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The World’s Future: Bipolar Geoeconomics?

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At an event in Beijing last week, a leading Chinese academic said that the vision of a multipolar world so central to Beijing’s foreign policy doctrine was in fact unrealistic—for the lack, now and in the foreseeable future, of multiple poles. In fact, he said, there were only two poles available: the United States and China. All other countries would need to decide with which they want or have to align. Many in the audience nodded and some even suggested that the Chinese leadership’s thinking was much closer to that of the professor than to its own formal doctrine.

Political developments of the past nine months seem to have produced a lot of fresh evidence in support of the growing global bipolarity. The Ukraine crisis has put an end to Russia’s hopes of building a Greater Europe or of a strategic partnership with Japan. The European Union has had to reduce and restrict its economic ties with Russia, and Prime Minister Shinzo Abe of Japan has had to abandon his idea of forging a strategic connection to Moscow. In their opposition to Russia's policies, both Europe and Japan are now more closely tied to the United States than ever before since the end of the Cold War. Faced with the Western sanctions, Russia, for its part, has had to intensify and expand its relations with China. As the Beijing academic put it, it simply has no other choice.

Several fundamental geoeconomic trends point in the same direction. As Konstantin Simonov put it in his October 21 column in Vedomosti newspaper, the re-industrialization of the United States powered by cheap energy and helped by raising labor costs in Asia leads to the emergence of a pan-American economic space, from Canada to Chile, with the United States at its center. Europe, Japan and Australia are already aligning themselves with the U.S. through Transatlantic and Transpacific partnerships. In response, China is already working on expanding its own domestic consumption and consolidating its ties with neighboring countries in Asia.

President Xi Jinping’s initiatives, announced in 2013, about the Silk Road Economic Belt in continental Asia and the Maritime Silk Road point to the two main axes of China’s geoeconomic expansion. Beijing eyes Central and South-East Asia as prime areas for boosting trade and investment. South Asia and Eurasia are next. If
these plans are implemented, the future economic Sinosphere, which might be more politely called Greater Asia, may extend all the way to the Gulf, the Black Sea and the Baltics, and embrace countries such as India, Indonesia, Iran, Pakistan, and Russia.

Regionalization may indeed be the future or at least the new stage of globalization. Competition among the super-regions, in this scenario, will become the essence of global geoeconomics and geopolitics. Unlike in the early stages of globalization, the main players’ norms and principles, the values and ideas will be actively contested. It is not a given that this contest will always be peaceful. Geoeconomics, by itself, will not just build a new and stable world order. Again, as the developments of the past nine months have shown, geopolitics is not far behind, and can throw a wrench into the process, particularly when it is ignored. A world of roughly equal multiple poles is not in the offing. But do not bank on a Sino-American bi-hegemony, either. It is going to be messier, but also more diverse and more interesting than that.