



Democracy and Transatlantic Values in an Age of Great Power Competition

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Abstract: We are entering into an age of renewed great power competition between powers with differing ideologies. Due to the economic rise of Russia and specifically China in the last decade, domestic challenges in the United States, and economic and political repercussions of U.S. policy in the Middle East, it appears as though the United States no longer holds the monopoly over international affairs and has to compete for global influence. As uncertainty about the future arises in what appears to be shaping into a more multipolar world order characterized by competing sets of values, the West must stay competitive to defend its influence internationally. The West can manage to stay competitive by rebuilding democratic institutions at home, strengthening its alliances and partnerships abroad, investing in infrastructure development projects in developing nations, investing in the development of 5G and new technology and adopting a more powerful strategic communications approach.

It is common parlance today in the field of international security to declare that U.S. global influence is waning and that serious threats to liberal democracy and the liberal democratic world order—founded on the principles of peace, human rights, freedom, and prosperity—are emerging. Specifically, the 2018 U.S. National Defense and Security Strategy has been revised to include the threat of “revisionist” states, such as the Russian Federation and the People’s Republic of China, actively working to undermine that order. With Russia’s annexation of Crimea in 2014 and China’s island-building projects in the South China Sea, international law and norms have been violated in the name of national power interests. These actions along with the use of multiple tools of statecraft by Russia, China, and the United States to vie for influence across the globe have led to the re-emergence of the term “great power competition” to define our current geopolitical era. What is the nature of these threats and what are the underlying mechanisms that explain them? Are the United States and its allies taking the right approach to remain competitive? What will come of this new era in world politics, especially after the COVID-19 pandemic that has ravaged the world and as a new Biden administration comes into office?

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Spring 2021 | 342

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After the Cold War, communism and autocracy crumbled as liberal democracy triumphed. The United States enjoyed sole primacy as the leader of the liberal democratic world order, the organizational principle that was founded after World War II and challenged throughout the Cold War by a competing set of global governance values. In the 1990s, it was assumed by scholars of international relations, security professionals and heads of state in the West that the liberal democratic system of governance had prevailed, that the world would democratize and liberalize, and that we would achieve peace and prosperity for all. The main threat was no longer that of great power competition, but rather that of the instability emanating from smaller states, including: terrorism, economic instability, disease, social unrest, and civil war. Historian Francis Fukuyama even coined the phrase the “End of History” to describe the epoch, as humanity had reached the end-point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government.¹ Unfortunately, this pretty picture did not come to fruition, and our current era has once again been characterized by a return to great power competition, where major states with competing ideologies are seeking to establish or re-establish spheres of privileged interests and are vying for influence abroad.

The process of globalization and liberalization of economies did not lead to a liberal democratic convergence among nations as many hoped. Nations such as Russia and China gained economic prowess without adopting a more Westernized political system and are now considered systemic rivals. The United States and the European Union (EU) are experiencing domestic strife, including: political polarization, wage stagnation, divisive inequality, and the rise of populism. Domestic support to engage in democracy promotion abroad has dwindled as the United States suffers from war fatigue and as the EU remains cautious of enlargement plans. Globally, the world has witnessed more than a decade of democratic recession, including in already established democracies.²

As Russia and China seek a more multipolar world order in which they would have more power and influence, a desire to diminish Western influence abroad has been demonstrated through their actions. The United States is no longer able to coerce or convince nations the way it once did. Now, nations such as Russia and China can act as substitutes for nations where U.S. support seems too complicated, impractical, unwanted, or simply lacking. Given these

¹ Francis Fukuyama, “The End of History and the Last Man,” (*Free Press*, 1992).

² See, “Freedom in the World 2020 finds established democracies are in decline,” Freedom House, March 4, 2020, <https://freedomhouse.org/article/new-report-freedom-world-2020-finds-established-democracies-are-decline>.

dynamics, uncertainty about the future arises, as we are entering a more multipolar world order characterized by competing sets of values.

The United States and its allies must acknowledge the changes and threats in the world today and reform their institutions and policies to fit current realities. The West should prioritize domestic politics and the transatlantic relationship. It should maintain strong ties with like-minded democracies and engage with partners abroad while practicing a combination of engagement and containment with Moscow and Beijing.

Threats to the Liberal International Order from China and Russia

Both the United States and China are growing in aggregate power, but the United States is growing at a slower rate than China at present. However, China is far behind the United States on gross domestic product (GDP) per capita and is trying to move from a middle-income country to a high-income country. Historically, this rise has been a difficult feat for many countries. It is, therefore, premature to assume that China will succeed in this endeavor. Nevertheless, China is gaining an important footprint around the world.

In the last two decades, China has expanded its international influence through new assistance programs and organizations, such as the Asian Infrastructure Investment Bank (AIIB); Belt and Road Initiative (BRI); 17 +1; the Shanghai Cooperation Organization (SCO); Brazil, Russia, India, China, and South Africa (BRICS) association; Association of Southeast Asian Nations (ASEAN) plus Three; Regional Comprehensive Economic Partnership (RCEP); and the forum on China-Africa Cooperation. China also developed its own inter-bank payment system outside the Society for Worldwide Interbank Financial Telecommunication (SWIFT), called the Cross-Border Interbank Payment System (CIPS). Much like the way the United States promotes its ideas internationally through agencies, such as United States Agency for International Development (USAID), Peace Corps, or Radio Free Europe, China has begun to adopt a similar strategy by allocating resources for international media and by creating public educational organizations called Confucius Institutes, which reach more than 100 different countries.³ China's development assistance internationally is now on par with that of the United States, and unrivaled by any other nation.⁴ In addition, the People's Liberation

3 For more, see, Kingsley Edney, Stanley Rosen, and Ying Zhu, eds., *Soft Power with Chinese Characteristics: China's Campaign for Hearts and Minds* (London: Routledge, 2020).

4 Minxin Pei, "China in Xi's 'New Era': A Play for Global Leadership," *Journal of Democracy* 29, no. 2 (April 2018), pp. 37–51,

Army (PLA), China's military, is undergoing massive reforms as Chairman Xi Jinping aims to transform it into a force that can dominate the Indo-Pacific region.

Internationally, many countries, including ones in Europe, are finding it increasingly beneficial to do business with China. Countries that have been dependent on the United States and the EU now have new trading routes linked to the Indo-Pacific Basin. In return, Beijing requests that these nations remain neutral in their stance towards China when the United States publicly denounces them and asks for more support of China's attempts to revise elements of the international system in its favor. Concern among Western powers arises on whether China will attempt to coerce its trading partners in the developing world into adopting its system of governance, but this does not appear to be the case so far. It is also important to remember that even if it were the case, nations have agency and are not likely to change course just because of a new influential trading partner. We can see a perfect illustration of this reluctance with the U.S.-China relationship. The United States became an influential trading partner and may have hoped for China to adopt liberal democracy. This ultimately was not the case. Moreover, Chinese engagement abroad is often met with criticism for faulty loans, hostage diplomacy, and non-sustainable investments in infrastructure projects. China has been known to intentionally extend credit to a country so that it falls into a debt trap, after which China can extract economic or political concessions when the country is unable to meet its debt repayment obligations.⁵⁶ The loan conditions are usually not made available to the public, and the borrowed money is used to pay Chinese workers working as contractors in the debtor country.⁷ These agreements have occurred more specifically through China's BRI to achieve its strategic aims.⁸ Therefore, it may be premature to overestimate the reach and demand for Chinese leadership abroad. However, the threat persists that China could gain influence over the nations, which would undermine Western influence and liberal norms throughout the world. Either way, trading partnerships present a serious wake-up call for the West.

As mentioned, both Russia and China have modernized and opened their economies, but they have also resorted to more nationalist and

<https://www.journalofdemocracy.org/articles/china-in-xisnew-era-a-play-for-global-leadership/>

⁵ "Is COVID-19 enabling debt-trap diplomacy?," ISS Africa, April 30, 2020, ISSAfrica.org.

⁶ Abdul Rasool Syed, "IMF's Debt trap vs Chinese debt peonage," Global Village Space, Oct. 16, 2018.

⁷ Sebastian Horn; Carmen M. Reinhart; Christoph Trebesch, "How much money does the world owe China?," *Harvard Business Review*, Feb. 26, 2020.

⁸ "China's Massive Belt and Road Initiative," Council on Foreign Relations.

authoritarian domestic policies at home. The threats emanating from our rivals include an ideological component, albeit different from the U.S.–Soviet competition of the last century. In other words, Chinese Communist Party leaders are not promoting their ideology the way that the Soviets did.⁹ While the Soviets sought the destruction of capitalism and Western institutions, China actively participates in many multilateral organizations. Xi Jinping does not seek to encourage Communist revolutions worldwide. He aims to promote national rejuvenation at home and to practice socialism with Chinese characteristics.¹⁰ Beijing does not coerce other countries to adopt their economic practices as alternatives to U.S. capitalism. However, China is seeking international influence. China deploys mercantilist arrangements abroad to benefit Chinese firms and may be seeking something similar to “partial hegemony” over large portions of the Global South. In turn, it hopes these areas will be free from Western influence and liberal ideals. In addition, significant efforts to modernize the military have now led the PLA to rank among the world’s leading militaries in areas such as artificial intelligence and anti-ship ballistic missiles. The objective is to at least achieve regional hegemony in the Indo-Pacific. The more China gets involved internationally, the more it provides a normative cover for autocratic regimes as it rejects the universality of human rights, and freedom and democracy. Rather, it champions sovereignty and expects deference.¹¹

Russia, on the other hand, presents a different type of threat. First, it is the world’s largest country, possesses an abundance of natural resources, and an impressive nuclear arsenal. It also has invested significantly in modernizing its military over the last decade.¹² And though it has less economic power, it can wield influence in other ways. Moscow employs tactics such as targeted

⁹ See, Avery Goldstein, “China’s Grand Strategy under Xi Jinping: Reassurance, Reform, and Resistance,” *International Security*, vol. 45, no. 1 (Summer 2020), pp. 164–201.

¹⁰ See, Xi Jinping, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” 19th National Congress of the Communist Party of China, Oct. 18, 2017, http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf.

¹¹ See, Nadège Rolland, “China’s Vision for a New World Order,” The National Bureau of Asian Research, NBR Special Report, no. 83, Jan. 2020.

¹² Siemon T. Wezeman, “Russia’s Military Spending: Frequently asked questions,” Stockholm International Peace Research Institute, April 27, 2020, <https://www.sipri.org/commentary/topical-backgrounder/2020/russias-military-spending-frequently-asked-questions>.

military action, military build-up near the North Atlantic Treaty Organization's (NATO) eastern flank, arms sales, inserting itself as a mediator in outside conflicts, and taking advantage of countries experiencing tension or disputes with the United States. Moscow has also actively tried to exacerbate pre-existing societal rifts in Western nations to foster division through the use of its narratives on both conventional and social media platforms. In doing so, the idea is to stoke internal divisions so that Western societies are forced to look more inward and be less involved internationally. It is also an attempt to get the West to question the efficacy of the liberal democratic system. Globally, Russia seeks a more multipolar world order with different centers of power where it can be free to practice regional hegemony over its "sphere of influence." It seeks a world where powerful states are sovereign and respect each other's ideologies and a world without a single hegemon practicing a value-based foreign policy like it has accused the United States of practicing in its desire to democratize and liberalize the entire world.

Due to the annexation of Crimea and the Western response of imposing sanctions on Russia, Moscow has sought to diversify its trading partners and has partnered with China. Concomitantly, diplomatic tensions and trade wars with China have only encouraged both nations to move closer together. In the past, Russia resisted selling military equipment to China. Today, however, Russia has become China's greatest arms supplier, thus allowing China to purchase and reverse-engineer Russian military technology.¹³ Due to China's increasing capabilities, the United States deems it necessary to bolster its defense capabilities in the Indo-Pacific. The more the United States pivots to the Indo-Pacific, the more questions arise about what happens to continental Europe and the defense of the Atlantic basin. Their relationship is one that emboldens the other to reach their international objectives.

Challenges within the Transatlantic Community

The rise of threats from Russia and China has raised tension among the transatlantic community on issues of burden sharing, European defense capabilities, and European strategic autonomy. Strategic autonomy is a nebulous term. The United States views this push toward autonomy as a European desire to break free from the American defense leadership of the continent and to act independently in military operations. From the U.S. perspective, defense funds and initiatives, such as the Permanent Structured Cooperation (PESCO), European Defense Fund (EDF), and Coordinated

¹³ Dimitri Simes, Dimitri, "Russia up in arms over Chinese theft of military technology," *Nikkei Asia*, Dec. 20, 2019, <https://asia.nikkei.com/Politics/International-relations/Russia-up-in-arms-over-Chinese-theft-of-military-technology>.

Annual Review on Defense (CARD), decouple the United States from European security; duplicate structures that already exist within NATO; and discriminate against non-EU NATO members in the procurement of defense capabilities. The idea is not only to be more independent with military operations, but also to instill protectionist policies in trade and manufacturing. Protectionist trade policy issues between the EU and the United States have been persistent problems, which place a damper on their relationship.

In addition to the tensions in their relationship, Europe and the United States have been struggling with domestic threats that have weakened the liberal project and pushed the United States into more of a retrenched stance in world affairs. A fatigue with the establishment has plagued both continents and led to the rise of populist politicians, one of which was elected in the United States in 2016. While in office, President Donald Trump precipitated dynamics in global affairs, such as the deterioration of transatlantic relations, U.S. isolationism, bilateralism over multilateralism, and a completely irresponsible mishandling of information. The wide issues at play that led to his election include: long-term wage stagnation; an uneven economic recovery after the 2008 financial crisis that exacerbated inequality; a rise in automation; the exporting of jobs to China which hollowed out certain segments of the society; and a growing mistrust of immigrants. Meanwhile, the owners of market shares became wealthier, and the nation was further divided into the haves and the have-nots. On its side, Europe dealt with a significant refugee crisis, which led to resentment among the local populations due to questions of security, employment, and identity. These are key vulnerabilities in Western societies that Russia capitalizes on in its broadcasting agency *RT*, which now has a budget almost as large as that of the *BBC* and an impressive reach.

What makes domestic issues more complicated is the information era in which we currently live. This era has demonstrated itself to be conducive to making people think that things are being hidden from them and that the government is lying to them, which encourages a more conspiracy-oriented mindset. It is an era where people struggle to see an objective truth, and everything has become relativized. The United States just endured a president who for four years was a master at spreading disinformation and misinformation. He even fabricated blatant lies about election fraud in the 2020 election. This, as we now know, resulted in a siege of the Capitol by Trump supporters claiming to fight for democracy, constitutional rights, and free and fair elections. As a result of his continuous spreading of these falsehoods, about 30 percent of the U.S. population believes that the election was stolen.¹⁴ This

¹⁴ See, Chris Kahn, "Half of Republicans say Biden won because of a 'rigged' election," *Reuters*, Nov. 18, 2020, <https://www.reuters.com/article/us-usa->

disinformation breeds total distrust in government, not a typical characteristic of a functioning liberal democracy.

Policy Recommendations

With a new administration in 2021, President Joe Biden will be unable to take a front seat immediately at the table in multilateral institutions because of the growing mistrust about the United States by our allies and partners following the Trump presidency. The fear is that another Trump or similarly isolationist figure could reappear in four years. Moreover, the long-standing structural issues between the United States and the EU will remain when Biden takes office—including trade and protectionist issues and burden sharing. However, an important difference will be that Biden is a committed transatlanticist, who values the protection and promotion of democracy at home and abroad. He will demand more from Europe, not less, and wants a firm posture towards Russia and China. The transatlantic relationship will improve when both sides of the Atlantic share similar commitments to maintaining the liberal democratic order. Rather than encouraging rhetoric on Europe “going its own way” to better prepare itself against a rising China, in case the United States cannot come to its protection, a “European Pillar in NATO” would be the better approach.¹⁵ This change entails more robust European capabilities to enhance NATO readiness and mobility. European nations should increase military spending and take more responsibility for European defense within the transatlantic framework. Initiatives such as the PESCO, CARD, and EDF should be used to fill existing capability gaps in ways that are necessary for the Atlantic alliance.

While Biden is a committed transatlanticist and believes in democracy promotion, the United States must continue focusing inwards and address issues at home ranging from wage stagnation, a declining middle class, identity politics, political polarization, populism, and misinformation. Not addressing these issues risks alienating a large portion of the population. Additionally, there continues to be a lack of appetite for full on liberal democracy promotion abroad, especially when it comes to military intervention. War fatigue is a deep-rooted sentiment in the United States, so there will not be a return to Liberal Interventionist policies practiced by Bill Clinton, George W. Bush or Barack

[election-poll/half-of-republicans-say-biden-won-because-of-a-rigged-election-reuters-ipsos-poll-idUSKBN27Y1AJ](https://www.reuters.com/article/ipsos-poll-idUSKBN27Y1AJ).

¹⁵ See, Anna Wieslander, “How France, Germany, and the UK can build a European pillar of NATO,” Atlantic Council, Nov. 23, 2020, <https://www.atlanticcouncil.org/commentary/article/how-france-germany-and-the-uk-can-build-a-european-pillar-of-nato/>.

Obama. The EU and the United States should focus on how to best strengthen democracy at home, as well as strengthen mutual ties. This focus would project an image of unity when confronting common rivals.

The world has changed in the last seven years, as have threats, and the transatlantic alliance needs to evolve accordingly. The pandemic was a missed opportunity for the transatlantic alliance to address the threats that current generations find most pressing. Health security for citizens will be an ongoing threat in the future which NATO should be better prepared to address. There is a disconnect between civil society and politicians, and what the latter deem necessary and important are issues from which the former can feel completely removed. One way to bridge this gap is to be more involved in civil society and to communicate values and objectives more strategically to the citizens. Allies need to redefine collective security and can start by including this vital component. Instead, at the pandemic's outset, NATO allies were competing for personal protective equipment (PPE) and pharmaceuticals, putting a damper on allies' credibility. China seized an opportunity to present itself as the responsible actor by offering help to Italy and Serbia while depicting the United States as largely absent or the EU as not helping its neighbors. This episode proves a further reason to bolster the West's strategic communications agenda.

Trade and supply chains also need reform. According to some estimates, 98 percent of the antibiotics market for the United States is produced in China.¹⁶ This is not a secure situation. The United States and the West overall need to diversify their supply chains and set up operations with allies and partners in the Asia-Pacific. In addition, a re-regionalization of supply chains may also be in order to ensure resiliency in times of crisis. There is also a social component to this question. Although there is value in economic efficiency, there is a human aspect of offshoring to consider. Small towns are being hollowed out as a result of not having enough blue-collar jobs available.

In considering information sharing, more responsibility needs to be taken by the conventional media as well as social media companies. Conventional media need to stop omitting information or twisting stories to fit their narrative. Citizens need an accurate presentation of the whole story in order to hold informed opinions. Social media companies should filter information and remove fake information that risks creating instability. Not

¹⁶ See, Huang Yanzhon, "The Coronavirus Outbreak Could Disrupt the U.S. Drug Supply," Council on Foreign Relations, March 5, 2020, <https://www.cfr.org/in-brief/coronavirus-disrupt-us-drug-supply-shortages-fda>.

taking proper measured to address the mishandling of information will exacerbate political polarization and threaten the health of democracy.

U.S. leaders must do a better job of communicating with the population on critical policy issues and why they are important. For example, multilateral institutions, though in serious need of reform, are good for the United States. Rarely is this fact communicated to our citizens. Internationally, the United States should prioritize strategic communication and spread the American message of its activities, values, and goals. Instead, we see messages and billboards about Xi Jinping or Vladimir Putin helping other nations in times of need. More funding and message prioritizing are essential to gaining increased strategic presence throughout the world on social media, radio, and TV, and leveraging new communications technology.

Considering Russia specifically, there must be a good deterrence posture in Europe to stave off Russian influence. Yet, it is important not to overplay the threat from Russia. In the West's handling of Russia, it should continue to address aggressive and revisionist acts in order to defend liberal democratic norms and laws. Yet, it should also engage with Russia in areas of mutual interest such as arms treaties, terrorism, nuclear proliferation, climate change, and energy security. The Russia-NATO forum should also be re-established. The West should also engage Russian civil society to encourage more trust among nations. While disengagement with Russia is not the West's fault, there would be no greater strategic mistake than to permanently push Russia into the hands of China today. The West must therefore respond to Russia's challenging behavior with a combination of deterrence and engagement.

We have entered a very confrontational stage with China where decoupling is on the table. But decoupling is not the best strategy since the economies are highly intertwined and integrated in the global economy. The United States will not be able to convince other countries to decouple from China either. But the challenge of a rising autocratic power in economic and military domains will translate into a shift of norms and values throughout the world. Therefore, the West must practice a mixed response to China of engagement, cooperation, and containment.¹⁷ The United States needs to engage with countries in Asia through trade deals and military exercises, as well as invest in infrastructure development projects to strengthen its ties to the region and to compete with Chinese investment projects. The strongest advantage that the United States possesses over China is its network of friends and allies. This position should not be underestimated. The United States also must stay competitive in 5G, artificial intelligence, and renewable energy

¹⁷ See, Michael McFaul, "Cold War Lessons and Fallacies for US-China Relations Today," *The Washington Quarterly*, vol. 43, no.4 (2020), pp. 7-39,

projects. NATO could be more involved in tackling the Chinese threat by increasing its engagement with China in the Indo-Pacific. One example would be a NATO-China Council like the one with Russia, or a similar forum that explores areas of operation between NATO and China. China could start cooperating with Russia and the United States on future arms treaties. And the United States and China should cooperate on climate change. As for trade, getting tough on Chinese practices was necessary, and China needs to adopt more responsible trading practices in the future if it seeks a more cooperative relationship with the West.

An excellent way to stay competitive is to invest in the Three Seas Initiative. This initiative is a forum of twelve states from the Baltic Sea to the Adriatic Sea and the Black Sea in Central and Eastern Europe. It serves as a platform for regional dialogue on questions affecting the region. This forum is an important project for infrastructure development in Central and Eastern Europe to modernize the region away from its post-Soviet legacy and to compete with Chinese investment.

Connectivity is lacking throughout the region and investing in building that interconnectivity infrastructure would further encourage foreign direct investment. It is projects like this that will help the West deter Russian and Chinese influence throughout the world. The EU should also make more of an effort to support the Greater Balkans, and not let China and Russia dominate the region.

Today's great power competition is more complex than it was during the Cold War and involves a declining, revisionist Russia and an ascending, revisionist China. This situation risks instability and the increasing likelihood of confrontation and conflict between nuclear powers. There is also a reanimation of ideological competition between national authoritarianism and liberal democracy that has been exacerbated due to advances in communication and technology. The United States retains the upper hand by virtue of its standard of living, having the largest GDP, and the support of allies with large GDPs.

The West is still the place to live—people want to take advantage of its opportunities, universities, innovation, and new technologies. The U.S. military is unmatched, and no one can compete with the NATO alliance. Yet, the transatlantic alliance is not only a defense alliance, but also a values-based alliance founded on the principles of democracy, liberty, peace, and freedom against those of fascism, communism, and authoritarianism. As competing values emerge, the alliance needs to reassert itself in defending its own long-held and cherished positions. But it is time to do so with a revised agenda and redefined priorities of collective security.

Additionally, governments and multilateral institutions need the support of civil society in their policy choices. It is the governments' responsibility to ensure proper communication and connectivity with the population on these critical matters. China will continue investing in infrastructure, military, and technological development with "Chinese characteristics." Russia will continue to discourage Western involvement in its near abroad. It will bolster its defense capabilities and maintain its attempts at weakening societal trust in liberal democracy. The principal efforts that Western democracies can undertake in this era of great power competition are to ensure proper deterrence on the eastern flank and in the Indo-Pacific without invoking unnecessary provocation; address its economic and democratic weaknesses at home; and unite with like-minded democracies to uphold a system of liberal democratic practices towards which other nations will naturally gravitate. The West will gain ascendancy on its competitors with these long-term strategies.



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