationally go forward with the idea that one country is going to dictate all policies for all other countries. The US post-World War II era model is finished. This doesn't mean that this mentality won't return in the future. It just means that the world and times are dynamic. There are certainly points in time which seem to rhyme with other points, but at this juncture, we are looking at a more diverse, multipolar world in which countries must reach consensus rather than be dictated to.

- As China and the U.S. had multiple rounds of high-level meetings recently, do you expect tensions between China and the West to relax, and could the world-wide rise of protectionism melt? How should we understand this change?
- **Tangen** This goes back to my first answer. Quite frankly, there are so many short-term political pressures. People are feeling defensive. America 45 years ago had over 60% of its population in the middle class, today, 45 years later, it's 50% and dropping. The U.S. has the highest number of mortgage defaults, car loan defaults, personal credit card defaults, and student loan defaults, ever. This shows that despite the numbers that the Biden administration touts about growth and low unemployment, there is a lot of stress within the US economy.

This stress is also felt in China. Less trade has resulted in less orders globally.

This does not mean that China is not exporting. China is not in danger of going

into reverse growth like Germany, but numbers are certainly lower than before. This comes at a time when China is trying to transition from an investment-led economy, where investments in infrastructure, like roads, rail, ports, and city infrastructure are becoming less important than consumption, where a populace with larger disposable income can, in essence, keep the economy going through these demand cycles.

So, this couldn't come at a worse time for China, but as indicated, you must contrast where these two countries are. They share the same world, but at different development points, and this causes friction. Medium and long term, it really is about efficiency. China continues to be one of the most efficient nations in terms of manufacturing. Part of this is they have offset the increased cost of labor with cluster development zones, where if you're making a laptop, basically everything you need to make that laptop is within a walking distance of you. Quite different from the U.S. where they must get things imported from Japan, China, and other countries.

This helps with development cycles. It makes Chinese products, especially consumer products, much more responsive. You have seen this in areas like electric vehicles. The simple fact is you have BYD which has 40 or 50 different models versus Tesla, which has five. BYD can better and more quickly respond to consumer preferences. This is important in terms of fast-moving consumer goods and anything that relies on rapid response to market trends.

Regarding China and the U.S., competitiveness has been impacted. The U.S. has been at the high end in terms of chip design, but they don't manufacture. As a result, they find themselves with a kind of lopsided economy where at the very technical high end, there are plenty of jobs and opportunities, but when you start moving down the scale into the middle and lower middle classes, those opportunities have started to deplete.

The U.S. needs to concentrate on how it can make its economy more productive, how it can use its existing situation to lead to a position in the world which makes it more relevant. I don't believe that "small yards and high fences" are going to save the US economy, but the U.S. can certainly argue this is all about security. It seems a bit threadbare.

There must be recognition of this change once it occurs, and the world must start adopting policies that train people prepare for the imminent digital economy. There is some hope, but that realization must come, because there's no other way

to continue to be competitive just by saying, "I'm number one," you must deliver. So, you have two countries at different points in the development scale. There is a lot of friction between them, but they're on the same path, which is trying to deliver prosperity to their people, and that's better done together than separately.

Given all the problems between China and some Western nations, we have witnessed strengthening ties between China and the developing, or the Global South countries, which stirred criticism and worries from the West, implying that China is expanding its global influence, or even building a hegemony. What are your perceptions on this?

Tangen Once again, there are fundamental differences in how the U.S. and China approach international affairs. The U.S. still adheres to some patterns of the post-World War II model, defined by American exceptionalism and the belief that America is necessary to protect the world from World War III, and eggs will be broken to make the omelet.

The problem is that many have lost patience with this idea, especially in the Global South, where they saw, and still see, themselves as the victims of victory, first by physical colonialism from Europeans, and second by economic colonialism from the U.S.

The rest of the world is not willing to wait. The world order is not better today than it was after World War II. In fact, you could argue that it has deteriorated. New enemies have arisen to threaten that fabric, not only globally, but also from within countries in the form of separatism.

You see that in developed countries a plague of terrorism has become a scourge. The U.S. moves in terms of creating and starting unilateral wars, in Afghanistan, Iraq, and other places. This is in addition to US support for regime changes in countries through what they believe are legitimate means. The National Endowment for Democracy (NED) is a group funded and directed by the US Congress. They will spend USD 330 million this year, and that is just their personal budget. They have USD 90 billion worth of additional assets, which are available through the government and other means. They are in 90 countries, as we speak, trying to manipulate governments into accepting the US norm.

So American exceptionalism is still alive, and China's approach has been non-ideological. China basically said, "we want to trade with you." This has been successful, reflected by the fact that at the Belt and Road Initiative, you had 152

countries represented and USD 1 trillion over 10 years of investment. These are real returns.

China is growing. The U.S. is going through a period like the rest of the developed countries where they are having difficulty maintaining high growth rates. If you go back 20 or 30 years ago, everyone would point to the US or European economy. Developed countries led the world in terms of GDP, but today they're the ones who are lagging in terms of economy. Developed nations are dragging the global economic growth down year by year, and in some countries, especially in Europe, they're actually going into negative territory. This causes a lot of friction.

An offshoot of this for the U.S. has been a growing isolationism. At the same time, they have started issues in the Middle East. Walking away from Afghanistan was a perfect example. After 20 years and trillions of dollars, the U.S. just left. As a result, there has been a tremendous amount of suffering.

The world sees this as the U.S. retreating. It creates a vacuum. China isn't stepping into the vacuum. It's being pulled into the vacuum, because countries are looking for economic security, which does not include domination through military or politics. So, it's less about an expanding China, and more about a retreating U.S. status quo.

Hopefully, at some point, it will reach equilibrium. The U.S. will realize that it cannot retreat from its responsibilities, that there must be a way to cooperate, especially on issues that are not going away, including climate change, global economic development, the debt situation, and how to achieve some sort of fair system for trade. If that can't be realized, there isn't much hope. I think eventually all sides will realize this, but it's difficult to see in the midst of battle, especially with a presidential election less than a year away.

Events are going to heat up over the short term. But long term, I think there are a lot of positive developments, like keeping lines of communication open, and realizing that in the long term, there are really not many other rational ways to proceed. War is not an answer, negotiation is.

Youth Voices

The New Economic Frontier 3.0: Prospects for an Integrated Community

Gulshan Bibi



Ph.D. candidate, School of International Relations and Public Affairs, Fudan University, Shanghai, China TI Youth Observer

The international system is dynamic, and the distribution of power, just as prone to change. The balance between unipolarity and multipolarity depends on geopolitical developments, economic shifts, and changes in the capabilities of world states. In contrast to unipolarity, multipolarity helps maintain a balance of power in the international system, creates a system of checks and balances, prevents conflicts by reducing the likelihood of aggressive actions, and allows for diverse perspectives and approaches to global issues. It also fosters competition among major powers, which drives innovation, economic development, and technological advancements. A multipolar system may be more resilient to disruptions in that the impact of a regional crisis can be buffered by the presence of other major powers with their own capabilities and resources.

While multipolarity has upsides, it is important to note that it also comes with its own challenges. The potential for power struggles, competition, and coordination difficulties risks creating tensions and conflicts. Effectively managing a multipolar world requires diplomacy, cooperation, and the establishment of mechanisms for conflict resolution and collective decision-making. In this scenario, as the world shifts into a new phase of multipolarity, where do emerging powers like China stand?

In geopolitical discussions, China's remarkable economic rise has long been a key point. An oft debated concept in international politics is "Peak China." This idea explores whether China has reached the height of its economic power or not. Technically, the term describes a turning point in China's economic, political, and geopolitical trajectory. The concept is analogous to the idea of "peak oil," referring to the point at which global oil production reaches a ceiling before entering a

period of decline. In context, "Peak China" does not necessarily imply a decline in absolute terms, but rather a trajectory shift or a peak in certain geopolitical and economic indicators.

China has experienced rapid economic growth over the past few decades, and has also made significant strides in innovation and technology. This rapid economic growth has led to a substantial increase in bilateral commercial ties with Western nations and ASEAN countries.. Economic collaboration is a cornerstone of China-ASEAN relations. The establishment of the China-ASEAN Free Trade Area (CAFTA) in 2010 marked a significant milestone, promoting trade liberalization and economic integration. Over the years, China emerged as ASEAN's largest trading partner, and vice versa, fostering a mutually beneficial economic interdependence. As part of the China-ASEAN economic collaboration, ACFTA 3.0 was launched at the 25th ASEAN-China Summit in November 2022 and is scheduled for conclusion by the end of 2024. This collaboration represents a tangible development into an increasingly multipolar world. More recently, the 4th round of the ASEAN-China FTA 3.0 upgrade negotiations took place in Bandung, Indonesia throughout October 25-29, 2023. It was concluded during the 4th round of discussions that both sides would work to complete as much of the Agreement by 2024, while still accounting for the economic needs of stakeholders. Presently the negotiations appear to be progressing positively.

China and the ASEAN countries are closely aligned in physical proximity, and in a world full of upheavals and changes. They have managed to maintain peace and calm in the region. More specifically, they collectively met the COVID-19 challenge by supporting one another through tough times—a tangible example of China's fraternal bonds in the face of hardship. They allowed markets to remain accessible during the pandemic, achieved significant strides in constructing the new International Land-Sea Trade Corridor, and progressed the Belt and Road Initiative (BRI). China and ASEAN have maintained close communication, respected each other's developmental pathways, and considered each other's primary concerns through a bevy of geopolitical changes.

In regards to economic collaboration, China and ASEAN countries are currently discussing a list of 39 initiatives which are expected to generate fruitful outcomes. For both sides, this has created fresh development prospects. As stated in the agenda for the 4th round of discussions, China intends to encourage cooperative efforts between BRI and the Indo-Pacific vision of ASEAN. China has invited ASEAN nations to utilize the ASEAN-China Cooperation Fund and collaborate on the RCEP's implementation. To assist the ASEAN nations in establishing and preserving

a nuclear-weapon-free zone (NWFZ) throughout Southeast Asia, China is prepared to take the initiative and sign the Protocol to the Treaty on the Southeast Asia NWFZ. Together with ASEAN nations, China has committed to advancing the Code of Conduct (COC) in the South China Sea negotiations and the full and effective implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC). Moreover, China seeks to improve practical cooperation in the areas of environmental cooperation, fisheries, transnational crime prevention, maritime science and technology, search and rescue, and navigation security. China also announced that it would make an additional donation to the ASEAN-China Cooperation Fund in 2024.

Besides that, China supports capacity-building activities with the ASEAN Center for Climate Change. It plans to launch the ASEAN-China Initiative on Climate-Resilient Friendship Cities and low-carbon community development projects to raise awareness of climate change among the public.

According to the ASEAN Community Vision 2050, the ASEAN Economic Community by 2025 shall be "highly integrated and cohesive; competitive, innovative and dynamic; with enhanced connectivity and sectoral cooperation; and a more resilient, inclusive, and people-oriented community, integrated with the global economy." This indicates the broader vision for future China-ASEAN collaboration.

China and ASEAN need to improve connectivity, strengthen their cooperation on supply chains and industry, and push regional economic integration to conclude the negotiations on ACFTA 3.0 by 2024. China's commitment to encouraging the BRI and the ASEAN Outlook on the Indo-Pacific (AOIP) for the benefit of both parties consequently provides an optimistic perspective on future bilateral cooperation. China has also indicated support for active involvement of ASEAN nations in the 3rd Belt and Road Forum for International Cooperation. Additionally, to open up new areas of collaboration with ASEAN, China has promoted the Guangdong-Hong Kong-Macao Greater Bay Area and the Hainan Free Trade Port by utilizing their geographic and legislative advantages.

Globally, innovation and economic structure are undergoing significant changes as a result of a new scientific and technical transformation. China is committed to collaborating with ASEAN nations to leverage transformative opportunities, fortify scientific, technological, and innovation cooperation, and quicken the modernization of established industries and the growth of the developing world to foster innovation potential, generate new growth engines, and establish a competitive advantage.

To assist the implementation of the Joint Initiative on Advancing the China-ASEAN Science, Technology, and Innovation Enhancing Program, China has pledged to provide at least USD 10 million by 2025. China also intends to intensify its cooperation on new energy vehicles and photovoltaics and start a ministerial conversation on industry with ASEAN. China is heavily invested in ensuring the inaugural China-ASEAN Clean Energy Week a success, and will likely continue to host the Artificial Intelligence Cooperation Forum.

ASEAN member states are convinced that maintaining regional stability and fostering an atmosphere which is conducive to development are the main drivers for China and ASEAN's continued growth. China hopes to collaborate with ASEAN to support the implementation of the Global Security Initiative (GSI), prevent a new Cold War or zero-sum mentality from poisoning development and cooperation, and effectively address both traditional and non-traditional security challenges. China is prepared to collaborate constructively with ASEAN nations to develop text-based COC discussions and provide institutional protection for transforming the South China Sea into a zone of friendship, peace, and cooperation. In addition to battling telecom and cyber fraud as well as illicit online gambling, China supports the implementation of the China-ASEAN Work Plan on Cooperation in the Field of Non-Traditional Security Issues (2024-2028).

China has endeavored to assume a more proactive role in international institutions and global governance, against the background of the conventional hegemony of Western countries. This covers its involvement in institutions including the World Trade Organization (WTO) and initiatives aimed at restructuring international governance frameworks. However, it is crucial to remember that talks about "Peak China" are frequently theoretical, and the specifics of any prospective peak date and makeup would depend on a complex web of social, political, economic, and environmental variables. Furthermore, the notion of "Peak China" denotes a shift to a new stage in China's development rather than an abrupt downturn or collapse. China's future development path is contingent upon continuous global dynamics. China's rapid economic expansion also directly benefits the global economy by increasing global incomes, rather than posing a threat. Difficulties and intricacies emerge along with the ascent of any significant power, but the Chinese leadership knows how to manage these issues.

Given the rapidly changing nature of global geopolitics and economics, it is advisable for China to keep an eye on the latest developments and impacts on the world. Nonetheless, the extent of China's economic influence will continue to be significant. For example, the U.S. used to be the biggest bilateral lender

and commercial force in the world. This is the case despite that only 57 nations enjoy the status of being China's top commercial partner, compared to over 100 countries that regard the U.S. as such. Over the past ten years China has lent USD 1 trillion to infrastructure projects through its BRI, while the U.S. has reduced aid to many nations. As China expands its influence globally, the notion of "Peak China" might be used to describe a point where China's geopolitical influence reaches its zenith, signaling a shift in global power dynamics, increased international competition, or challenges to China's efforts to expand its influence. This is the time when the world must choose between unity and division. The Western world must understand that globalization is not an option. It is the inevitable reality. While tensions are growing, threats to global peace are accumulating, and war has returned to the Eurasian continent, the world needs more initiatives like China-ASEAN collaboration. While challenges persist, the commitment to dialogue, cooperation, and mutual benefit can propel the relationship forward and the future holds the promise of continued collaboration. It may also lay the groundwork for economic opportunities that extend beyond political considerations.

About this volume

TI Observer would like to thank the following individuals for their time and insights.

Commentators



Ong Tee Keat

Senior Fellow of Taihe Institute
President of the BRI Caucus for Asia Pacific



Waseem Ishaque

Senior Fellow of Taihe Institute
Professor of International Relations
Director, China Study Centre, National University of Modern
Languages (NUML), Islamabad, Pakistan



Colin Mackerras

Professor Emeritus at Griffith University, Brisbane, Australia



Einar Tangen

TIO Content Advisor
Senior Fellow of Taihe Institute
Independent Political and Economic Affairs Commentator



Gulshan Bibi

Ph.D. candidate, School of International Relations and Public Affairs, Fudan University, Shanghai, China TI Youth Observer

TIO Executive Committee



Zeng Hu
TIO Editor-in-Chief
Senior Fellow of Taihe Institute



Natalie Wang Yuge
Deputy Secretary-General of Taihe Institute



Lizzie Yin Xiaohong
Senior International Communications Officer



Angela Li Heyuan
Assistant Coordinator



Alicia Liu Xian

TIO Honorary Editor

Deputy Secretary-General of Taihe Institute



Einar Tangen
TIO Content Advisor
Senior Fellow of Taihe Institute
Independent Political and Economic Affairs Commentator



Evan TangenTI Youth Observer - Digitization and Analytics

Please note: The above contents only represent the views of the authors, and do not necessarily represent the views or positions of Taihe Institute.

Taihe Institute

www.taiheinstitute.org/en





Address

23/F, ShunMaiJinZuan Plaza, A-52 Southern East Third Ring Road, Chaoyang District, Beijing

Telephone

+86-10-84351977

Postcode

100022

Fax

+86-10-84351957