Geopolitical Genesis

Dutch Foreign and Security Policy in a Post-COVID World

Jack Thompson
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March 2021

The Hague Centre for Strategic Studies

Clingendael
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Contents

1. Executive Summary

Joseph Biden's inauguration as US president in January 2021 was greeted by the Netherlands and the rest of Europe with a palpable sense of relief. Given the damage inflicted on transatlantic relations and the multilateral system during Donald Trump's tenure, from 2016-2020, this reaction is understandable. However, Biden's election also raises a fundamental question about the future of US-Dutch and US-European relations. Is there any scenario in which these relationships can return to the status quo ante?

The short answer is: no, there is no returning to the way things were before 2016. However, that is not necessarily cause for concern. In fact, this report views the election of Joe Biden as a potential inflection point. It represents an opportunity that, if the Netherlands and the European Union embrace it, will allow them to begin the process of (a) rebalancing their most important external relationship, and (b) better positioning them to thrive in a rapidly changing world.

The purpose of this report is to analyze why, amidst profound transformations in the international system, the US-Dutch and US-European relationships have changed permanently and to offer recommendations for what the Netherlands and its European partners should do over the next ten years to preserve their interests and values. The report's principal argument is that the election of Biden offers the European Union an opportunity to boost its nascent status as a global power, and that the Netherlands should play an active role in this effort. The report contends that the Netherlands and European Union should proactively seek a more equal relationship with Washington, one that empowers the Netherlands and Europe to accept more responsibility for their own security and for promoting peace and stability in their region. Among other tasks, this will require cultivating more flexible and adept coalition-building strategies and the development of more effective and robust military capabilities.

1.2 Challenges
The report identifies six key challenges facing the Netherlands and the European Union over the next ten years. First, it argues that the **nature of multilateralism is changing.** Designed by and beneficial, first and foremost, to the West, the current multilateral system is eroding. Some have even predicted that the multilateral system will collapse. While this is possible, a more likely outcome is that cooperation will continue to be a central feature of the international system over the next decade. Indeed, new versions of multilateralism are already emerging, albeit often in forms that are ad hoc and prone to change. This presents new and potentially fruitful opportunities for collaboration with different types of state and non-state actors – climate change, in particular, is ripe for new approaches – but will also require more creative and effective forms of diplomacy.

Second, as the current incarnation of the multilateral order wanes, the **interaction of the three global powers – the United States, China, and increasingly the European Union – will play a larger role in defining the landscape** of the international system. Competition between the US and China will be the most important bilateral relationship for the foreseeable future. Though it lags behind the other global powers, the European Union has increasingly shown signs of readiness to accept a geopolitical role. Problematic Chinese and US COVID-19 policies have accelerated this tendency. Though the European Union is influential enough to rank among the three global powers – and this report treats it as such – it is different from the United States and China. Its primary influence comes via economic and normative power, and it is not a state actor but an intergovernmental and supranational organization, albeit one with its own currency, judicial system, and a common foreign and security policy. The challenge for the Netherlands and Europe will be to convert its unique status and considerable influence into policies that will allow it to successfully compete in the rapidly changing international system.

Third, as the multilateral system weakens and competition between the major powers intensifies, **middle powers are becoming more assertive** about pursuing their perceived interests. In the economic realm, an increasing number of middle powers, especially those located in the Global South, are pursuing innovation mercantilism. Such policies are designed to enhance the ability of domestic firms and industries to excel – at the expense of foreign competitors – in the areas of critical and emerging technologies. Many middle powers are also pursuing more aggressive security strategies, as measured by defense spending or the initiation of non-UN sanctioned military interventions. The tendency of middle powers in the Global South to draw closer to – if not necessarily fully align with – Russia and China raises important questions for Dutch and European policymakers.

Fourth, the weakening of the multilateral system and intensifying competition between the major powers has also opened the door to **more power and influence for non-state actors** (NSAs). In addition to pursuing their own, self-interested agendas, these NSAs are often assuming – sometimes by mutual agreement, sometimes unilaterally – crucial functions previously performed by state or sub-state actors. This assumption of state functions by corporations, philanthropists, movements organized primarily via social media, and violent NSAs is, in many cases, proving useful as the nature of multilateralism changes. This is particularly apparent when it comes to fighting climate change, an effort in which sub-state and non-state actors are at the forefront. However, it also creates more space for pernicious NSAs to operate. There are even disadvantages to ostensibly benevolent NSAs playing a more prominent international role, such as the outsized influence the Bill and Melinda Gates Foundation plays in setting the World Health Organization's agenda.

Fifth, even as competition between the global powers and other key actors intensifies, the international system is not on the verge of all-out major power conflict. Instead, states are finding ways to compete that usually fall short of full-scale war. Most importantly, **gray zone operations will be a mainstay of international competition** over the next ten years. Also known as hybrid warfare, these activities are intended to be provocative, and even damaging, but to fall below the threshold that would generate a military response. All the major international state actors engage in gray zone operations, but they are generally more challenging for democratic states, which by their very nature tend to be more open, more interconnected, and slower to respond to potentially subversive or harmful activities. Finding ways to implement policies and procedures that increase the ability to respond quickly and effectively to gray zone operations, without damaging democratic institutions and values and without increasing the risk of war, is a pressing problem.

Sixth, climate change is a challenge for all states. As such, it should be a catalyst for multilateral action. To an extent, it already is, especially among non-state and sub-state actors. However, much more aggressive multilateral action is needed, both to reduce global emission of greenhouse gasses and to mitigate the effects of climate change that cannot be avoided. Furthermore, **the impact of climate change on security will continue to grow in importance** in the coming years. Problems such as the melting of Artic sea ice, access to water for agriculture and consumption in the Middle East, mass migration, food insecurity, extreme weather, and radicalization will have a significant impact on Dutch and European security, and all of them will necessitate more effective multilateral action.

1.3 Recommendations

The varied nature of these challenges calls for a complex menu of policies. The report urges action in seven areas. First, the European Union should prioritize policies and procedures that will further facilitate its emergence as a global power. Individual EU member states generally lack the power and influence to substantially affect the international system,

but when they act collectively they can stand toe to toe with China and the United States in many areas. **Adopting a more assertive geopolitical stance will be the only way to safeguard Dutch and European interests and values.**

Rather than debating terminology ad nauseum and to little effect – for instance, far too much time has been spent debating the definition of strategic autonomy – emphasis should be placed on developing concrete policies and initiatives and on forming specific coalitions and partnerships to achieve desired outcomes. As a medium-sized state, the Netherlands lacks the influence of the biggest EU member states. However, it can amplify its power and influence by partnering with these larger states. The Dutch-German initiative to jointly develop a next-generation frigate, which will replace the German Navy Sachsen-class (F124) and the Royal Netherlands Navy De Zeven Provinciën-class (LCF) frigates, is a modest but useful example of how this approach can bear fruit.

In addition, by focusing on areas in which it has special interest or expertise – such as climate and security or human rights – the Netherlands can impact the overall direction of EU, and therefore global, policy. Where possible, the Netherlands and European Union should work with the United States, but the EU should do so as an influential geopolitical actor in its own right, not as a junior partner. One point of common concern is gray zone operations, where the Netherlands, other EU member states, and the United States are prime targets for other major and regional powers. Another area in which there is joint interest is boosting European conventional deterrence capabilities in Eastern Europe.

Second, **assuming a more assertive and unified geopolitical stance will be especially important for the Netherlands and its European partners when it comes to China** over the next ten years. China policy will be difficult to develop because of the crucial and complicated role Beijing plays in the international

system. On one hand, it is – depending on how you measure it – the first or second largest economy in the world and a crucial driver of international economic growth. Increasingly, it plays a leading role in international institutions and its constructive engagement will be necessary for solving a number of pressing international problems, including responses to future pandemics and effective action on climate change.

On the other hand, China's growing economic and political influence has highlighted some worrisome trends in its global role. The so-called wolf-warrior diplomacy practiced by Chinese diplomats, especially since the onset of the COVID-19 pandemic, is only the most conspicuous example of a broader pattern in which Beijing increasingly pressures other countries to explicitly acknowledge China's centrality. A key method of Chinese diplomacy in Europe has been the use of divide and rule tactics, with programs such as the Belt and Road Initiative and the 17+1 platform intended, in part, to allow China to (a) avoid dealing with the European Union as a unitary geopolitical unit, and (b) increase dependencies among individual states. It would rather interact at the bilateral or subregional level, where it enjoys a power advantage.

China's pugnacious behavior is matched by an increasingly ambitious security agenda, which includes the construction of its first overseas military base in Djibouti in 2019, plans to acquire more such bases, and a long-term strategy to establish primacy in the South and East China seas. Though China frequently refers to the need for multilateralism, its definition of the concept differs significantly from that of the Netherlands and European Union, underscoring the extent to which China's interests and values differ from those of Europe.

Third, **a shrewder and more unified approach will be necessary in dealing with Russia**, which this report treats as a major but not global power. Moscow lacks China's global influence, but remains one of the Netherlands' and Europe's most pressing security challenges. Like China, Russia seeks to

exploit inter-European divisions, but it lacks China's economic power, so it relies largely on gray zone operations to undermine NATO, the European Union, and national governments, including the Netherlands. In the long run, Russia and the European Union may be able to find areas of common interest, such as the need to counterbalance China. Even in the short run, there may be areas of limited cooperation, for instance on arms control or pandemic responses. However, over the next ten years the priority should be on upgrading Dutch and European resilience and expanding initiatives designed to enhance conventional deterrence against Russian intimidation and even potential limited military incursions.

Fourth, though it will improve US-Dutch and US-European relations over the next four years, the election of Joe Biden will not prevent the reorientation of US security toward the Indo-Pacific region. Europeans should prepare to engage with the Biden administration on multiple areas of mutual interest, including trade, bolstering NATO, and reinvigorating key multilateral institutions. The **Netherlands, given its history of close ties with the US, should seek to play a bridging role in select areas, such as reform of the WTO and preservation of international human rights institutions and initiatives.** However, the most important thing the Netherlands and Europe can do to foster a healthy transatlantic relationship – not to mention increase their power and influence, and their ability to safeguard their interests and values – is to **seek a more equal division of labor in NATO with the United States and do more to promote and maintain peace and stability in their neighborhood.** This will allow the United States to focus more of its limited resources on the Indo-Pacific, and make it easier for democratic states to maintain key elements of the rules-based international order.

Fifth, the Netherlands and Europe should **strategically engage with key middle powers on trade and security.** There are two categories of middle powers, each of which call for different responses. Democratic middle powers are natural candidates for the type

of multilateral coalitions that the Netherlands and European Union will need to assemble to preserve some version of a functioning multilateral order. Meanwhile, the Netherlands and European Union should court key middle powers in the Global South in order to discourage the growing tendency to pursue mercantilist trade policies and military interventions that do not enjoy UN mandates. Both types of behavior are destabilizing, and the Netherlands and European Union should use their economic, political, and normative influence to inhibit them.

Sixth, the Netherlands and European Union need to **develop a more sophisticated approach to interacting with non-state actors, one that mixes effective engagement with policies designed to discourage the inevitable downsides of dealing with self-interested NSAs.** NSAs can play a crucial role in promoting Dutch and European interests and values over the next decade. Pfizer's development of the first COVID-19 vaccine, and the leading role many NGOs and sub-state actors play in pushing for more aggressive and creative efforts to combat climate change, demonstrate that NSAs fulfil vital tasks. In particular, NSAs in the Global South, such as BRAC, an international development organization based in Bangladesh that is known for its microfinance programs, provide solutions to urgent problems.

At the same time, all NSAs pursue self-interested agendas, and the Netherlands and European Union should devote more resources to preventing these agendas from undermining their interests and values. In addition, they should recognize the outsize impact that pernicious NSAs, such as QAnon, can have and bolster their ability to prevent the emergence and undermine the influence of such NSAs.

Seventh, the Netherlands and European Union **should aggressively work with other actors, state and non-state alike, to tackle climate change.** The EU Green Deal set the standard for global powers in terms of ambition, but will not single-handedly avert the climate crisis. In addition to maintaining – and

even accelerating – efforts at home to reduce carbon emissions, Dutch and EU policymakers should devote more resources to encouraging other major state actors, such as China and the United States, to (in China's case) achieve their ambitious climate change objectives or (in the case of the United States) to embrace such goals. In addition, though so-called green jobs will increasingly be an area of economic competition, they will also offer opportunities for international cooperation, not least when it comes to development activities.

This list of recommendations is not exhaustive, nor is it intended to be. That said, taken together, it offers a broad blueprint for the Netherlands and its EU partners to begin moving beyond their long-standing political and security dependence on the United States, not in a spirit of enmity, but as a way of updating the relationship. Doing so is necessary, both in order to solidify the European Union's status as a global power – and Dutch influence within the EU – and to more effectively address the complex challenges they face. Indeed, from the perspective of this to this report, it is an indispensable phase in their geopolitical genesis.

2. **Introduction**

The security environment has changed dramatically since 2010, when the *"Future Policy Survey: A new Foundation for the Netherlands Armed Forces"*, on which much of our subsequent work is based, was published.[1] That Future Policy Survey yielded four basic scenarios for the future of the international order. These scenarios – Multilateral, Multipolar, Networked, and Fragmentation — highlighted how, and with what consequences, the international system would change by 2030. In subsequent years, the Strategic Monitor analyzed a growing degree of assertiveness among the major powers (2013-2014); the role of pivot states in sparking conflict (2014); the fragility of the Middle East and the contagious effects of political violence (2014 and 2017); the return of interstate crisis in hybrid forms (2014-2015); the emergence of a multi-order (2017); and the existence of an interregnum, a transition phase during which the old order had expired but the new one had not yet coalesced (2018). Last year's report, "The Writing on the Wall," examined the development of a new international order, one that is based on a collection of international regimes, not the continued primacy of a singular liberal world order.[2]

Building on research into these regimes, this year's report seeks to establish the contours of the new international order. In particular, it focuses on the most important trends and actors in the new order and their implications the next ten years, until 2030. The first section of the report discusses the international system's most influential megatrends, with particular emphasis on the role played by the COVID-19 crisis. The report discusses the ways in which COVID-19 is aggravating, accelerating, or catalyzing six megatrends: long-term, structural trends at the systemic level. These include the response of Europe to its ongoing challenges, US retrenchment, environmental and climate-related problems, the increasing frequency of gray zone operations, Russia's growing assertiveness, and the implications of China's rise.

The second section of the report analyzes the main types of actors and the roles that they play in the new international system. This comprises the global powers – China, the European Union, and the United States – who remain the most influential actors in the system, as well as Russia, which is a major power, but which lacks the economic clout of the other three. China and Russia have security agendas that are increasingly global in nature, with Africa and the Global South – defined in this report as low and middle-income countries located to the south of Europe and North America – emerging as key areas of interest for both powers.

The second section also includes middle powers, who are responding to the disruptive behavior of the major powers by becoming more assertive in identifying and pursuing their own interests. In the Middle East and North Africa, this includes engaging in foreign military interventions without mandates from the United Nations or NATO. Many middle powers, especially those in the Global South, are responding to pressure on the rules-based international trading system by emulating China and pursuing protectionist trade strategies designed to bolster innovation-based growth in domestic companies.

The other type of actor examined in the second section is non-state actors (NSAs), the most influential and powerful of whom are increasingly assuming functions traditionally executed by states. In many cases – though not all – states willingly partner with these NSAs in pursuit of their interests and values. However, outsourcing traditional functions to powerful NSAs comes with some notable disadvantages, the full scope of which are only now becoming apparent.

The third section of the report seeks to identify high-level trends in conflict and cooperation in the international system. The report paints a relatively

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[1] Interdepartementaal Project Verkenningen, "Verkenningen: houvast voor de krijgsmacht van de toekomst."

[2] Sweijs and Pronk, "Between Order and Chaos? The Writing on the Wall | Strategic Monitor 2019-2020'."

pessimistic portrait of bilateral relationships between the major powers. Pictured as a spectrum, most of the relationships are located closer to the conflict side. US-Russia and US-China relations can be characterized as mired in non-cooperation. EU-Russia and EU-China relations, which can be described as conflicting over norms, are only marginally better. US-EU relations are in conflict over rules, though this state of affairs is likely to improve over the next four years and they already cooperate in many areas. Only China-Russia relations stand on the cooperation side of the spectrum, as they are moving toward fully institutionalized cooperation, though many observers expect this status to deteriorate over the next ten years over issues such as Central Asia and Russia's status as a junior partner in the relationship. Overall, this dynamic suggests a system characterized by a version of multipolarity that resembles, but is weaker than, the multi-order first described in the 2017 Strategic Monitor.[3] In this system, the predominance of the United States and China will be counterbalanced, to a degree, by the collective influence of the European Union and the negative influence of Russia.

The report is cautiously optimistic about the state of collaboration in the field of climate and security. Climate and security is a particular focus of the report this year, as it is priority of the Dutch government and is arguably the most pressing long-term challenge facing the Netherlands and the European Union. The report explores the degree to which the international community has taken steps to strengthen or erode the norms and rules which guide state behavior as it relates to climate security. It finds that cooperation is on the uptick. Over the course of the last decade, states have generally tried to comply with rules that have been formulated to prevent, mitigate, foster recognition of, adapt, and increase resilience to climate change and its security impacts.

Insofar as they exist, the norms that exist within this subject area have also strengthened. However, though norms and rules have generally strengthened, they tend to entail weak enforcement or oversight mechanisms, meaning that the upward trend on compliance should not be taken for granted. In other words, progress *has* been made, but far more needs to happen. Finally, the report finds that, although states tend to be reluctant to act aggressively in the climate and security sphere, regional or city-level actors are often much more aggressive. In fact, nearly all of the actors working to strengthen or expand existing norms and rules operate at the regional or megacity levels. This dovetails with our finding in the second section of the report, that non-state actors are performing crucial roles in the international system in place of states.

Based on the findings from the first three sections, the final part of the report contemplates the implications for the Netherlands. Though much of this report is relatively pessimistic about the state of the world, the conclusion sees a number of opportunities for the Netherlands and for Europe as they begin to think in a strategic fashion about how to shape their relationships with other actors. The report makes detailed recommendations in two areas.

First, when it comes to relations with other states and non-state actors, the European Union (including the Netherlands) should do two things simultaneously. It should prepare for a more competitive and dangerous international landscape. This entails protecting its interests and values from the destabilizing behavior of the other major powers, from the growing tendency toward foreign military interventions and mercantilist trade policies among middle powers, and the pernicious behavior of self-interested non-state actors. However, the Netherlands and European Union should also proactively take advantage of the opportunities presented by the evolution of the international system. This means identifying and pursuing avenues for constructive interaction and even collaboration with the other major powers,

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[3]   Kars de Bruijne and Minke Meijnders, 'Multi-Order: Strategic Monitor 2017' (Clingendael, 2017), https://www.clingendael. org/pub/2017/monitor2017/multiorder/.

developing incentives for middle powers in the Global South to avoid destabilizing military and economic policies, and incorporating non-state actors in a more systematic and constructive way into foreign and security policies.

Second, the report offers advice about how to navigate key thematic areas. The Netherlands and European Union should seek to preserve the most important facets of the current international order. However, in the process of doing so, they will need to strike a delicate balance between, on one hand, incorporating the often-troubling changes sought by authoritarian regimes, such as China and Russia, and, on the other hand, protecting democratic interests and values. In addition to lessening the risk of full-scale war between major powers, preserving the existing order, even in diluted form, would entail significant advantages. It would make it easier to address the most pressing long-term global challenge, fighting climate change, through a combination of coalitions with state and non-state actors. It would also make it easier for the Netherlands and European Union to play a bridging role between China and the United States in efforts to reform the World Trade Organization, a crucial step if the rules-based international trading system is to be salvaged. Finally, in order to protect Dutch and European interests and values, it will be necessary to develop a more robust and sophisticated approach to international and regional security. Reforming NATO, increasing Dutch and EU military capabilities, bolstering resilience to better withstand gray zone attacks, and more assertively shaping and setting international norms to discourage such attacks.

3. Methodological Overview

This section explains the methodology used to conduct the research for and write this report. Reading this section is not necessary for understanding the report. Instead, it is designed to summarize and explain to other researchers and analysts our approach. A more detailed discussion of our methodology can be found in the Annex to the report.

The time horizon for this report is ten years. The report analyses four broad topics:

1. The impact of COVID-19
2. The role of key actors in the international system: major powers, middle powers, and non-state actors
3. Conflict and cooperation in the international system, with a focus on (a) dyadic relationships between the major powers, and (b) climate and security
4. The Implications of the report's findings and conclusions for the Netherlands

These four topics were selected in collaboration with the Dutch Ministries of Foreign Affairs and Defense.

Some terminology used in the report should be defined. **Major powers** as the states that are the most influential international actors in terms of security policy, military power, and/or economic position. This study treats the following states as great powers, based on their permanent seats on the UN Security Council and the size of their militaries, economies, and populations: China, the European Union (France and the United Kingdom hold permanent UNSC seats), Russia, and the United States.

This study does not focus on all the complex interrelationships between the great powers, but instead focuses on the six bilateral relationships which are likely to have the greatest influence on global stability in the next 10 years. These six relationships were in part selected in order to chart the expected development of (1) the relationship which has been central to the global system since the end of the Cold War (US-EU), (2) the relationship which has the greatest potential of becoming the new central axis for conflict (US-China), and (3) the relationships on which the greatest tensions are expected to occur in the decade ahead (US-Russia, EU-Russia).

Our analysis assumes that the relationships between the major powers have a great impact on global stability: the more they cooperate, the more the international organizations of which they are a member will be able to deal with destabilizing factors. Part of this assumption is that conflicts between great powers always have a destabilizing effect that transcends their bilateral relations. This, of course, does not mean that smaller states and non-state actors cannot have a considerable impact as well. However, this assumption is different in that relationships between great powers always have an impact on the level of global stability.

This study uses the scenario framework that was developed within the scope of the **"Future Policy Survey: A new Foundation for the Netherlands Armed Forces".**[4] It expressly focuses on the horizontal axis that runs from cooperation to non-cooperation/conflict. It is a fusion which incorporates features of both the multilateral and multipolar scenarios. Cooperation and conflicts of interest between state actors are not mutually exclusive. This study focuses on whether this blended scenario will hold when the relationships between the great powers, which are assumed to be a decisive factor for global stability, are examined.

There are many definitions of **middle powers** in the academic and policy literature. For the purposes of this report, they are defined as having the capacity to exert influence at the international level. This includes population size, economic power, and military prowess. Their diplomatic influence can be measured by the size of their diplomatic networks or mem-

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[4] Interdepartementaal Project Verkenningen, "Verkenningen: houvast voor de krijgsmacht van de toekomst."

bership in key international organizations, such as the UN Security Council (UNSC) or the Human Rights Council (HRC). The twenty middle powers analyzed in this report were chosen based on geographic spread, regional and global influence (economic, military, political), and regime type.

The report used several research techniques. For the section on COVID-19 and megatrends, it used **horizon scanning**. This was done by conducting a **literature review** of fourteen strategic foresight reports, from think tanks and research centers on three continents, cataloguing the key geopolitical, military, and technology trends that are shaping the international security environment. The reports are as follows:

1. Atlantic Council, Global Risks 2035 Update: Decline or New Renaissance (2019)
2. Center for Security Studies, ETH Zurich, Strategic Trends (2020)
3. Centre for Strategic Futures (Singapore), Foresight (2019)
4. European Union Institute for Security Studies, What if? 14 Futures for 2024 (2020)
5. European Union, Global Trends to 2030: Challenges and Choices for Europe (2019)
6. Munich Security Conference, Westlessness (2020)
7. NATO, Strategic Foresight Analysis Report (2017)
8. Office of the Director of National Intelligence (US), Global Trends: Paradox of Progress (2017)
9. Rand Corp., Global Economic Trends and the Future of Warfare (2020)
10. Rand Corp., Geopolitical Trends and the Future of Warfare (2020)
11. Rand Corp., Military Trends and the Future of Warfare (2020)
12. Rand Corp., Environment, Geography, and the Future of Warfare (2020)
13. UK Ministry of Defence, Global Strategic Trends (2018)
14. World Economic Forum, Shaping a Multiconceptual World (2020)

Based on these reports, a list of fifteen megatrends was compiled.[5]

5   The foresight reports used for the literature review are: "Strategic Trends 2020: Key Developments in Global Affairs" (Zurich: Center for Security Studies, 2020), https://css.ethz.ch/en/publications/strategic-trends/details.html?id=/s/t/r/a/strategic_trends_2020; "Global Risks 2035 Update: Decline or New Renaissance?," Atlantic Council (blog), October 30, 2019, https://www.atlanticcouncil.org/in-depth-research-reports/report/global-risks-2035-update/; "Global Strategic Trends - the Future Starts Today" (London: UK Ministry of Defense, 2018); "Foresight" (Singapore: Centre for Strategic Futures, 2019), https://www.csf.gov.sg/files/media-centre/publications/CSF_Foresight_2019.pdf; "Global Trends to 2030: Challenges and Choices for Europe" (Brussels: European Strategy and Policy Analysis System, April 2019), https://ec.europa.eu/assets/epsc/pages/espas/index.html; "What If... 14 Futures for 2024," January 2019, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_157.pdf; "Strategic Foresight Analysis" (Allied Command Transformation, 2017), https://www.act.nato.int/images/stories/media/doclibrary/171004_sfa_2017_report_hr.pdf; National Intelligence Council, "Global Trends: Paradox of Progress" (Washington, D.C.: National Intelligence Council, 2017); "Munich Security Report 2020: Westlessness" (Munich: Munich Security Conference, 2020), https://securityconference.org/en/publications/munich-security-report-2020/; "Environment, Geography, and the Future of Warfare: The Changing Global Environment and Its Implications for the US Air Force" (RAND Corporation Santa Monica United States, 2020), https://www.rand.org/pubs/research_reports/RR2849z5.html; "Shaping a Multiconceptual World," (World Economic Forum, 2020), http://www3.weforum.org/docs/WEF_Shaping_a_Multiconceptual_World_2020.pdf; "Global Economic Trends and the Future of Warfare," (RAND, 2020), https://www.rand.org/pubs/research_reports/RR2849z4.html; "Geopolitical Trends and the Future of Warfare," (RAND, 2020), https://www.rand.org/pubs/research_reports/RR2849z2.html; "Military Trends and the Future of Warfare," (RAND, 2020), https://www.rand.org/pubs/research_reports/RR2849z3.html.

Megatrend	Average Ranking
Europe's ongoing crises	4.23
US retrenchment	4.15
Environmental and climate-related stresses	3.98
Russian assertiveness	3.83
Gray zone operations increasing in frequency	3.83
China's political, economic, and military rise	3.63
Potentially disruptive technologies	3.62
The erosion of the global trade system	3.53
The decline of the West	3.46
Resource scarcity	3.25
Demographic transitions and urbanization	3.22
Violent extremism	3.08
Diffusion of power to non-state actors	3.04
Empowerment of humankind	2.67
Activity in the space domain	2.84

The experts were asked to indicate which of these trends is likely to be most detrimental to European security in the short-term, and which in the longer term. In light of the COVID-19 pandemic, the experts were asked to identify the trends most likely to be exacerbated by it. Based upon the 153 responses received, a short-list of six megatrends – long-term, structural trends at the systemic level that will shape the international security environment towards 2030 – was drafted. The list, in descending order, is:

1. Europe: Troubled or Awakening?
2. The United States: Retrenching or Rebounding?
3. Climate and Environmental Challenges: Manageable, or Existential Threat?
4. Russia: Assertive or Flailing?
5. Gray Zone Operations: Familiar Tactic or New Threat?
6. China: Rising or Stalling?

This list informed the development of an online **expert survey**, in which 467 Dutch and international experts were asked to gauge the perceived relative importance of these trends.[6]

Literature review
⬇
Compilation of megatrends longlist
⬇
Development of Survey
⬇
Processing of survey responses
⬇
Megatrends shortlist finalized

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6   These fifteen megatrends are: China's political, economic and military rise; US retrenchment; Russian assertiveness; Europe's ongoing crises; Violent extremism; Resource scarcity; The decline of the West; The erosion of the global trade system; Potentially disruptive technologies; The militarization of space; Gray zone operations increasing in frequency; Diffusion of power to non-state actors; The empowerment of mankind; Environmental and climate-related stresses; Demographic changes and urbanization. "ESPAS_Report2019.Pdf," accessed December 17, 2020, https://espas.secure.europarl.europa.eu/orbis/sites/default/files/generated/document/en/ESPAS_Report2019.pdf.

Figure 1 - Long-term prioritization (shortlist)

- China's political, economic and military rise
- The erosion of the global trade system
- The decline of the West
- Demographic transitions and urbanization
- Environmental and climate-related stresses
- Europe's ongoing crises
- US retrenchment
- Resource scarcity
- Gray zone operations increasing in frequency
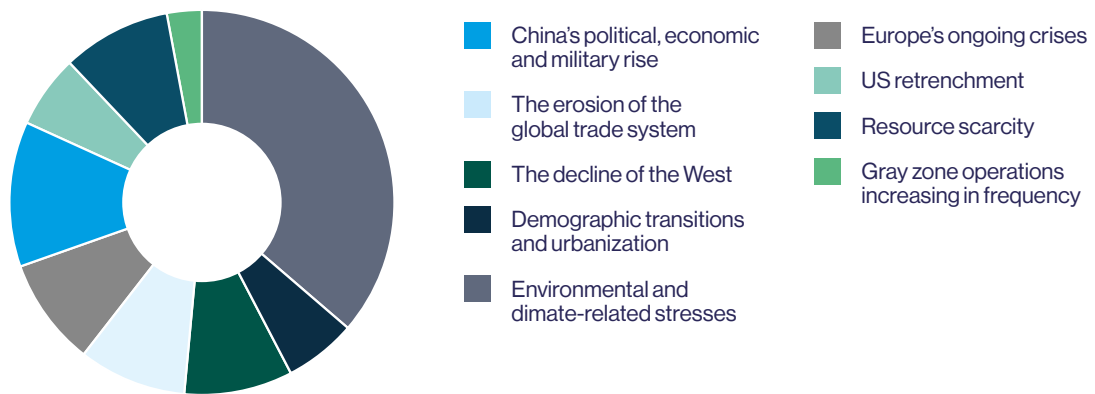
Figure 2 - Short-term prioritization (longlist)

- China's political, economic and military rise
- The erosion of the global trade system
- The decline of the West
- Russian assertiveness
- Environmental and climate-related stresses
- Potentially disruptive technologies
- Europe's ongoing crises
- Violent extremism
- US retrenchment
- Resource scarcity
- Gray zone operations increasing in frequency
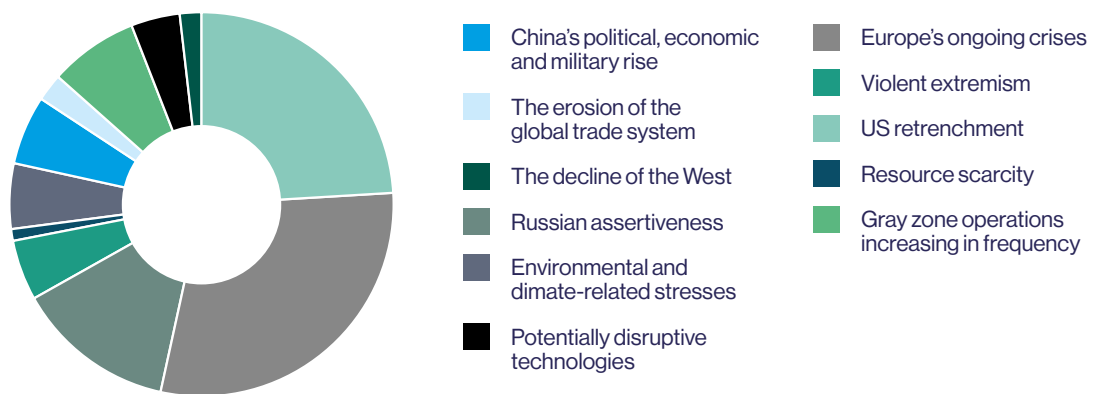
Figure 3 - Long-term prioritization (longlist)
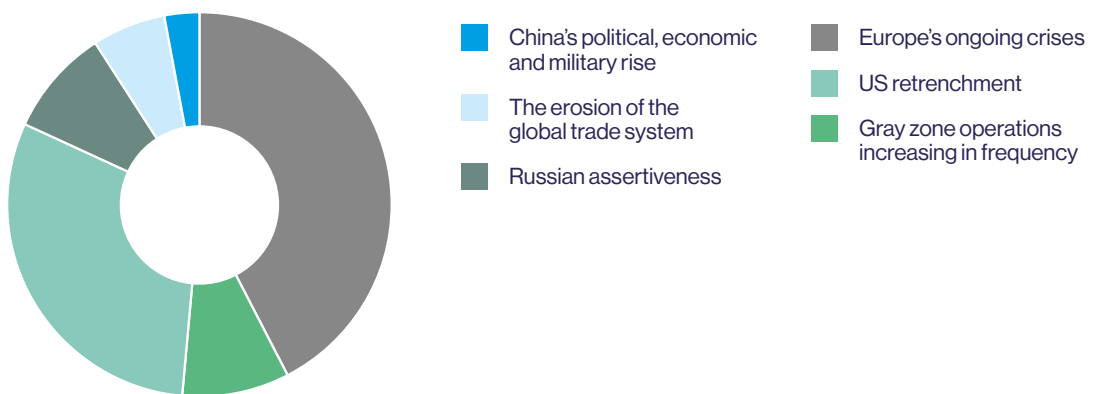
- China's political, economic and military rise
- The erosion of the global trade system
- The decline of the West
- Russian assertiveness
- Demographic transitions and urbanization
- Environmental and climate-related stresses
- Potentially disruptive technologies
- Europe's ongoing crises
- Violent extremism
- US retrenchment
- Resource scarcity
- Activity in the space domain
- Diffusion of power to non-state actors
- Gray zone operations increasing in frequency
- Empowerment of humankind

Figure 4 - Short-term prioritization (shortlist)

- China's political, economic and military rise
- The erosion of the global trade system
- Russian assertiveness
- Europe's ongoing crises
- US retrenchment
- Gray zone operations increasing in frequency

4. Global Megatrends, 2021-2030

The COVID-19 pandemic has served to accelerate, exacerbate, or catalyze the six global megatrends analyzed in this report. The pandemic has demonstrated how quickly infectious diseases spread across the globe, and underscored differences between the authoritarian and liberal democratic approaches to tackling pandemics. The pandemic has had a significant geopolitical impact, sharpening divides among global powers and in societies. In particular, the pandemic has highlighted divisions in Europe, even as it has buttressed support for closer European cooperation. Though there are glimpses of good news for the Netherlands and European Union, for the most part the six megatrends indicate that the international system is becoming more challenging. They highlight the need for the Netherlands and its EU partners to work together more efficiently and effectively, to create more flexible partnerships with the full range of international actors, and to boost their resilience in the face of attempts to undermine institutions and alliances.

4.2 Europe: Troubled or Awakening?

Conventional Wisdom Status Check

In the coming decade Europe will probably continue to face several challenges to its cohesion and unity, including disagreements about the nature and future of the European Union, the growing economic, political, and even military influence of China in Europe, and the continuity of the transatlantic partnership.

Our assessment: ≈ (partly accurate) While the above is indeed likely, working together on a new understanding of security could also help the Europeans to bridge some of their existing strategic and cultural gaps, and agree not just on a common threat assessment, but also on joint actions to tackle global challenges. Thus, Europe as a whole, and the European Union in particular, could very well play a leading role in preparing for the next strategic shocks.

4.2.3 COVID-19

Exactly how the COVID-19 pandemic and its aftermath will impact Europe's challenges and the policies of European states and the EU in the long-term will remain uncertain for a while yet. However, some trends – geopolitical, economic, and military – are already visible. These will impact how Europeans (re)think their security policies after the pandemic, and therefore have implications for planners, decision-makers, and armed forces throughout the continent.[7]

Over and above the setting of new geopolitical trends, COVID-19 is primarily exacerbating existing dynamics. In a matter of weeks, COVID-19 proved that pandemics can not only claim lives all around the world, but also shut down whole economies, close borders, threaten military operations and divide allies

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[7]   Alice Billon-Galland, "COVID-19 and the Defence Policies of European States," NDC Policy Brief 18, no. 20 (October 2020), https://www.ndc.nato.int/news/news.php?icode=1483; Bob Deen and Kimberley Kruijver, "COVID-19 and Defence: Need for EU Funding" (The Hague,: Clingendael Institute, May 2020), https://www.clingendael.org/publication/covid-19-and-defence-need-eu-funding; Christian Mölling, Sophia Becker, and Torben Schütz, "COVID-19 and European Defense: Voices from the Capitals" (Berlin: DGAP, 2020), https://dgap.org/en/research/publications/covid-19-and-european-defense; Dick Zandee, Els Duchateau-Polkerman, and Adája Stoetman, "Defence & Covid-19: Why Budget Cuts Should Be off the Table" (The Hague: Clingendael Institute, April 2020), https://www.clingendael.org/sites/default/files/2020-04/Alert_Defence_and_Covid-19_April_2020.pdf.

and partners. The realization that an invisible threat not inflicted by human agency but naturally can cripple entire societies is impacting the threat perception of both European citizens and decision-makers.

The COVID-19 pandemic triggered an unprecedented crisis for the EU.[8] Not only did it bring back memories of the Eurozone struggles, but it also re-enacted the divisions of the time. Moreover, it raised questions about the EU's state of readiness for a next crisis. In all European countries, the armed forces have been deployed on the COVID-19 frontline to complement civilian efforts and assist with a variety of national tasks, from the construction of temporary medical facilities to public order support. Thanks to its crisis response mechanisms, expertise in surge planning, and effective command and control facilities, the military has proven a crucial complement to civilian governmental efforts. Additionally, although many European countries initially closed their borders and adopted non-cooperative strategies at the very outbreak of the COVID-19 pandemic, they then quickly shifted to a more joint response to the crisis through various European coordination frameworks. Examples of Europe's crisis response measures are the joint acquisition of vaccines and the provision of substantive financial aid packages for society and industry.

4.2.4 Historical Trend

Timeline

1 December 2010: foundation of the European External Action Service (EEAS).

December 2019: the President of the European Commission 2019-2024, Ursula von der Leyen, calls for a geopolitical Commission; Josep Borrell, the High Representative of the Union for Foreign Affairs and Security Policy, echoes this by stating that the EU needs to "learn the language of power".

5 March 2020: the informal meeting of EU Defence Ministers in Zagreb, Croatia, calls for a new initiative labelled the Strategic Compass, which is designed to identify threats, clarify goals, and identify capabilities that should be developed

20 November 2020: the Council welcomes the common threat analysis developed by the Single Intelligence Analysis Capacity (SIAC).

First semester 2022: the Strategic Compass process is expected to be concluded under the French EU Presidency.

Over the past decade, dissatisfaction with the EU has increased. This decline of faith in the EU as an institution is largely attributable to one major economic issue: the continued fallout from the Eurozone crisis and the subsequent austerity measures that were incorporated in an attempt to control the rising public debt that hit the Southern European countries particularly hard, and five geopolitical factors: migration, terrorism, political turmoil, an assertive Russia,

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8   Bob Deen and Kimberley Kruijver, "Corona: EU's Existential Crisis" (The Hague,: Clingendael Institute, April 2020), https://www.clingendael.org/sites/default/files/2020-04/Alert_Corona_Existential_Crisis_April_2020.pdf.

and, above all, a crisis of multilateralism.[9] One trend that has particularly contributed to the current crisis of multilateralism is the strong rise in geopolitical tensions between the major world powers, complicating decision-making due to the highly divergent views and interests that these states hold. As NATO's Allied Command Transformation 2017 "Strategic Foresight Analysis" report observed, "power politics and competition between major powers have increased the potential for instability" in the international system. A further erosion, or even collapse of multilateralism could potentially have disastrous consequences for the Netherlands. It would expose the country to geopolitical forces over which it has no control and relegate it to a plaything of the major powers.[10]

> **Key Projections for the Next Ten Years**
>
> Despite the recent decline in illegal migration, migrants will probably continue to be drawn to Europe. Moreover, even if illegal migration were to stop, the EU still needs to contend with the millions already within its borders, ensuring that the migration crisis will probably continue for years to come.
>
> Since the rise of identity politics is closely intertwined with the migration crisis, support for nationalist and populist parties will likely continue and possibly grow even more, exploiting the EU's perceived failure to respond. Such movements could even prompt more countries to leave the EU, especially in the aftermath of Brexit.
>
> Geopolitical rivalry, in particular the Sino-American competition, is expected to continue to undermine the main facets of the existing multilateral world order. The net result of this is that causes for schisms within Europe seem poised to persist and possibly might even intensify over the next decade.

4.2.5 Projected Trajectories

Looking forward to 2030, according to a study previously published by the Royal Institute Elcano there are four potential scenarios for Europe.[11] First, a failing Europe. This is the worst case scenario. In this scenario, Europe has failed to protect and further develop its institutional and cooperative architecture, enshrined in the EU and in NATO. In other words, a Hobbesian world and a Hobbesian Europe where countries mistrust each other, have largely stopped multilateral forms of cooperation, and compete aggressively over scarce resources, struggling to barely survive. European countries are at the mercy of the few leading military powers who are calling the shots on the global scene.

9   Brigitte Dekker, Sico Van der Meer, and Maaike Okano-Heijmans, "The Multilateral System under Stress" (The Hague: Clingendael Institute, September 2019), https://www.clingendael.org/publication/multilateral-system-under-stress-europes-path-forward; Bob Deen, Adája Stoetman, and Sico Van der Meer, "Covid-19 en het multilaterale veiligheidsbestel: nog zwaarder weer op komst" (The Hague: Clingendael Institute, 2020), https://www.clingendael.org/publication/covid-19-en-het-multilaterale-veiligheidsbestel.

10   Rob de Wijk, Jack Thompson, and Esther Chavannes, "Adjusting the Multilateral System to Safeguard Dutch Interests" (The Hague,: Centre for Strategic Studies, 2020), https://www.hcss.nl/report/adjusting-multilateral-system-safeguard-dutch-interests.

11   Luis Simón and Ulrich Speck (eds.), "Europe in 2030: Four Alternative Futures" (Madrid: Royal Institute Elcano, December 2017), http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/policy-paper-simon-speck-europe-2030-four-alternative-futures.

Second, a strong and united Europe. This scenario presents a future in which Europeans grasp the opportunity to fend for themselves in an increasingly contested world. As the international system gravitates back towards a loose form of multipolarity, the EU stands out as a beacon for multilateral statecraft. While it may not always succeed in getting others to adopt its preferred playbook, the EU does acquire the teeth to defend its collective security and economic interests when they are threatened. In many respects, this is the most rational scenario for Europeans if the US chooses to retreat from its historical role as guarantor of the liberal and democratic world order. In this scenario Europe leads the way in 2030 as a multilateral great power.[12]

Third, an Atlantic revival. This scenario perceives a future in which the West – led by the Atlantic democracies, the US, the UK, and France, along with their traditional allies – still dominates international relations. This third scenario depicts not only the prolongation of an Atlanticist world order, but also its strengthening, particularly as a possible Eurasian "axis of autocracies" takes hold to contest the system upheld by the Atlantic democracies. It is this development that spurs the leaders of America, the UK and France to work closer together to protect their system from external attack, just as they did during the Cold War. In this optimistic scenario, countries such as India, Japan, and South Korea join France, the UK, and US as custodians of the expanded Asian-Atlanticist order.

Fourth, a strong China subjecting Europe. The driving hypothesis behind this scenario is that, by 2030, China's strategy towards the European region has come of age. In a heterogeneous Europe, divided on key economic and geopolitical issues, China has accelerated the pace of its initiatives at various levels (local, national, sub-regional, EU). Beijing promotes

its own modes of multi-layered interactions, and steers Europe away from the institutional traditions and processes set by member-states and the EU, which it considers inefficient and suboptimal for the promotion of Chinese interests. At the political level, Beijing has invested in developing relationships with a wide variety of political parties across the continent, and built ties with a new generation of European political elites. Chinese investments have affected the attitude of European governments towards key issues involving China in the greater Asia-Pacific region such as the territorial disputes in the East and South China Sea or the Taiwan issue.

4.2.6 Policy Implications
The historical trends and future projections regarding Europe hold several implications for future Dutch foreign, security and defense policies. First of all, NATO will likely continue to remain the cornerstone of Dutch security, if for no other reason than Europe currently lacks a viable alternative to the transatlantic alliance. However, increased European cooperation is crucial in a time of geopolitical competition in order to counterbalance the US-China and US-Russia rivalries. For this to be effective, and to arm itself against external exploitation, it is needed to end the divisions within Europe and tackle current and future crises in a more collaborative manner. Furthermore, the crisis of multilateralism is perhaps an opportunity for the Netherlands to work towards the establishment of new and improved institutions and mechanisms, involving additional actors and fomenting new coalitions and partnerships. So it is that in these challenging times Europe might actually start to pull together and bring sense and a steady hand into certain pressing global issues.

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[12]   Florence, "Global Trends to 2030: Challenges and Choices for Europe."

4.3 The United States: Retrenching or Rebounding?

Conventional Wisdom Status Check

Conventional wisdom dictates that the US is retrenching: that it is in decline relative to its competitors and that its focus on China will distract the US from addressing other challenges.

Our assessment: ≈ (partly accurate): On current trajectories, the US is in at least gradual decline relative to its competitors and will mostly focus on China. However, US decline could slow or its competitors could stumble. The focus on China will not be absolute and it will retain a global agenda.

4.3.3 COVID-19

The COVID-19 pandemic has exacerbated and accelerated key aspects of the megatrend US retrenchment. Overall, respondents to our survey ranked US retrenchment as the second most important megatrend; international experts ranked it as the foremost megatrend. It has exacerbated the long-standing problems facing many US institutions, especially the health system. At 134.89 deaths per 100,000, it suffers from one of the highest mortality rates in hard-hit countries. In addition, the pandemic has highlighted massive inequalities in U.S. society. One study found that 96 percent of US counties with large COVID outbreaks had disparities with one or more underrepresented racial or ethnic groups. The disproportionate impact of COVID-19 on minority communities has intensified demands for reforming policing in the United States and, more broadly, the political system.[13]

Problems at home undermine the US position abroad and the pandemic has accelerated this process. Views of the US in a number of countries reached near-record lows in 2020. For instance, only 26 percent of Germans hold a positive view of the United States. Partly, this is a result of US struggles to address the COVID pandemic; it is also linked to the distrust of Donald Trump that has influenced international perceptions of the United States since 2016.[14]

COVID-19 has accelerated the US shift toward strategic competition with China, often in unproductive ways. During the 2020 presidential campaign, both candidates sought to appear more hawkish on China, but they avoided detailed discussions about the options for long-term competition with Beijing. In addition, the Trump administration promoted unsubstantiated theories about the virus's origins and blocked progress in the UN Security Council on COVID-related resolutions (as did China.)

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[13] See "Mortality Analyses," Johns Hopkins Coronavirus Resource Center, last accessed 2 February 2021, https://coronavirus.jhu.edu/data/mortality; Jazmyn T. Moore, "Disparities in Incidence of COVID-19 Among Underrepresented Racial/Ethnic Groups in Counties Identified as Hotspots During June 5–18, 2020 — 22 States, February–June 2020," MMWR. Morbidity and Mortality Weekly Report 69 (2020), https://doi.org/10/ghp39d.

[14] Richard Wike, Janell Fetterolf, and Mara Mordecai, "U.S. Image Plummets Internationally as Most Say Country Has Handled Coronavirus Badly," Pew Research Center's Global Attitudes Project (blog), September 15, 2020, https://www.pewresearch.org/global/2020/09/15/us-image-plummets-internationally-as-most-say-country-has-handled-coronavirus-badly/.

4.3.4 Historical Trend

Defining Moments

2018: midterm congressional elections, widely viewed as a rebuke of President Trump and GOP policies

2018: US imposes a 25 per cent tariff on US$34 billion of Chinese imports, beginning US-China trade war

2020: Joe Biden defeats Donald Trump, promises to restore civility in US politics and to repair the damage done to US standing in the world, but faces strong Republican opposition to key priorities

2022: midterm congressional elections

2024: presidential election

The process of US retrenchment has been gestating for years. The US has struggled to recover from unsuccessful wars in Afghanistan and Iraq. As the *Munich Security Conference Report 2020* observes, these wars left US troops and the US public demoralized: a majority still believe that the wars were not worth fighting. The US has also struggled to fully recover from the Great Recession, even though Wall Street has thrived, and overall economic growth has been strong.

Yet in the years before 2016, the US also took tentative steps toward developing a coherent, multilateral strategy for competing with China. This entailed mobilizing its extensive network of alliances in Europe, including beginning to embrace the need for a more capable and independent Europe, and in East Asia, where it spearheaded the Trans-Pacific Partnership trade deal (from which the Trump administration withdrew in 2017).

Since 2016, aside from avoiding additional significant military interventions, the United States has done little to fix its longstanding problems. Though the US economy enjoyed strong growth before the COVID-19 pandemic, massive problems with inequality and lack of investment in infrastructure and institu-

tions went unaddressed. In addition, Washington has intensified its competition with China even as it has alienated it allies and detached itself from key aspects of the multilateral system.

4.3.5 Projected Trajectory

Key Projections for the Next Ten Years
There will be a full-fledged constitutional crisis in the US related to elections

The US will avoid major new military interventions in the Middle East

The US will remain an inconsistent participant in key multilateral institutions, re-joining and withdrawing depending on which party holds the White House

Looking forward to 2030, there are three potential scenarios for the United States. The most likely, given current trends, is

- *Liberal Retrenchment*: for at least four years, though possibly eight, the US shifts back toward a more multilateral foreign policy but falls short of what Dutch and European policymakers would like to see on key issues and is increasingly focused on China; annual economic growth fluctuates between 1 and 3 percent; China continues to close the power and influence gap with the United States, albeit slowly.

Another outcome that is consistent with many trends is

- *Trump 2.0*: A Trump-style Republican wins the 2024 (or 2028) election; US policy becomes even more nationalistic and unilateralist, including attempting to withdraw from NATO (at least in practice), withdrawing from the WTO, and remaining ambivalent or hostile to multilateral problem-solving; China takes advantage of the vacuum left by the United States to emerge as the leading force in key international institutions and Europe is forced to deal with two unfriendly major powers

A third scenario that is within the realm of possibility, though less likely than the others, is

- *Primacy restored*: the election of Joe Biden sparks a renewed commitment to internationalism; its economy recovers rapidly from the COVID-19 pandemic and enjoys healthy (average 3 percent) growth for most of the next decade; China's growing assertiveness scares Europe and many other countries back toward the United States and the United States remains the undisputed most powerful and influential nation

4.3.6 Policy Implications

The closer the United States moves toward *liberal retrenchment*, the better it will be for the Netherlands, Europe, and the international system. Despite the crisis in transatlantic relations over the last four years, the United States remains the preferred major power partner for the Netherlands and Europe. This means a Washington that re-joins key international institutions and prefers a multilateral approach to addressing global challenges would make it easier to protect Dutch and European interests and values.

At the same time, to an extent it does not matter whether the United States tends more toward *liberal retrenchment* or *Trump 2.0* over the next ten years. Either way, Washington will be a less dependable partner for the Netherlands and Europe. Either way, it will prioritize strategic competition with China, it will pay less attention to Europe, and will expect Europe to do more to maintain peace and stability in its backyard. In other words, regardless of what Washington does, Europe will still need to develop a more capable and independent European security and foreign policy. As Sven Biscop argues, "The EU should define its own relations with all powers, based on its own assessment of their behavior, and on its own interests. Our absolute preference is to defend our interest together with the US whenever we can; but

we will have to learn to do it alone when we must."[15]

The manner in which the Netherlands and Europe engage in this process will matter. Presenting the process of developing a more independent and capable security and foreign policy as intended to modernize and re-balance the transatlantic relationship will not only attract more support in Washington – it will also serve to increase the level of support among US policymakers. Rhetoric about developing the ability to act as a "counterweight" to the United States will be less productive.[16]

4.4 Climate and Environmental Challenges: Manageable, or Existential Threat?

Conventional Wisdom Status Check
Conventional wisdom dictates that climate change and environmental degradation will continue to affect the international system in profound ways.

Our assessment: ✓ (accurate): On current trajectories, climate change and environmental degradation will have an increasingly acute impact, both directly, by worsening environmental conditions such as weather, and indirectly, by increasing food insecurity and migration flows, which will in turn further exacerbate problems such as terrorism and conflict.

4.4.3 COVID-19

The COVID-19 pandemic has had a complicated impact on climate change, with the long-term impact still not fully clear. Respondents to our survey ranked climate and environmental-related stresses as the third most impor-

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[15] Sven Biscop, "Act as If It Does Not Matter Who Wins," Egmont Institute, November 3, 2020, https://www.egmontinstitute.be/act-as-if-it-does-not-matter-who-wins/.

[16] Heiko Maas, "Gastkommentar: Wir lassen nicht zu, dass die USA über unsere Köpfe hinweg handeln," 2018, https://www.handelsblatt.com/meinung/gastbeitraege/gastkommentar-wir-lassen-nicht-zu-dass-die-usa-ueber-unsere-koepfe-hinweg-handeln/22933006.html.

tant megatrend. One positive development has been that the crisis has catalyzed a modest, if probably temporary, improvement in the fight against climate change. As a result of the lockdowns occurring in many countries in early 2020, by April 2020 greenhouse gas emission daily levels fell by 17 percent compared with 2019. However, this result was short-lived. Already by June 2020, emissions had returned to within 5 percent of 2019 levels. Overall, the result of the pandemic will be a small reduction in the annual increase of the atmospheric concentrations of greenhouse gases, of approximately 4 to 7 percent in 2020. The overall effect will be a reduction of approximately 0.01°C by 2030 compared to a scenario in which current national policies remain in place.[17]

The impact of the COVID-19 crisis on environmental degradation has been mixed. It has catalyzed a temporary improvement in air quality and noise pollution. However, the COVID-19 pandemic has also exacerbated a long-standing problem with single-use plastics. This includes a spike in demand for personal protective equipment such as masks, gloves, and bottled hand sanitizer, as well plastics used for restaurant takeaway. Lower oil prices are another negative by-product. They have incentivized manufacturers to manufacture goods using virgin raw materials, instead of from recycled plastic.[18] This development dovetails with comments from one of our survey respondents, who predicted that countries and businesses to look for "easy, short-term, environmental non-friendly solutions" to COVID-related problems.

Overall, the miniscule decline in temperature falls short of the sustained reductions in emissions re-

quired to stabilize global warming. The broader impact of COVID-19 on the environment has been even more mixed, with some positive developments that are likely to be short-lived and some setbacks. This means that, on current trends, the COVID-19 pandemic will have had a negligible impact on the environmental and climate-related challenges facing the Netherland and Europe over the next ten years. This includes the various security-related challenges arising from environmental and climate-related stresses. That said, the crisis does present an opportunity for implementing long-standing changes in climate and environmental policies.

4.4.4 Historical Trend

Defining Moments

1990: Intergovernmental Panel on Climate Change concludes that emissions generated by human activities are adding to naturally existing greenhouse gases in the atmosphere and that the problem of climate change necessitates international cooperation

1992: United Nations Framework Convention on Climate Change is adopted, setting binding gas emissions reduction targets for industrialized countries for the first time

2005: European Union Emissions Trading System, the first and still largest emissions trading scheme, is launched

2015: Paris Agreement on fighting climate change seeks to maintain the increase in global temperatures to below two degrees Celsius above pre-industrial levels

2020: United States formally withdraws from the Paris Agreement, following a 2017 decision by President Donald Trump

2021: US president Joe Biden plans for the United States to re-join the Paris Agreement

2050: EU Green Deal aims to make Europe carbon neutral by mid-century

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[17]   'See "United in Science Report: Climate Change Has Not Stopped for COVID19," World Meteorological Organization, September 8, 2020, https://public.wmo.int/en/media/press-release/ united-science-report-climate-change-has-not-stopped-covid19. See also Piers M. Forster et al., "Current and Future Global Climate Impacts Resulting from COVID-19," Nature Climate Change 10, no. 10 (October 2020): 913–19, https://doi.org/10/gg7s7w.

[18]   "COVID-19 and Europe's Environment: Impacts of a Global Pandemic" (Brussels: European Environment Agency, 2020), https://www.eea.europa.eu/publications/covid-19-and-europe-s.

Climate change and environmental degradation are long-standing problems that arose as early as the 18th century, but organized efforts to combat them date to 1972, when the UN held its first conference on international environmental issues. The process to fight climate change accelerated in the late 1980s and early 1990s, when the Intergovernmental Panel on Climate Change (IPCC) was formed in order to provide scientific information about climate change, and the United Nations Framework Convention on Climate Change (UNFCC) for the first time established binding targets on greenhouse gas emissions for industrialized countries.[19]

In recent years, the focus from policymakers and scientists has shifted to technologies and strategies designed to enable the international community to prevent temperatures rising by more than a specific amount above the pre-industrial global mean surface temperature, with 1850-1900 as a baseline. At first, in the 1990s and early 2000s, a consensus formed that 2 degrees Celsius was the goal for limiting the worst effects of climate change. In the meantime, a growing consensus has formed that 1.5 degrees is more likely to limit the worst effects.[20] Technologies holding promise for limiting carbon emissions include solar powers and wind turbines, batteries for electric vehicles, and carbon capture and storage.

However, many experts believe that, on current trajectories, a 1.5 or even 2-degree temperature increase is unrealistic. This growing school of thought has led to extensive discussions about adaptation and mitigation. More specifically, experts and policymakers are investing considerable time and resources in exploring how to limit the worst effects that are likely to result from a rise in temperature that exceeds 2 degrees.

These rising temperatures have significant security implications. As the Rand Corporation notes in a recent study, "higher temperatures also increase the risk of conflict, often substantially…if current trends continue," extreme temperatures "could increase the rate of conflicts by 50 percent in various regions of the world."[21]

The change in emphasis has been driven, in part, by the growing problem of extreme weather events. 2019 saw the highest number of large hail and heavy rain reports since the European Severe Weather Database was established in 2006. In Europe in 2019, severe weather killed 394 people and 1112 people were injured. Heavy rainfall was the biggest cause of death, with severe wind gusts the leading cause of injuries. Wildfires in Europe are another cause of concern. In 2019, 400,000 hectares were lost to wildfires in Europe. This number is so high that, by March, the total burnt area had already surpassed twelve-year average.[22]

This includes unprecedented wildfires around the world, including in recent years, in Greece, Sweden, and the United Kingdom.

[19]   Valerie Masson-Delmotte, "Global Warming of 1.5 oC," 2018, https://www.ipcc.ch/sr15/.

[20]   Matt McGrath, "What Does 1.5C Mean in a Warming World?," BBC News, October 2, 2018, sec. Science & Environment, https://www.bbc.com/news/science-environment-45678338.

[21]   Efron, Klein, and Cohen, "Environment, Geography, and the Future of Warfare."

[22]   Tomas Pucik, 'Severe Weather Season 2019: Summary | European Severe Storms Laboratory', geraadpleegd 17 December 2020, https://www.essl.org/cms/severe-weather-season-2019-summary/; Bruno Cattaneo, 'Forest Fires Threaten Europe's Nature as World Suffers Worst Year on Record', Text, EU Science Hub - European Commission, 29 October 2020, https://ec.europa.eu/jrc/en/news/forest-fires-threaten-europe-s-nature-world-suffers-worst-year-record.

4.4.5 Projected Trajectory

Key Projections

There will be significant new advances in international cooperation on climate change between 2020 and 2024

Migrants displaced by climate change, either directly by severe weather or indirectly by climate-related conflict, will be a growing source of instability; many of these migrants will come from within Europe

Europe will be forced to deal with the fallout from a major war in Africa or the Middle East fought over access to water

Looking forward to 2030, there are three potential scenarios for climate and environmental-related stresses. The most likely, given current trends, is

- *Better Late than Never*: This pathway is based on what climate change experts refer to as Representative Concentration Pathway (RCP) 4.5, which means a temperature rise between 2 and 3 degrees by 2100. The earth will change considerably: sea levels will rise, and many plant and animal species will become extinct. This pathway is still possible if significant international cooperation is mobilized and maintained over the next few decades, with the participation of China, Europe, and the United States all necessary.

The most optimistic scenario, which most experts think is unrealistic, but which continues to serve as the baseline for many reports, is

- *Paris Realized*: approximately RCP 1.9, with excellent international cooperation. The international community makes unexpected and rapid progress in reducing carbon emissions and in addressing other environmental problems, like the use of plastics. The environment and atmosphere still change, but the worst effects of climate change and environmental degradation are

The worst-case scenario, which some experts now believe is unlikely given current conditions, is

- *Inferno*: This is based on RCP 8.5, or a temperature rise of more than 4 degrees by 2100. It involves, at best, fitful cooperation among the international community to combat climate change. The result is severe weather events on a regular basis, including flooding and droughts, migrations on a global scale (potentially hundreds of millions), uncontrollable wildfires, and oceans that contain more plastic than fish.

4.4.6 Policy Implications

Europe has been at the forefront in fighting the problem of climate and environmental-related stresses. The Netherlands plans to reduce emissions by 49 percent by 2030, compared to 1990 levels, and by 95 percent reduction by 2050. These goals are broadly in line with the EU climate change agenda, which aims for 40 percent reduction by 2030 and to be climate neutral by 2050.

The principal challenge for the Netherlands and Europe is at the international level, especially when it comes to working with the world's biggest polluters to reduce emissions. China recently announced the goal of reaching carbon neutrality by 2060. This would significantly reduce global emissions, because at 30 percent, China is the world's largest source of carbon emissions. However, China's pledge of carbon neutrality is less ambitious than the EU promise to achieve climate neutrality and does not cover emissions from sources such as methane from cows, nitrous oxide from fertilizers or fluorinated gases.[23]

23   Isabelle Gerretsen, "5 Burning Questions about China's Carbon Neutrality Pledge," Climate Home News, September 23, 2020, https://www.climatechangenews.com/2020/09/23/5-burning-questions-chinas-carbon-neutrality-pledge/.

The United States, which at 15.5 metric tons per capita, is the largest source of carbon emissions per capita. It has been reducing emissions, but not at a quick enough pace to reach the targets to which it agreed under the Paris Agreement, from which it formally withdrew in November 2020. US emission reductions have mostly been driven by market forces, so new federal policies could lead to further reductions. However, as yet there is not a broad political consensus on the need for concerted action – a third of Americans believe new laws and regulations will cause too much damage to the economy – so the United States remains an unreliable partner when it comes to global efforts to fight climate change.

The primary challenge for Dutch and EU policymakers will be to work with the international community to devise incentives and regimes that will encourage China to meet its stated targets and for the United States to commit to targets in line with China and the EU. Working with other large emitters such as India, which is the third largest overall, and with Russia, which is the fourth largest emitter overall and one of the largest emitters per capita, should also be a priority.

4.5 Russia: Assertive or Flailing?

Conventional Wisdom Status Check

Russia has grown increasingly assertive in recent years. Well-known examples of which include the annexation of the Crimea in 2014, the military intervention in the Syrian civil war in 2015, and the interference in the US presidential elections in 2016 and 2020. It is likely that Europe will remain to be confronted with a re-assertive Russia as its distant neighbor.

Our assessment: √ (accurate) Barring spectacular upheavals it is safe to assume that during the ongoing process of geopolitical rebalancing an assertive Russian foreign and security policy will be an enduring phenomenon. This means that Europe will have to continue to manage relations with a power that has very substantial political and military leverage, and that has strong convictions about its own global status and identity.

(Russian assertiveness tied for the fourth most important megatrend among the survey respondents.)

4.5.3 COVID-19

During the COVID-19 pandemic, Russia's disinformation ecosystem has waged a comprehensive operation against various Western targets. A myriad of stories in pro-Kremlin media and social accounts have been identified that have sought to discredit the policies and performance of the Western democracies, while painting Russian actions in a most positive light. These narratives have aimed to validate the Kremlin's standard talking points about the alleged fragility of the US-led liberal rules-based multilateral world order, the benefits of national autonomy, and the ineffectiveness of democratic regimes and institutions.[24] However, Russia's disinformation campaign during the COVID-19 pandemic has diverged in important respects from that of earlier Kremlin-backed influence operations. Major novelties have included sizeable foreign medical assistance operations, more targeted manipulation of existing social media debates, greater coordination with China's foreign-influence operations, and an overtly focused effort to secure relief of sanctions on Moscow and its partners.

With the onset of the pandemic, Russian disinformation in the European neighborhood has taken a new turn, portraying the EU as overwhelmed and unable to support its Eastern and Southern neighbors. Online sources with alternative content and social networks propagate the Russian narratives as indisputable facts, each time adapting the message to the internal context of each targeted state. Furthermore, local actors are encouraged by the pro-Kremlin media to multiply the message to contribute to an influence campaign of misinformation, propaganda and spread of conspiracy theories on the pandemic.

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[24] Hugo Klijn, "The Russia Policy Conundrum – Who Blinks First?" (The Hague: Clingendael Institute, October 2020), https://www.clingendael.org/publication/russia-policy-conundrum-who-blinks-first.

Overall, disinformation has become an essential tool in trying to thwart the European path of these states, alongside direct military intervention and the perpetuation of frozen conflicts.[25]

4.5.4 Historical Trend

Timeline

21 April 2000: Russian President Vladimir Putin approves a new military doctrine. The doctrine lists a main external threat as "attempts to ignore (infringe) the Russian Federation's interests in resolving international security problems, and to oppose its strengthening as one influential center in a multipolar world."

18 March 2014: Russia formally incorporates the Crimea as a federal subject of the Russian Federation.

30 September 2015: start of the Russian military intervention in the Syrian Civil War.

3 November 2016: Russian interference in the 2016 United States presidential elections.

7 May 2018: Vladimir Putin starts his fourth term as the president of the Russian Federation.

2 July 2020: Vladimir Putin has his presidency extended to 2036 by popular referendum.

Over the past decade and a half, a newly assertive Russia occupied Georgian territory in 2008, annexed Ukraine's Crimea in 2014, effectively occupies the Donbas region of Eastern Ukraine also since 2014, and has intervened militarily in the Syrian civil war since 2015. Moreover, it uses disinformation campaigns and cyber hacks to disrupt democratic processes and destabilize political systems on both sides of the Atlantic, attempted the assassination of a former Russian spy in 2018, and is developing new offensive weaponry that threatens the entire European continent. As this brief recent history suggests, Russia will use force when the regime is threatened, when the West encroaches on its sphere of influence, or when its compatriots are ostensibly threatened. Moreover, Russia has over the past number of years repeatedly shown a willingness to gamble on a possible conflict with the West.[26] The Atlantic Council's "Global Risks 2035" report predicts that "Russia will remain a source of instability in Europe, especially because it still has the potential to oppose those projects that it perceives as threats to its national interests."

4.5.5 Projected Trajectories

Key Projections for the Next Ten Years

Russia will almost certainly continue on its current strategic course, especially after Vladimir Putin's re-election in March 2018 for a fourth six-year term. Efforts will probably revolve around the post-Soviet space, given its fears of so-called color revolutions.

Economic circumstances, however, will likely constrain Russia's actions. The Russian economy faces a deep recession exacerbated by the global pandemic and a global oil crisis. Furthermore, it suffers under the weight of Western sanctions. The net result might be an even more assertive Russia, but certainly not an all-powerful one.

Russia will probably continue to emphasize active measures such as cyber operations and influence campaigns, to influence domestic developments in the West as a way to change foreign policy priorities and cause rifts between allies and partners.

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25   Andrew Monaghan, "Russian Grand Strategy and the COVID Crisis," NDC Policy Brief 22, no. 20 (December 2020), https://www.ndc.nato.int/news/news.php?icode=1507.

26   Oscar Jonsson, The Russian Understanding of War: Blurring the Lines between War and Peace (Washington, DC: Georgetown University Press, 2019).

Looking forward to 2030, according to a recent study by the EU-Russia Expert Network there are four potential scenarios for Russia's relationship with the EU and Europe.[27] First, a "cold partnership" in a multipolar world, where Russia and the EU ultimately return to extensive cooperation on issues such as climate change, digitalization, and visa liberalization, while still facing major disagreements on European security issues. Second, a "descent into anarchy", as former allies and partners turn on each other in the wake of the devastating COVID-19 pandemic, backed variously by rivals Russia, the United States and China. Third, Europe "on the brink of war," as a reunited and rejuvenated West approaches military confrontation with a sluggish and struggling Russia. Fourth, a "community of values" uniting a transformed Russia and a strong EU, in an international environment characterized by progress on conflict resolution in their neighborhood and resurgent multilateralism.

The "cold partnership" scenario is probably the most plausible, with armed conflict considered unlikely, but not ruled out entirely. It is likely that the EU and Russia will not be able to overcome their fundamental disagreements in the coming decade. But the two sides could come to a more pragmatic partnership that safeguards peace and stability in Europe. There are several developments that will probably play a key role for the future of the relationship. Its improvement will require a consolidated and united EU on the one hand, and at least some political and economic reforms in Russia on the other hand. Rivalry between Washington and Beijing will continue and will impact on the future relations between the EU and Russia. The degree of the EU's and Russia's autonomy from and dependence on the United States and China, respectively, will be an important factor in the mutual relationship going forward. Finally, issues like climate change, technological developments, and economic

relations are closely intertwined.[28] Where the EU's climate policy coincides with reforms in Russia, there is a chance to unlock potential for future economic and technological cooperation.

4.5.6 Policy Implications

Russia's continued assertiveness has important implications for the Netherlands and for Dutch foreign, security and defense policies. First, given the size and capabilities of Russian military forces on NATO's eastern borders, NATO will need to reassess its military posture in Europe for both reassurance and deterrence, particularly on its Eastern flank with its Enhanced Forward Presence. However, Russia might respond to these actions by using hybrid measures ranging from inciting local protests around military bases to more-direct measures, such as cyber-attacks. It is also worth noting that NATO's deterrence posture in Eastern Europe remains problematic, a challenge that has been exacerbated by the US pivot to Asia. In particular, NATO has yet to formulate a coherent response to the anti-access/area denial (A2/AD) challenge Russia poses in Eastern Europe.[29]

Although NATO needs to continue to prepare for high-end conventional combat against Russia, it will also need to further explore its role in countering unconventional tactics specifically and in gray zone operations in general. Second, an assertive Russia, with its emphasis on nuclear weapons, will require, in turn, that the United States and NATO as a whole

27   Sabine Fischer and Ivan Timofeev (eds.), "Alternative Futures of EU-Russia Relations in 2030" (Moscow: EUREN, 2020), http://eu-russia-expertnetwork.eu/en/analytics/2020-11-euren-report.

28   Sinikukka Saari and Stanislav Secrieru, "Russian Futures 2030: The Shape of Things to Come" (Paris: European Union Institute for Security Studies, 2020), https://www.iss.europa.eu/content/russian-futures-2030.

29   Sten Rynning, 'Deterrence Rediscovered: NATO and Russia', in *NL ARMS Netherlands Annual Review of Military Studies 2020: Deterrence in the 21st Century — Insights from Theory and Practice*, ed. Frans Osinga and Tim Sweijs, NL ARMS (The Hague: T.M.C. Asser Press, 2021), 29–45, https://doi.org/10.1007/978-94-6265-419-8_3; Guillaume Lasconjarias, 'NATO's Response to Russian A2/AD in the Baltic States: Going Beyond Conventional?', *Scandinavian Journal of Military Studies 2*, no. 1 (21 August 2019): 74–83, https://doi.org/10.31374/sjms.18.

place a renewed emphasis on modernizing and maintaining its nuclear arsenal, including the nuclear sharing arrangements with certain allies like the Netherlands. Third, successfully managing an assertive Russia requires a deep understanding of that country. During the Cold War, NATO developed and maintained a cadre of officers and experts with comprehensive military and regional expertise and understanding of the Soviet Union as a military opponent. Given the risks of conflict with Russia, the Netherlands will need military officers with similar expertise regarding Russia and its near abroad to inform decisionmakers and avoid miscalculation. Finally, Russia's assertiveness poses a host of operational challenges. Russian weaponry, particularly A2/AD systems, poses challenges for NATO in the event of conflict in Europe and, potentially, in the Middle East. And even when Russian forces are not directly involved, Russia's willingness to sell these systems to other actors, like Iran, could affect NATO's ability to effectively project military power. Finally, there is a clear and present need for internal cohesion within NATO regarding Russia and the challenges its assertiveness will continue to pose.

4.6 Gray Zone Operations: Familiar Tactic or New Threat?

Conventional Wisdom Status Check

States are increasingly attempting to achieve (geo) political aims through operations in the so-called gray zone, including activities such as information operations, election interference, and cyberattacks on critical infrastructure. Gray zone activity will more and more be the new normal in conflicts between nations.

Our assessment: ≈ (mostly accurate) The gray zone is but one of a whole range of popular terms used to describe activities designed to coerce countries in ways that seek to avoid actual military conflict. These tactics are certainly not new. But they are now frequently being used in our immediate region and against our strategic interests. Moreover, they are facilitated by current technological developments, including in cyberspace.

4.6.3 COVID-19

Russia, China, and Iran have all been accused of spreading COVID-19 disinformation to promote their strategic ambitions. For instance, in a declassified report titled *COVID-19: Global Effects and Canadian National Security Interests*, the Canadian Security Intelligence Service (CSIS) named the trio of countries explicitly. It said Russia was "actively spreading disinformation blaming the West for the virus," as part of a broader campaign to discredit the West, promote Russian influence and push for an end to Western sanctions. China, meanwhile, was "focused on a propaganda campaign that protects its own reputation and domestic legitimacy while touting its pandemic aid abroad." For its part, Iran's disinformation campaign seeks "to shift blame for domestic shortcomings in handling COVID-19 to foreign actors."[30]

COVID-19 disinformation has flourished since the start of the pandemic, fueling what has been called an "infodemic" of conspiracy theories and falsehoods, and a significant spike in anti-Western propaganda. Several states are engaged in this for different purposes. In the case of Russia, it is the continuation of trying to sow discord within Western democracies, whether by amplifying conspiracy theories or by just trying to discredit governments. China on the other hand has different objectives being predominantly concerned with its international reputation and its perceived failure to be transparent with regards to the pandemic. In general terms, the pandemic has deepened existing fissures between authoritarian states and Western liberal democracies.[31] Moreover, with COVID-19 representing a clear threat to regime stability in some states, these same states have used the pandemic as an opportunity to tout themselves as legitimate alternatives to liberal Western democracies.

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30   Gerretsen, "5 Burning Questions about China's Carbon Neutrality Pledge."

31   Antonio Missiroli and Micheal Rühle, "The Pandemic and the Military: Towards Total Defence?," *NDC Policy Brief* 21, no. 20 (2020), https://www.ndc.nato.int/news/news.php?i-code=1502.

4.6.4 Historical Trend

Timeline

December 2013: China starts building artificial islands in the disputed waters of the South China Sea and militarizing those outposts in a sort of creeping expansionism by which it is incrementally changing the territorial status quo.

March 2104: Anonymous green uniform–clad special forces occupy Crimea in a rapid, mostly bloodless operation, providing plausible deniability for Russia and fueling uncertainty in the West, undercutting an effective response.

November 2016: The computer network system of the U.S. Democratic National Committee is compromised by Russian hackers and private information and stolen documents are released onto WikiLeaks. Also, the email accounts of U.S. presidential candidate Hillary Clinton and her staffers are hacked. Furthermore, the St. Petersburg company known as the Internet Research Agency deploys thousands of accounts on Facebook, Twitter, and other platforms in order to influence the U.S. presidential elections.

March 2020: The EU's East StratCom Task Force collects more than 80 coronavirus-related disinformation cases on popular European media channels since the start of January. Trolls spread conspiracies that migrants have brought COVID-19 to Europe, that the virus is a bioweapon created by the United States, and that the virus is linked to 5G technology.

the fishing fleets of other states in disputed waters. When opposing fishermen try to fight back, China's coast guard, the Marine Surveillance Agency, and Fisheries Law Enforcement Agency appear on the scene to intimidate or even arrest them. Moreover, these law enforcement "white hulls" are often backed up at a distance by gray-hulled PLA Navy vessels.[32] Russia uses gray-zone strategies to ensure that the states on its borders do not embrace policies that Russia considers hostile or become too closely aligned with the West. It uses several nonmilitary tools of coercion, such as cyberattacks, propaganda, economic levers, and covert operations to conduct so-called political warfare.[33] Iran relies on covert military action and proxies to protect itself from regime change and external threats, reduce Western influence in the Middle East, empower other Shiite regimes and factions, and undermine its principal regional rivals, Saudi Arabia and Israel. It has used the Syrian conflict as a laboratory for developing new ways to project power through proxy forces. Finally, North Korea has employed a strategy of persistent, low-level provocations to test and erode the resistance of South Korea. In doing so, these provocations present a different challenge than activities carried out by the other three actors.

Over the past decade, countries like China, Russia, Iran, and North Korea have all developed different flavors of gray zone strategies based on their own interests and abilities. China relies heavily on a strategy using what is often described as salami tactics, taking a little at a time to avoid triggering strong military resistance, for instance to assert its territorial claims in the South China Sea. China has also used its commercial fishing fleets as proxies to drive out

32   Frans-Paul van der Putten et al., "Hybrid Conflict: The Roles of Russia, North Korea and China" (The Hague: The Netherlands Institute for International Relations, 2018), https://www.clingendael.org/sites/default/files/2018-05/Report_Hybrid_Conflict.pdf.

33   Mark Galeotti, *Russian Political War: Moving Beyond the Hybrid*, 1st edition (London ; New York: Routledge, 2019); Danny Pronk, "The Return of Political Warfare" (The Hague: The Netherlands Institute for International Relations, 2018), https://www.clingendael.org/publication/return-political-warfare.

4.6.5 Projected Trajectories

Key Projections for the Next Ten Years

As the Kremlin faces increasing internal pressure, Russia could conduct even more aggressive actions, to include cyber targeting of critical infrastructure, provocative offensive activity by its three intelligence and security Services, and aggressive civil society engagement aimed at exacerbating fissures and existing tensions within EU member states.

Given China's success in the South China Sea, there is no reason to expect Beijing to change its strategy in the next ten years unless confronted by the United States and its allies and partners.

As Iran's forces further develop their cadre operations abroad, it could use them in gray zone operations in other theatres, such as Iraq, Yemen, and Lebanon, and even in Latin America, where there are already large groups of allies and proxy militias.

Given its history and the fact that North Korea lacks the conventional capabilities to obtain its objectives by direct force, it is likely to continue its activities in the gray zone.

Rand Corporation's "Military Trends and the Future of Warfare" report estimates that all four of these states will likely continue using gray zone strategies in the coming years but will do so for different reasons. The Iranian and North Korean conventional military capabilities are rapidly deteriorating, so operating in de gray zone offers the most promising alter-

native for these two states.[34] China and Russia will also probably continue their gray zone strategies, although both states' conventional capabilities will likely grow during the next decade, especially China's. Neither relishes a direct military confrontation with the West, making operations in the gray zone more attractive. China has the resources and tools to advance its interests via the gray zone. Like Russia, China also possesses deep expertise in propaganda and social manipulation. And as Chinese interests diverge from those of Europe and EU member states, there is a growing risk that it will resort to these tools, including economic coercion and disinformation. Russia could attempt to use gray zone tactics in other areas of Europe that might be vulnerable to Russian subversion. For example, both Estonia and Latvia have substantial concentrations of ethnic Russians living in their major cities and their eastern counties along the Russian border. In any case, gray zone strategies are pernicious, and the threat to the Baltic states and other countries on Russia's periphery could easily escalate in the next ten years.

4.6.6 Policy Implications

Just as each of these four states employs unique gray zone approaches, strategies to counter these activities will need to be tailored to the challenges presented. Defeating Russia's gray zone strategy will require developing countermeasures at multiple levels of confrontation. At the tactical level, intelligence, special operations, and law enforcement forces need to expose and combat Russia's "little green men" and other subversive elements. Information operations need to challenge Russian propa-

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34   Bianca Torossian and Frank Bekkers, "A Horizon Scan of Trends and Developments in Hybrid Conflicts Set to Shape 2020 and Beyond" (The Hague, 2020), https://hcss.nl/sites/default/files/files/reports/Horizon%20scan%20Hybrid%20Trends%20and%20Developments%20%282002%29.pdf; Danny Pronk, "Hybrid Conflict and the Future European Security Environment" (The Hague: The Netherlands Institute for International Relations,   018), https://www.clingendael.org/publication/hybrid-conflict-and-future-european-security-environment.

ganda and disinformation and deliver counter-narratives to at-risk populations. In the South China Sea, this will entail conducting, and possibly European participation in, freedom-of-navigation missions in the waters and airspace that China illegally claims as its territory. In the Middle East, the United States, Europe, and its regional partners will need to address each conflict on a case-by-case basis, exposing Iran's role in its proxies' actions, and potentially punishing Iran for its behavior in selected cases.

Intelligence operatives and proxy groups might think they are invisible, but cyber and signals intelligence can identify organizations and command relationships, and imagery can monitor the movement of vehicles and weapons across borders and waterways. In sum, intelligence can provide the information needed to establish the facts on the ground to support diplomatic positions, possible military actions, and above all information operations. The rise of gray zone strategies will also place new demands on the other parts of the military. Given the prominence of cyberattacks, cyber defenses will be increasingly important for neutralizing these threats. Furthermore, given that many gray zone strategies operate in the murky world between conflict and criminality, the military will need to develop mechanisms to better coordinate its actions with law enforcement agencies, and there will be increased demand for forces that straddle both worlds. In the maritime domain, this could result in newfound importance for the Coast Guard. On land, this might increase the utility of gendarmerie-type forces. Finally, the rise of gray zone strategies calls for an integrated whole-of-government, or even whole-of-society approach, given that it is outside the military domain where the most vulnerabilities lie.

4.7 China: Rising or Stalling?

Conventional Wisdom Status Check

Conventional wisdom dictates that China is rising and that it is on track to become the most influential actor in the international system.

Our assessment: ≈ (mostly accurate): On current trajectories, China's power and influence will continue to grow and it will become, at least in some respects, the most important actor in the international system. However, China faces major challenges, and its unimpeded rise is far from assured.

4.7.3 COVID-19

The COVID-19 crisis has accelerated China's growing tendency to assert itself on the world stage. Respondents to our survey ranked China's rise as the sixth most important megatrend. In terms of sheer numbers, China successfully handled the pandemic. As of early October 2020, China had confirmed about 90,600 COVID-19 cases and only 4793 deaths, with a mortality rate of 0.34 per one hundred thousand. This is one of the lowest rates in the world. Success at home has allowed China to play a more active role abroad: it has sent medical teams or to donate medical equipment to 150 countries.[35]

35   Talha Burki, "China's Successful Control of COVID-19," *The Lancet Infectious Diseases* 20, no. 11 (November 1, 2020): 1240–41, https://doi.org/10/ghp39n; "Mortality Analyses"; Jacob Kurtzer and Grace Gonzales, "China's Humanitarian Aid: Cooperation amidst Competition," 2020, https://www.csis.org/analysis/chinas-humanitarian-aid-cooperation-amidst-competition.\\uc0\\u8220{}China\\uc0\\u8217{}s Humanitarian Aid: Cooperation amidst Competition,\\uc0\\u8221{} 2020, https://www.csis.org/analysis/chinas-humanitarian-aid-cooperation-amidst-competition.","plainCitation":"Talha Burki, "China's Successful Control of COVID-19," The Lancet Infectious Diseases 20, no. 11 (November 1, 2020

China has attempted to leverage this aid for political gain, demanding that some recipient countries make public statements of gratitude to Beijing. It has become much more active and sophisticated on social media platforms; for instance, Beijing's diplomatic accounts have nearly doubled their total number of followers since the early days of the crisis by posting content that is either provocative and conspiratorial or presented as "clickbait," that is, provocative, apolitical material designed to attract large numbers of views.[36]

China's information operations have been accompanied by a growing pugnacity among China's "wolf warrior" diplomats, whose aggressive rhetoric has exacerbated distrust of China in the West. Indeed, global views of China have dropped sharply in the last year. According to Pew Research, the percentage of Dutch respondents who have confidence that Chinese President Xi will do the right thing in world affairs dropped 17 points from 2019 to 2020; in spite of China's low mortality rate, 61 percent of the Western public think China has handled the COVID-19 outbreak poorly.[37]

Tactics that have alarmed Western countries have been received differently in other parts of the world. In fact, even as Western critics decry China's censorship and repression of domestic critics and medical personnel, the COVID crisis has presented Beijing with an opportunity: it has catalyzed Chinese efforts to market its brand of "digital authoritarianism" – includ-

ing mass surveillance, social credit systems, and tracking techniques – to other non-democratic regimes.[38]

4.7.4 Historical Trend

Defining Moments

2018: Xi Jinping abolished presidential term limits

2018: Xi Jinping said that Taiwan would face the "punishment of history" if it were to move toward independence

2019: Italy signs MoU to join the Belt and Road Initiative

2023: 13th National People's Congress will first convene

2030: Deadline for China's goal to become a global leader in AI technology

China's rise has been apparent for years, but it assumed a different tone after President Xi Jinping rose to power in late 2012 and 2013. Under Xi, China has experienced slightly slower annual economic growth (six to seven percent) than was the case under some of his predecessors, but it has begun to parlay its economic power into global impact. The Belt and Road Initiative was launched during Xi's first year, as was China's program of dredging, constructing, and militarizing artificial islands in the South China Sea. According to the Asia Maritime Transparency Initiative, China now has 20 outposts in the Spratly Islands and has created 3200 acres of new land.

China became even more assertive after Donald Trump's election in 2016, even as Xi further consolidated power by abolishing presidential term limits. Chinese analysts interpreted Trump's policies as heralding both a new level of US hostility and an acceleration of the process of US decline. In re-

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[36] Bethany Allen-Ebrahimian, "Beijing Demanded Praise in Exchange for Medical Supplies," Axios, 2020, https://www.axios.com/beijing-demanded-praise-in-exchange-for-medical-supplies-16f5183e-589a-42e5-bc25-414eb13841b0.html; Jessica Brandt and Bret Schafer, "How China's 'Wolf Warrior' Diplomats Use and Abuse Twitter," *Brookings* (blog), October 28, 2020, https://www.brookings.edu/techstream/how-chinas-wolf-warrior-diplomats-use-and-abuse-twitter/.

[37] Laura Silver, Kat Devlin, and Christine Huang, "Unfavorable Views of China Reach Historic Highs in Many Countries," *Pew Research Center's Global Attitudes Project* (blog), October 6, 2020, https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/.

[38] Lydia Khalil, "Digital Authoritarianism, China and COVID," Lowy Institute, 2020, https://www.lowyinstitute.org/publications/digital-authoritarianism-china-and-covid.

sponse, for the first time China began to position itself as an alternative to US leadership, especially for countries in the Global South. In a 2017 speech, in a pointed reference to Trump's America First agenda, Xi argued "we should not complain about ourselves, blame others, lose confidence or run away from responsibilities. We should join hands and rise to the challenge." The EUISS foresight report, "What If?...14 Futures for 2024," notes that in recent years China has become an enthusiastic player in multilateral institutions and initiatives, even as it seeks to reshape those institutions in ways that are more conducive to Chinese interests.

4.7.5 Projected Trajectory

Key Projections for the Next Ten Years
China will possess foreign military bases on three continents (it currently has one)

China's economic growth will slow enough that it will not overtake the US as the world's largest economy (in terms of nominal GDP)

There will be a China-related crisis at the WTO

Looking forward to 2030, there are three potential scenarios for China. The most likely, given current trends, is:

- *Middle Path for the Middle Kingdom*: most things go right for China. Its economic growth remains steady, at about 6 percent annually; the United States recovers somewhat from the failures of the Trump administration but fails to develop an effective strategy for containing China; and in spite of more restrictions for Chinese foreign direct investment and more wariness about Chinese intentions, few significant challenges to growing Chinese influence emerge.

A somewhat less likely outcome, given existing conditions, but one that is still easy to imagine, is:

- *China Retreats*: a lot goes poorly for China. Its economic growth slips below 6 percent and its demographic and environmental challenges worsen, leading to growing unrest at home that the authorities must forcefully suppress; the United States develops a smart and effective strategy for coping with China's rise and takes the lead in developing coalitions to contain China; and Europe and other key regions react strongly to China's growing influence, forcing China to retreat somewhat from its economic and political expansion.

Finally, from our perspective, the least likely scenario for the next ten years, though one that is within the realm of possibility, is:

- *China Ascendant*: everything goes right for China. Its economic growth increases slightly and remains in the high single digits for the next decade; the United States economy remains weak in the wake of the COVID-19 pandemic and well into the 2020s, and it retreats further into a nationalistic crouch; and no significant coalitions emerge to balance against it.

4.7.6 Policy Implications

To an extent, it will not matter which scenario comes to pass. Chinese power is a fact of international life. In the long run Europe will need to develop effective strategies for countering key aspects of China's global role. China's economy presents a challenge the dominance of the Western model in international affairs. Projects such as the Belt and Road Initiative are designed to shift the world's economic center of gravity westward. As ETH Zurich's *Strategic Trends 2020* notes, this shift entails a growing risk of European dependency on China. In part, China's extensive investments and loans in Europe are designed to exploit the economic, political, and security cleavages in Europe. China is in the process of setting the technological standards for the next generation of wireless telecommunication (5G) and potentially to set norms in sensitive areas such as surveillance. At the same time, Europe has enormous economic

leverage and should use that to gain more access to China's massive domestic market.

China's strategy of appealing to the Global South presents another challenge for the Netherlands and Europe. The more that China can pull these countries into its orbit, the more likely they will be to embrace elements, such as mercantilism and illiberal governance, that undermine the rules-based international order that is vital to Dutch and European interests. Of course, China's assertiveness also alarms many countries and presents opportunities for developing new economic, military, and political partnerships.

There is a risk that as China's economic interests expand, so will its security interests. The RAND Corp's report, "Geopolitical Trends and the Future of Warfare," warns that China will seek to expand beyond its only foreign military base, in Djibouti. Many of the risks associated with Chinese military power will be manifested at sea. China's emphasis on building a blue-water navy, and the numerous border maritime disputes in which it is embroiled, mean that most conflicts in Asia are likely to be in the naval domain. This will create challenges for the Netherlands and Europe in terms of protecting sea lines of communication (SLOC), which are vital for maintaining international trade, but it will also facilitate opportunities to partner with many other countries that depend on open SLOCs.

4.8 Conclusion

At the time of publication, the COVID-19 pandemic was still in full swing. Its toll and duration, as well as the full impact of lockdowns and social distancing measures, remain to be tabulated. Yet it is already clear that the pandemic has accelerated, exacerbated, or catalyzed aspects of the six global megatrends in the international security environment. Instead of creating new trends, the pandemic has mostly heightened existing ones. The new reality in global governance is weakened and disputed multilateral institutions struggling to contain the crisis; a vacuum in global leadership due to US disinterest; and a growing US-China rivalry which presents Europe with difficult strategic choices. Initially, there was hope that the pandemic – as a global cross-border challenge – would serve as a catalyst for international cooperation. Instead, the reflex of many countries has been to focus on the state, even to the extent of closing borders, rather than on international solidarity. Two general patterns stand out. Pre-existing structural trends in international security have intensified, and the security situation in many countries has deteriorated, at least temporarily, as a result of the pandemic.[39]

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[39]   Claudia Major, "Catalyst or Crisis? COVID-19 and European Security," *NDC Policy Brief* 17, no. 20 (2020), https://www.ndc.nato.int/news/news.php?icode=1481.

5. Key Actors in the World

The role of major powers, middle power, and non-state actors is changing as the structure of the international system evolves, presenting challenges and opportunities for the Netherlands and its EU partners. The risk of conflict between major powers is growing but should remain below the threshold of all-out war as long as the current international order survives. The order is weakening but seems likely to persist for the next ten years, albeit in a form less conducive to Dutch and European interests. Partly in response to this weakening, middle powers are becoming more assertive in pursuing their interests, particularly in the realms of trade and security. Middle powers in the Global South tend to be at the forefront of this trend, and the Netherlands and European Union should do more to (a) incentivize constructive behavior, and (b) discourage them from aligning with China and Russia. Meanwhile, non-state actors (NSAs) are increasingly fulfilling tasks previously undertaken by state or sub-state actors, albeit in self-interested ways. The growing importance of NSAs can be useful, not least when it comes to combating climate change, but it can also have unintended, even dangerous, consequences.

5.2 Major Powers
5.2.3 Introduction

The distribution of power in the international system is changing and the era of a US-dominated unipolar system has ended. The emerging system is, in some respects, reminiscent of the late 19th century and the initial decades of the 20th century, when Great Britain's status as the pre-eminent major power eroded and Germany, Japan, and the United States, among others, rapidly accrued power and influence. This shifting system was – in contrast to the heydays of Pax Britannica and the Concert of Europe, after 1815, when the major powers mostly avoided direct conflict – characterized by persistent frictions between the major powers. Competition for export markets and territory led to numerous smaller clashes and, as Pax Britannica and the Concert of Europe crumbled, two world wars.

The nature of the evolution of the international system portends profound changes for the Netherlands and for Europe. The transition to a system anchored by multiple major powers holds both risks and opportunities, especially when it comes to relations with China and the United States. In particular, the extent to which the rules-based order survives, and the possibility that a competing illiberal order could form, will exert considerable influence on the nature of conflict over the next decade. The Netherlands and Europe also have a considerable stake in the future of the rules-based trading system, which is a cornerstone of their economic prosperity.

5.2.4 The Evolution of the International System

For a number of years, there have been two competing schools of thought as to the nature of the emerging system. The first has held that the rules-based international order will remain the cornerstone of the system, even as it shifts toward a loose form of multipolarity. Some in this camp argue that the system can remain mostly unchanged, while others maintain that significant reforms are in order, as power and influence shift south and eastward. All of these analysts would agree, however, that the institutions and norms that the US led the way in creating after World War II will largely endure. Even if leading supporters of the rules-based order, such as the United States, stumble, these observers contend, democracy remains a highly attractive, not to mention effective, form of governance. Furthermore, they highlight examples of non-democratic regimes choosing to work within the current system, rather than seeking its dissolution.[40]

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40   G. John Ikenberry, "The Future of the Liberal World Order: Internationalism After America," *Foreign Affairs* 90, no. 3 (2011): 56–68; Michael Hirsh, "Why the Liberal International Order Will Endure Into the Next Decade," *Foreign Policy* (blog), 2019, https://foreignpolicy.com/2019/12/27/why-liberal-international-order-will-endure-next-decade-2020-democracy/.

However, the case for this liberal internationalist scenario is increasingly tenuous. Free market democracy is no longer the only sustainable model. The Freedom House Index and other measures have documented a sustained decline in democracy around the globe, the multilateral system is increasingly shaky, and the international trading system is trending toward protectionism and bilateral or regional trade agreements and away from a robust WTO.

Hence, global developments point toward a second perspective, which tracks the retreat of the rules-based order. In its place, the 2019-2020 edition of Strategic Monitor, "Between Order and Chaos? The Writing on the Wall," argued that a multipolar system is emerging, one that is based on competition between China and the United States. China and the United States fulfil all of the conditions of a major power: high levels of military capabilities; global interests; aggressively pursue interests, using threats or military force; and special influence in international institutions.[41] Russia and the European Union fulfil some of these conditions, and thus serve as weaker major powers that nevertheless wield influence. Vestiges of the rules-based order could remain in areas such as trade and arms control, but overall, the system would be more nationalistic, more protectionist, and overall, less conducive to the spread of liberal democratic values.[42]

5.2.5 Economics, Trade, Technology, and the State in the International System

Governments are increasingly thinking in terms of regional and national, not global, solutions. International capital flows and financial interdependencies have undermined the ability of national governments to control their own economies and led to greater instability. Partly in response, the European Commission launched the Capital Markets Union, which is designed to create a single, European market for capital. Though the goals for fighting climate change were set at the international level, in the United Nations Framework Convention on Climate Change and the Paris Agreement, most of the meaningful work is being done at the local and regional level, such as the European Green Deal.[43] Global pandemics, such as COVID-19, have generated international cooperation. However, in some notable instances, international aid has come with conditions attached and, not surprisingly, generated a backlash in the recipient countries. European views on China have hardened, in part, because many Europeans resent what is widely seen as the heavy-handed nature of China's "mask diplomacy."[44] In Europe, the most important work in combating COVID-19 has come at the local and national level, and in spite of a slow start, the most important aid has come from other European countries and been coordinated by the European Commission.

Technological advances are also undermining state sovereignty, for instance by facilitating gray zone operations. Western democracies are vulnerable to interference in elections that is made possible, in many cases, by the malicious use of social media by

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41   This definition draws on the one used in Jack S. Levy, Jack S. Levy, *War in the Modern Great Power System: 1495--1975* (University Press of Kentucky, 1983), 10–19, https://www.jstor.org/stable/j.ctt130jjmm.*{\ \i{}War in the Modern Great Power System: 1495--1975} (University Press of Kentucky, 1983*.

42   John Mearsheimer, "Bound to Fail: The Rise and Fall of the Liberal International Order," *International Security* 43 (April 1, 2019): 7–50, https://doi.org/10/gf4v94; Stephen M. Walt, "The Global Order After COVID-19," Belfer Center for Science and International Affairs, 2020, https://www.belfercenter.org/publication/global-order-after-covid-19; Amitai Etzioni, "The Rising (More) Nation-Centered System," *Undefined* The Fletcher Forum of World Affairs (2018), /paper/The-Rising-(More)-Nation-Centered-System-Etzioni/31ed2e-0f27abf4e3f4897c4c10ad2e78e10cb9ab.

43   Cyn-Young Park, Junkyu Lee, and James Villafuerte, *20 Years After the Asian Financial Crisis: Lessons Learned and Future Challenges* (Asian Development Bank, 2017), https://www.adb.org/publications/20-years-after-asian-financial-crisis-future-challenges; Mark Leonard, "Salvaging Globalisation," ECFR, 2020, https://ecfr.eu/article/commentary_salvaging_globalisation/.

44   Janka Oertel, "China, Europe, and Covid-19 Headwinds," ECFR, 2020, https://ecfr.eu/article/commentary_china_europe_and_covid_19_headwinds/.

countries such as Russia. European policymakers have also expressed concern about becoming overly reliant on foundational technologies produced by foreign countries. For instance, policymakers have expressed concern that deploying 5G wireless networks with the involvement of Chinese companies represents a potential threat to the security of European communications. In effect, the Netherlands – along with many other European states – has banned the leading Chinese 5G supplier, Huawei, from supplying core components for its network.[45]

In response to these forces, the state is evolving. Many states are taking on elements of what the scholar Philip Bobbitt called the market state. In Bobbitt's original conception, the market state was less concerned with the welfare of the state overall and more focused on offering opportunities to its citizens. Bobbitt's market state is inclined to privatize state activities or engage in public-private partnerships and tends to be more responsive to market forces. Examples of this type of behavior are the wave of privatizations in sectors such as healthcare and transport in the 1990s and 2000s that Europe

underwent, and the European Commission's current view of public-private partnerships as a cornerstone of its Digitizing European Industry Initiative.[46]

In many ways, the version of the market state we see today is less focused on privatization and has been shaped by the financial crises in 2008 and 2019-2020. It is closest to one sub-type of Bobbitt's market state, the mercantile state, which views international trade in zero-sum terms and seeks to enrich itself at the expense of other nations.[47] China is the foremost example of a major power that is exhibiting characteristics of a mercantile state, though this trend toward mercantilism is an increasingly prevalent feature of state behavior throughout the international system.

Another trend in the evolution of the state is the recrudescence of nationalism. There are different strains this resurgent version nationalism, but in the West, it tends to assume a populist slant, with a focus on defending the people and the state against the forces of globalization and those who allegedly benefit from it: immigrants, the political and financial elite, and international or supranational organizations. Often manifesting in sovereignist political language, this version of populism is not illiberal per se, but it frequently clashes with key aspects of liberal democratic values. Nigel Farage's political party, currently transitioning from the Brexit Party to Reform UK, is a prominent example of this type of populist nationalism. Farage's party played a key role in the UK decision to leave the EU and is now promoting an alterna-

45   Klaus Schwab, "How Will the Fourth Industrial Revolution Affect International Security?," World Economic Forum, February 10, 2016, https://www.weforum.org/agenda/2016/02/how-will-the-fourth-industrial-revolution-affect-international-security/; Jeffrey Mankoff, "Russian Influence Operations in Germany and Their Effect," CSIS, February 3, 2020, https://www.csis.org/analysis/russian-influence-operations-germany-and-their-effect; Mark Scott and Laurens Cerulus, "Russian Groups Targeted EU Election with Fake News, Says European Commission," POLITICO, 2019, https://www.politico.eu/article/european-commission-disinformation-report-russia-fake-news/; Gustav Gressel, "Protecting Europe against Hybrid Threats" (European Council on Foreign Relations, June 25, 2019), https://ecfr.eu/publication/protecting_europe_against_hybrid_threats/; Mailyn Fidler, "African Union Bugged by China: Cyber Espionage as Evidence of Strategic Shifts," *Council on Foreign Relations* (blog), March 7, 2018, https://www.cfr.org/blog/african-union-bugged-china-cyber-espionage-evidence-strategic-shifts; Mark Duursma, "Algemene Maatregel van Bestuur kan alleen op Huawei slaan," NRC, December 6, 2019, https://www.nrc.nl/nieuws/2019/12/06/wet-kan-alleen-op-huawei-slaan-a3982900.

46   "Public Private Partnerships," Text, Shaping Europe's digital future - European Commission, April 19, 2016, https://ec.europa.eu/digital-single-market/en/public-private-partnerships.

47   The other sub-types of market states are the entrepreneurial market state, which pursues leadership by creating cooperative structures that benefit the overall international system; and the managerial market state, which seeks power through hegemony within a regional economic bloc. See Philip Bobbitt, *The Shield of Achilles: War, Peace, and the Course of History*, Reprint edition (New York: Anchor, 2003), 283–84 and 667–74.

tive to science-based responses to the COVID-19 crisis that would focus on developing herd immunity.[48]

Three of the four major powers, China, Russia, and the United States, are acting in ways that bolster the role of the state as the key actor in the international system. For China and Russia, this behavior is largely driven by concerns about maintaining spheres of influence and territorial integrity, as well about Western conceptions of human rights. Beijing fears that support for human rights and democracy in Hong Kong, Taiwan, and Xinjiang could threaten its control; Russia wishes to retain influence over former parts of the Soviet Union, though of course this comes at the expense of the sovereignty of other states. Both regimes fear popular uprisings. They are also wary of the responsibility to protect (R2P) doctrine, adopted by all UN member nations in 2005, which could theoretically be used as legal justification for armed interventions in both China and Russia to address human rights abuses.[49]

US attachment to the state is based on several factors. One source is a powerful sub-section of political culture that is deeply suspicious of international agreements and institutions that constrain US power. This type of thinking has manifested itself in different guises in recent history. Sometimes it has appeared as conspiracy theories about secret plans to establish a global government that would allegedly oppress Americans, at other times it has contributed to more mainstream unilateralist tendencies, which view the United Nations and other international insti-

tutions as ineffective and even illegitimate. More broadly, as the most powerful actor in the international system, there is a general tendency in the United States to view international institutions and agreements in instrumental terms; if they do not serve immediate US interests, Americans often oppose them.[50]

China and Russia are helping to drive another trend reinforcing the Westphalian model: the growing prevalence of innovation mercantilism, wherein states take steps to boost innovation and exports for domestic firms, while adopting policies that disadvantage foreign competitors. In the Information Technology and Innovation Foundation's 2019 Global Mercantilist Index, which measures innovation mercantilism in sixty countries, China has the highest (most mercantilist) score; Russia receives the eighth-highest score. The Index does not evaluate the United States. Though the United States has a much more open economy than China or Russia, since 2016 a debate has begun about the need to adopt elements of innovation mercantilism.[51]

In fact, leading technology firms now play an integral role in the politico-economic strategies of major powers. China's relationship with the firm Huawei exemplifies this tendency. Beijing's "Made in China 2025" strategy seeks to transform the country into a

[48] Stephan De Spiegeleire, Clarissa Skinner, and Tim Sweijs, *The Rise of Populist Sovereignism: What It Is, Where It Comes From, and What It Means for International Security and Defense* (The Hague Centre for Strategic Studies, 2017); Darren Loucaides, "Here's Why Lockdown Is Nigel Farage's New Target | Darren Loucaides," the Guardian, November 5, 2020, http://www.theguardian.com/commentisfree/2020/nov/05/lockdown-nigel-farage-new-enemy-us-election-covid-19.

[49] Ankit Panda, "China's Westphalian Attachment," 2014, https://thediplomat.com/2014/05/chinas-westphalian-attachment/.

[50] Dick Morris and Eileen McGann, *Here Come the Black Helicopters!: UN Global Governance and the Loss of Freedom* (Harper Collins, 2012); Justin Vaïsse, *Why Neoconservatism Still Matters* (Lowy Institute for International Policy, 2010).

[51] Caleb Foote and Stephen Ezell, "The 2019 Global Mercantilist Index: Ranking Nations' Distortive Trade Policies" (Information Technology and Innovation Foundation, November 18, 2019), https://itif.org/publications/2019/11/18/2019-global-mercantilist-index-ranking-nations-distortive-trade-policies; Paul Rawlinson, "Confronting Neo-Mercantilism: Why Regulation Is Critical to Global Trade," World Economic Forum, 2019, https://www.weforum.org/agenda/2019/01/confronting-neo-mercantilism-regulation-critical-global-trade-tariff/; Henrique Choer Moraes and Mikael Wigell, "The Emergence of Strategic Capitalism: Geoeconomics, Corporate Statecraft and the Repurposing of the Global Economy," 2020.

High
Moderate-High
Moderate-Low
Low
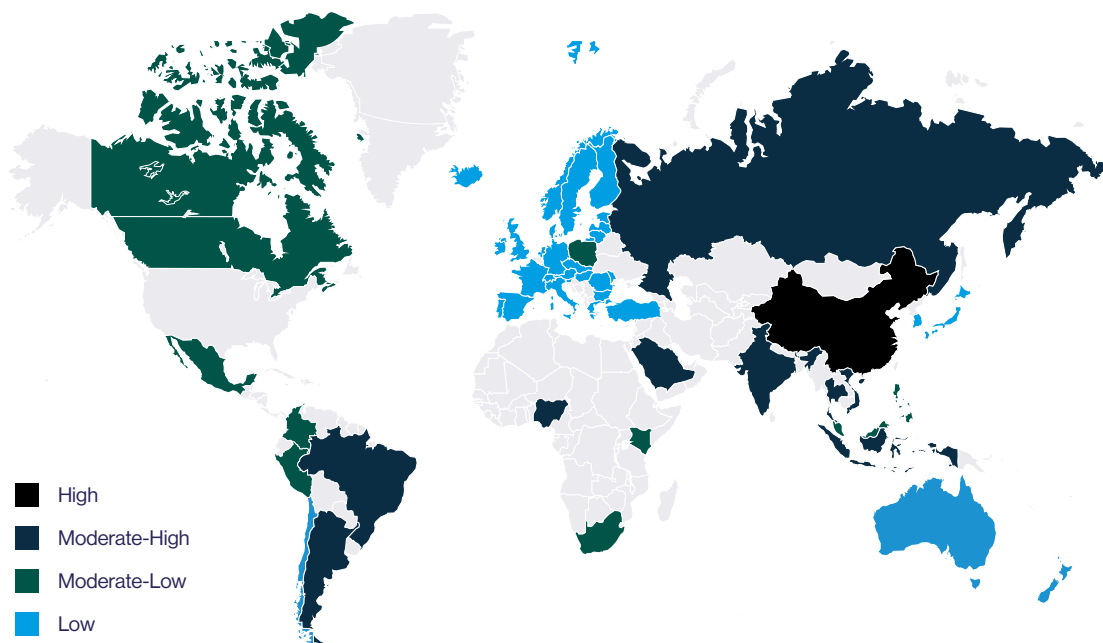
Figure 5 - Global Mercantilist Index rankings (ordered from worst to best in category)[53]

global leader in high-tech manufacturing, and Huawei – which is deeply interconnected with the Chinese regime – has emerged as the leader in a key emerging technology, 5G technology.[52]

The competition to control new and emerging technologies and the broader trend toward innovation mercantilism is reshaping the international system in key respects. Overall, market democracies are still well-positioned in terms of economic growth and innovation, but the open nature of their economies and their dependency on an increasingly shaky rules-based trading system leaves them vulnerable to challenges from countries, such as China, that increasingly combine high-tech economies with mercantilist strategies.

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[52] Elizabeth Woyke, "China Is Racing Ahead in 5G. Here's What That Means.," MIT Technology Review, 2018, https://www.technologyreview.com/2018/12/18/66300/china-is-racing-ahead-in-5g-heres-what-it-means/.

[53] Adapted from, Information Technology and Innovation Foundation, https://itif.org/publications/2019/11/18/2019-global-mercantilist-index-ranking-nations-distortive-trade-policies.

Figure 6 - Comparing battle deaths in major power wars, 18th and 19th centuries

Legend:
- Long eighteenth century (1700-1815)
- Long nineteenth century (1816-1912)
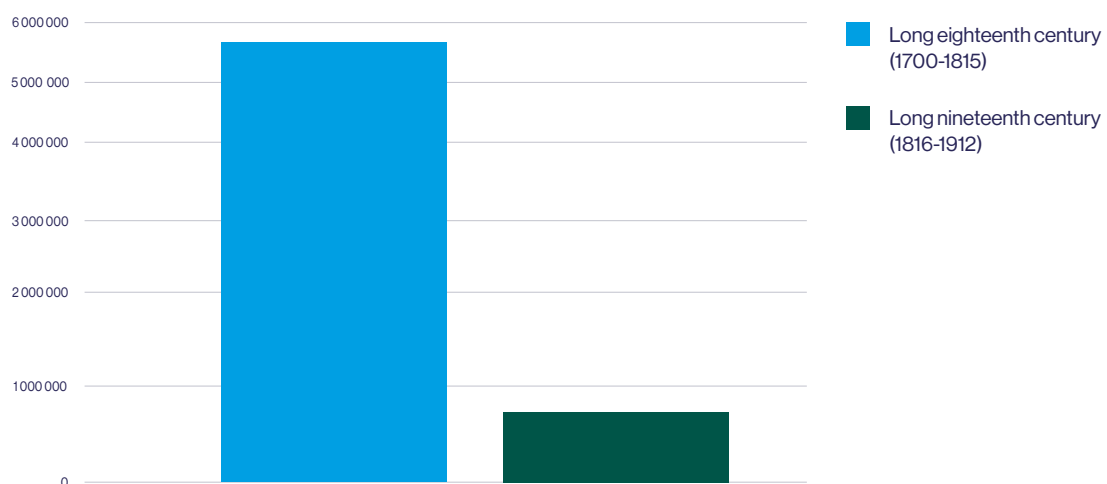
5.2.6 War and Peace in the International System

History offers some guidance as to the structural factors that will determine war and peace in the 21st century. The 18th century system serves as a cautionary tale. It featured frequent and bloody wars between major powers, such as the War of the Spanish Succession, which included an estimated 1.25 million dead, and the French Revolutionary and Napoleonic Wars, which included more than 2.5 million dead.[54]

However, the 19th century system, post-1815, is more encouraging. Though major power wars did occur after 1848, including the Crimean War, with an estimated 217,000 dead, and the Franco-Prussian War, with approximately 180,000 dead, the system overall did a better job of steering major power disagreements toward non-violent resolutions. The existence of an international order, or orders, with norms and rules to which the major powers adhered, appears to have a crucial factor in limiting major power wars in the 19th century.[55]

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[54]   Levy, *War in the Modern Great Power System*, 90.

[55]   Paul W. Schroeder, "The 19th-Century International System: Changes in the Structure," *World Politics* 39, no. 1 (1986): 1–26, https://doi.org/10/bd4s54; Kyle Lascurettes, "The Concert of Europe and Great Power Governance Today: What Can the Order of 19th-Century Europe Teach Policymakers About International Order in the 21st Century" (RAND National Defense Research Institute Santa Monica United States, 2017); Bear F. Braumoeller, *Only the Dead: The Persistence of War in the Modern Age* (New York, NY: Oxford University Press, 2019).

Looking forward, several factors will influence the likelihood of major power war in the 21st century. One is the extent to which the major powers continue to operate in a common international order. Of particular importance will be whether China and Russia seek to modify or to operate independently of the existing order. There is evidence to support both possibilities. A second factor affecting war and peace will be whether activities short of all-out conflict, such as gray zone operations and proxy wars, will escalate tensions or serve as safety valves. Africa will bear watching in this context, as China and Russia have both made political and military inroads, and China is now a major economic player in many African countries.

In the next section of the report, the roles of the major powers in the evolving international system are analyzed. The report then analyzes multipolarity in the 21st century. This includes developing a more sophisticated understanding of its key attributes and understanding the implications of 21st century multipolarity for war and peace.

5.2.7 The Wounded Giant
Since 2016, the United States has caused considerable damaged the rules-based international order. As a major power, the US views the RBO in instrumental terms, as do China and Russia. That is, the US and other major powers are willing to act within the framework of the RBO when it suits their immediate interests. However, as soon as it feels constrained by the RBO, the US is tempted to act unilaterally. In addition, in reaction to the rise of China, ever since the George W. Bush administration the US has begun to pivot to Asia. It has also called for its allies in Europe take more responsibility for their own security needs and to do more to police instability in nearby regions. Between 2016 and 2020, those calls assumed a tone that was, at times, hostile. They formed part of a broader pattern of antagonism toward Europe and a shift toward strategic competition with China, raising concerns in Europe that the US will

eventually abandon it in order to focus on Asia.[56]

The US tendency to undermine the RBO was always held in check by a consensus among policymakers and the public: that for all of its shortcomings, the RBO served US interests.[57] Since 2016, that consensus has begun to waver. There is a longstanding school of thought in the US that is unilateralist and wary of foreign influence, that was mostly dormant between the early 1950s and 2016. In recent years, it has resurfaced, and a large minority of the population embraces it. The modern version is fueled by anger about the economic downsides of globalization, the growing diversity of the US population, and fear that the US is in decline. Donald Trump's agenda, reflecting this worldview, represented at least a partial repudiation of the RBO.

There is reason for Americans to be concerned about decline. Though the US still retains a significant advantage in soft power, that lead is not irreversible. Using Pew Research Center's global attitudes surveys as a measure of soft power, Trump's election, and the implementation of policies that are broadly unpopular around the world, affected perceptions of the United States. The overall US favorability rating dropped 15 points after Trump's election. There has also been growing skepticism about US influence and US political institutions.[58] The United States remains the world's most important economy, but the US share of global GDP has been shrinking slowly but relatively steadily for decades. It now stands at approximately 23 percent. US military spending, after sharp reductions over the past dec-

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56   de Wijk, Thompson, and Chavannes, "Adjusting the Multilateral System to Safeguard Dutch Interests."

57   Stephen G. Brooks, G. John Ikenberry, and William C. Wohlforth, "Don't Come Home, America: The Case against Retrenchment," International Security 37, no. 3 (2012): 7–51; Dina Smeltz et al., "What Americans Think about America First," The Chicago Council on Global Affairs, 2017.

58   Wike, Fetterolf, and Mordecai, "U.S. Image Plummets Internationally as Most Say Country Has Handled Coronavirus Badly."

Figure 7 - US Undermining the Rules Based Order

Abandoned Treaties or Agreements	Threatened Withdrawal Treaties/Agreements	Coercive renegotiation Treaties/Agreements	Risky Behavior or Undercutting Norms
JCPOA (2018)	AUSFTA (2017)	USMCA (2020)	North Korea and US Singapore Summit (2018)
UNHRC (2018)	NATO (2018/2019)	US-China trade (2020)	US Embassy move to Jerusalem (2018)
GCM (2017)	WTO (2018)	US-EU Trade (2020)	Creation Commission on Unalienable Rights (2019)
GCR (2018)	Univ. Postal Union (2019)	KORUS (2018)	
UNRWA (2018)		US-Japan Treaty (2019)	
Paris Agt (2019)		USJTA 2020	
WHO (2020) *		USJDTA (2020)	
UNESCO (2018)		US-G20/WTO (2018)	
INF Treaty (2019)		US-UK Trade (2020)	
Open Skies (2020)			
Vienna Dip Relations (2018)			
Amity, Econ, etc. Iran (2018)			
TPP (2016)			

ade, still has not quite returned to 2010 levels. In the Foreign Bilateral Influence Capacity (FBIC) index, which measures the formal economic, political, and security influence capacity of countries, the US score dropped from 16 percent, in 2000, to 11 percent in 2016, to 8.39 percent in 2020.[59]

Many US nationalists contend that decline is largely a consequence of the fact that the RBO is unfair to the United States. They have used this argument as grounds for undercutting key aspects of the RBO. The Trump administration attacked the rules-based trading system by preventing the operation of the WTO's Appellate Body, which serves as the organization's appeals process. Furthermore, they limited the Washington's role in seeking multilateral solu-

tions to international problems by withdrawing from a number of international agreements and organizations, including the WHO. Trump destabilized US security alliances by demanding trade and financial concessions from allies in Europe and East Asia in return for continued partnership. In addition, he and his advisors mostly ignored opportunities to partner with other countries to address problematic aspects of Chinese foreign policy and have instead focused on bilateral competition with China. A principal component of this strategy has been to begin the process of at least partially decoupling the US and Chinese economies, a process that would entail a sustained reduction in trade and disentangling supply chains and technology transfers.[60]

59   "What Does China Really Spend on Its Military?," *ChinaPower Project* (blog), December 28, 2015, http://chinapower.csis. org/military-spending/.

60   Brendan Greeley, "Trump Raises Prospect of 'Decoupling' US Economy from China," Financial Times, September 7, 2020, https://www.ft.com/content/06047bc5-81dd-4475-8678-4b3181d53877.

But the United States still enjoys formidable advantages. It is the foremost major power and wields the most influence in the international system. This status is the consequence of an interlocking set of strengths. In spite of the Trump administration's hostility from 2016 to 2020, the United States remains the most important contributor to the rules-based international order. It is the most influential member of organizations such as the UN, WTO, World Bank, and IMF. It is the cornerstone of security alliances in Europe and East Asia. It is the single biggest provider of funding for UN peacekeeping operations and ranks as the world's top bilateral and humanitarian aid provider.[61]

The United States also wields more power and influence – in a variety of forms – than any other nation. As is discussed later in the report, more influential non-state actors are based in the United States than anywhere else. According to Pew Research, the United States enjoys a higher favorability rating than the other leading major power, China: 54 percent of people around the world view the US positively; only 40 percent hold a favorable view of China. A significant majority of people around the world prefer to see the United States, not China, as the leading power (63-19). To an extent, this trend mirrors the attitudes of the Dutch public. If forced to choose between China and the United States in a confrontation, only 4 percent of Dutch people would choose China; 28 percent would choose the United States

(though the vast majority would prefer neutrality).[62]

The United States is still the world's most influential economy. It commands a larger share of global GDP in nominal terms – almost a quarter in 2019, 21.4 trillion USD – than any other nation. US companies are still the most influential. In Fortune's list of the 100 "Most Admired Companies," 81 of the top 100 are American; 121 of the world's largest 500 companies by revenue are American, more than every other country except for China. The US dollar remains the world's most important reserve currency and New York is arguably still the world's leading financial center.[63] The United States spent more on its military in 2019 ($732 billion) than the next ten countries combined ($726 billion).[64] The US is only one of three

61 Luisa Blanchfield, "United Nations Issues: U.S. Funding of U.N. Peacekeeping" (Congressional Research Service, 2020), https://fas.org/sgp/crs/row/IF10597.pdf.

62 Richard Wike et al., "Trump Ratings Remain Low Around the World, While Views of U.S. Stay Mostly Favorable," *Pew Research Center's Global Attitudes Project* (blog), January 8, 2020, https://www.pewresearch.org/global/2020/01/08/trump-ratings-remain-low-around-globe-while-views-of-u-s-stay-mostly-favorable/; Laura Silver, Kat Devlin, and Christine Huang, "China's Economic Growth Welcomed in Emerging Markets, but Neighbors Wary of Its Influence," *Pew Research Center's Global Attitudes Project* (blog), December 5, 2019, https://www.pewresearch.org/global/2019/12/05/chinas-economic-growth-mostly-welcomed-in-emerging-markets-but-neighbors-wary-of-its-influence/; Richard Wike et al., "Trump Approval Worldwide Remains Low Especially Among Key Allies," *Pew Research Center's Global Attitudes Project* (blog), October 1, 2018, https://www.pewresearch.org/global/2018/10/01/trumps-international-ratings-remain-low-especially-among-key-allies/; Rem Korteweg, Christopher Houtkamp, and Monika Sie Dhian Ho, "Dutch Views Transatlantic Ties and European Security Cooperation" (The Netherlands Institute for International Relations, 2020), https://www.clingendael.org/publication/dutch-views-transatlantic-ties-and-european-security-cooperation.

63 "World's Most Admired Companies," Fortune, accessed December 17, 2020, https://fortune.com/worlds-most-admired-companies/2020/.

64 "Global Military Expenditure Sees Largest Annual Increase in a Decade — Says SIPRI — Reaching $1917 Billion in 2019," SIPRI, 2020, https://www.sipri.org/media/press-release/2020/global-military-expenditure-sees-largest-annual-increase-decade-says-sipri-reaching-1917-billion; "U.S. Defense Spending Compared to Other Countries," Peter G. Peterson Foundation, 2020, https://www.pgpf.org/chart-archive/0053_defense-comparison.

countries (the other is Russia) with a robust nuclear triad – the ability to deliver nuclear weapons from land, sea, and bomber – bolstering its ability to deliver a nuclear counter-strike in the event of an attack. When it comes to overall influence, the United States is still on top, at 8.39 percent, according to the FBIC index.[65]

In recent years, US focus has shifted to China's challenge to the RBO. The US has sought to counteract China's growing military influence in the South China sea region. It has tried to curtail China's economic influence by demanding – so far unsuccessfully – reforms to the WTO. In protest, it has frozen the WTO's

Figure 8 - Natural Logarithm Global Power Index, 2020 (x-axis) and Sum of FBIC Index, 2020 (y-axis)

▇ China	▇ Russia	▇ United Kingdom	▇ Belgium
▇ France	▇ Italy	▇ United States	▇ Russia
▇ Germany	▇ Spain	▇ Netherlands	
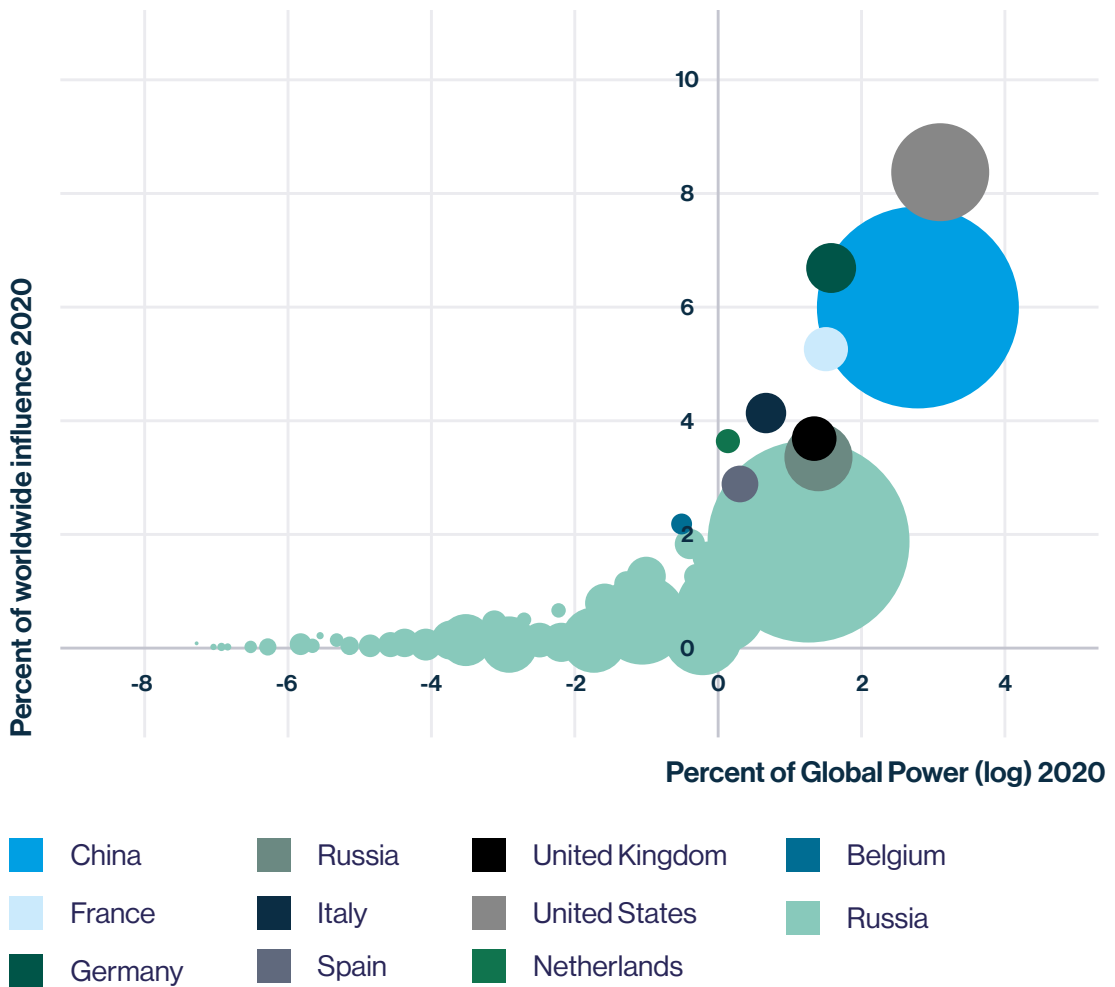
65   Moyer, Jonathan D., Collin J. Meisel, Austin S. Matthews, David K. Bohl, and Mathew J. Burrows, "Measuring Formal Bilateral Influence Capacity: Implications for US Foreign Policy." 2021. The Atlantic Council and Frederick S. Pardee Center for International Futures, University of Denver, Denver, CO.

conflict resolution mechanism, the Appellate Body. Washington has sought to build coalitions in Europe – via NATO – and with allies in the Asia-Pacific region designed to contain China. The United States has also played a central role in opposing Russia's resurgence. Along with Europe, it has played a leading role in organizing a regime of sanctions in response to Russia's intervention in Ukraine since 2014. The US has also taken a leading role in revitalizing NATO's efforts to deter Russia in Eastern Europe, by providing rotating battalions in Eastern Europe, as well as air and combat support to the Very High Readiness Joint Task Force initiative. The US also assumed a prominent role in organizing the anti-Islamic State (IS) coalition that defeated the terrorist group and reclaimed all of the territory previously held by IS.

5.2.8 Implications of US decline for the International System

If the United States continues to pursue nationalist and unilateralist policies, the long-term outlook is troubling. For the Netherlands, which has long been one of the foremost proponents of a strong transatlantic alliance, this would require fundamentally revamping Dutch security structures. It would also have an impact on the close economic relationship between the two countries.

The hostility to the RBO displayed by Washington between 2016 and 2020 represents a direct threat to European interests and values and calls into question the future of NATO. The US tendency to treat the RBO in instrumental terms undermines its ability to partner with countries that would like to uphold the system or to maintain key aspects of it. This divide between the US and its partners further weakens the RBO. In addition, the US argument between 2016 and 2020 – that other countries must make concessions on trade and defense spending if they wish the RBO to endure – has had the paradoxical effect of further diminishing the US position in the system. US allies viewed such demands as a form of extortion, and they grew increasingly likely to view US behavior as at least as problematic as that of China and Russia.

US attempts since 2016 to confront China unilaterally have impeded its ability to uphold other aspects of the RBO. Its withdrawal from the Trans-Pacific Partnership treaty in early 2017 upended the Obama administration's strategy of creating a broad regional coalition linked by economic, political, and security cooperation. Instead of taking advantage of widespread concern in Europe and elsewhere about China's trading practices, the Trump administration pursued a bilateral trade deal with China that addresses few of the underlying, structural challenges China poses to the international economic system.

The Trump administration was an outlier compared to its predecessors, but it likely represented the future of conservative political culture and offered a preview of how future GOP administrations will approach questions such as the RBO and competition with China. In the Biden administration, some of the problems that arose after 2016 will be fixed. Figures close to the Biden administration have signaled that they understand the need to renew the transatlantic relationship and the Biden administration will be more inclined to uphold the RBO and to solve problems multilaterally.[66]

However, the rest of the world should not expect the Biden administration to restore the status quo ante. In order to prepare for long-term competition with China, US strategic planners are focusing on bolstering air, space, and especially naval power. They will de-emphasize major land operations and leave stabilization operations to others.[67] Europe will be asked to assume ever more responsibility for challenges in Africa, the Middle East, and Eastern Europe. Domes-

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[66]   David McKean and Bart M. J. Szewczyk, "The World Still Needs a United West," September 17, 2020, https://www. foreignaffairs.com/articles/united-states/2020-09-17/ world-still-needs-united-west.

[67]   Rep Mac Thornberry, "CJCS Milley Predicts DoD Budget 'Bloodletting' To Fund Navy," *Breaking Defense* (blog), 2020, https://breakingdefense.com/2020/12/cjcs-milley-predicts-dod-bloodletting-to-fund-navy-priorities/.

tic political pressure for protectionism will remain a potent force. In December 2020, Biden made this point explicitly, stating "I'm not going to enter any new trade agreement with anybody until we have made major investments here at home and in our workers."[68]

5.2.9 The Middle Kingdom Redux

Though the US remains the world's leading power, China has rapidly closed the gap and is now firmly ensconced in second place. Chinese power has grown across the spectrum. It now ranks third in the FBIC Index, at 5.99 percent (up from fourth place in 2016, and unranked in 2000). In economic terms, China now commands 15 percent of global GDP in nominal terms, second only to the US, and ranks first in GDP in terms of purchasing power parity (21.4 trillion USD in 2018). Three of the world's ten largest companies are Chinese and 124 Chinese companies rank among the world's 500 largest by revenue – more than any other country. China is home to two of the world's leading financial centers, Hong Kong and Shanghai. The Made in China 2025 strategic plan is designed to transform China into a global leader in high-tech manufacturing and boosted by hundreds of billions of US dollars in subsidies, Chinese firms have become leaders in key fields such as next-generations information technology and the electric vehicle battery market. China shares the US goal of at least partially decoupling the two economies, viewing the US as an unreliable partner and markets in the Global South as more promising.[69]

China's role as a disruptor in the economic sphere is not just a matter of rapidly growing GDP; more funda-

mentally, China has developed an economic model that is placing considerable stress on the international trading system. The Chinese model, wherein it is impossible to identify the boundaries between private companies, state-owned enterprises, the Chinese Communist Party, and a complicated set of hierarchies and informal networks, is unprecedented. This system discriminates in favor of Chinese state-owned banks and enterprises and fosters informal discrimination against foreign firms. This includes technology transfer that is frequently involuntary. Another key aspect of the system is the role of Chinese intelligence, which has mounted a massive, long-term campaign to steal foreign technology. The Information Technology and Innovation Foundation has dubbed the Chinese model "innovation-mercantilism" and warn that it offers a tempting development model for many other countries.[70]

The Chinese economic system – both its unprecedented nature and its outsize importance – is causing massive disruptions in the international trading system. The so-called China Shock to US and EU labor markets led to higher and longer levels of unemployment, especially among workers in manufacturing industries and among those with lower levels of education.[71] This has led to political pressure in both countries to adjust the international trading system to account for China's role. The US has acted more aggressively, by demanding changes in the WTO's

68   Thomas L. Friedman, "Opinion | Biden Made Sure 'Trump Is Not Going to Be President for Four More Years,'" *The New York Times*, December 2, 2020, sec. Opinion, https://www.nytimes.com/2020/12/02/opinion/biden-interview-mcconnell-china-iran.html.

69   Max J. Zenglein, "Evolving Made in China 2025," 2019, https://merics.org/en/report/evolving-made-china-2025; Rana Foroohar, "China Wants to Decouple from US Tech, Too," September 6, 2020, https://www.ft.com/content/371e139e-df4d-4ef8-9ed9-a92b97543af6.

70   Mark Wu, "The 'China, Inc.' Challenge to Global Trade Governance," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, May 13, 2016), https://papers.ssrn.com/abstract=2779781; Foote and Ezell, "The 2019 Global Mercantilist Index."

71   David H. Autor, David Dorn, and Gordon H. Hanson, "The China Shock: Learning from Labor-Market Adjustment to Large Changes in Trade," *Annual Review of Economics* 8, no. 1 (2016): 1–44, https://doi.org/10/gcv65s; Hedieh Aghelmaleki, Ronald Bachmann, and Joel Stiebale, *The China Shock, Employment Protection, and European Jobs*, Discussion Paper 328 (Dusseldorf Institute for Competition Economics, 2019), 1–36. and Joel Stiebale, {\\i{}The China Shock, Employment Protection, and European Jobs}, Discussion Paper 328 (Dusseldorf Institute for Competition Economics, 2019

Appellate Body and by seeking to renegotiate its relationships with China and other key trading partners. However, there is not enough support among WTO members for a fundamental revamp of the organization and, absent overwhelming and united external pressure, China is powerful enough to resist fundamental changes.[72]

Though it still trails the US, China has more than doubled its expenditures in the last ten years and now ranks second (261 billion USD) in military spending. It also benefits from the fact that its military commitments are still regional – though it is in the process of developing global power projection capabilities – whereas US responsibilities are global in nature. Though China's nuclear forces are much smaller than their Russian and US counterparts, their capabilities are improving, and they have switched from a strictly defensive stance to a more offensive posture. This includes transitioning from minimal to limited deterrence; completing the nuclear triad with JL-2 submarine-launched ballistic missiles; modernizing its delivery systems, including the development of multiple independently targetable re-entry vehicle (MIRV) capabilities and road-mobile solid-fueled missiles; and emerging as a space power.[73]

Though China continues to trail the United States in all principal measures of soft power, it has begun to invest heavily in this area – $10 billion per year, according to one estimate. Conventional wisdom has long held that China, with its authoritarian system, cannot equal US freedom, dynamism, and creativity, which so many find appealing. Chinese officials have also engendered widespread concern, even anger, during the COVID-19 pandemic with their heavy-handed attempts to translate Chinese foreign aid into increased influence.[74]

At the same time, the Chinese system remains attractive in ways that Western analysts have not always understood. It offers a blueprint for governments that prioritize stability and economic growth, not individual freedom. A June 2020 incident at the UN Human Rights Council provides one example of China's growing influence. Only 27 countries supported a letter read by the UK ambassador to the UN Human Rights Council criticizing China's controversial national security law in Hong Kong. In contrast, 53 countries – mainly low and middle-income countries in the Global South – backed a letter, prepared by Cuba, in support of the national security law.[75]

China's ascent has transformed its foreign policy and revived the country's longstanding view of itself as the natural hegemon in East Asia, one that uses its pre-eminence to orchestrate harmonious regional relations.[76] At the regional level, the military balance

[72] Robert Wolfe and Petros C. Mavroidis, "WTO Dispute Settlement and the Appellate Body: Insider Perceptions and Members' Revealed Preferences," *Journal of World Trade* 54, no. 5 (September 1, 2020), https://kluwerlawonline.com/journalarticle/Journal+of+World+Trade/54.5/TRAD2020029.

[73] Jack Bianchi and Toshi Yoshihara, "Chinese Nuclear Weapons Strategy—Leaning Towards a More Proactive Posture? Part I: Legacy Policy and Strategy, and the Drivers of Potential Change," Jamestown, 2019, https://jamestown.org/program/chinese-nuclear-weapons-strategy-leaning-towards-a-more-proactive-posture-part-i-legacy-policy-and-strategy-and-the-drivers-of-potential-change/; "Military and Security Developments Involving the People's Republic of China," Annual Report to Congress (Washington D.C.: Office of the Secretary of Defense, 2020).

[74] Bates Gill, "China's Global Influence: Post-COVID Prospects for Soft Power," *The Washington Quarterly* 43, no. 2 (April 2, 2020): 97–115, https://doi.org/10/ghp4cp; Oertel, "China, Europe, and Covid-19 Headwinds."

[75] Eleanor Albert, "China's Big Bet on Soft Power," Council on Foreign Relations, 2018, https://www.cfr.org/backgrounder/chinas-big-bet-soft-power; Thomas Barker, "The Real Source of China's Soft Power," The Diplomat, 2017, https://thediplomat.com/2017/11/the-real-source-of-chinas-soft-power/; "China's Growing Influence in International Organizations," *Warsaw Institute* (blog), October 14, 2020, https://warsawinstitute.org/chinas-growing-influence-international-organizations/.

[76] Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?*, Reprint edition (Mariner Books, 2017), 109–10.

will likely shift further in Beijing's favor: with its strategy of constructing and militarizing artificial islands, it is slowly but surely securing control over the waters and airspace of the South China Sea. Beijing's strategy is modern and sophisticated; it includes electronic warfare, long range surface to surface and surface to air missile systems, and cyber capabilities.[77] It is undermining US security guarantees in the region by demonstrating that the US cannot protect China's neighbors from the gradual erosion of territorial claims that conflict with China.[78] In practical terms, it is in the process of ending the "one country, two systems" formula applied to Hong Kong since 1997, even as it offers the same arrangement to Taiwan and warns the United States not to hinder its efforts to unify with the island nation.[79] Absent significant, unforeseen changes in underlying conditions, these trends will continue.

Though it cannot yet militarily challenge the US at the global, China is slowly developing a global security agenda. It established its first military base in Dijbouti, in 2017, and is in the process of developing military facilities in Pakistan, Cambodia, and Namibia. As part of the Maritime Silk Road, it is also developing a string of port facilities throughout the Indian Ocean

and Mediterranean that could later be used for military purposes.[80] China has been involved in armed conflicts beyond its borders, including a border clash with India, that began in May 2020 and which remains unresolved. Several reports indicate that several thousand members of the Chinese special forces have operated alongside Syrian government troops in recent years in what both sides are calling counterterrorism operations.[81] China is now the world's second biggest arms producer, trailing only the United States, and ranks among the top arms exporters, with $2.564 billion in 2018-2019, behind only the United States, Russia, and France.[82]

77   J Michael Dahm, 'Beyond "Conventional Wisdom": Evaluating the PLA's South China Sea Bases in Operational Context', War on the Rocks, 17 March 2020, https://warontherocks. com/2020/03/beyond-conventional-wisdom-evaluating-the-plas-south-china-sea-bases-in-operational-context/.
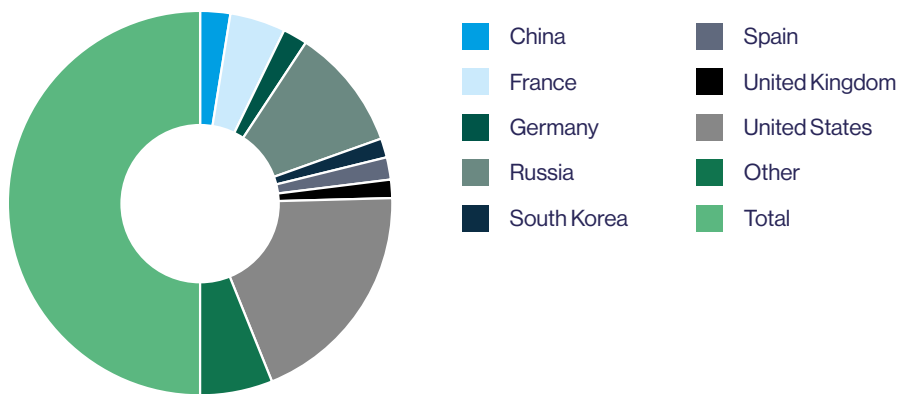
78   George B. Poling, "The Conventional Wisdom on China's Island Bases Is Dangerously Wrong," War on the Rocks, January 10, 2020, https://warontherocks.com/2020/01/the-conventional-wisdom-on-chinas-island-bases-is-dangerously-wrong/; Zack Cooper and Gregory Poling, "America's Freedom of Navigation Operations Are Lost at Sea," *Foreign Policy* (blog), 2019, https://foreignpolicy. com/2019/01/08/americas-freedom-of-navigation-operations-are-lost-at-sea/.

79   "The End of One Country, Two Systems in Hong Kong | Financial Times," Financial Times, 2020, https://www.ft.com/content/5d3d7d2e-bba8-11ea-a05d-efc604854c3f; "Chinese Mainland's Policy toward Taiwan Clear, Consistent: Spokesperson," Xinhuanet, 2020, http://www.xinhuanet.com/english/2020-01/12/c_138697335.htm.

80   Danny Pronk, "Outpost of Empire: Base Politics with Chinese Characteristics" (The Hague: The Netherlands Institute for International Relations, 2020), https://www.clingendael.org/publication/outpost-empire-base-politics-chinese-characteristics.

81   Steven Lee Myers and Sameer Yasir, "China and India Pledge to Ease Tensions After Border Clashes," *The New York Times*, September 11, 2020, sec. World, https://www.nytimes.com/2020/09/11/world/asia/china-india-border-clashes.html; Logan Pauley and Jesse Marks, "Is China Increasing Its Military Presence in Syria?," The Diplomat, 2018, https://thediplomat.com/2018/08/is-china-increasing-its-military-presence-in-syria/; Joshua Ball, "China to Deploy Special Forces Units to Syria," *Global Security Review* (blog), December 6, 2017, https://globalsecurityreview.com/china-deploy-special-forces-units-syria/.

82   Nan Tian and Fei Su, "Estimating the Arms Sales of Chinese Companies | SIPRI," SIPRI, 2020, https://www.sipri.org/publications/2020/sipri-insights-peace-and-security/estimating-arms-sales-chinese-companies.

Figure 9 - Global arms exports, 2018-2019[83]

Legend:
- China
- France
- Germany
- Russia
- South Korea
- Spain
- United Kingdom
- United States
- Other
- Total

Further afield, China is the only other country, along-side the US, with a truly global agenda. It has sought to use the COVID-19 pandemic to boost its international standing, by sending supplies to other countries and, in return, demanding public statements of gratitude.[84] Its Belt and Road Initiative (BRI), designed to promote investment and infrastructure abroad and to bolster the growth of the Chinese economy, has attracted interest on every continent: 138 countries have signed Memoranda of Understanding with China to participate in the BRI.[85] Beijing has taken the leading role in new institutions, such as the Asian Infrastructure and Investment Bank, the New Development Bank, and the Shanghai Cooperation Organization, all of which China views as institutions that could potentially revamp the exist-

ing RBO to its advantage.[86]

Beijing has also begun to reshape existing international institutions to better reflect Chinese interests. Nowhere is this more apparent than in the United Nations. As of July 2020, Hu Zejun, formerly head of China's National Audit Office, has been serving as one of the three board members of the Fifth Committee, the UN budgetary arm. China has used its growing clout in the UN to begin reshaping how the UN engages with human rights, for instance by reducing funding for initiatives and personnel.[87]

A key amplifier of China's soft and hard power is its growing use of gray zone operations, which it em-

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83   SIPRI Arms Transfers Database, https://www.sipri.org/databases/armstransfers.

84   Edward Wong and Paul Mozur, "China's 'Donation Diplomacy' Raises Tensions With U.S.," *The New York Times*, April 14, 2020, sec. U.S., https://www.nytimes.com/2020/04/14/us/politics/coronavirus-china-trump-donation.html.

85   Green Belt and Road Initiative; Frans-Paul van der Putten and Mirela Petkova, 'Building the "Belt and Road" in Europe?' (Clingendael, 28 April 2020), https://www.clingendael.org/publication/building-belt-and-road-europe; Willem Oosterveld, 'The Belt and Road Initiative Looks East | HCSS' (Hague Centre for Strategic Studies, 24 October 2018), https://hcss.nl/report/belt-and-road-initiative-looks-east.

86   Lai-Ha Chan, "Soft Balancing against the US 'Pivot to Asia': China's Geostrategic RatioZnale for Establishing the Asian Infrastructure Investment Bank," *Australian Journal of International Affairs* 71, no. 6 (November 2, 2017): 568–90, https://doi.org/10/gg7zsm; George Yin, "The BRICS Bank and China's Economic Statecraft," The Diplomat, 2014, https://thediplomat.com/2014/07/the-brics-bank-and-chinas-economic-statecraft/; Abigail, "The Lessons China Taught Itself: Why the Shanghai Cooperation Organization Matters," Jamestown, 2018, https://jamestown.org/program/the-lessons-china-taught-itself-why-the-shanghai-cooperation-organization-matters/.

87   Rob de Wijk and Jack Thompson, "Adjusting the Multilateral System to Safeguard Dutch Interests" (The Hague: The Hague Centre For Strategic Studies, 2020).

ploys across all sectors. These go well beyond its maritime activities in the South China Sea. China has developed a global network of cultural organizations, such as Confucius Institutes, contacts among overseas Chinese communities and foreign political parties, students at overseas universities, and foreign intelligence assets. China uses these networks and other tools, such as cyber operations, to target individuals, groups, businesses, and other countries in ways that fall short of warfare but are nonetheless coercive.

Figure 10 - Networks of Chinese Influence –
Cultural, Economic, and Espionage[88]

Cultural Institutes	Chinese Abroad	Media	Suspected Espionage (partial)	FDI & Construction Contracts
41 Confucius Centers and 103 Classrooms globally	Overseas Chinese: 49,210,000 (in 2019)	China Media Group (CMG), representing all Chinese state media, has cooperation deals with 110 media organizations in 32 countries	CSIS Report: 147 publicly reported instances of Chinese espionage directed at US since 2000	Asia: $9.68B (East Asia) + $4.26B (West Asia) = $13.94B
Birthright Tours: 400,000 ethnic Chinese participated 1999-2016	Number of Chinese study- abroad students: 662,100 (in 2018)	Government-approved content from China Radio International (CRI) operated on 58 radio stations in 35 countries	25% of cases 2000-2010, vs. 75% 2010-2020 > significant increase in incidents	Europe: $5.06B
Chinese Students and Scholars Association (CSSA): 142 chapters in the U.S. in 2018	Total number of mobile Chinese students abroad: 993,367 (in 2020)	Between 2018 and 2020, Xinhua (state-run press agency) signed exchange agreements with partners in Australia, Italy, Bangladesh, India, Nigeria, Egypt, Thailand, Vietnam, Belarus, and Laos; Xinhua has 162 foreign bureaus worldwide		$2.36B (MENA) + $4.24B (Sub-Saharan Africa) = $6.6B
Research initiatives: 129 foreign partners (companies, think tanks, universities, research institutes) at least partially initiated by the Chinese government				2020 Total: $27,86B
Chinese Academy of Social Sciences established relationships with over 200 research organizations in more than 80 countries and regions		Leadership council of Belt and Road News Network (BRNN), founded by Chinese government in 2019, includes 14 members from China and 26 others from Asia, Africa, Europe, North America, and Middle East		
		China Daily, PRC's most influential newspaper: $11 million in budget and expenditures in US in 2019		

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[88]   Various Sources.

5.2.10 Implications of China's Rise for the International System

China's role as a disruptor of the RBO holds key implications for the international system. The dramatic increase in China's power means that, though the United States remains the leading major power, Beijing can now credibly challenge the United States across all domains. What is more, Beijing is confident that it can successfully do so. There is considerable evidence that Chinese thinking has shifted since 2016, and that Chinese policymakers and analysts largely believe that the US is in irreversible decline, a process which includes withdrawing from its traditional position of international leadership.[89]

This has engendered doubt among allies, especially in the Asia-Pacific, about the credibility of the United States as a guarantor of security – a role it has played since the end of World War II. China's growing strength has also led many countries to pursue closer relations with Beijing, allowing it to develop fruitful diplomatic and economic relationships on every continent. Beijing's sway has allowed it to speak credibly of an alternative to a US-led RBO. This is particularly appealing to low and middle-income countries that are wary of embracing the free-market democratic model or that feel unwelcome in a RBO designed, first and foremost, for the benefit of the West.

At the same time, China's newfound willingness to throw its weight around entails some significant disadvantages. None of its neighbors accept China's hierarchical view of regional relations, with China dictating and others following. In fact, China's aggressive stance has alarmed other countries in the region, some of which, such as Vietnam, have signaled a desire for closer ties with the United States in order to balance against their massive neighbor. Other countries that have moved closer to Beijing,
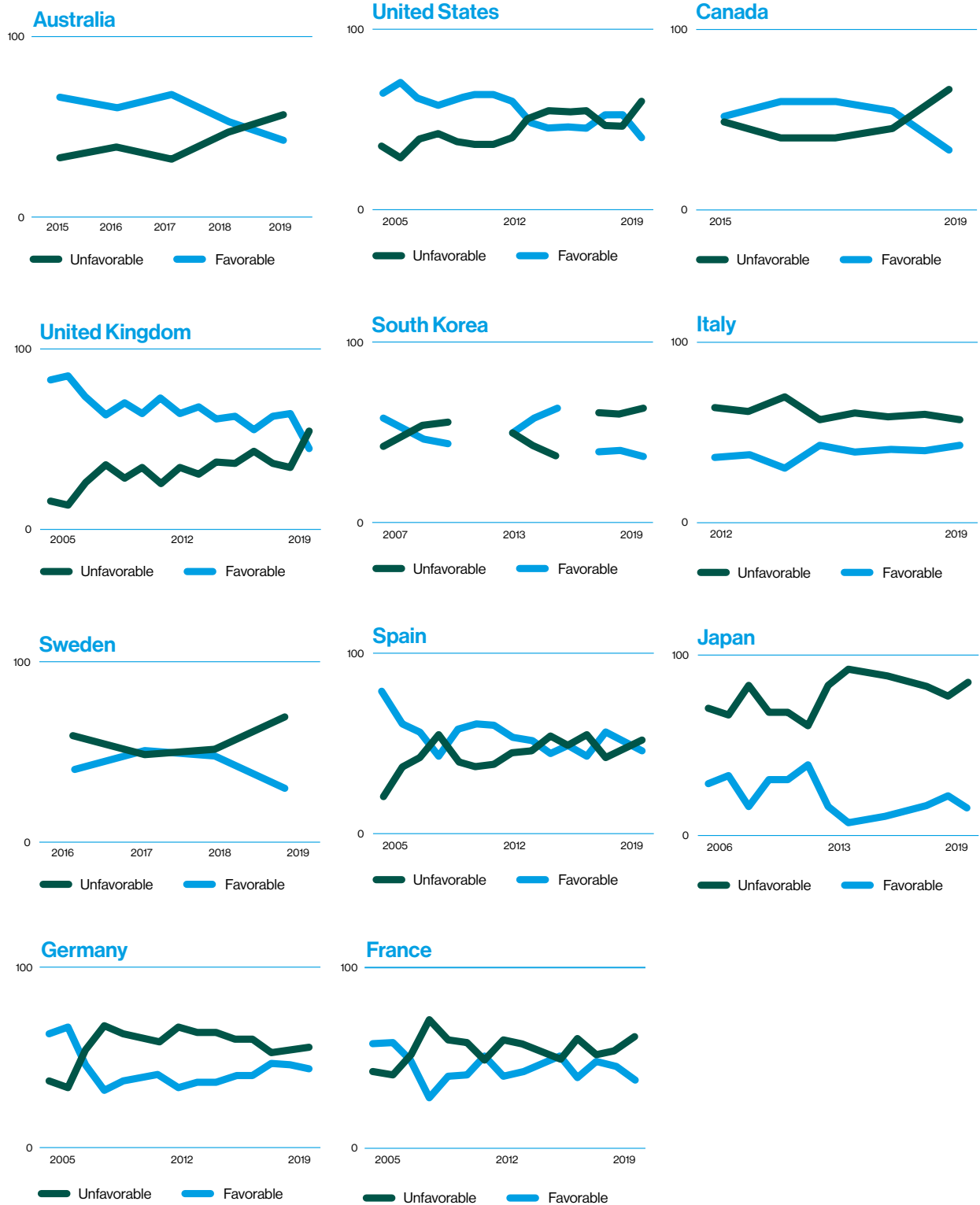
such as Thailand and the Philippines, remain distrustful of China's long-term motives and are hedging their bets by maintaining ties with Washington.[90] Beyond the region, other countries, especially in Europe, have also begun to rethink how close they wish to get to Beijing, especially in the wake of China's aggressive COVID-19 diplomacy and its efforts to push Huawei as the provider of 5G networks. One German diplomat said of China's newly brash tactics, sometimes referred to as "wolf warrior diplomacy," they "have started talking to us in a tone that they would have only used towards countries they considered small or weak."[91]

89   Rush Doshi, "China Thinks Trump Is Bad for America, and That's Good for China," Foreign Policy, 2020, https://foreignpolicy.com/2020/10/12/china-trump-accelerating-american-decline/.

90   Joshua Kurlantzick, "Vietnam, Under Increasing Pressure From China, Mulls a Shift Into America's Orbit," World Politics Review, 2020, https://www.worldpoliticsreview.com/insights/28502/as-china-vietnam-relations-deteriorate-hanoi-mulls-closer-ties-with-the-u-s; Jason Gutierrez, "Philippines Backs Off Threat to Terminate Military Pact With U.S.," *The New York Times*, June 2, 2020, sec. World, https://www.nytimes.com/2020/06/02/world/asia/philippines-military-pact-us-duterte.html; Azchary Abuza, "America Should Be Realistic About Its Alliance with Thailand," War on the Rocks, January 2, 2020, https://warontherocks.com/2020/01/america-should-be-realistic-about-its-alliance-with-thailand/.

91   Katrin Bennhold and Jack Ewing, "In Huawei Battle, China Threatens Germany 'Where It Hurts': Automakers," *The New York Times*, January 16, 2020, sec. World, https://www.nytimes.com/2020/01/16/world/europe/huawei-germany-china-5g-automakers.html; Edward Lucas, "Wolf Warrior Diplomacy," May 11, 2020, https://cepa.org/wolf-warrior-diplomacy/; Kathrin Hille, "'Wolf Warrior' Diplomats Reveal China's Ambitions," Financial Times, May 12, 2020, https://www.ft.com/content/7d500105-4349-4721-b4f5-179de6a58f08.

Figure 11 - Increasingly negative views of China in the democratic world[92]

Australia

Unfavorable · Favorable

United States

Unfavorable · Favorable

Canada

Unfavorable · Favorable

United Kingdom

Unfavorable · Favorable

South Korea

Unfavorable · Favorable

Italy

Unfavorable · Favorable

Sweden

Unfavorable · Favorable

Spain

Unfavorable · Favorable

Japan

Unfavorable · Favorable

Germany

Unfavorable · Favorable

France

Unfavorable · Favorable

92   Laura Silver, Kat Devlin, and Christine Huang, 'Unfavorable Views of China Reach Historic Highs in Many Countries' (Pew Research, 6 October 2020), https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/.

Perhaps the biggest drawback to China's assertiveness is that it has been profound enough to change how Americans think about China. Previously, there was considerable support in many sectors of US society for a more conciliatory approach to China. Many policymakers, as well as figures in US business and academia, previously hoped to maintain good ties in the expectation that China would eventually embrace economic and political reform. However, there is now a widespread consensus that China will not change and that the United States needs to act accordingly.[93]

This change in US thinking has contributed to a significant shift in US grand strategy. Early on, the Obama administration was disappointed that Beijing, in effect, rejected US overtures by making expansive territorial claims in the East and South China Seas. US officials adapted by pursuing a more complex agenda, one that mixed of accommodation and cooperation, where possible, with competition where necessary, that both sides found tolerable, if not ideal.[94] However, in spite of President Trump's efforts to establish a personal rapport with President Xi, the official US view of China has mostly discarded attempts at cooperation. Something close to a consensus has emerged in Washington: that competition with China is unavoidable. Official documents now refer to China as a "strategic competitor" and "revisionist power" and US military strategy are rapidly

shifting to respond to China's growing capabilities.[95]

The result is that although China's foreign policy is leveraging its growing power to increase Chinese influence, it is also destabilizing the international system. Its determination to establish predominance in the South and East China Seas is causing other countries to increase their military spending, partly in order to balance China.[96] China's competition with the US in international institutions and organizations is weakening the multilateral order. For instance, both countries undermined the ability of key international institutions to respond to the COVID-19 pandemic. Chinese pressure prevented the WHO from responding more decisively to the crisis. This prompted the US to withdraw, depriving the organization of one of its most important sources of funding and increasing the likelihood that Chinese influence will grow further. Disagreements between the two major powers also prevented the UN Security Council from passing meaningful resolutions related to COVID-19.[97]

The US focus on competition with China is making it more difficult to maintain peace, but China's determination to establish hegemony in the South and East China Seas is also dangerous. Accidents or a rela-

93   Demetri Sevastopulo, "Why Trump's America Is Rethinking Engagement with China," Financial Times, January 15, 2019, https://www.ft.com/content/f882b7c2-1339-11e9-a581-4ff78404524e.

94   The White House, "National Security Strategy of the United States of America" (Washington, D.C.: The White House, 2017), https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf; Victor Cha, "The Unfinished Legacy of Obama's Pivot to Asia," Foreign Policy (blog), September 6, 2016, https://foreignpolicy.com/2016/09/06/the-unfinished-legacy-of-obamas-pivot-to-asia/.

95   "Summary of the 2018 National Defense Strategy" (Washington D.C.: US Department of Defense, 2018), https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf; The White House, "National Security Strategy of the United States of America"; David Lague, "Special Report: U.S. Rearms to Nullify China's Missile Supremacy," Reuters, May 6, 2020, https://www.reuters.com/article/us-usa-china-missiles-specialreport-us-idUSKBN22I1EQ.

96   Gordon Lubold and Nancy A. Youssef, "U.S.-China Rivalry Pushes Rise in World-Wide Military Spending, Report Finds," Wall Street Journal, February 14, 2020, sec. World, https://www.wsj.com/articles/u-s-china-rivalry-pushes-rise-in-world-wide-military-spending-report-finds-11581698608.

97   "China Delayed Releasing Coronavirus Info, Frustrating WHO," AP NEWS, June 2, 2020, https://apnews.com/article/3c061794970661042b18d5aeaaed9fae; de Wijk and Thompson, "Adjusting the Multilateral System to Safeguard Dutch Interests."

tively minor confrontation could quickly escalate into full-blown conflict. By aggressively seeking the expulsion of the US, which traditionally acts as the regional security guarantor and which – though its image has suffered in the region in recent years – is still viewed far more favorably than China, Beijing is increasing the likelihood of war.[98]

China's increasingly aggressive behavior toward Taiwan is of particular concern: Since mid-September 2020, it has mounted at least 50 incursions of Taiwan's air defense identification zone, behavior that represents an escalation from the previous status quo. This appears to be a long-term strategy designed to exhaust Taiwan's defense forces, to acclimate the international community to such behavior, and to give Chinese forces a tactical edge in future military conflict.[99]

5.2.11 The Awakening Power

There is a paradox inherent in the role played by the European Union in the international order. On one hand, it wields substantial economic influence. Depending on how GDP is measured, the EU has one of the world's three largest economies, at 15.59 trillion USD in 2019. It is the top trading partner for 80 countries (the US is the top trading partner for slightly

more than 20 countries).[100] The EU is also a regulatory superpower. What Anu Bradford calls the "Brussels effect" allows the EU to shape, through its legal institutions and standards, the global business environment in ways that are favorable to European interests and values. Two of the world's largest companies are located in the EU and Frankfurt and Paris are important financial centers.[101] Three of the G7 members are EU members.

In some respects, EU economic power is matched by political influence. Two member states hold permanent seats on the UN Security Council (France and the United Kingdom) and the EU, as well as individual European countries, play a central role in numerous international institutions and agreements. European soft power is impressive. According to Pew Research, 58 percent of people view the EU favorably. Four of the world's top ten tourist destinations are EU member states. In the FBIC index, six of the top ten countries are located in the EU.[102]

The EU and its member states play a vital role when it comes to the functioning of the multilateral system. Collectively, they provided 24 percent of the regular

98　Michael Haas and Niklas Masuhr, "US-China Relations and the Specter of Great Power War," in *Strategic Trends 2020: Key Developments in Global Affairs* (Center for Security Studies, ETH Zurich, 2020), 31–53; Allison, *Destined for War*, 154–84; Silver, Devlin, and Huang, "China's Economic Growth Welcomed in Emerging Markets, but Neighbors Wary of Its Influence."

99　"PLA Warplane Enters Taiwan's ADIZ for Fourth Consecutive Day," Focus Taiwan, 2020, https://focustaiwan.tw/cross-strait/202012010019; Michael Mazza, "Signaling from Chinese Military Exercises around Taiwan | AEI," *American Enterprise Institute - AEI* (blog), 2020, https://www.aei.org/articles/signaling-from-chinese-military-exercises-around-taiwan/.

100　"GDP (Current US$)," WorldBank, accessed December 17, 2020, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD; "EU Position in World Trade," European Commission, accessed July 31, 2020, https://ec.europa.eu/trade/policy/eu-position-in-world-trade/.

101　Anu Bradford, "The Brussels Effect," *Northwestern University Law Review, Vol. 107, p. 1, 2012; Columbia Law & Economics Working Paper No. 533*, January 1, 2012, https://scholarship.law.columbia.edu/faculty_scholarship/1966; "Global 500," Fortune, accessed August 3, 2020, https://fortune.com/global500/2019/.

102　Kat Devlin and Inquiries, "Attitudes toward EU Are Largely Positive, Both within Europe and Outside It," *Pew Research Center*, October 21, 2019, https://www.pewresearch.org/fact-tank/2019/10/21/attitudes-toward-eu-are-largely-positive-both-within-europe-and-outside-it/; David Elliott, "Chart of the Day: These Countries Normally Have the Highest International Tourist Numbers," World Economic Forum, 2020, https://www.weforum.org/agenda/2020/06/most-visited-countries-world-tourism-organization/; Moyer et al., "Measuring Formal Bilateral Influence Capacity."

UN budget and 24 percent of the UN peacekeeping budget in 2019, more than any other nation. EU member states contributed 33 percent of the 2020 WTO budget; China and the US contributed 10 and 11 percent, respectively.[103]

On the other hand, the EU wields less influence than it could, given that its collective economic strength is close to that of China and the United States. The most prominent area where the EU underperforms is in the military realm. In 2018, EU member states spent €223.4 billion on defense, which was more than China and nearly four times more than Russia. Three of the top fifteen global spenders – France, Germany, and Italy – are European.[104] However, EU spending is inefficient. A 2017 report noted that EU members states utilized 178 different weapons systems, whereas the United States had only 30. This variation in weapons systems leads to numerous problems, most notably a lack of interoperability. Not surprisingly, though EU member states can, on paper, field more troops than the United States (1.9 to 1.3 million), few of those troops can be quickly and effectively deployed.[105]

In effect, the EU is not a nuclear power. France is the only EU member state with its own nuclear arsenal and its doctrine is defensive. (The United Kingdom is also a nuclear power and will continue to cooperate with the EU on defense matters in spite of Brexit.[106])

Though there have been discussions about France extending its deterrent to other EU member states, this has not yet occurred.[107] All EU countries with NATO membership are covered by the US nuclear umbrella, and US weapons are stationed in several European countries. However, according to a 2018 survey by the European Council on Foreign Relations, tension in the transatlantic relationship since 2016 has led seven EU member states, four of whom are also NATO members, to view the US nuclear security guarantee as less credible. Most notably, leading members of the German Social Democratic Party, the junior partners in the country's governing coalition, have called for the removal of US nuclear weapons from Germany territory.[108]

The EU's relative weakness in the military realm is amplified by gaps in its political power. In spite of the significant role they play in funding key international institutions, the EU and individual member states sometimes struggle to exercise influence. For instance, in the UN Security Council, France and the UK are less active than the other three permanent members; they have not used their vetoes since 1989. In contrast, the other mid-major power, Russia, has used its veto more than twenty times since 1990. Though many analysts view it as Europe's foremost

103 "The EU at the UN," Text, European External Action Service, 2020, https://eeas.europa.eu/delegations/un-new-york/33807/eu-un_en.

104 "European Defence Agency Annual Report 2019" (Brussels: European Defence Agency, 2019); "World Military Expenditure Grows to $1.8 Trillion in 2018," SIPRI, 2019, https://www.sipri.org/media/press-release/2019/world-military-expenditure-grows-18-trillion-2018.

105 Ian Bond, "Europe Must Take on Its Own Defense Responsibilities," Defense News, July 2, 2020, https://www.defense-news.com/opinion/commentary/2020/07/03/europe-must-take-on-its-own-defense-responsibilities/.

106 Trevor Taylor, "Brexit's Implications for UK Defence Industrial Cooperation with Europe," RUSI, 2020, https://rusi.org/commentary/brexit-implications-uk-defence-industrial-co-operation-europe.

107 Tom Sauer, "Power and Nuclear Weapons: The Case of the European Union," Journal for Peace and Nuclear Disarmament 3, no. 1 (January 2, 2020): 41–59, https://doi.org/10/gg7zsn; Hans M. Kristensen and Matt Korda, "French Nuclear Forces, 2019," Bulletin of the Atomic Scientists 75, no. 1 (January 2, 2019): 51–55, https://doi.org/10/gf6x7d; Michel Rose, "Amid Arms Race, Macron Offers Europe French Nuclear Wargames Insight," Reuters, February 7, 2020, https://www.reuters.com/article/us-france-defence-macron-idUSKBN20119O.

108 Manuel Lafont Rapnoouil, Tara Varma, and Nick Witney, "Eyes Tight Shut: European Attitudes towards Nuclear Deterrence," ECFR, 2018, https://ecfr.eu/special/eyes_tight_shut_european_attitudes_towards_nuclear_deterrence/; Matthew Karnitschnig, "German Social Democrats Tell Trump to Take US Nukes Home," POLITICO, May 3, 2020, https://www.politico.eu/article/german-social-democrats-tell-donald-trump-to-take-us-nukes-nuclear-weapons-home/.

power, Germany still hesitates to lead within the EU and to adopt leadership roles internationally.

There are also a number of internal challenges that constrain EU influence and undermine the ability of Brussels to project power and influence abroad. Since 2009, the European debt crisis – cause in part by macroeconomic differences between member states that the Eurozone is not designed to address – has led to lower levels of investment, higher unemployment, and depressed economic activity in parts of the Eurozone. This has had profound political consequences, most notably bolstering the influence of sovereignist movements in most European countries, which are skeptical of the European project. [109]

In spite of recent setbacks in many countries, sovereignist political ideology will remain a powerful force in European politics for the foreseeable future. The PopuList project, which tracks extremist, Euro-sceptic political movements, found that these parties had more than doubled their share of vote across Europe, from 15 to 33 percent, between the mid-1990s and 2019. [110]

Figure 12 - Growing strength of populist parties in Europe, 1990-2019[111]

- Far-right eurosceptic
- Eurosceptic
- Far-left eurosceptic
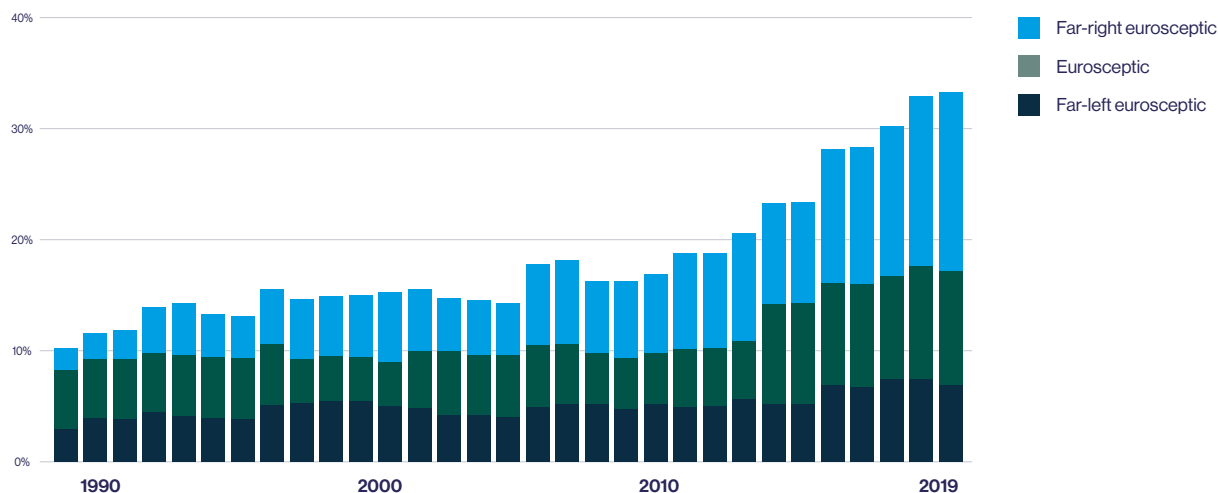
[109] Barry Eichengreen, "The Eurozone Crisis: The Theory of Optimum Currency Areas Bites Back," *Notenstein Academy White Paper Series*, 2014; Viral V Acharya et al., "Real Effects of the Sovereign Debt Crisis in Europe: Evidence from Syndicated Loans," *The Review of Financial Studies* 31, no. 8 (August 1, 2018): 2855–96, https://doi.org/10/ggfw8f; Luigi Guiso et al., "Global Crises and Populism: The Role of Eurozone Institutions*," *Economic Policy* 34, no. 97 (January 1, 2019): 95–139, https://doi.org/10/ghp4gc.

[110] "The PopuList," The PopuList, accessed December 17, 2020, https://popu-list.org/.

[111] Thanks to Dr. Matthijs Rooduijn for sharing the data for this visual.

Sovereignism in Europe has been further strengthened by the migrant crisis, which was driving largely by refugees fleeing wars in Syria, Afghanistan, and Iraq. According to the UNHCR, between 2014 and 2019, more than 2 million refugees arrived in Europe via the Mediterranean region by land and by sea. The peak of the crisis was 2015, when more than one million refugees arrived, and hundreds of thousands remain in countries such as Greece and Italy. In both countries, where hundreds of thousands of refugees remain, anti-immigrant sentiment is much higher than in most of Europe. There is a direct connection between the rise of far-right political parties in a number of European countries and anti-immigrant sentiment, though attitudes vary by country and in some cases, Europeans manifest more positive attitudes towards refugees than other categories of immigrants.[112]

The effect of anti-immigrant sentiment on far-right politics in Europe is especially salient in the case of the United Kingdom's decision to leave the EU (Brexit). Polling data indicates that the second most important issue for those that voted to leave, after reasserting sovereignty, was concern about immigration policy. The party that was the driving force behind Brexit, UKIP, effectively used anti-immigrant sentiment to mobilize anti-EU sentiment.[113]

The COVID-19 crisis has further tested the European project. The temporary closing of borders has tested the European commitment to the free movement of

people, the decision by some countries to block the export of COVID-related supplies led to concerns about the free movement of goods, and in the early months of the pandemic there was widespread anger in countries such as Italy that they had been abandoned by their neighbors and by European institutions. This opened the door to China and Russia, which took advantage of the crisis by sending aid to Italy in an effort to enhance their international images and to undermine European cohesion.[114]

5.2.12 Implications of Europe's Shift toward a more Independent International Role

In spite of the challenges posed by COVID-19, the long-term effect of the crisis may be to draw European countries closer to one another. After strong disagreements about an effort to create jointly-issued debt in support of countries affected by the pandemic – with the Netherlands leading the opposition to so-called Eurobonds – Europe eventually agreed to the Next Generation EU plan, which includes €750 billion in borrowing by the European Commission.[115]

The COVID-19 crisis has also convinced most Europeans of the need for closer cooperation, though most Europeans are motived more by fear than by ideals. A series of studies by the European Council on Foreign Relations found that, even if most Europeans believed that EU institutions failed to do enough, they also believed that the pandemic highlighted the need for even more European cooperation. A plurality of Europeans – 42 percent – believe that the crisis has demonstrated European countries need to pull together to preserve European interests and values

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[112] Ana Gonzalez-Barrera and Phillip Connor, "Around the World, More Say Immigrants Are a Strength Than a Burden," *Pew Research Center's Global Attitudes Project* (blog), March 14, 2019, https://www.pewresearch.org/global/2019/03/14/around-the-world-more-say-immigrants-are-a-strength-than-a-burden/; Lewis Davis and Sumit S. Deole, "Immigration and the Rise of Far-Right Parties in Europe," *Ifo DICE Report* 15, no. 4 (2017): 10–15.

[113] Noah Carl, "Leavers Have a Better Understanding of Remainers' Motivations than Vice Versa," *EUROPP* (blog), May 12, 2018, https://blogs.lse.ac.uk/europpblog/2018/05/12/leavers-have-a-better-understanding-of-remainers-motivations-than-vice-versa/.

[114] Elisabeth Braw, "Beware of Russian and Chinese Aid in Response to the Coronavirus," Foreign Poliicy, 2020, https://foreignpolicy.com/2020/03/30/russia-china-coronavirus-geopolitics/.

[115] Sam Fleming, Ian Mount, and Miles Johnson, "EU Rescue Package: Borrowing to Prevent a North-South Split," Financial Times, July 24, 2020, https://www.ft.com/content/1fd5785b-5f6f-4175-bae4-214b43a55804.

in a world dominated by potentially hostile competing powers and blocks; 29 percent believe that the system will become anarchic, with multilateral cooperation breaking down completely, and 15 percent believe that the system will bifurcate, with the United States leading a bloc of liberal democracies and China and Russia leading the autocratic nations.[116]

These attitudes, if they persist, will further boost support for initiatives such as European strategic autonomy (EUSA). EUSA is a widely-discussed concept with numerous – often competing – variations, such as strategic sovereignty or strategic responsibility. There are many definitions of European strategic autonomy because there is no consensus as to what it

Figure 13 - Growing support for greater European cooperation since the onset of COVID-19[117]

Legend:
- Shown the need for greater European cooperation
- Shown that EU integration has gone too far
- Don't know

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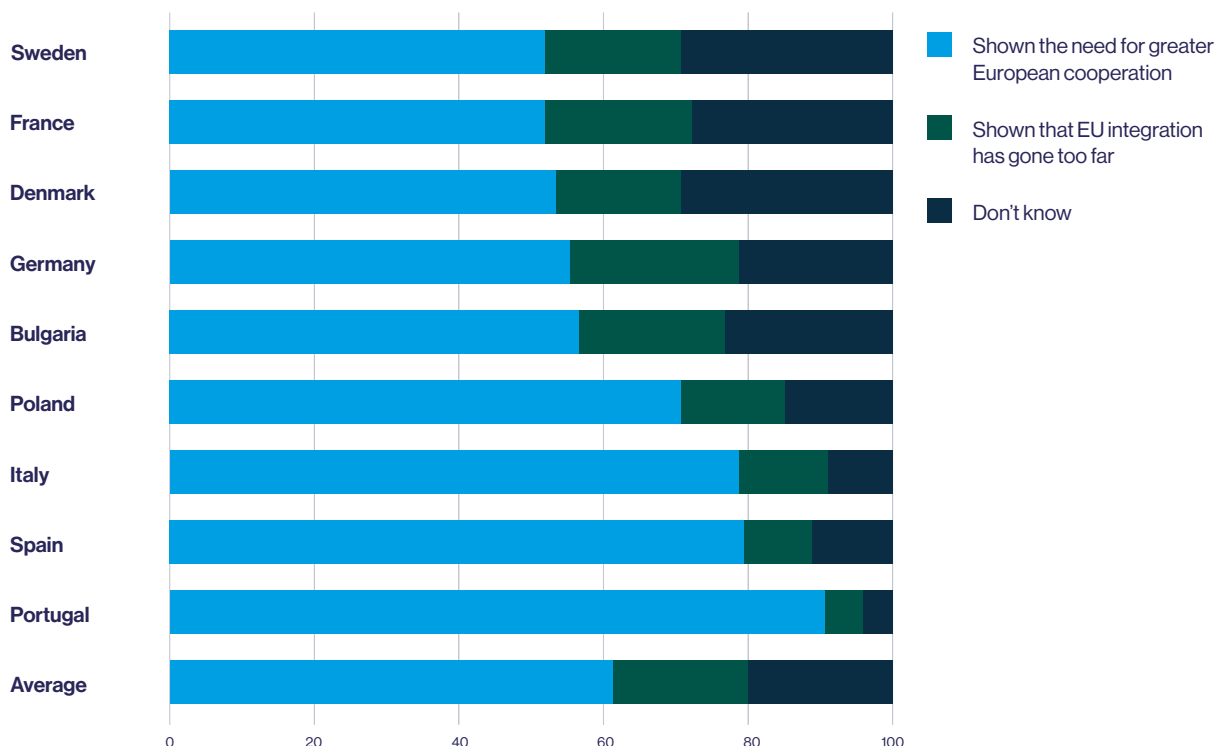
[116]   Susi Dennison and Pawel Zerka, "Together in Trauma: Europeans and the World after Covid-19," ECFR, 2020, https://ecfr.eu/publication/together_in_trauma_europeans_and_the_world_after_covid_19/; Ivan Krastev and Mark Leonard, "Europe's Pandemic Politics: How the Virus Has Changed the Public's Worldview," ECFR, 2020, https://ecfr.eu/publication/europes_pandemic_politics_how_the_virus_has_changed_the_publics_worldview/.

[117]   Ivan Krastev and Mark Leonard, "Europe's Pandemic Politics: How the Virus Has Changed the Public's Worldview," ECFR, 2020, https://ecfr.eu/publication/europes_pandemic_politics_how_the_virus_has_changed_the_publics_worldview/.

should entail – some want total independence from the United States, while others seek a version that meets with US approval – but the debate is fundamentally a reaction to the evolution of the international system toward a loose form of multipolarity and the significant threat to the rules-based order posed by China, Russia, and the United States.[118]

Europe's efforts to upgrade its military capabilities are a key aspect of the EUSA debate. Europe still underperforms in this area. For instance, NATO's European members are still struggling to create effective autonomous capabilities for high intensity warfare. It has also failed to keep pace with developments in new military technology. It has fallen behind in research into artificial intelligence for military purposes. It lags China, Russia, and the United States in the development of hypersonic weapons. Most European countries are unprepared for the large-scale and creative use of drones that has been part of recent conflicts, such as the 2020 Nagorno-Karabakh War.[119]

In spite of these shortcomings, Europe is slowly improving on defense. Inter-EU projects designed to

address capability shortfalls and interoperability challenges, such as Permanent Structured Cooperation (PESCO) and the European Defense Fund (EDF), remain works in progress, but they have already succeeded in pushing EU defense in the right direction. Moreover, EU defense spending is increasing. Military spending in Europe increased by 5 percent in 2019, faster than any region. Germany's spending increased by 10 percent in 2019, highest among the top 15 countries. In addition, EU defense spending appears set to emerge from the COVID crisis relatively unscathed. For instance, the EDF will receive €8 billion during the EU's next 7-year plan, which is less than originally envisioned but still notable given the budgetary pressures countries face.[120]

As figure 14 demonstrates, given the combined weight of EU military bases around the world Europe possess strategic assets that will allow it to project power, should it choose to do so. EU member countries possess bases in Latin America and the Caribbean, the Middle East, Africa, the Indian Ocean, and the Pacific Ocean.

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[118]   Dick Zandee et al., 'European Strategic Autonomy in Security and Defence' (Clingendael, 3 December 2020), https://www.clingendael.org/publication/european-strategic-autonomy-security-and-defence.

[119]   Alexandra Brzozowski, 'EU Lacks Defence Capabilities to Meet "strategic Autonomy" Goals', *Www.Euractiv.Com*, 23 November 2020, https://www.euractiv.com/section/defence-and-security/news/eu-lacks-defence-capabilities-to-meet-strategic-autonomy-goals/; Ulrike Esther Franke, 'Not Smart Enough: The Poverty of European Military Thinking on Artificial Intelligence – European Council on Foreign Relations', *ECFR*, 18 December 2019, https://ecfr.eu/publication/not_smart_enough_poverty_european_military_thinking_artificial_intelligence/; Audrey Quintin and Robin Vanholme, 'Hypersonic Missiles and European Security: Challenges Ahead', Finabel, accessed 30 January 2021, https://finabel.org/hypersonic-missiles-and-european-security/; Gustav Gressel, 'Military Lessons from Nagorno-Karabakh: Reason for Europe to Worry – European Council on Foreign Relations', *ECFR* (blog), 24 November 2020, https://ecfr.eu/article/military-lessons-from-nagorno-karabakh-reason-for-europe-to-worry/.

[120]   Alexandra Brzozowski, "Military Spending Saw Biggest Increase in a Decade in 2019," *Www.Euractiv.Com* (blog), April 27, 2020, https://www.euractiv.com/section/defence-and-security/news/military-spending-saw-biggest-increase-in-a-decade-in-2019/; Sebastian Sprenger, "The European Union's Defense Ambitions Are Still Showing Signs of Life," Defense News, May 29, 2020, https://www.defensenews.com/global/europe/2020/05/29/the-european-unions-defense-ambitions-are-still-showing-signs-of-life/.

Figure 14 - EU military installations abroad[121]
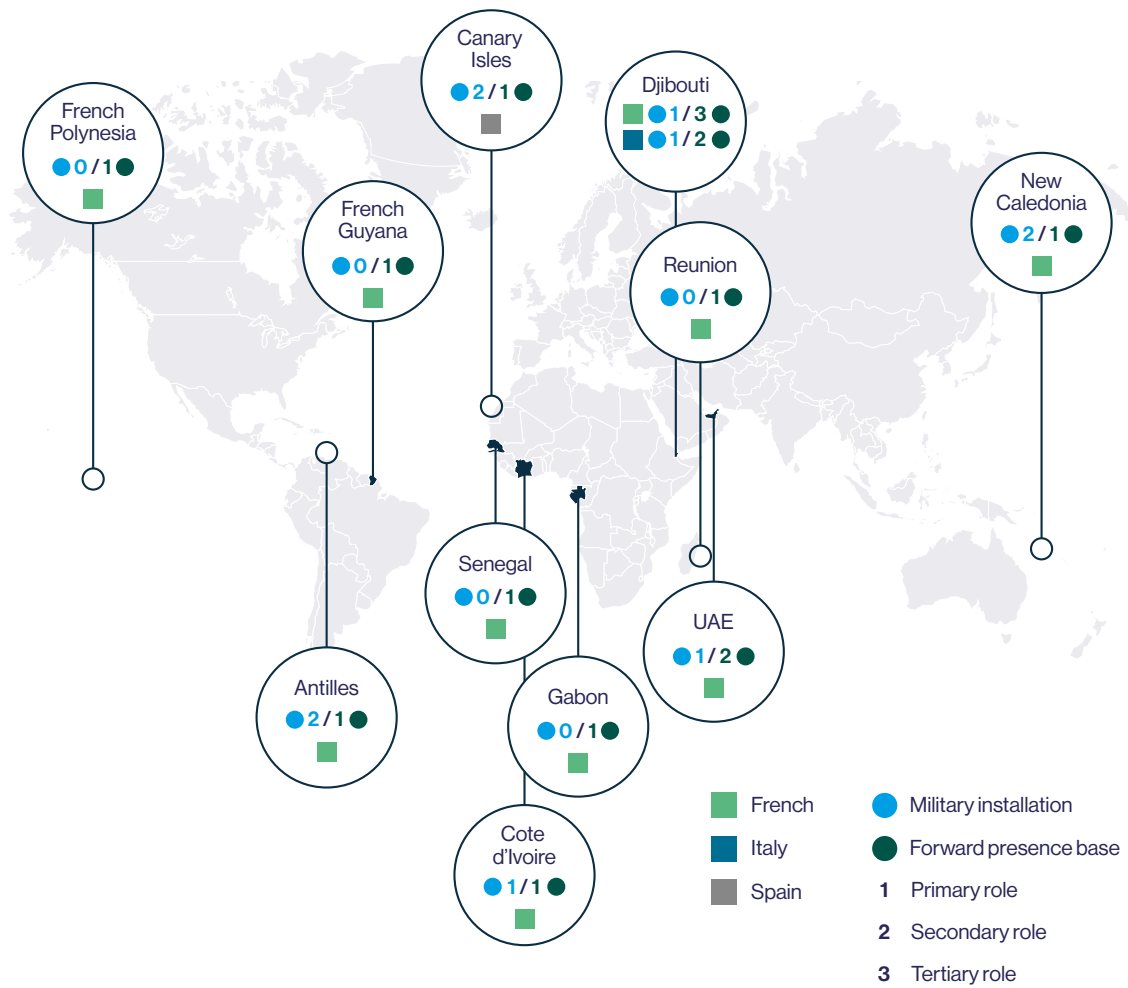
121   Adapted from James Rogers and Luis Simón, "The Status and Location of the Military Installations of the Member States of the European Army and their Potential Role for the European Security and Defence Policy (ESDP)," European Parliament, 2009.

One area in which these bases – and Europe's solidifying status as a global power – is the shift of the world's geopolitical and geoeconomic center of gravity to Asia. Though its focus has not shifted as radically or dramatically as Washington's, Europe is also in the process of developing a common set of ideas for how it should think, in strategic terms, about the Asian century. The Netherlands, France, and Germany have all released Indo-Pacific strategy documents, and other European countries will likely follow.[122]

The rules-based international order is crucial to Europe in a way that is not true for the other major powers. It allows the small and medium-sized countries in Europe to collectively protect their interests and values in a way that would not be possible in a Hobbesian system, where each state was forced to fend for itself. That is why Europe plays such a crucial role in the multilateral system; the EU and member states such as the Netherlands play a vital role in promoting democracy, the rule of law, and human rights. This means that the EU makes important contributions to the reduction of violence and the promotion of peace. Depending on the direction of US foreign policy in the coming years, the EU could become the only major power champion of the multilateral system. If that happens, Europe will work even more closely with like-minded countries in North America and Asia to preserve the system's key elements.

Europe faces a crucial question over the next ten years. Will it become comfortable assuming a more assertive geopolitical role? This will entail continuing to work in areas such as development, human rights, setting standards and preserving norms, and upholding multilateral institutions – all areas in which it excels – but also learning to oppose China, Russia, and the United States – sometimes simultaneously – on strategic and economic questions. Defending European interests and values, while maintaining constructive relationships with the other major powers, will test European resolve and require a significant degree of cohesion in the face of divide and conquer tactics. Europe will need to become more effect in assembling coalitions of the like-minded, not just with other states, but also with large and influential non-state actors, many of which are based in Europe.[123]

The international system is evolving in ways that often harm European interests and values, but Europe is far from powerless in the face of these challenges. There are many things it can do to limit the damage to the RBO and to increase its ability to meet the challenges posed by the other major powers. The most important task it faces over the next ten years is to develop the political will to use the tools at its disposal.

122 Ministerie van Buitenlandse Zaken, 'Indo-Pacific: een leidraad voor versterking van de Nederlandse en EU-samenwerking met partners in Azië - Publicatie - Rijksoverheid.nl', publicatie (Ministerie van Algemene Zaken, 13 November 2020), https://www.rijksoverheid.nl/documenten/publicaties/2020/11/13/indo-pacific-een-leidraad-voor-versterking-van-de-nederlandse-en-eu-samenwerking-met-partners-in-azie; 'The Indo-Pacific Region: A Priority for France' (French Ministry for Europe and Foreign Affairs), https://www.diplomatie.gouv.fr/en/country-files/asia-and-oceania/the-indo-pacific-region-a-priority-for-france/; Auswärtiges Amt, '"Germany – Europe – Asia: Shaping the 21st Century Together": The German Government Adopts Policy Guidelines on the Indo-Pacific Region' (German Foreign Office, 1 September 2020), https://www.auswaertiges-amt.de/en/aussenpolitik/regionaleschwerpunkte/asien/german-government-policy-guidelines-indo-pacific/2380510.

123 Similar arguments can be found in Monika Sie Dhian Ho, Luuk van Middelaar, and Frans-Paul van der Putten, 'De Nederlandse geopolitieke opties: vazal van VS, neutraal, of samen met Frankrijk en Duitsland', *De Groene Amsterdammer*, 3 February 2021, https://www.groene.nl/artikel/speler-of-speelbal.

5.2.13 The Belligerent Bear

After years of decline following the collapse of the Soviet Union, Russia has regained its status as a major power. In some ways, Russia's role in the international system is the inverse of the EU; many of the EU's weaknesses are Russian strengths.

Partly, this has been a matter of maximizing political influence, both regionally and at the global level. Many of Russia's activities have been aimed at undermining or revising aspects of the rules-based international order. Most dramatically, it intervened militarily in Ukraine and Syria to ensure its continuing influence in key regions and has conducted a campaign of assassinations to eliminate opponents of the Putin regime. Russia has also begun to expand its military footprint in Africa. It has concluded military cooperation agreements with 21 African nations since 2015 and has asked for permission to establish bases in six countries: Egypt, the Central African Republic, Eritrea, Madagascar, Mozambique, and Sudan.[124] Though the precise numbers are unclear, Russian military forces and security contractors, including some from the Wagner group, have been sent to Venezuela to help keep President Nicolas Maduro in power.[125]

These interventions in the Middle East, Africa, and South America highlight a crucial aspect of Russia's resurgence: its ability to project military power beyond its near abroad, at a global level. Certainly, Russia's capabilities are much more modest than those of China or the United States. However, they are an additional tool in Moscow's arsenal, one that amplifies its political influence.

Russia has leveraged its status a permanent member of the UN Security Council to protect its interests, including in Syria and Ukraine, and has used its veto 26 times since 1990. It has also played an active role, along with China, in seeking to undermine UN human rights institutions, in part by curtailing funding for key initiatives and personnel.[126]

Russian makes the most of its military assets. It possesses the world's largest stockpile of nuclear weapons, though the United States has slightly more deployable weapons. It is not afraid to distribute these weapons to reinforce strategic goals, as when it deployed nuclear-capable Iskander missiles to Kaliningrad in 2016 in order to bolster the enclave's ability to project anti-access/area denial (A2/AD) capabilities.[127]

Russia uses hybrid tactics to amplify its hard power capabilities and to undermine morale and cohesion in its opponents. Hybrid operations have been central to its military operations in Ukraine since 2014. At each phase of the conflict, Russia has worked to exploit weaknesses in their opponent, such as amplifying widespread perceptions of corruption and using bot farms and troll armies to blanket Ukrainian social media.[128] Hybrid tactics have also become a mainstay in interactions with NATO-member coun-

124 Steve Balestrieri, "Putin Is Reportedly Looking to Expand Russia's Presence in Africa with New Bases in 6 Countries," Business Insider, 2020, https://www.businessinsider.com/russia-reportedly-signs-deals-allowing-bases-in-6-african-countries-2020-8.

125 Maria Tsvetkova Zverev Anton, "Exclusive: Kremlin-Linked Contractors Help Guard Venezuela's Maduro - Sources," *Reuters*, January 25, 2019, https://www.reuters.com/article/us-venezuela-politics-russia-exclusive-idUSKCN1PJ22M.

126 de Wijk and Thompson, "Adjusting the Multilateral System to Safeguard Dutch Interests."

127 Owen LeGrone, "Russian Nuclear Modernization and Putin's Wonder-Missiles: Real Issues and False Posturing," *Arms Control Today* 49, no. 7 (2019): 41–41; Amy F. Woolf, *Russia's Nuclear Weapons: Doctrine, Forces and Modernization* (Independently Published, 2020); Hans M. Kristensen and Matt Korda, "Status of World Nuclear Forces," *Federation Of American Scientists* (blog), 2020, https://fas.org/issues/nuclear-weapons/status-world-nuclear-forces/; Alexander Lanoszka, "Nuclear Blackmail and Nuclear Balance in the Baltic Region," *Scandinavian Journal of Military Studies* 2 (June 20, 2019): 72–82, https://doi.org/10/gg7zsp.

128 Spencer B. Meredith III, "Ukraine: The Epicenter of Hybrid Warfare and Why the West Must Win There," The Strategy Bridge, 2019, https://thestrategybridge.org/the-bridge/2019/4/29/ukraine-the-epicenter-of-hybrid-warfare-and-why-the-west-must-win-there.

United States	Europe/ NATO	Bering Strait	S.E. Europe/W. Balkans	Baltics, Ukraine, Georgia	Near Abroad	Syria Campaign
19 grand-scale incidents of election meddling, forgeries, cyber-attacks, espionage, and even the manipulation of U.S. domestic political groups between 2012-2020	**14 incidents** of disinformation and deception intended to delegitimize the EU, as well as Russian military pressure on NATO members between 2000-2020	**16 incidents** challenging U.S. forces within the Alaskan Air Defense Identification Zone and the Bering Strait maritime border, 1990-2020	**18 incidents** throughout the region, 2006-2020	Russia uses more aggressive and negative gray zone operations than is the case in its Near Abroad campaign, specifically the threat of territorial occupation. **52 incidents**, 2003-2020	Focuses on states of the former Soviet Union: Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, Uzbekistan, Armenia, Azerbaijan, Belarus, Moldova. Tends to involve positive trade unions and diplomatic relations. **53 incidents**, 1991-2020	Includes relations with Turkey. **29 incidents**, 2015-2020

Middle East	Sino-Russian Relations	Africa	Latin America	Southeast Asia/India	Arctic	
Includes Gulf States, Israel, and Levant. **20 incidents**, 2011-2020	Russia's attempts to develop stronger relationship with China. **13 incidents**, 1992-2020	A recent priority for Kremlin. Includes debt forgiveness, Russian access to natural resources, military training, and practice for Russian PMCs. **48 incidents**, 2006-2020	Reflects Russia's expanding influence in region. Though Moscow lacks deep relationships with most countries in Central and South America, it has already developed close ties with Venezuela, Cuba, and Nicaragua. **14 incidents** between 2001-2019	Given China's presence here, Russia's influence remains limited. Includes arms sales. CSIS observed **15 incidents** between 2018-2020	Focus on Russia's attempts to claim natural resources and strategic military positions in the Arctic. **10 incidents** between 2007-2020	

Figure 15 - Tracking Russia's Gray Zone Operations[130]

tries. In the spring of 2019, Russian used social media and state-backed media outlets to boost far-right parties prior to EU parliamentary elections. In August 2020, a Russian SU-27 fighter jet violated Danish airspace and – using a common tactic – two SU-27s flew dangerously close to a US bomber traversing international waters over the Black Sea.[129]

In spite of its skill in the use of hybrid warfare, Russian power remains limited in important respects. Unlike the EU, Russian economic influence is modest. At 1.7 trillion USD in 2019, Russia's nominal GDP is dwarfed by the US, China, and the EU.[131] From this modest baseline, Russian economic growth in the coming decades is projected to be relatively slow.[132] Economic sanctions imposed by the EU and United States after the 2014 annexation of Crimea have also

129 Scott and Cerulus, "Russian Groups Targeted EU Election with Fake News, Says European Commission"; Ryan Browne, "Russian Jet Violated NATO Airspace While Attempting to Intercept US B-52 Bomber," CNN, 2020, https://www.cnn.com/2020/08/31/politics/russian-jet-nato-b-52/index.html; Nicole Ng, "The West Fears Russia's Hybrid Warfare. They're Missing the Bigger Picture.," Carnegie Endowment for International Peace, 2019, https://carnegieendowment.org/2019/07/03/west-fears-russia-s-hybrid-warfare.-they-re-missing-bigger-picture-pub-79412.

130 This figure is drawn from information in Anthony H. Cordesman and Grace Hwang, "Chronology of Possible Russian Gray Area and Hybrid Warfare, Operations," Center for Strategic and International Studies, December 8, 2020, https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/200702_Burke_Chair_Russian_Chronology.pdf.
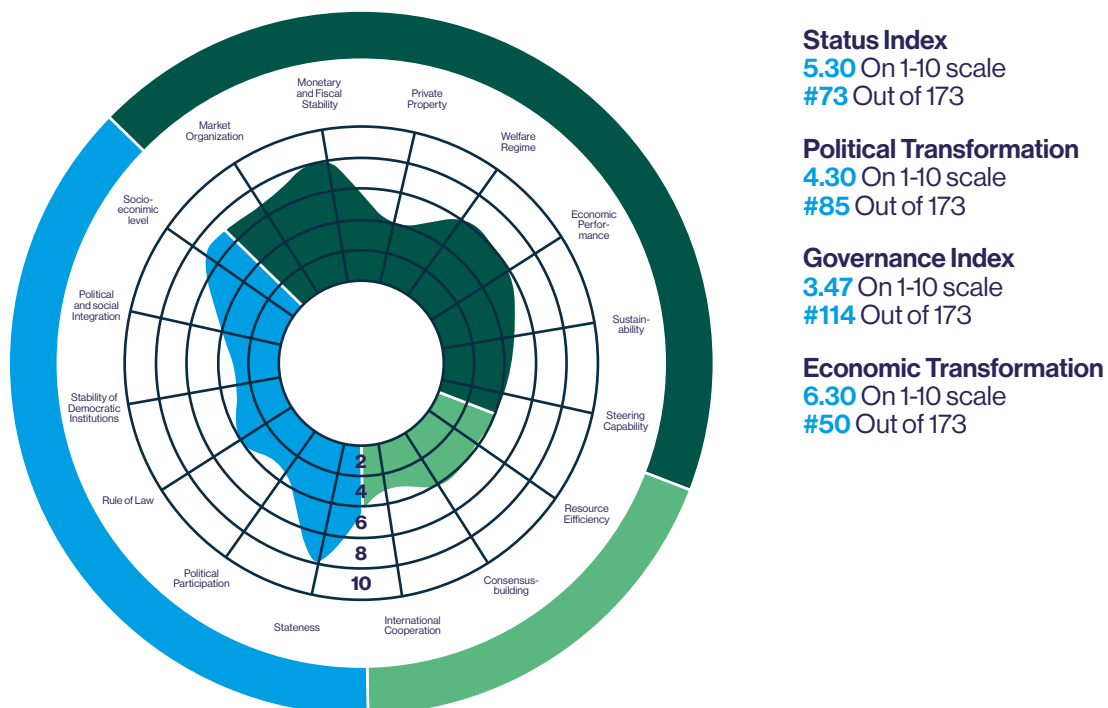
131 "GDP (Current US$)."

132 "The World in 2050," PwC, 2020, https://www.pwc.com/gx/en/issues/economy/the-world-in-2050.html.

slowed economic growth, though after a period of crisis the situation has stabilized.[133] The dependency of the Russian economy on the energy sector is another challenge. Aside from a few energy corporations, Russian companies have, at best, modest influence on the global economy.

The nature of Russia's political system and social problems calls into question its ability to continue projecting power and influence at its current level and make it unlikely that Russia will narrow the significant gap with China and the United States. In its 2020 Transformation Index report, in the political and governance categories, the Bertelsmann Stiftung ranked Russia 85th and 114th in the world, respectively.

Figure 16 - Russia's progress toward democracy and a market economy[134]

Status Index
5.30 On 1-10 scale
#73 Out of 173

Political Transformation
4.30 On 1-10 scale
#85 Out of 173

Governance Index
3.47 On 1-10 scale
**#114** Out of 173

Economic Transformation
6.30 On 1-10 scale
#50 Out of 173

133 Henry Foy, "Russia: Adapting to Sanctions Leaves Economy in Robust Health," Financial Times, January 30, 2020, https://www.ft.com/content/a9b982e6-169a-11ea-b869-0971bf-fac109.

134 Bertelsmann Stiftung, "BTI 2020 Russia Country Report," BTI Blog, 2020, /en/reports/country-report-RUS-2020.html.

These low rankings reflect significant problems in several areas. As an autocratic regime, in Russia the rule of law, the judiciary, and human rights are all in a poor state. Power has been further concentrated in the Security Council, which is run by the president, and the "siloviki" – politicians originally from the security services or military – have assumed even more prominence. Corruption hinders development and saps trust in public officials. Weak administration is an ongoing problem: even basic services are not always available or reliable in all regions of the country. Analysts debate the degree to which Russia's demographic challenges will affect its international power and influence in the long run, but the trends are not promising: the population is shrinking by 0.7 to 0.8 million people a year, health care standards are declining, widespread alcoholism is a source of numerous social problems, and the population is aging.[135]

Outside of the former Soviet Union, Russian soft power is limited. According to the Pew Research Center's 2019 Global Attitudes Survey, only 41 percent of people in the Asia-Pacific region (in the six countries surveyed), 31 percent of Western Europeans, and 18 percent of Americans view Russia positively.[136] In the FBIC index, Russia has 3.34 percent, not only significantly less than China and the US but also below EU member countries such as Germany, France, Italy, and the Netherlands.

Figure 17 - Russia's relatively limited influence compared to other major and middle powers[137]
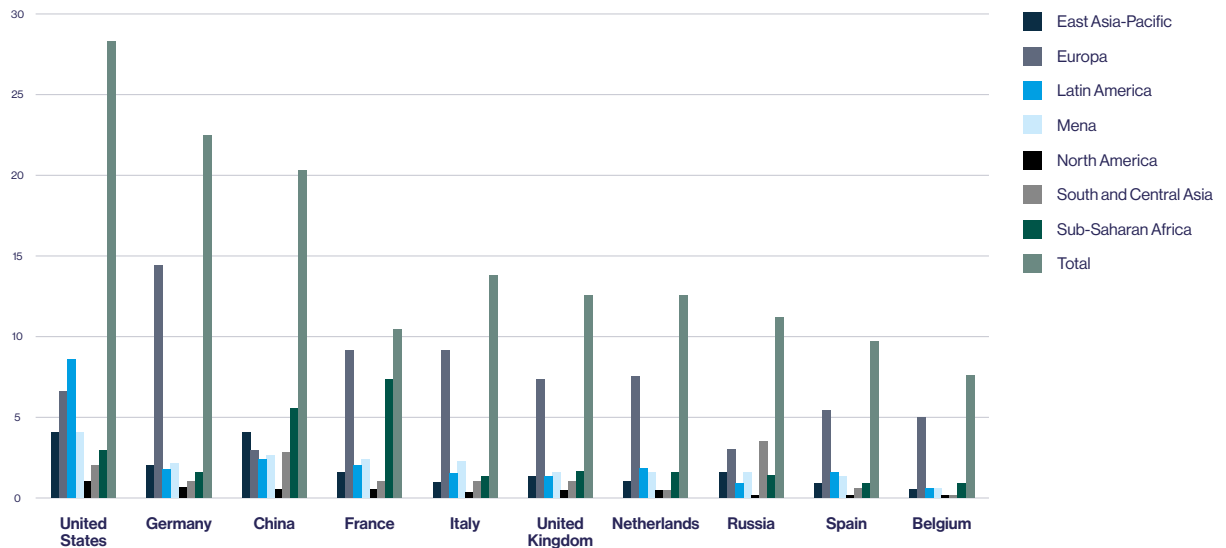
135 "Lubyanka Federation: How the FSB Determines the Politics and Economics of Russia," *Atlantic Council* (blog), October 5, 2020, https://www.atlanticcouncil.org/in-depth-research-reports/report/lubyanka-federation/; Stiftung, "BTI 2020 Russia Country Report"; Paul Goble, "Aging of Russian Population Makes Putin's Defense Buildup More Difficult and Dangerous," Jamestown, 2020, https://jamestown.org/program/aging-of-russian-population-makes-putins-defense-buildup-more-difficult-and-dangerous/."properties":{"formattedCitation":"\\uc0\\u8220{}Lubyanka Federation: How the FSB Determines the Politics and Economics of Russia,\\uc0\\u8221{}{\\i{}Atlantic Council} (blog

136 Christine Huang and Jeremiah Cha, "Russia and Putin Receive Low Ratings Globally," *Pew Research Center* (blog), 2020, https://www.pewresearch.org/fact-tank/2020/02/07/russia-and-putin-receive-low-ratings-globally/.

137 Moyer et al., "Measuring Formal Bilateral Influence Capacity."

Russia's status as one of the world's two leading nuclear powers, its skill in hybrid warfare, and its recent interventions in Syria and Ukraine notwithstanding, there are notable limits to its military power. One product of its relatively modest GDP is that its military spending, at 65.1 billion USD in 2019, is significantly lower than the other major powers and, on current trends, this economic weakness means that there is little scope for Russia to dramatically increase its spending. Though Russia's forces have been modernized over the last decade, there is still a notable overall gap – albeit smaller than previously – between Western and Russian military power.[138]

5.2.14 The Implications of Russia's Uncertain Resurgence

The wide variation in the key indices of Russian power mean it plays a curious role in the international system. When it comes to some key international institutions or challenges – such as the UN Security Council and the future of Syria – Russia ranks among the most influential nations. These institutions cannot function, and these problems cannot be resolved, unless Russian interests are taken into account. Moscow has utilized this selective influence in the service of a broader role: seeking the revision – but not the destruction of – the rules-based international order. In particular, it has sought to undermine Western influence and Western security institutions.

Yet the gaps in Russian power are also telling. Unlike the other three major powers, Russia has little influence on crucial geo-economic questions, such as the future of the WTO and the rules-based international trading system. In addition, in its quest to revise key aspects of the international order, especially at the expense of the West, Russia is increasingly finding itself playing the role of junior partner to China. Though it seems willing to accept this role for the time

being, there are indications that Moscow will eventually beginning to chafe at this unequal relationship.[139]

Russia maintains disproportionate influence in the states of the former Soviet Union and in some parts of Europe. It has sought to solidify this influence through both hard powers means – such as the ongoing military intervention in Ukraine, and through alliances such as the Collective Security Treaty Organization – and through the use of diplomacy. The most notable example of this has been Russia's involvement in the Eurasian Economic Union (EAEU), which also includes Kazakhstan, Belarus, Armenia, and Kyrgyzstan. Though modest by international standards in terms of its impact, the Russia-led EAEU demonstrates that Moscow is using the full range of tools at its disposal to maintain influence in its backyard.[140]

It will need all of these tools because China is quickly making inroads in areas such as Central Asia. Though Russia maintains a strong presence in Central Asia, both in terms of security cooperation and via cultural-linguistic ties, China is now a more important economic player and is quickly catching up to Russia on the security front. For now, in the interest of maintaining a united front against US influence, Beijing and Moscow have avoided antagonizing one another in Central Asia and in multilateral organizations, such as the Shanghai Cooperation Organization, even though they disagree on key issues. However, most analysts question whether this congenial state of affairs can continue in the long run, as China's power

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138 Scott Boston et al., "Assessing the Conventional Force Imbalance in Europe: Implications for Countering Russian Local Superiority" (RAND Corporation Santa Monica United States, 2018).

139 "How Vladimir Putin's Embrace of China Weakens Russia," *The Economist*, July 25, 2019, https://www.economist.com/briefing/2019/07/25/how-vladimir-putins-embrace-of-china-weakens-russia.

140 Jeronim Perovic, "Russia's Turn to Eurasia: Regional and International Implications," *CSS Policy Perspectives* 6, no. 5 (2018): 1–4.

and influence continue to outpace that of Russia.[141]

Russia plays an essentially negative role in the international system. It can undermine current institutions, but it struggles to create new structures on its own. It can force Western countries to invest more in deterrence in Eastern Europe, but it lacks the power to fundamentally reshape the geopolitical order in the region. All of this means that Russia tends to be a force for conflict, not peace, in the international system, but one that facilitates a specific kind of conflict: low-grade or hybrid conflicts on the territory of the former Soviet Union or, further afield, in places where the other major powers are not fully active.

5.2.15 Conclusion

The international system is changing rapidly and in fundamental respects. In order to safeguard their interests and values, the Netherlands and Europe should plan for an international system characterized by five principal factors over the next ten years.

First, the current system is multipolar, or will soon match that definition. There are two leading major powers, China and the United States, that command far more power and influence than any other nation. The United States is still the foremost state, a status that is bolstered by an extensive alliance system and unmatched global political and military sway. However, China has already or will soon surpass the United States in some key categories, notably in the economic sphere, and is emerging as an alternative pole

of power. What is more, it is following a long-term strategy designed to undermine the United States and to further enhance its own position. It is close to constituting an alternative pole of power.

Two other major powers, the EU and Russia, cannot match China and the United States but nevertheless occupy prominent positions in the international system, by virtue of significant power and influence in the cultural, economic, political, or social spheres. For now, Russia is cooperating with China in various areas in an effort to undermine the transatlantic alliance and to reshape the rules-based order. However, it is not fully aligned with Beijing, and there is ample reason to believe that, at some point in the next decade, the two countries will begin to diverge over conflicting interests in places such as Central Asia. Russia could emerge as yet another pole of power, with influence in its near abroad and select countries in the Middle East, Africa, and elsewhere, but it will remain much weaker than the China or the United States.

The EU's position in the multipolar system over the next ten years is more difficult to project. It is currently tied to the US but is now debating the establishment of at least a degree of detachment. In the most extreme scenario, the EU would completely disengage from the United States and begin the process of forming yet another distinct center of power and influence. This new pole would be intended to preserve some version of a rules-based order, in cooperation with democratic middle powers. However, the EU currently lacks the requisite political cohesion or military capabilities and is unlikely to develop then in the next decade. The most likely scenario is that the EU will remain part of the US pole, but with somewhat weaker connections, and with the EU planning for a more independent future.

The second factor for which Europe and the Netherlands need to plan is that the rules-based international order is undergoing fundamental and irreversible changes. With China and Russia seeking to revise the order to more closely match their interests and values, and the United States, at least in recent years, ambiva-

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[141] Ian J. Lynch, "What Are the Implications of China's Growing Security Role in Central Asia?," The Diplomat, 2020, https://thediplomat.com/2020/06/what-are-the-implications-of-chinas-growing-security-role-in-central-asia/; Bradley Jardine and Edward Lemon, "In Russia's Shadow: China's Rising Security Presence in Central Asia | Russia Matters," Russia Matters, 2020, https://www.russiamatters.org/analysis/russias-shadow-chinas-rising-security-presence-central-asia; Wang Li, Zhou Dongchen, and Anna Kolotova, "China and Russia in the SCO: Consensus & Divergence," Human Affairs 30, no. 2 (April 28, 2020): 189–98, https://doi.org/10/ghp4g9.

lent, the EU remains the only major power unambiguously committed to preserving the current version of the order. The EU's task of preserving the rules-based order is particularly difficult because it has the most at stake in terms of preserving a working relationship with the other major powers and is the most likely to engage in diplomacy and accept compromises.

The RBO will undergo significant changes over the next ten years. The question is whether key international and regional institutions and alliances will remain functional, albeit in a form evolved to accommodate Chinese and Russian interests, or whether they will altogether break down. The more likely outcome is that the first scenario is underway, that institutions and organizations are surviving but transforming in ways that are often less conducive to Dutch and European interests.

The WTO offers a case in point. In light of the fact that the United States has forced the WTO's Appellate Body to cease operations, a core group of countries, led by the EU and including China, have created an alternative mechanism. The multi-party interim appeal arrangement (MPIA) is designed to assume the AB's functions until it resumes activities. This is a less than ideal solution – the MPIA does not include the world's most important economy – but it serves the interests of China and the EU and preserves, in diluted form, a key component of the rules-based trading order.

The third factor that Europe and the Netherlands will need to consider is that the state remains the most important actor in the international system. Many states appear to be responding to the vicissitudes of the changing international system in ways that increase their importance. COVID-19 has only accelerated this process, with people turning to national – as well as local and regional – authorities for help. Whether it is responding to COVID-19 by temporarily or partially closing borders and hoarding critical supplies, as many countries did, or responding to the downsides of a globalized economy by moving toward a neo-mercantilist model, as China and Russia have done – and

which the United States has experimented with in recent years – it is clear that predictions of the state's demise will not be realized any time soon.

The rise of innovation mercantilism deserves particular attention, as it holds implications for the health of the international trading system on which the Netherlands and the European Union depend. There is little prospect of innovation mercantilism receding over the next ten years. The question is the extent to which it will influence the international system. Will the world see the rise of an era that mirrors the heyday of mercantilism, between the 16-18th centuries, or will it be a more modest influence, along the lines of the fluctuating levels of protectionism that prevailed in the 19th and early 20th centuries? The answer to this question depends, in large part, on the course of domestic politics in the major powers, in particular, and on the ability and willingness of the major powers to preserve a rules-based trading order. For now, only the European Union is an unreserved supporter of such an order.

The fourth factor that should affect EU and Dutch planning is that the formation of rival orders in the international system is underway, though it remains a very early stage. China and the United States are experimenting with at least partially decoupling their economies. This makes sense, given that both sides already compete in the military and political domains. If this trend continues, the rival orders could assume loose ideological characteristics. China – with the support of Russia, at least for now – would serve as the leader of a bloc that tends toward illiberal governing systems, innovation mercantilism, and is anchored in the Global South, where China is making a long-term effort to gain allies. Depending on how the transatlantic relationship develops, a second order would be led by the United States and incorporate much of the democratic West, with a stronger preference for free trade, at least within the bloc. Alternatively, if the European Union and the United States split, an even more diverse system could emerge, with the United States and the European Union serving as weaker individual blocs.

However, it is not inevitable that rival orders will fully emerge. Despite their current focus on disentangling their economies, China and the United States may not fully decouple, making it unlikely that two (or more) autarkic blocs will form. The modern, globalized economy, which entails a significant degree of interdependence, makes such a radical process difficult to enact. Also, there will be strong incentives for all sides to work together, at least sometimes, to address systemic risk problems, such as climate change.

In addition, there are signs that China and Russia do not want to entirely destroy the rules-based order. Instead, the strategy – especially for Beijing – is focused on revamping the current order so that it is less oriented toward Western interests and less democratic. Hence, there are scenarios in which the current order survives, albeit in an altered form, and fully-fledged rival blocs do not emerge. Instead, a continuum may emerge, with a democratic West at one end and an authoritarian China and Russia at the other, with smaller states – many of whom will be at least partially-illiberal – moving between the two.

Finally, our research indicates that the risk of conflict amongst major powers is higher than at any time since end of Cold War. Absent dramatic changes, this trend will continue for the next ten years. To a considerable degree, this is a function of the shift of US-China relations toward strategic competition. As a result, there are numerous areas of conflict that could escalate to full-scale war. The most likely sources of escalation are in the East and South China Seas, where both sides have extensive strategic interests, a large array of conventional forces, and different visions for the region's future. Other potential, but less likely, flashpoints include trade relations and competition over emerging technologies.

There is also the possibility that tensions between Russia, on one side, and the European Union or the United States on the other, could escalate into a shooting war. The probable zone of conflict would be Eastern Europe, where both sides have strategic interests and where Russia has been engaged militarily for years. Other, less likely trigger points would be in the Middle East or Africa, where Russia is expanding its footprint and the United States still remains active.

However, major power war is not inevitable during the next ten years. In fact, it will not occur, at least not in the form of all-out combat. There are two reasons for this. One is the existence of multiple avenues for the major powers to compete without engaging in full-blown military conflict. As during the Cold War, it will be tempting for all sides to avoid the massive dangers that come with major power conflict and to instead wage proxy wars. In addition, gray zone operations offer a safety valve for competition that stops short of war. Russia, in particular, has effectively used hybrid conflict to compete with the West in ways that stop short of triggering a military response. The challenge for the Netherlands and Europe will be to develop better tools for withstanding and countering gray zone threats and to ensure that proxy conflicts do not escalate.

The other reason major power wars can be avoided for at least the next ten years is the role that international order plays in discouraging major power conflict. Scholars have found that international orders play a key role in keeping the peace between states *within* the orders. However, evidence indicates that the risk of conflict *between* rival orders is higher.[142] As long as the current order remains at least partially functional, the likelihood of a direct military clash between the major powers is relatively low. But if the current order disintegrates more rapidly or more drastically than this report anticipates and an alternate, illiberal order organized around China – and possibly Russia – forms, the likelihood of a major power war will significantly increase.

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[142] Braumoeller, *Only the Dead*, 4–5.

Though this report is relatively pessimistic about the role of major powers in the multipolar system, there is reason to believe that the nature of the system creates opportunities for middle powers to play a more prominent role. That dynamic is the focus of the next section.

5.3 Middle Powers
5.3.3 Introduction

As the international system shifts toward a loose form of multipolarity and strategic competition between major powers becomes a defining characteristic, middle powers find themselves with more room to maneuver.[143] This greater freedom presents both challenges and opportunities. It also raises fundamental questions about the direction of key relationships between the Netherlands and the European Union, on one hand, and non-Western middle powers on the other.

This section of the report outlines the behavior of middle powers outside the European Union in four key areas. Over the next ten years a cleavage in the trade policies of middle powers is likely to persist, with many middle powers in the Global South following China's lead and adopting innovation mercantilism, while Western middle powers mostly maintain the free trade policies that have been a cornerstone of their prosperity.

In addition, many middle powers will continue to pursue defensive security strategies – which entail

avoiding foreign military interventions that fall outside of UN mandates – because more assertive security strategies mostly do not work in the long term. However, in some cases, there are short-term incentives for middle powers to launch foreign military interventions outside of UN mandates, a fact that will likely encourage at least some middle powers to do so.

Also, most middle powers will embrace key elements of the rules-based order, because doing so offers substantial benefits. However, outside of the West, most middle powers will continue to struggle to enter the ranks of countries that are full contributors to the rules-based order, in large part because the economic and political-legal hurdles to doing so remain high.

Finally, many middle powers in the Global South will continue a process of pivoting toward China and Russia – though they appear unlikely to fully align with them – while middle powers in the West appear set to remain more or less aligned with the European Union and the United States, not least because they have grown warier of China and Russia.

### 5.3.4 Security-Trade Orientation Matrix

To better understand the evolution of middle power trade and security policies, this report evaluated the behavior of twenty countries.[144] The results can be seen in Figure 18.[145]

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[143] For the purposes of this report, they are defined as having the capacity to exert influence at the international level. This includes population size, economic power, and military prowess. Their diplomatic influence can be measured by the size of their diplomatic networks or membership in key international organizations, such as the UN Security Council (UNSC) or the Human Rights Council (HRC). The twenty middle powers analyzed in this report were chosen based on geographic spread, regional and global influence (economic, military, political), and regime type. They are not members of the European Union, which this report treats as a global power.

[144] The twenty middle powers were selected using several criteria. They are not members of the European Union (which this report treats as a global power); they wield significant influence (at a minimum at the regional level) in political, economic, or military terms, as measured by GDP, military spending, and diplomatic activity.

[145] We examined four variables in an effort to pinpoint how middle powers are reacting to the evolving international system. This includes middle power trade policies, with a focus on whether they trend toward free trade or toward innovation mercantilism. We also examined the security stances of middle powers, and whether they are assertive or defensive. Middle powers with assertive security stances have undertaken non-UN mandated military interventions during the last five years outside of a their borders. Defensive stances entail no such interventions.
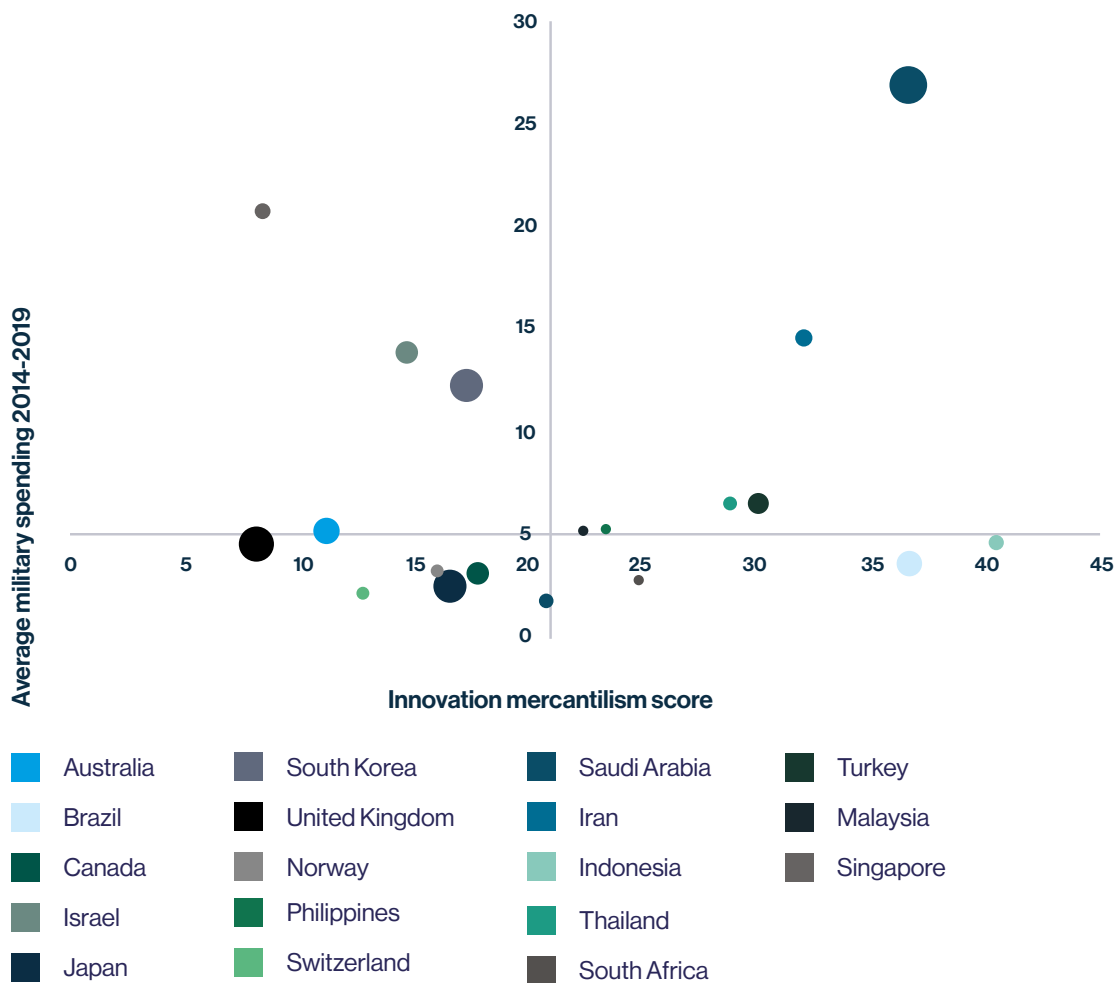
Figure 18 - The security-trade orientation of middle powers, conflict intensity
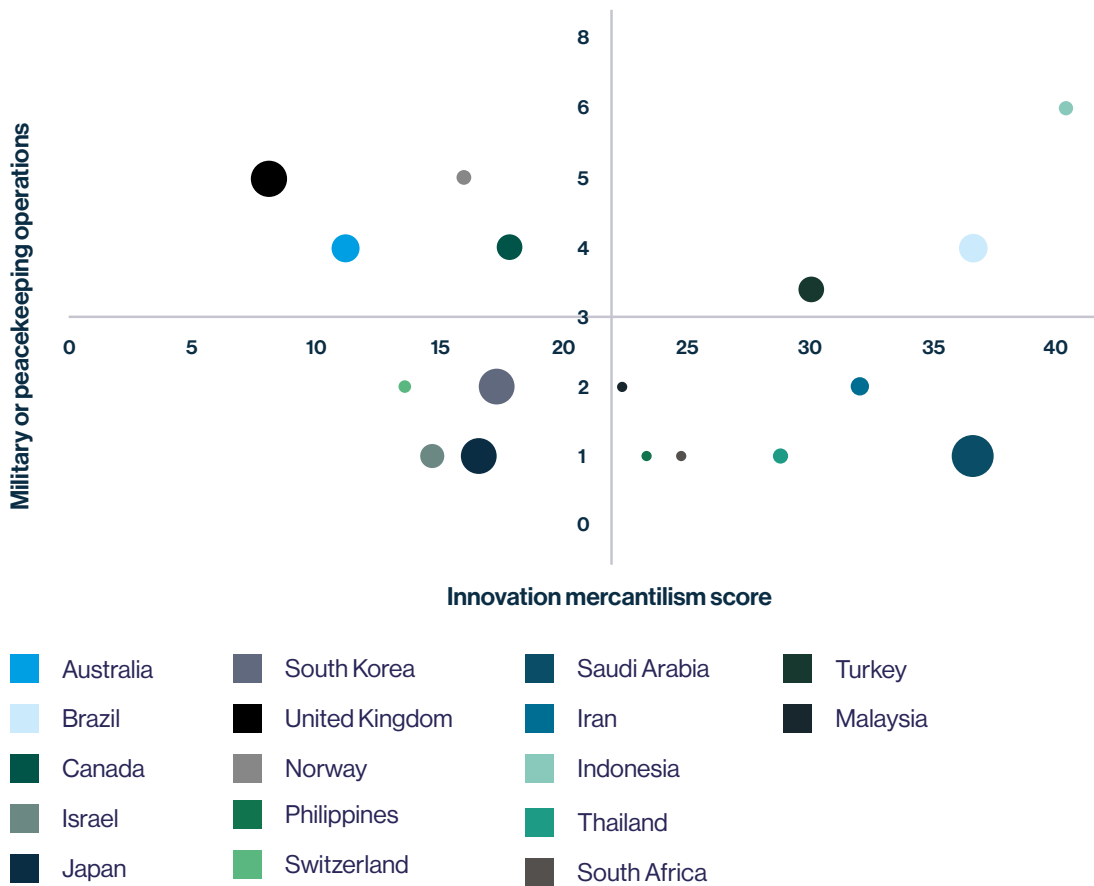
There are four types of middle powers in the security-trade matrix. *Defensive free traders* have not engaged in non-UN mandated military interventions beyond their own borders during the last five years and pursue free trade policies. These states all have wealthy, industrialized economies and, with the exception of Singapore, are full democracies. *Assertive free traders* have engaged in non-UN mandated military interventions and pursue free trade policies. *Assertive mercantilists* have engaged in non-UN mandated military interventions during the last five years and pursue innovation mercantilist trade policies. These states are all located in the Middle East and are all autocracies. Finally, *defensive mercantilists* have not engaged in non-UN mandated military interventions and pursue innovation mercantilist trade policies. These middle powers are located in the Global South and span the spectrum from democracy to autocracy.

Figure 19 - The security-trade orientation of middle powers, military spending

■ Australia	■ South Korea	■ Saudi Arabia	■ Turkey
■ Brazil	■ United Kingdom	■ Iran	■ Malaysia
■ Canada	■ Norway	■ Indonesia	■ Singapore
■ Israel	■ Philippines	■ Thailand	
■ Japan	■ Switzerland	■ South Africa	

5.3.5 Implications of the Trade-Security Matrices

Few middle powers choose the assertive security stance route. Israel is the only democracy in this category, and its foreign military interventions are limited to strategic bombing in Syria. One reason for the reluctance to assume an assertive stance is that it rarely results in a net improvement in a country's security environment or overall international position. Dozens of Turkish soldiers have died in Syria, many of whom were killed not in the UN-mandated fight against the Islamic State, but against Kurdish or Syrian government forces. At least two Turkish soldiers have been killed in Libya. None of these interventions have met Ankara's stated goals.[146]

Saudi Arabia's intervention in Yemen has been disastrous. By 2018, it had already cost Saudi Arabia an

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[146] "Two Turkish Soldiers Killed in Syria on Eve of Key Moscow Meeting," Aljazeera, 2020, https://www.aljazeera.com/news/2020/3/4/two-turkish-soldiers-killed-in-syria-on-eve-of-key-moscow-meeting.

estimated 100 billion USD and caused at least 100,000 deaths.[147] Regional perceptions of Saudi Arabia and its de facto leader, Mohammed bin Salman, have worsened since the war began. Saudi Arabia's image has been damaged in the United States, still its most important security partner; 65 percent of Americans view the country either somewhat or very unfavorably, an increase of more than ten points from prior to the war.[148]

In spite of some advantages that come with Iran's strategy of intervening in regional conflicts via proxies,[149] the costs of Iran's interventions outweigh the benefits. Reliable estimates are difficult to find, but in 2018 Tehran admitted to at least 2,100 deaths in the Syrian conflict. Meanwhile, Iran is subject to large-scale sanctions imposed by the United States, which are projected to contribute to a nine percent contraction in Iranian GDP this year, as well as some sanctions imposed by the European Union related to human rights violations.[150]

Israel is the only middle power that appears to have implemented a somewhat effective assertive security stance. The main reason for the relative success of this strategy is that it is limited: Israel's lone foreign military intervention is in Syria and consists of surgical air strikes. In addition, even though they occur beyond its borders, many of these strikes could be characterized as defensive, designed to deter or respond to attacks on Israel.[151]

Perhaps surprisingly, few middle powers have responded to the increased uncertainty inherent in the emerging multipolar system with significant increases in defense spending. Between 2015 and 2019, only Turkey raised spending on its military by a notable amount; in addition, though its outlay was stable between 2015 and 2019, Australia is scheduled to raise spending by 2 percent in 2020-2021.[152]

In contrast to the relative paucity of assertive mercantilists, a number of middle-income countries are pursuing innovative mercantilist policies. It is too early to draw firm conclusions about the results of this strategy. However, one initial finding is that, contrary to conventional wisdom among many analysts, trade policies not in line with Western free market orthodoxy are not necessarily damaging to middle income economies. This can be seen in Figure 20, which demonstrates that a number of middle powers with innovation mercantilism trade policies are growing at a modest to strong pace.

147 Yoel Guzansky and Ari Heistein, "Saudi Arabia's War in Yemen Has Been a Disaster," Text, The National Interest (The Center for the National Interest, March 25, 2018), https://nationalinterest.org/feature/saudi-arabias-war-yemen-has-been-disaster-25064; Peter Beaumont, "Death Toll in Yemen War Reaches 100,000," the Guardian, 2019, http://www.theguardian.com/world/2019/oct/31/death-toll-in-yemen-war-reaches-100000.

148 "Saudi Arabia's Mohammed Bin Salman Garners Little Trust from People in the Region and the U.S.," *Pew Research Center* (blog), accessed December 17, 2020, https://www.pewresearch.org/fact-tank/2020/01/29/saudi-arabias-mohammed-bin-salman-garners-little-trust-from-people-in-the-region-and-the-u-s/; "Country Ratings," Gallup, 2020, https://news.gallup.com/poll/1624/Perceptions-Foreign-Countries.aspx.

149 John Raine, "Iran, Its Partners, and the Balance of Effective Force," War on the Rocks, March 18, 2020, https://warontherocks.com/2020/03/iran-its-partners-and-the-balance-of-effective-force/; "Tehran: 2,100 Iranian Soldiers Killed in Syria and Iraq," Middle East Monitor, March 7, 2018, https://www.middleeastmonitor.com/20180307-tehran-2100-iranian-soldiers-killed-in-syria-and-iraq/.

150 "Iran's Economic Update — October 2019," World Bank, 2019, https://www.worldbank.org/en/country/iran/publication/economic-update-october-2019.

151 "Israel Carries out 'Wide-Scale Strikes' on Iranian Forces in Syria," *BBC News*, November 20, 2019, sec. Middle East, https://www.bbc.com/news/world-middle-east-50485521.

152 Marcus Hellyer, "Budget Shows Defence Spending Growth on Track," The Strategist, October 7, 2020, https://www.aspistrategist.org.au/budget-shows-defence-spending-growth-on-track/.

Figure 20 - Percent GDP growth 2019

Country	Average GDP Growth Percent, 2015-2019
Brazil	-0.6
Indonesia	5.04
Iran	4.23
Malaysia	4.87
Mexico	2.06
Philippines	6.56
Saudi Arabia	1.56
South Africa	0.79
Thailand	3.43
Turkey	4.09
Vietnam	6.76

Each of the laggards can point to significant structural impediments to growth that have no connection to their trade policies. In fact, an argument can be made that, in a narrow sense, innovation mercantilism makes sense for middle-income middle powers, as it allows them to protect local firms, giving them time to develop and learn – even steal – from more competitive international firms. China offers an example of how innovation mercantilism, done correctly, can result in rapid and sustained economic growth over a long period of time. There is ample historical precedent for the logic of some version of mercantilism. Many of today's wealthy countries, from Great Britain to Germany to Japan to the United States, engaged in a prolonged period of protectionism to allow their local companies to develop before later embracing free market practices.
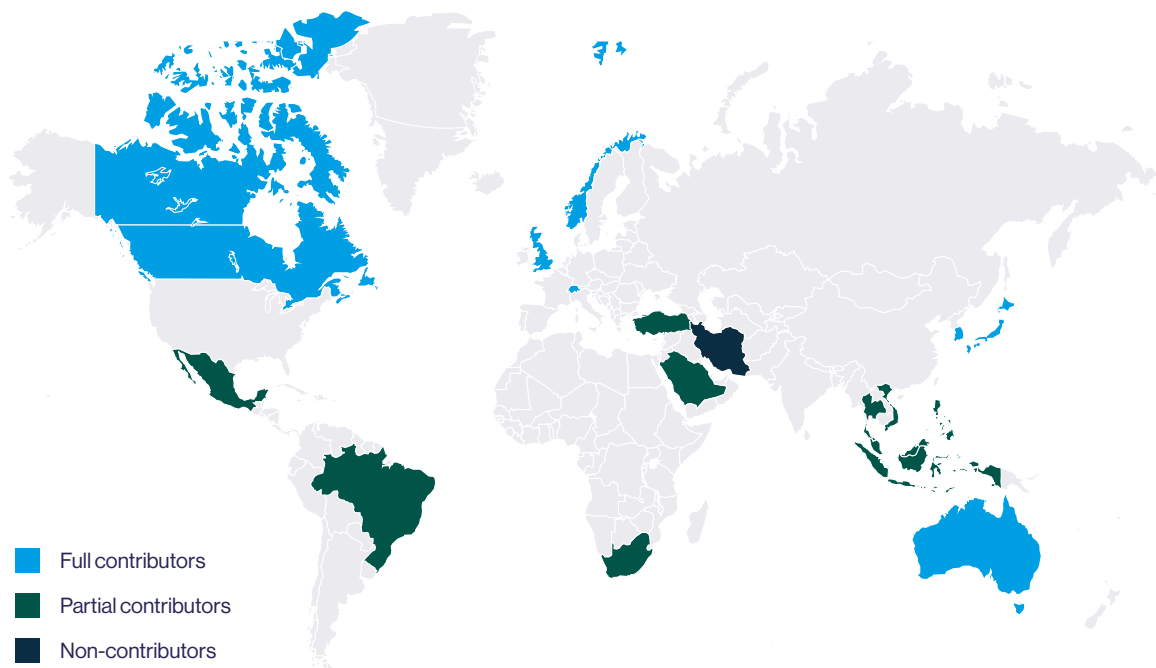
The downside of this tendency toward innovation mercantilism among middle powers is that, collectively, it undermines the rules-based trading system and the key institution in the system, the WTO. The WTO's rules and structures are not designed to adjudicate many of the problems presented by countries engaged in innovation mercantilism[153] As a result, innovation mercantilism leaves other countries at a disadvantage and encourages zero-sum thinking and the conflation of political and trade strategies. This tendency by middle-income middle powers to embrace innovation mercantilism is especially dangerous for the Netherlands, which reaps considerable benefits from the current rules-based trading system.

5.3.6 Middle Powers and the Rules-Based International Order

The report evaluated the stance of middle powers toward the rules-based international order qualitatively, using two criteria. One is involvement in global development efforts, using contributions to the UN Development Program (UNDP) as a proxy. The other is commitment to upholding basic human rights at home, as measured by a country's classification in the Freedom House Index (FHI). Using these criteria, the twenty middle power have been organized into three categories.

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[153] Wu, "The 'China, Inc.' Challenge to Global Trade Governance," 261–324.

- Full contributors
- Partial contributors
- Non-contributors

Full contributors to the rules-based international order are all wealthy, industrialized countries. They have strong democratic institutions, a fact that is reflected in their fully free FHI scores, and have the resources and political will to contribute on average more than a million USD to the UNDP. The exception here is Israel, which makes an average yearly contribution to the UNDP of 90,000 USD.

The largest group of middle powers is partial contributors to the rules-based international order. Like the defensive mercantilists, these countries are all located in the Global South. Some of them, such as Brazil and South Africa, attain fully free FHI scores but contribute little or nothing to the UNDP. Others, such as Thailand and Singapore, make sizeable contributions to the UNDP but rank as partly free in the FHI. A third group rank as not free but are annual contributors to the UNDP, and in the case of Saudi Arabia and Turkey, annually give more than a million USD.

The smallest group of middle powers makes no meaningful contributions to the rules-based international order. Only one country, Iran, has both a not free FHI score and does not give to the UNDP.

5.3.7 Implications of Middle Power Orientation toward the Rules-Based International Order

The rules-based international order is particularly important to middle powers, many of whom rely on it to boost their economic growth and to protect them from major powers that ignore or undermine the order when it does not serve their immediate interests. It is no accident that only one of the twenty middle powers evaluated in this report - Iran - contributes nothing to the international rules-based order. It is difficult for middle powers to maintain a hostile stance toward the rules-based international order, a fact which Iran's struggles highlight.

At the same time, none of the countries in the Global South rank as full contributors to the rules-based

international order. It would behoove the wealthy middle powers to focus more time and effort on helping Global South middle powers – especially those that have a realistic chance to make further progress and which play a pivotal role in their respective regions – strengthen institutions and boost economic growth.

Potential candidates include Brazil and South Africa. Both rank as free but make no contribution to the UNDP. To an extent, this reflects both relative economic weakness and the fragility of their political and legal institutions. It is not difficult to imagine one or both backsliding into the partially free category. Brazil's struggles in recent years, including negative average GDP growth and a turn toward illiberal nationalism, should serve as a cautionary tale.[154]

Given the example of countries such as Brazil, it is not surprising that many middle powers get stuck in the partial contributor category. It is difficult to maintain healthy political-legal institutions as well as economic growth at the levels necessary to be able to make sizeable contributions to the UNDP. This is regrettable because investing in global development is a shrewd long-term investment for middle powers.

Dutch development policy has been far-sighted and should serve as an example for other middle powers. From 2015-2019, the Netherlands made an average annual contribution to the UNDP of almost 30 million USD. More broadly, Dutch policies focus on areas such as climate change and the environment, gender equality and women's rights, and economic development. The more middle powers that improve on both the political-legal and economic sides of development, the more conducive the international order will be to Dutch and European interests.[155]

5.3.8 Relations with the Major Powers

In 2014, the HCSS published a report, "Why are Pivot States so Pivotal?", which included an evaluation of the extent to which numerous middle powers are linked (via economics and military and ideational ties) with one of the major powers, and whether any of them are in the process of "pivoting" away from these alignments. The matrix included four quadrants: US-Europe, Europe-Russia, Russia-China, and China-US.

Using Strategic Monitor's group of 20 middle powers, that evaluation would have looked as follows, with Indonesia, Malaysia and Thailand located on the border between the US-Europe and US-China matrices:

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[154]   Ted Piccone, "Latin America's Struggle with Democratic Backsliding," Brookings (blog), February 26, 2019, https://www.brookings.edu/research/latin-americas-struggle-with-democratic-backsliding/.

[155]   de Wijk and Thompson, "Adjusting the Multilateral System to Safeguard Dutch Interests."

Figure 22 - Middle power relations with major powers in 2014

US-Europe

Russia-China

China-US
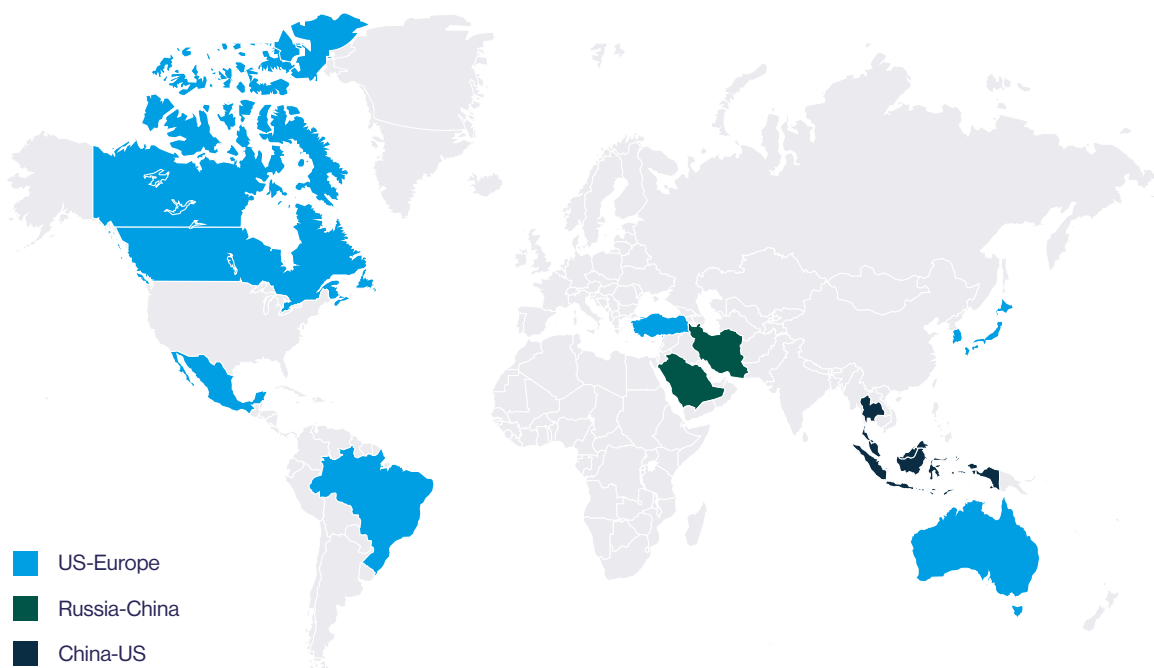
The 2014 report found that Australia (from Europe to the US and also somewhat to China), Indonesia (away from Europe), Iran (from Europe to China and Russia), Saudi Arabia (from Europe and the US to China and Russia), and Thailand (from Europe and the US to China) were all pivoting. It also found that Brazil, Canada, Israel, Japan, Mexico, Singapore, and South Korea were all aligned with the United States. Norway, Philippines, South Africa, Switzerland, the United Kingdom, and Vietnam were not included in the 2014 report.

Fast forward to 2020, add the middle powers omitted in 2014, and, at first glance, the picture has not changed substantially. A majority of the middle powers remain in the US-Europe quadrant. None of our middle powers are in the Europe-Russia quadrant, which in part reflects Russia's relatively weak pull outside its region. Only Iran and Saudi Arabia are in the Russia-China quadrant, while the Philippines, Singapore, and Vietnam are in the China-US quadrant. Malaysia, Indonesia, and Thailand remain on the border between US-Europe and China-US.

Figure 23 - Middle power relations with major powers in 2020

■ US-Europe

■ Russia-China

■ China-US
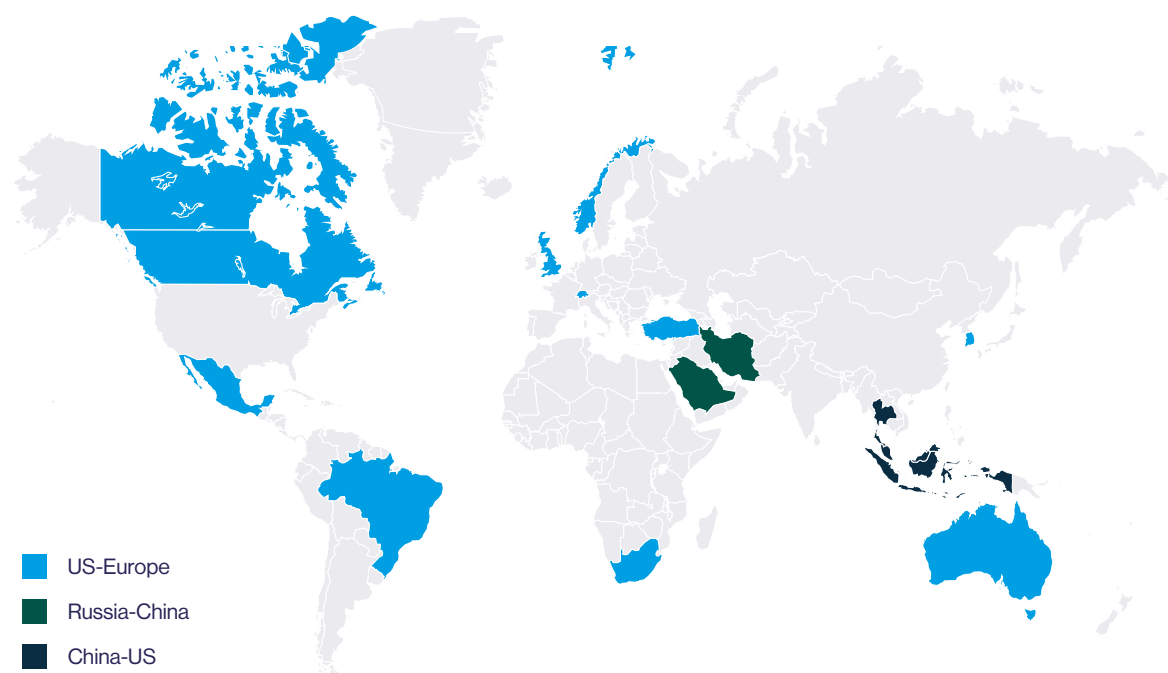
However, there are some subtle changes. Australia has halted its pivot toward China. Though Canberra retains close economic ties with Beijing, its 2020 Defence Strategic Update is intended to prepare the country for a prolonged period of tension with China. Brazil remains aligned with the United States and Europe but is pivoting toward China, which is its largest trading partner and also a BRICS member.[156] South Africa is a similar story. It is traditionally aligned with Europe and the United States but is pivoting toward China, its largest trading partner and fellow BRICS member. Turkey, though still in the

US-Europe quadrant, is pivoting away from Europe and the United States toward China and Russia. However, it is too early to suggest that any of these countries have fully pivoted.

Some countries in the China-US quadrant have also shown signs that they wish to develop more flexible relations with the major powers. The Philippines has long been closely aligned with the United States, but in recent years has begun to experiment with drawing closer to China. In an effort to hedge against Chinese dominance in East Asia, over the last two

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[156] Harold Trinkunas, "Testing the Limits of China and Brazil's Partnership," *Brookings* (blog), July 20, 2020, https://www. brookings.edu/articles/testing-the-limits-of-china-and-bra-zils-partnership/.

decades Vietnam has sought to build closer economic and security ties with the European Union, Russia, and the United States.[157]

The overall trend is for middle powers in the Global South to look for ways to draw closer to China and Russia, while maintaining ties to Europe and the United States. This appears to be less a matter of rejecting the West and more a matter of striking a balance that allows for productive relations with all the major powers. Meanwhile, middle powers in the West are, if anything, doing the opposite. Though all of them are looking for ways to maintain constructive relations with Russia and especially China, many of them have grown wary of both Beijing and Moscow. Though this has yet to be reflected in defense spending, it is increasingly evident in strategic thinking, for instance in White Papers on defense and the future of multilateralism.

5.3.9 Conclusion: Implications for Middle Powers in a Multipolar Era

In an era characterized by a loose form of multipolarity and competition between most of the major powers, middle powers face an environment that offers more room for maneuver, but one that is also more complicated and more challenging. Given current trends, for countries such as the Netherlands and for Europe, four factors stand out.

First, defensive security strategies are usually more successful than assertive strategies, at least in the

long run. The middle powers that have embraced assertive security strategies have not enhanced their overall geostrategic positions. The exception to this finding, Israel, has undertaken only limited foreign interventions not mandated by the UN and has done so mostly for defensive reasons. That said, it is likely that more middle powers, especially in the Global South, will implement assertive security strategies over the next ten years. Even if such strategies are detrimental in the long run, they do offer states – primarily those with authoritarian regimes – apparent advantages in the short term. These include a direct way to attack perceived external threats and, at least in some cases, bolster a regime's hold on power.

Second, for defensive security strategies to work there needs to be sufficient military power to enable effective deterrence. As policymakers begin to overcome the financial challenges caused by the COVID-19 pandemic, the era of underspending on militaries will gradually end. In fact, there are already signs of that in a number of European countries. Over the next ten years, in spite of fiscal constraints, defense budgets will mostly grow, if often only slowly.

Third, the trend toward innovation mercantilism is damaging to the rules-based international order overall. However, within the context of the current system, it may make sense for middle powers in the Global South, as they seek to develop strong domestic industries. Over the next ten years, innovation mercantilism will be a key feature in the economic strategies of many middle powers in the Global South. For now, Western middle powers are not adopting innovation mercantilism strategies. However, if Western policymakers decide that this is leaving their economies at a disadvantage vis-à-vis countries that have embraced innovation mercantilism, that trend may begin to shift.

For now, wealthier middle powers should seek to prevent the spread of innovation mercantilism. They should incentivize middle powers in the Global South to find alternative economic models. This could

157 Derek Grossman, "China Refuses to Quit on the Philippines," The Diplomat, 2020, https://thediplomat.com/2020/07/china-refuses-to-quit-on-the-philippines/; "EU-Vietnam Trade Agreement Enters into Force," Text, European Commission, 2020, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1412; "Russia, Vietnam Ink Military Cooperation Roadmap until 2020," TASS, 2018, https://tass.com/defense/997801; "Joint Statement between the United States of America and the Socialist Republic of Vietnam," The White House, 2017, https://wwww.whitehouse.gov/briefings-statements/joint-statement-united-states-america-socialist-republic-vietnam/; "Joint Statement between the United States of America and the Socialist Republic of Vietnam."

involve updating rules at the WTO to discourage innovation mercantilism and offering more attractive economic relationships to middle income countries.

Fourth, over the next ten years key middle powers in the Global South will continue to shift away from the West and toward China and Russia, though this report does not expect them to fully align with the illiberal major powers. Instead, they will mostly seek to maintain constructive relations with all the major powers in an effort to maximize their power and influence.

This presents Western policymakers with a challenge. Though key countries such as Brazil, South Africa, and Turkey are unlikely to fully align with the European Union and the United States in the near future, there is still room for them to pursue policies that are more conducive to Western interests in the areas of political-legal institution building and trade relations. The Netherlands and Europe should develop strategies that will incentivize key middle powers in the Global South to avoid traveling further down the road toward illiberalism.

5.4 Non-State Actors
5.4.3 Introduction

States remain the most important type of actor in the international system, but the way they interact is making the system more fluid and complicated. Strategic distrust or competition, especially among the major powers, is one key factor. Another is that middle powers are becoming more assertive in identifying and pursuing own interests. This is especially true of middle powers in the Global South. Many of these countries are following China's lead in pursuing innovation mercantilism. Many middle powers in the Global South also have weak institutions or illiberal political systems. A third factor is that all states are adjusting to disintermediation – the process by which middlemen are being increasingly cut out of social interactions by a new generation of social technologies that allow for more direct forms of connecting groups and individuals – which was explored in 2017 in *Volatility and Friction in the Age of Disintermediation*.[158]

The nature of major and middle power behavior has created additional space in the emerging multipolar system for non-state actors (NSAs). NSAs are actors with influence in the international system that are wholly or partly independent of sovereign states. This section of Strategic Monitor explores the implications of a multipolar system in which the biggest or most influential NSAs play a crucial role. It argues that they are fulfilling roles or functions that states, or traditional state institutions such as political parties or government agencies, cannot or will not. It also contends that, as nation-states grow in power and influence, NSAs based there often also grow in power and influence. A majority of the powerful and influential NSAs are located in the

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[158]   Stephan De Spiegeleire et al., *Volatility and Friction in the Age of Disintermediation* (The Hague: The Hague Centre for Strategic Studies, 2017), http://hcss.nl/report/volatility-and-friction-age-disintermediation.

West, but this will likely change.[159]

NSAs often work closely with states but do so in a self-interested manner. In other words, they exert an impact on the international system that is independent of states. Often this influence is positive. For instance, NSAs play a crucial role in fighting climate change. Cities and regional organizations are, in many ways, leading the effort to meet key international goals. Even supermajor oil companies are beginning to play a role. In 2020, BP announced a shift in company strategy toward embracing renewable energy and contributing to the target set in the Paris Climate Agreement; this will include gradually divesting its oil and gas production in order to reduce its production by 40 percent in the next decade, while simultaneously increasing its investments in renewable alternatives by a factor of ten.[160]

Sometimes, the role of NSAs is more ambiguous; large electronic and information technology companies, such as Amazon, Facebook, and Google, have changed our virtual and physical environments in ways that are still not fully understood. Some NSAs are undoubtedly pernicious. Islamic State, for instance, is estimated to have been directly responsible for tens of thousands of deaths and to have indirectly played a role in many thousands more, in Syria and Iraq.[161]

The point is, NSAs are not altruistic; they shape the international system in ways that benefit themselves, for better and for worse. The transactional nature of this relationship means that, although NSAs give states new ways of pursuing key political, economic, and military goals, they also create considerable risks. The growing use of NSAs in major power competition gives the NSAs prominent, influential roles that do not always further the interests of the state in question. There is also a danger when NSAs assume key public health or political processes because their agendas do not always align with those of the state. The process of disintermediation gives NSAs a much bigger role in facilitating social and political connections and movements, but it also opens the door to actors with malign intentions.

5.4.4 How States Use NSAs
In the emerging multipolar system, in addition to their overt roles, the most influential and powerful NSAs play three types of roles traditionally filled by states. These roles are depicted in Figure 25.

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[159] Four types of large or influential NSAs were examined. This included corporations (big tech, big pharma, and big oil), philanthropic organizations, violent NSAs, and social or political movements organizing via social media. In choosing individual NSAs, the report looked at factors such as rankings of influential NSAs, budget sizes, prominence in national and global events, and geographical spread. In total, the report's research included sixteen NSAs (four from each of the main categories): Huawei, Facebook, BP, Pfizer, the Bill and Melinda Gates Foundation, Médecins Sans Frontières, Open Society Foundations, BRAC, Black Lives Matter, Extinction Rebellion, QAnon, the Hong Kong Pro-Democracy Movement, 'Ndrangheta, the Wagner Group, Academi, and Hezbollah.

[160] David Sheppard, Anjli Raval, and Roula Khalaf, "BP's Looney Stakes Future on Producing Less Oil," Financial Times, September 13, 2020, https://www.ft.com/content/e1d53208-b460-4708-a89c-d8b418cceffb.

[161] Niall McCarthy, "The Rise And Fall Of ISIS," Statista Infographics, 2019, https://www.statista.com/chart/20255/the-rise-and-fall-of-isis/; "On International Human Rights Day: Millions of Syrians Robbed of 'Rights' and 593 Thousand Killed in a Decade," *The Syrian Observatory For Human Rights* (blog), December 9, 2020, https://www.syriahr.com/en/195385/.

Figure 24 - NSA roles in the international system
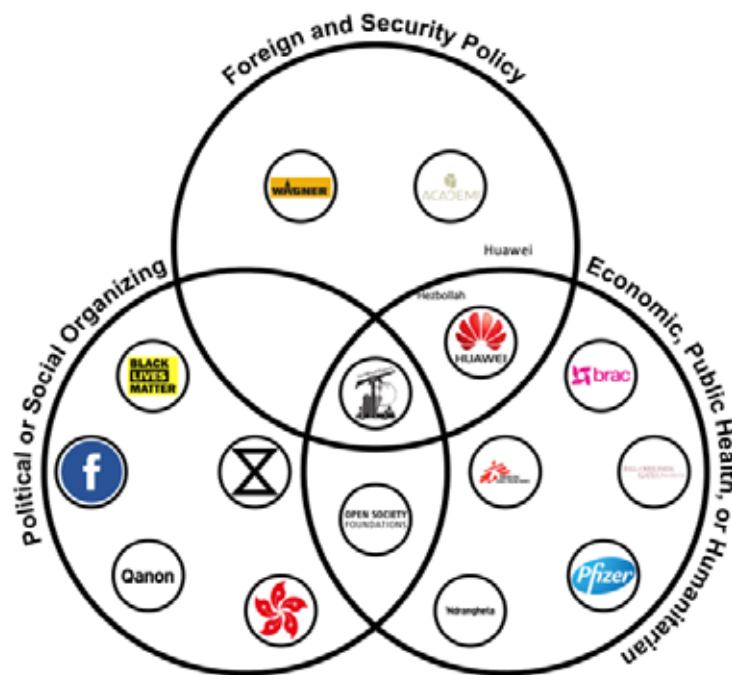
5.4.5 Foreign and Security Policy Functions on Behalf of States

States outsource foreign and security policy functions to NSAs for a variety of reasons. One is that they can provide a veneer of deniability or a degree of distance from the NSA's actions if things go awry. If the private military company (PMC) Wagner Group succeeds on an operation, Moscow can reap the benefits; if it fails, Russia can claim that the Wagner Group was operating in a private capacity. This is what happened in July 2020, when 33 Wagner employees were detained by the Belarusian security services and Russian officials sought to spin the episode as the work of the US and Ukrainian intelligence services.[162] Similarly, Iran uses Hezbollah, the

Shia Islamist political party and militant group based in Lebanon, as a means to bolster its impact in the Syrian Civil War, on behalf of President Bashar al-Assad's forces. Through Hezbollah, which it reportedly sends $700 million in annual financial support, Tehran can indirectly launch attacks on Israel from Lebanon and from Syria.[163]

A second reason states outsource their operations to NSAs is that it allows them to increase their influence abroad in a way that direct military interventions would not. By training Venezuelan security forces and helping to protect the regime of President Nicolas Maduro, the Wagner Group allows Russia to establish an additional foothold in the US backyard; the overt presence of Russian military forces in Ven-

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162 Kseniya Krillova, "Ukrainian Reverberations of the Wagner Arrests in Belarus: Russian Disinformation?," Jamestown, 2020, https://jamestown.org/program/ukrainian-reverberations-of-the-wagner-arrests-in-belarus-russian-disinformation/.

163 Kali Robinson, "What Is Hezbollah?," Council on Foreign Relations, 2020, https://www.cfr.org/backgrounder/what-hezbollah.

ezuela would likely elicit a stronger reaction from the United States.[164] Similarly, Hezbollah's influence in Lebanon, where it is the most influential political party, far outstrips what Iran would be able to achieve through direct intervention.

Using PMCs and proxies can be cheaper than deploying regular military forces. Or, if they are not actually less expensive, they appear to be less expensive in the short run. This is one reason the United States uses PMCs. Last year, about 53,000 US private military contractors were stationed in the Middle East, compared to about 35,000 US soldiers. These PMCs often hire non-US contractors that receive lower pay and receive fewer protections. There is also less political fallout when they die in combat. But US reliance on PMCs does not necessarily lead to lower costs in the long run. Studies show that PMCs often inflate prices and violate the terms of contracts. At least for the United States, the result has not been lower defense spending. The US has simply spent similar amounts on different types of forces: About fifty percent of the entire 2019 US defense budget was spent on PMCs.[165]

This reliance on PMCs can have unforeseen consequences. Members of the US-based PMC, Academi, formerly known as Blackwater, have become influential in Republican politics. Erik Prince, who founded Academi and now runs Frontier Services Group (FSG), served as an advisor to President Donald Trump. He was involved in an unsuccessful initiative that sought to convince the Trump administration to privatize US military operations in Afghanistan. Prince reportedly also was involved in efforts to recruit ex-intelligence officers to spy on left-leaning groups.[166]

Prince's close connections to the Trump administration have not stopped him from working for other countries. Since 2018, the Chinese state-owned CITIC Group has owned 28.4% of Prince's FSG.[167] Since the CITIC Group obtained these shares, FSC has significantly expanded its operations across Asia, including western China and Pakistan, supporting China's Belt and Road Initiative with logistics and security.[168] Prince also reportedly offered to supply the Wagner Group with ground forces and aviation-based surveillance in Libya and Mozambique.[169]

164 Zverev, "Exclusive."

165 Heidi Peltier, "The Growth of the 'Camo Economy' and the Commercialization of the Post-9/11 Wars," *Political Economy of Security*, June 30, 2020.

166 Mark Landler, Eric Schmitt, and Michael R. Gordon, "Trump Aides Recruited Businessmen to Devise Options for Afghanistan (Published 2017)," *The New York Times*, July 11, 2017, sec. World, https://www.nytimes.com/2017/07/10/world/asia/trump-afghanistan-policy-erik-prince-stephen-feinberg.html; Mark Mazzetti and Adam Goldman, "Erik Prince Recruits Ex-Spies to Help Infiltrate Liberal Groups," *The New York Times*, March 7, 2020, sec. U.S., https://www.nytimes.com/2020/03/07/us/politics/erik-prince-project-veritas.html.

167 Don Weinland and Charles Clover, "Citic Boosts Stake in Erik Prince's Security Group Frontier," Financial Times, March 5, 2018, https://www.ft.com/content/97c14e0e-2031-11e8-a895-1ba1f72c2c11.

168 Don Weinland and Charles Clover, "Blackwater Founder Erik Prince Eyes Opportunities with China," Financial Times, April 10, 2017, https://www.ft.com/content/e6942960-19e9-11e7-bcac-6d03d067f81f.

169 "Trump-Linked Contractor Offered Military Services to Russia's Wagner in Africa," The Moscow Times, April 14, 2020, https://www.themoscowtimes.com/2020/04/14/trump-linked-contractor-offered-military-services-to-russias-wagner-intercept-a69986.

5.4.6 Economic, Public Health, or Humanitarian Functions

NSAs frequently economic, health, or humanitarian functions traditionally carried out by states. One manner in which they do this is acting in close cooperation with the state to pursue state interests, in ways that are reminiscent of mercantilist corporations such as the British and Dutch East Indian companies. In addition to its profitable business operations, Huawei – one of the world's largest electronic companies – advances strategic priorities for Beijing. As the leading producer of a key emerging technology, 5G, Huawei gives China an advantage over rivals such as the United States. In addition, China has shown a propensity to transform its economic heft into political influence, so Huawei's ability to penetrate and dominate markets across the globe is useful. There is also circumstantial evidence that Huawei plays a role in China's aggressive and extensive espionage efforts. US officials have shared intelligence with allies indicating that Huawei maintains backdoor access to mobile shared via the mobile networks it operates; Vodafone made similar discoveries about Huawei networks in Italy. There is also a pattern of Huawei employees having backgrounds as intelligence officials specifically tasked with cyber espionage.[170]

Other NSAs assume humanitarian functions states are unwilling or unable to do, either for political or financial reasons. Prompted by the weakness of Bangladesh's institutions, BRAC has emerged as a crucial provider of basic social, health, and educa-tions services to at least 110 million people across the country, as well as millions more in a dozen countries in the Global South. In Bangladesh, BRAC's activities are so important that it is frequently referred to as a parallel state. As the number of powerful NSAs in the Global South increases, this type of imbalance between NSA and state will likely increase.[171]

Médecins Sans Frontières (MSF), an international medical humanitarian non-governmental organization (NGO), plays a leading role in providing medical care for people in and migrants fleeing conflict zones. MSF has been a prominent critic of the strategy of "externalization" of migrant crises. This entails preventing migrants from entering so that states are not forced to cope with the subsequent challenges. In one 2019 episode, off the Italian coast, MSF and another NGO, SOS Méditerranée, chartered a ship to save migrants from drowning in the Mediterranean Sea; the Italian government refused to allow MSF to bring the rescued migrants to shore.[172] MSF has also pressed states to be transparent about deals with NSAs, such as Pfizer, to distribute the COVID-19 vaccine and to treat the vaccine as a global public good that will be available to all, not only to wealthy states.

States have essentially outsourced development of a vaccine for the COVID-19 virus to NSAs, in the form of public-private partnerships. "Vaccine nationalism" has prompted many policymakers to prioritize their own populations in the distribution of vaccines. Pfizer, a pharmaceutical company working with a Ger-

170   Bojan Pancevski, "WSJ News Exclusive | U.S. Officials Say Huawei Can Covertly Access Telecom Networks," Wall Street Journal, February 12, 2020, sec. World, https://www.wsj.com/articles/u-s-officials-say-huawei-can-covertly-access-tele-com-networks-11581452256; Lepido, "Vodafone Found Hidden Backdoors in Huawei Equipment," Bloomberg, 2019, https://www.bloomberg.com/news/articles/2019-04-30/vodafone-found-hidden-backdoors-in-huawei-equipment; Zak Doffman, "Huawei Employees Linked To China's Military And Intelligence, Reports Claim," Forbes, 2019, https://www.forbes.com/sites/zakdoffman/2019/07/06/huawei-employ-ees-linked-to-chinas-state-intelligence-agencies-report-claims/.

171   "Annual Report 2019" (BRAC, 2019), http://www.brac.net/annual-reports-and-publications.

172   "Ocean Viking: Rescued Migrants Disembark in Italy," *BBC News*, September 15, 2019, sec. Europe, https://www.bbc.com/news/world-europe-49701130."container-title":"BBC News","language":"en-GB","section":"Europe","source":"www.bbc.com","title":"Ocean Viking: Rescued migrants disembark in Italy","title-short":"Ocean Viking","URL":"https://www.bbc.com/news/world-europe-49701130","accessed":{"date-parts":[["2020",12,17]]},"issued":{"date-parts":[["2019",9,15]]}}}],"schema":"https://github.com/citation-style-language/schema/raw/master/csl-citation.json"}
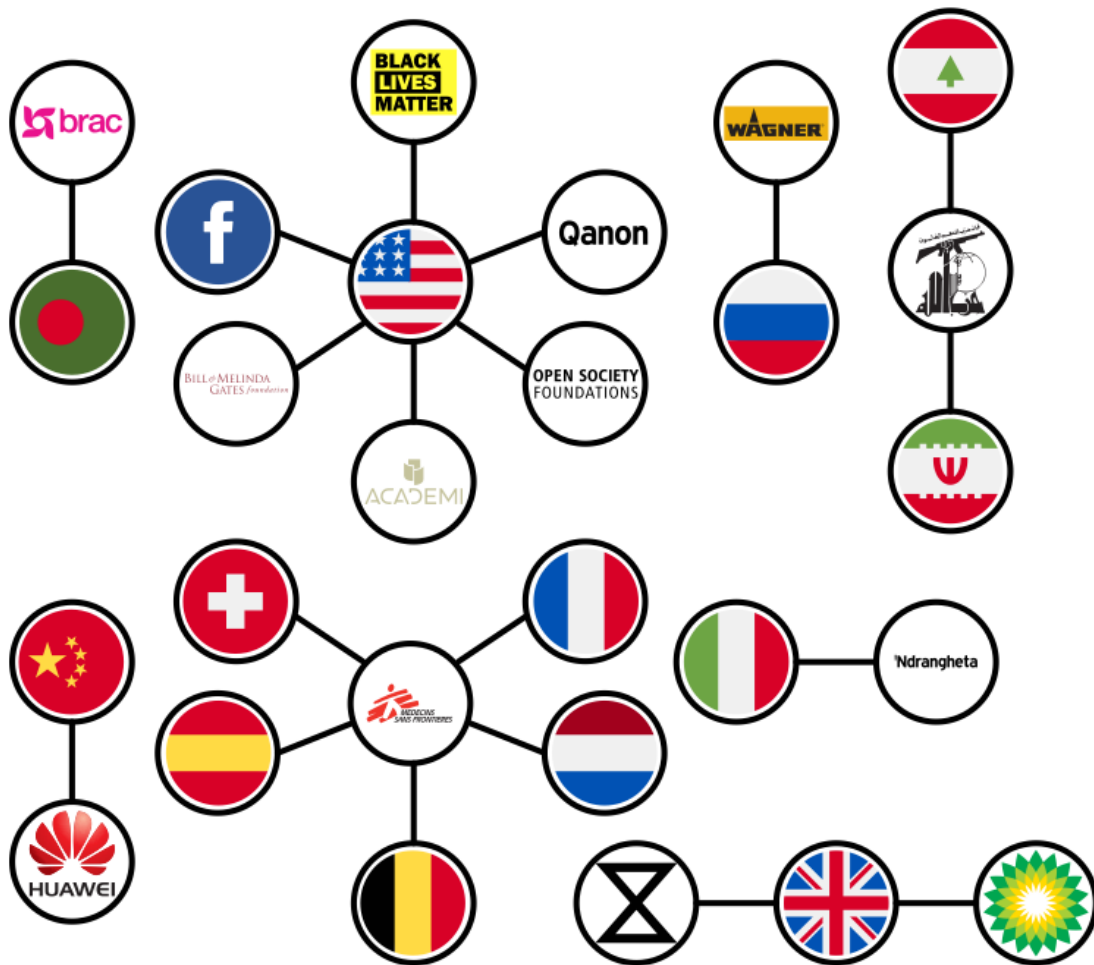
Figure 25 - Mapping relationships between NSAs and states

man biotechnology company, BioNtech, was the first to create an effective vaccine and wealthy countries rapidly signed deals to claim most of the initial doses. The EU secured 200 million doses, with an option for an addition 100 million; the UK 40 million; and the United States 100 million doses, with an option to buy another 500 million. These countries represent only 14% of the world population.[173]

States have also allowed NSAs to play a significant role in global public health advocacy. In 2019, the Bill and Melinda Gates Foundation was the second largest contributor to the WHO, more than every country except for the United States. This financial heft has given the Gates Foundation enormous influence. There is evidence that the Gates Foundation has at least an informal say in key WHO priorities and initiatives. In addition, it has steered WHO programs away from strengthening health care in poor coun-

tries, which would help contain future outbreaks like the Ebola epidemic, toward projects with the measurable outcomes the Gates Foundation prefers, such as the effort to eradicate polio.[174]

Some relationships between NSAs and states are not, or at least did not begin, in a voluntary fashion. In spite of massive resources invested by Italian officials in anti-mafia operations, the 'Ndrangheta, a crime syndicate based in Calabria but with a global network, have emerged as major economic actors in Italy. They control an estimated 80 percent of the global cocaine trade, but now outsource much of their drug operations to other crime groups. In recent years, they have taken advantage of Italy's relatively weak institutions and underinvestment in the southern part of the country to infiltrate broad swathes of the Italian economy. In particular, they have become adept at so-called agromafia business, purchasing cheap farmland, livestock, markets, and restaurants and profiting from national and EU subsidies.

173   Marco Hafner et al., "COVID-19 and the Cost of Vaccine Nationalism," 2020; "Most of Pfizer's Vaccine Already Promised to Richest, Campaigners Warn," Global Justice Now, November 11, 2020, https://www.globaljustice.org.uk/news/2020/nov/11/most-pfizers-vaccine-already-promised-richest-campaigners-warn.

174   Natalie Huet and Carmen Paun, "Meet the World's Most Powerful Doctor: Bill Gates," POLITICO, May 4, 2017, https://www.politico.eu/article/bill-gates-who-most-powerful-doctor/.

The 'Ndrangheta have also taken advantage of the Italian state's struggles to combat the COVID-19 pandemic by corrupting local officials. They have reaped enormous profits from contracts given to their own front companies, establishing monopolies on services such as delivering patients in faulty ambulances, transporting blood, and corpse disposal. All these activities are billed to the Italian taxpayer through the country's centrally funded, regionally administered health service, which distributes an annual budget of billions of euros. The profits gained through controlling Calabrian hospitals have been packaged into debt instruments and sold on international financial markets.[175]

5.4.7 Political or Social Organizing

Some NSAs organize in response to perceived failures by states. The Open Society Foundations (OSF), an international grant-making organization founded by George Soros, is dedicated to fostering an "open society," a term popularized by the philosopher Karl Popper. By investing in civil society around the world, the OSF seeks to promote justice, democratic governance, and human rights. In practice, this has led the OSF to support progressive causes in Europe and North America and – as one of the largest philanthropic organizations in the United States, with a 2020 budget of 1.2 billion – the OSF has become a frequent target for many right-wing and nationalist critics.[176]

Indeed, it is difficult for the most powerful NSAs that engage in political or social organizing to avoid playing significant roles in national and international politics. Facebook, which is designed to replicate relationships between friends, family, and colleagues via social media, is now a crucial consideration for political strategists in US election campaigns. Facebook played a central role in Donald Trump's winning

2016 electoral strategy; it also allowed Russia to reach 126 million users with posts intended to exacerbate divisions in the US electorate.[177] By mid-October 2020, the presidential campaigns for Joe Biden and Donald Trump had spent, in total, more than $175 million on Facebook ads, even as it faced criticism from both sides of the political spectrum for its outsize influence. Facebook and other big tech NSAs are the principal targets of the EU's General Data Protection Regulation, which is designed to allow individuals to protect their data.[178]

Social media has become an essential tool for NSAs seeking to organize individuals over large geographic distances. Extinction Rebellion, a group formed in the United Kingdom in 2018 and which attracted a reported global membership of 200,000, focuses on forcing national governments to act more decisively to counter climate change.[179] The impact of social media on social and political organizing was intensified by the wave of lockdowns in 2020 as many countries sought to slow the spread of the COVID-19 virus. Black Lives Matter, formed in 2013, gained prominence in 2020 with a social media campaign demanding reform of the US criminal justice system, which the group argues disproportionately incarcerates and kills African Americans. It used social media to organize demonstrations across the United States that numbered somewhere between 15 and 26 million people, making it the largest

175   Miles Johnson, "How the Mafia Infiltrated Italy's Hospitals and Laundered the Profits Globally," July 9, 2020, https://www.ft.com/content/8850581c-176e-4c5c-8b38-debb26b35c14.

176   "Financial Figures," accessed December 17, 2020, https://www.opensocietyfoundations.org/who-we-are/financials.

177   Mike Isaac and Daisuke Wakabayashi, "Russian Influence Reached 126 Million Through Facebook Alone (Published 2017)," *The New York Times*, October 30, 2017, sec. Technology, https://www.nytimes.com/2017/10/30/technology/facebook-google-russia.html.

178   Jeremy B. Merrill, "How We Analyzed the Cost of Trump's and Biden's Campaign Ads on Facebook – The Markup," The Markup, 2020, https://themarkup.org/election-2020/2020/10/29/how-we-analyzed-the-cost-of-trumps-and-bidens-campaign-ads-on-facebook.

179   Ciara Nugent, "How Extinction Rebellion Is Changing Its Climate Activism," Time, 2020, https://time.com/5864702/extinction-rebellion-climate-activism/.

protest movement in US history.[180]

The Hong Kong pro-democracy protests, which have emerged in response to Beijing's attempts to dissolve the one country, two systems paradigm that has governed relations since 1997, have relied heavily on social media. Protestors have used apps such as Tinder, Pokemon Go, and the iPhone AirDrop feature to transmit information on upcoming demonstrations to the wider public. Encrypted apps such as Telegram have enabled participants to discuss logistics in large group chats without having to reveal their identities. Protestors have also used social media to attempt to sway international public opinion: they have taken advantage of Hong Kong's excellent network coverage and high mobile phone penetration rates to live stream events.[181]

However, social media can serve as a powerful tool for those who wish to undermine social and political movements. The Chinese authorities and their allies have flooded online platforms both inside and outside the country with stories and images, portraying the Hong Kong protests as the work of radicals and terrorists manipulated by the West. Chinese celebrities on popular Chinese social media platforms, such as Weibo, Baidu, and WeChat, have asked followers to inundate overseas platforms with anti-protest messages, including 'Hong Kong is part of China,' 'Reject violence,' and 'Hong Kong police are the best!' Beijing also spread propaganda and disinformation about the protests to international audiences

through proxy accounts and hacker organizations that cannot be directly linked to the Chinese state.[182]

In addition, not all NSAs that rely on social media pursue agendas dedicated to righting injustice or highlighting crises. In fact, some influential NSAs have been able to organize a large number of individuals around dangerous ideas and misinformation. For instance, QAnon has attracted millions of members on Facebook with an elaborate conspiracy theory about Satan-worshiping pedophiles embedded in elite US circles plotting against Donald Trump. Two QAnon supporters were elected to the US House of Representatives in November 2020.[183]

When states ignore a community or cannot fulfil basic public functions, NSAs often fill the void in order to bolster their profiles or to promote a political agenda. For instance, for years the large Shiite community in Lebanon was oppressed by other groups. In response, Hezbollah gradually evolved from an Iranian-inspired terrorist group focused on fighting Israel to a more complex entity that, in addition to its violent agenda, is deeply involved in Lebanese politics and provides extensive social services, such as schools and health care.[184]

180   Larry Buchanan, Quoctrung Bui, and Jugal K. Patel, "Black Lives Matter May Be the Largest Movement in U.S. History," *The New York Times*, July 3, 2020, sec. U.S., https://www. nytimes.com/interactive/2020/07/03/us/george-floyd-protests-crowd-size.html.

181   Grace Shao, "Social Media Has Become a Battleground in Hong Kong's Protests," CNBC, August 15, 2019, https://www. cnbc.com/2019/08/16/social-media-has-become-a-battle-ground-in-hong-kongs-protests.html; Ellen Ioanes, "Hong Kong activists use Pokemon Go and Tinder to organize as police crack down on ongoing protests," Business Insider Nederland, 19AD, https://www.businessinsider.nl/hong-kong-protesters-tinder-and-apple-airdrop-to-organize-2019-8/.

182   Brenda Goh, "'All the Forces': China's Global Social Media Push over Hong Kong Protests," *Reuters*, August 22, 2019, https://www.reuters.com/article/us-hongkong-protests-china-socialmedia-idUSKCN1VC0NF; Steven Lee Myers and Paul Mozur, "China Is Waging a Disinformation War Against Hong Kong Protesters (Published 2019)," *The New York Times*, August 13, 2019, sec. World, https://www.nytimes. com/2019/08/13/world/asia/hong-kong-protests-china. html.

183   Sen and Brandy Zadrozny, "QAnon Groups Have Millions of Members on Facebook, Documents Show," NBC News, 2020, https://www.nbcnews.com/tech/tech-news/qanon-groups-have-millions-members-facebook-documents-show-n1236317.

184   Robinson, "What Is Hezbollah?"

5.4.8 Conclusion: Implications for the Netherlands and for Europe

When it comes to the growing tendency of NSAs to assume key functions traditionally performed by states, four implications for the Netherlands and for Europe stand out. First, competition between states, especially major powers, has allowed some NSAs to dramatically expand their influence. Some NSAs, such as Huawei, are expanding the way that states compete economically in a manner not seen since the heyday of mercantilism. Other NSAs, such as the Wagner Group and Hezbollah, are giving states more options for competing in the gray zone.

But there is danger for states in outsourcing key foreign and security policy functions to PMCs and to proxies. As occurred with the Wagner Group in Belarus, they can draw attention to themselves and to their state sponsors in unhelpful ways. Even worse, these NSAs often begin to influence the direction of policy and to play a political role in the state, as is the case with Erik Prince, founder of the PMC Academi.

In spite of such pitfalls, the most powerful and influential NSAs should play an ever-larger role in interstate competition over the next ten years. In particular, they will give additional impetus to the trends toward innovation mercantilism and operations in the gray zone. Dutch and EU policymakers will need to factor NSAs into their efforts to maintain the rules-based trading system and to managing conflict, especially in the gray zone.

Second, it is dangerous when NSAs assume big roles in public processes that have traditionally been reserved for states. When corporate philanthropists such as the Gates Foundation begin to oversee public health functions, they can set the agenda in ways that suit their own preferences and interests. This dilutes the influence of states, especially middle powers such as the Netherlands, in institutions such as the WHO. BRAC's use of microfinance, while often successful, has also led to indebtedness among

users in some of the countries in which it operates.[185] When NSAs such as the OSF assume a significant role in the political process, they begin to subvert the roles played by traditional actors. This can have the unintended consequence of undermining public confidence in electoral processes because it – fairly or not – creates the impression of malign outside influence.

Nonetheless, over the next ten years, NSAs such as the Gates Foundation and the OSF will likely retain considerable influence in national and global public health efforts and in the political processes of states. Dutch and European policymakers will need to design strategies for encouraging these NSAs, as much as possible, to play positive roles, and structures that limit any negatives consequences of their influence.

Third, though the process of disintermediation has generated massive economic growth, facilitated novel ways to establish and maintain social connections, and created new tools for organizing social and political movements, it also opens the door to abuse by pernicious actors. Facebook's problematic role in the 2016 and 2020 US elections is only the most prominent example of the unpredictable ways that social media can warp the political process.

Social and political movements organized primarily via social media are vulnerable to the influence of extremist elements. Both Black Lives Matter and Extinction Rebellion have founding or influential members who want to do more than encourage racial justice or more responsible climate policies; they want to overthrow existing social and political structures. There is also the danger that, as like-minded people coalesce in social and political movements, they engage in a process that hardens opinions and exacerbates polarization.

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185 Mara Kardas-Nelson, "Microfinance Lenders in Sierra Leone Accused of 'payday Loan' Interest Rates," the Guardian, December 12, 2019, http://www.theguardian.com/global-development/2019/dec/12/microfinance-lenders-in-sierra-leone-accused-of-payday-loan-interest-rates.

As China's approach to the Hong Kong pro-democracy protests demonstrate, social media can serve as a powerful tool for repression and for spreading misinformation, strengthening the ability of authoritarian regimes to undermine unfavorable narratives. Even more worrisome is the fact that, as Russian information operations – via NSAs such as Facebook – in Europe and North American have demonstrated, this can weaken public trust in basic facts and undermine democratic institutions. Dutch and European policymakers will need to devise strategies to combat such tactics, which are inherently more harmful to democratic countries. More specifically, researchers have found that countries in southern Europe are less resilient than their northern counterparts in the face of online disinformation.[186]

In extreme cases, the movement itself is the extremist element, and many of the individuals involved are unaware of the full scope of the NSA's activities, even as they encourage violence. The US Federal Bureau of Investigation (FBI) has labelled QAnon a domestic terrorism threat, warning that "conspiracy theories very likely will emerge, spread, and evolve in the modern information marketplace, occasionally driving both groups and individual extremists to carry out criminal or violent acts."[187]

Over the next ten years, NSAs organized around conspiracy theories and misinformation will grow in importance and at least some will develop international links. Though initially limited to the United States, QAnon is now active in more than 70 countries, where it frequently evolves to incorporate local circumstances and concerns. This means that, in addition to developing better strategies for combatting misinformation spread by countries such as China and Russia, Dutch and European policymakers will need to do the same for NSAs. This will not be a matter of simply highlighting false information; it will also necessitate planning for large demonstrations and even violence.[188]

Finally, there is a connection between a state's degree of power and influence and the power and influence wielded by NSAs located in that state. Though a majority of the most powerful and influential NSAs are currently based in the West, over the next ten years there will likely be an increase in the number of prominent NSAs located in the Global South: The World Bank predicts that the Global South will produce 50 percent of global GDP by 2030. Policymakers should devise strategies for working with these NSAs at the global and regional level in order to protect Dutch and European interests and values.

186 Edda Humprecht, Frank Esser, and Peter Van Aelst, "Resilience to Online Disinformation: A Framework for Cross-National Comparative Research," *The International Journal of Press/ Politics* 25, no. 3 (July 1, 2020): 493–516, https://doi.org/10/ggjk22.

187 Jana Winter, "Exclusive: FBI Document Warns Conspiracy Theories Are a New Domestic Terrorism Threat," Yahoo! News, 2019, https://news.yahoo.com/fbi-documents-conspiracy-theories-terrorism-160000507.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS91cmw_c2E9d-CZyY3Q9aiZxPSZIc3JjPXMmc291cmNlPXdlYiZjZD0mdm-VkPTJhaFVLRXdqNzY5Nk41OVh0QWhYTUN1d0tlY0NfQV-JBUUZqQUFIZ1FJQXhBQyZ1cmw9aHR0cHMlM0ElMkYl-MkZuZXdzLnlhaG9vLmNvbVyRmZiaS1kb2N1bWVudHM-tY29uc3BpcmFjeS10aGVvcmllcy10ZXJyb3Jpc20tMTYwM-DAwNTA3Lmh0bWwmdXNnPUFPdlZhdzJWX1RyWVlVlEV0d-NaU52UmxVckRnNkU&guce_referrer_sig=AQAAAJRkN4q-jw0e9ucYJ6oHGw-jjjKFQhAUr26u6vkx7TyhObM4wTFwwJk-TQ7K7BfHNBP9yUxTVeP1klyB55p2z_7YoqDbEZwEOF0AtD-G8uxemtQMMWG0xpwhDF7u_kdKmfaQhtHpWmxNZyCN-4nAI_quXCSba4C-5K8qpIDgWy9NxRUj.

188 Emily Rauhala and Loveday Morris, "In the United States, QAnon Is Struggling. The Conspiracy Theory Is Thriving Abroad.," *Washington Post*, November 13, 2020, https://www.washingtonpost.com/world/qanon-conspiracy-global-reach/2020/11/12/ca312138-13a5-11eb-a258-614acf2b906d_story.html.

6. The World in (Dis)order

The most likely outcome for world order in the coming decade will not be a unipolar order or a bipolar Cold War-style competition, but a loose form of multipolarity. States will continue to play the foremost part, with the United States and China, and their bilateral relationship, serving as the most important factors in the system. Within this context, the Netherlands and European Union can play a prominent role, as long as they can resist the divide and rule tactics practiced by other major power and continue to bolster their geopolitical heft. They are key partners for both Beijing and Washington, and as a global power the European Union can influence the international agenda, especially when it comes to using its economic and normative power to buttress key aspects of the multilateral system. A key aspect of that system is the global effort in the area of climate and security. States have mostly sought to comply with the norms and rules that have been formulated to prevent, mitigate, foster recognition of, adapt, and increase resilience to climate change and its security impacts. However, much of the progress made by the international community can be attributed to substate actors, so states must do more to mitigate the security threats posed by climate change. The Netherlands and European Union should be at the forefront of this effort.

6.2 Global Trends in Conflict and Cooperation
6.2.3 Introduction

History shows that periods of power diffusion in the international system go hand in hand with increasing tensions and a higher risk of conflict between emerging and existing powers.[189] In a world that is driven by the forces of geopolitics and where increasing tensions and conflicts between the so-called great powers are unavoidable, cooperation simply does not happen. However, despite the changing balance of power, cooperation between the great powers, both at a group level and bilaterally, is possible. Cooperation seems to run smoothly when there are no direct security interests at stake. On the basis of this, previous editions of the Strategic Monitor have portrayed a world order which incorporates features of a more multipolar world and features of a world where the major powers are able to cooperate, albeit selectively. This "multi-order" is characterized by a combination of conflict and cooperation between the major powers.

Major powers are defined here as state actors which rank among the most influential international actors in terms of security policy, military power, population and/or economic position. On the basis of their permanent seat on the UN Security Council and/or the size of their military, economy and population, this study regards the following actors on the world stage as major powers: the United States, China, Russia, and the European Union. As far as security is concerned, these four are influential on account of their permanent seat on the Security Council (US, China, Russia) or that of its members states (the EU by way of France). Of the four, the US holds a special position since it is the only power which plays a leading security role in every region of the world.

An important theoretical question is whether conclusions may be drawn about the pattern of conflict and cooperation at the system level from the pattern of conflict and cooperation between the great powers. There are conflicting views on this point in the literature on international relations. Firmly based on the hypothetical roles of 18th and 19th century UK and post-WW2 US, the "Theory of Hegemonic Stability" states that a stable world order requires the presence of a hegemonial power. On the basis of its dominant position and ideological preferences, this power is able and prepared to assume a leading role as far as such "collective arrangements" as security, monetary stability, the free market, and are concerned. Like the US as a security provider, the US

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[189] Lynch III Lynch III (ed.), *Strategic Assessment 2020: Into a New Era of Great Power Competition* (Washington, DC: NDU Press, 2020), 36, https://ndupress.ndu.edu/Media/News/News-Article-View/Article/2405626/strategic-assessment-2020-into-a-new-era-of-great-power-competition/.

dollar as the anchor of the Bretton Woods system, the US as the champion of free trade, and the US as the architect of the post-war international liberal order.[190]

Clearly, the US currently no longer holds such a leading position. Previous editions of the Strategic Monitor showed that the international system is developing into a multipolar system where several powers have an impact on the level of global stability and on the pattern of conflict and cooperation. According to the theory of structural realism, the smaller the number of great powers, the greater the likelihood of stable international relationships. A bipolar global system centered round two great powers, as there was during the Cold War era, in theory provides the greatest stability. When the number of great powers increases, the uncertainty and unpredictability in the system will also increase, largely because these powers will have more opportunities to form coalitions. Taking an opposite view, the neoliberal approach states that, in addition to the number of states, the extent to which great powers are interdependent and the presence of mutual regimes in the form of norms, regulations, agreements and procedures, should also be taken into account. By doing so, a truer picture of the conflict potential in their mutual relationships and its possible effect at the system level can be obtained.

Previous editions of the Strategic Monitor have described these patterns of conflict and cooperation in the international system. A key conclusion was that, when the global multilateral system does not function well, as a result of the global diffusion of power, the capacity for international cooperation is conditioned by the relationships between the great powers. It was argued that the level of (dis)harmony within the international system will determine whether cooperation at a multilateral level is possible. The US-China relationship is currently developing into the dominant one within this field. However, other relationships, particu-

larly the ones between Russia and the US and between Russia and the EU, are also influential. In this section, therefore, the following six great power relationships are assessed: China-EU, China-US, China-Russia, EU-US, EU-Russia, and Russia-US.

6.2.4 China-EU Relations

Key Takeaways

Since the creation of the EU-China Comprehensive Strategic Partnership in 2003, the EU-China relationship has broadened and deepened in terms of cooperation, leading to a high level of political interdependence.

In the EU, however, there is a growing awareness of the fact that the balance of challenges and opportunities offered by China has changed. Over the last decade, China's ambitions to become a leading global power could be witnessed through the state's increased economic prowess and political influence.

The EU views China differently in different policy areas, which varies between as a cooperation partner, a negotiation partner, an economic competitor, and a systemic rival.

In 2019, the EU represented China's largest trading partner overall, whereas China was the EU's second largest trading partner.

Problems surrounding the EU-China trade relationship, especially related to the WTO, remain. The EU-China Comprehensive Agreement on Investment (CAI) aims to remedy these issues.

Significant areas for cooperation on foreign and security policies exist, with specific focus in areas of mutual interest such as Africa, Asia, and the Middle East.

Despite the strengthening of cooperation between China and the EU, there remain policy and normative differences, particularly concerning cybersecurity and human rights issues.

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[190] Robert Gilpin, *The Political Economy of International Relations* (Princeton, NJ: Princeton University Press, 1987), 86.

Figure 26 - Conflict and cooperation in China-EU relations
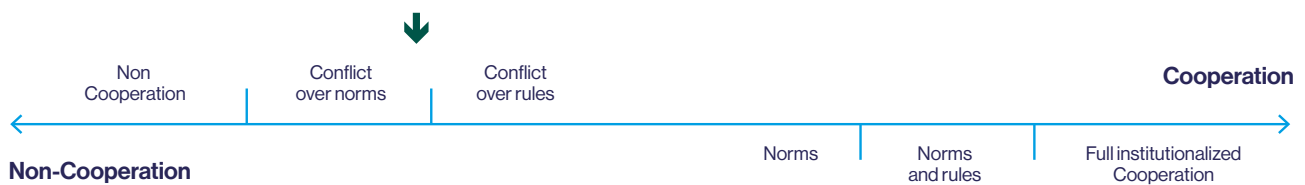
6.2.4.1 Political Relations

Since the creation of the so-called EU-China Comprehensive Strategic Partnership in 2003, the China-EU relationship has broadened and deepened in terms of cooperation, leading to a high level of political interdependence. The release of several strategic development plans, such as China's Two Centenary Goals, its Five-Year Plans, and the Europe Strategy, reaffirm both sides' commitment to the promotion of the EU-China Comprehensive Strategic Partnership in the coming decade. Both sides have jointly adopted a Strategic Agenda for Cooperation, and will implement it through an annual summit, and the three pillars that underpin the summit: the annual High Level Strategic Dialogue, the annual High Level Economic and Trade Dialogue, and the bi-annual People-to-People Dialogue, in addition to regular meetings between counterparts and the broad range of sectoral dialogues.

6.2.4.2 Economic Relations

Central to the bilateral relationship between the EU and China are economic relations. In 2019, the EU represented China's largest trading partner overall, whereas China was the EU's second largest trading partner. In this year, trade in goods between the EU and China amounted to €1.5 billion per day. The EU furthermore exported €198 billion to China and imported €362 billion. In terms of trade in services, the EU exported €46 billion services to China in 2018, whereas China exported €30 billion to the EU. The EU's primary imports from China are industrial and consumer goods, machinery and equipment, and

footwear and clothing. The EU's main exports to China are also machinery and equipment, in addition to motor vehicles, aircraft and chemicals. EU-China trade in services makes up over 10% of total trade in goods, whilst the EU's exports of services to China amounts to 19% of the EU's total exports of goods. Even though the EU currently has a trade deficit with China in terms of trade in goods (-€163.7 billion in 2019), the EU's overall trade balance remains positive. Problems surrounding the EU-China trade relationship, especially related to the WTO, remain however, mostly due to China's lack of transparency, discriminatory industrial policies and non-tariff measures, strong government intervention in the economy and the poor protection and enforcement of intellectual property rights.[191]

Market access is very important for both parties. Europe is also an important source of technology for China, and China is becoming increasingly important as a supplier of capital for European companies and governments. Although EU-China economic relations are close and are becoming increasingly closer, this form of cooperation does bring various tensions. For instance, the Europeans are dissatisfied about the Chinese government's policy on access restrictions to the Chinese market, the provision of state assistance to Chinese companies and the engagement in

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191 "China - Trade - European Commission," European Commission, n.d., https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/.

or facilitation of economic espionage activities. For their part, the Chinese are critical of visa restrictions for Chinese subjects visiting the EU and the fact that the EU does not recognize China as a market economy by WTO standards in anti-dumping cases.

The Comprehensive Agreement on Investment (CAI), that was concluded on the last day of 2020, aims to remedy these issues.[192] On first glance, the CAI seems to have achieved the EU's negotiating objectives of market access, fair competition, and sustainable development, while investment protection negotiations shall be concluded within two years after the signature of the agreement.[193] However, the CAI has already been fiercely criticized on the grounds of the EU's own value-based trade relations, and is said to threaten the transatlantic relationship at a time when the EU is gearing up to launch its value-based cooperation agenda with the new Biden Administration.

6.2.4.3 Security Relations
Compared with the economic dimension, security cooperation plays a limited role in the bilateral relations between the EU and China. Over the past decade, there have been several exchanges between Chinese navy personnel and their counterparts on European ships, sailing under the EU flag, involved in the anti-piracy actions in the Gulf of Aden. This largely concerned port visits, sometimes also joint exercises. There are also limited military contacts with China at EU Member State level, for example in the form of visiting delegations. Several European companies export technology and components to China which contributes to the modernization of China's armed forces. This mostly concerns dual-use technologies which have both civil and military applications. Because an EU arms embargo against China

came into effect in 1989, no complete weapon systems are being supplied, but only, for example, unarmed helicopters and engines for fighter jets, submarines, and frigates. The export of defense-relevant technology to China falls outside the scope of an explicit security cooperation policy, and it is largely motivated by economic interests. The embargo primarily has a symbolic value: the EU does not recognize China as a full security partner. In addition to this symbolic value, the embargo also has practical consequences for the European arms industry.

Because of the human rights situation in China and tensions in US-Chinese security relations, it is not likely that the EU's arms embargo will be lifted in the foreseeable future. Although China has urged the EU to lift the embargo for many years, the human rights situation in China remains an obstacle for the EU. US pressure on Brussels and European capitals to keep the embargo in place also plays an important role. Apart from the arms embargo, there are other obstacles to greater security cooperation between the EU and China. China would like more cooperation in the areas of crime-fighting, cybersecurity, and counterterrorism, but this will remain limited since the EU and its Member States do not wish to take steps which help to suppress civil liberties in China. With respect to cybersecurity, an additional problem is that European governments regard China as part of the problem: according to several European intelligence services, the Chinese authorities are directly or indirectly responsible for many cases of internet espionage and other forms of cyberattack. However, security-related tensions between the EU and China largely concern their difficult cooperation, and not so much an image of the enemy on both sides. China does not see the EU and its Member States as a direct security threat, and this is also true the other way around.

There is also security cooperation at a multilateral level but to date this cooperation has also been limited in scope. The main obstacles are the EU is not a permanent member of the UN Security Council, China usually avoids becoming overly involved in

192 "EU-China Relations Fact Sheet" (European External Action Service, June 2020), https://eeas.europa.eu/sites/eeas/files/eu-china_factsheet_06_2020_0.pdf.

193 "EU-China Comprehensive Agreement on Investment," European Commission, February 13, 2020, https://trade.ec.europa.eu/doclib/press/index.cfm?id=2115.

security crises, and the views of the EU and its Member States on what constitute proper preconditions for military interventions differ from those of China. The latter is also relevant for relations in the Security Council between China and France/the United Kingdom. There is sometimes ad hoc cooperation. The EU, China and other states involved have coordinated their anti-piracy activities in the Gulf of Aden to a certain extent. There are also UN operations, such as the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) in which both China and some EU Member States take part.

6.2.4.4 Future Outlook

Economic cooperation is likely to remain the main focus of the relations between the EU and China in the years ahead. Because of China's growing economic influence in the world, EU-China interaction at the multilateral level is likely to become even more intensive. This concerns both economic and security cooperation. At the same time, tensions will also mount. Because China's economic influence in Europe and in multilateral organizations is on the increase, and because of the mounting tensions between China and the US, frictions between the EU and China (both as far as economy and security are concerned) are expected to increase. This is also shown by the increasing focus on the mounting tensions in the South China Sea. This is geopolitically relevant in that the China-EU relationship is increasingly characterized by the interrelationship between mutual dependency and mounting tensions. The relations with China are becoming increasingly important for the EU, but the opposite probably does not hold true to the same extent. Whether the EU will increasingly act in concert with the US towards China will largely depend on the further development of US-Chinese relations. Only if these relations do not seriously deteriorate, the EU will be able to seek coordination with Washington without incurring significant economic costs in its relationship with China.

6.2.5 China-US Relations

Key Takeaways

US-China tensions have been able to develop in recent years due to a prolonged trade stand-off, as well as competition that is spilling over from the political and military realms into others, such as the technology, finance, and education sectors.

After the US, China is currently in the process of developing the second-most capable and well-funded military, in addition to increasing and diversifying its nuclear arsenal.

The US has installed punitive measures against Chinese individuals and entities due to China's actions in Hong Kong, the obstruction of travel by US diplomats, journalists and tourists, human rights violations against ethnic minorities, and drug trafficking operations.

Trade tensions between the two great powers continue to exist. For the US, a constant cause for concern is China's incomplete transition to a true free market economy, leading to the distortion of trade and investment flows. Other US concerns include Chinese cyber espionage against US firms, and the widespread use of industrial policies to promote government-favored industries.

Significant remaining areas of US-Chinese cooperation include maintaining pressure on North Korea, supporting the peace process in Afghanistan, tackling public health challenges, and stemming the flow of China-produced fentanyl into the US.

Figure 27 - Conflict and cooperation in China-US relations

6.2.5.1 Political Relations

China's rise as a world power has had a drastic effect on the relationship of that country with the United States. While China and the US were still strategic partners in the confrontation with the Soviet Union in the eighties, they have since gradually started to regard each other as each other's greatest geopolitical rival. This process accelerated in 2009 as a result of the global financial crisis – due to which China more than ever became the motor of global economic growth – and the more active US strategy on Asia under President Obama. The geopolitical rivalry between these two great powers has become increasingly pronounced in East Asia. The South China Sea in particular has increasingly become the focus of geostrategic tensions between the US and China.

A large-scale armed conflict, or at least a new Cold War between these two major powers can now no longer be excluded. However, there is still scope for Beijing and Washington to shape their bilateral relations in such a way that the tensions will largely remain controllable. If the Chinese economy continues to grow at a significantly higher rate than that of the US, this scope will gradually diminish and the risk of unintended incident-related escalation will increase more and more. However, a coexistence of tensions and cooperation will probably continue to characterize Chinese-US relations in the next 5-10 years.

6.2.5.2 Economic Relations

Economically, China is the main trading partner of the US. Between January and May 2020, US exports to China amounted to $40.2 billion and Chinese imports to $143.6 billion (totaling $183,8 billion), resulting in a US trade deficit of $103.3 billion. In 2019, US exports comprised $106.4 billion and Chinese imports $451.7 billion (totaling $558,1 billion), leading to a US deficit of $345.2 billion. This US trade deficit with regard to trade with China remains consistent when looking at previous years (data goes back to 1985), although the volume of trade, and therefore also the deficit, does decrease.[194]

China is the US' largest goods trading partner, with 2018 top export categories being aircraft ($18 billion), machinery ($14 billion), electrical machinery ($13 billion), optical and medical instruments ($9.8 billion) and vehicles ($9.4 billion). China is furthermore the US' fourth largest agricultural export market, with top export categories including soybeans ($3.1 billion), cotton ($924 million) and hides and skins ($607 million). Primary US services exports to China include the travel, intellectual property, and

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[194] "Foreign Trade: US-Trade with China," US Census Bureau Foreign Trade Division, n.d., https://www.census.gov/foreign-trade/balance/c5700.html.

transport sectors. In 2018, China served as the US' largest supplier of goods imports, with leading categories including electrical machinery ($152 billion), machinery ($117 billion) and furniture and bedding ($35 billion). As the US' third largest supplier of agricultural products, top Chinese categories include processed fruit and vegetables ($1.2 billion), fruit and vegetable juices ($393 million) and snack foods ($222 million). US Foreign Direct Investment (FDI) in China amounted to $107.6 billion in 2017 (+10.6% from 2016), predominantly invested in manufacturing, wholesale trade and finance and insurance. Chinese FDI in the US amounted to $39.5 billion in 2017 (-2.3% from 2016), predominantly invested in manufacturing, real estate, and depository institutions.[195]

However, there are also areas where one of the countries sought collaboration, but nothing resulted from this attempt. Economically, the US is of the opinion that the Chinese authorities fail to comply with US requests to adjust policy regarding exchange rate manipulation, large-scale economic espionage via the internet, limited access to the Chinese market and the provision of state assistance to Chinese companies. At the same time, China is not satisfied with the restrictions on Chinese companies to invest in certain sectors in the US and with US reluctance to deport Chinese subjects who have fled their country because they are wanted for corruption.

6.2.5.3 Security Relations
The underlying reasons for these limits to collaboration are the previously mentioned geopolitical rivalry. The US and China are competing for international influence and propagating political and economic values which differ significantly in certain respects. As a result of this, and of China's growing influence, tensions between the two countries have increased over the past few years. By means of economic,

diplomatic and security cooperation with a large number of Asian countries, Washington is trying to prevent the regional balance of power from tipping significantly in China's favor. The actors with whom the US has entered into security alliances and partnerships – in particular Japan, but also Taiwan, South Korea, Singapore, Thailand, and the Philippines – play a key role in this great power play. By taking successive provocative steps against these countries, especially in respect of territorial disputes, China is implicitly putting the US security relations in the region under ever-increasing pressure. In the short term, China's neighboring countries will benefit from the US role of offshore balancer and their collaboration with Washington will become closer, but they are uncertain about its value in the longer term. If, for whatever reason, the US also withdraws militarily from East Asia or becomes involved in a conflict with China, the other countries in the region would find themselves in a very difficult position. Many Asian countries are making allowances for this by remaining reticent about military cooperation with Washington and preventing Beijing's exclusion from regional collaborative arrangements.

At this point, the geopolitical relevance of increasing tensions between the US and China largely concerns the diminishing stability in East Asia. However, the indirect geopolitical consequences of these tensions can already be perceived outside this region. China's highly ambitious Silk Road initiative, intended to significantly increase China's economic and diplomatic influence in Asia, Africa, and Europe, is partly in response to the US 'pivot to Asia'. In order to avoid a confrontation with the US in East Asia (amongst other things), China is currently focusing on expanding its influence in other regions. As a result, Beijing is increasingly involved in regional security issues far beyond its own region. Both countries have also failed to comply with several urgent security-related requests which had been made. For instance, the US has unsuccessfully urged China to exert more pressure on North Korea, Syria, and Russia (by providing less economic and/or diplomatic assistance). On the

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195 "The People's Republic of China | United States Trade Representative," Office of the United States Trade Representative, n.d., https://ustr.gov/countries-regions/china-mongolia-taiwan/peoples-republic-china.

other hand, China has not been able to induce the US administration to refrain from supplying Taiwan with arms or from indirectly supporting Japan, the Philippines and Vietnam in their territorial and maritime disputes with China.

Increasing pressure on the US-Chinese relationship will also fuel Beijing's propensity to make overtures to Moscow or, in any event, not to reject Russia's overtures outright. This will increase Russia's strategic scope for maneuver vis-à-vis the West and therefore affect interrelationships in Eastern Europe. Finally, China's growing economic influence in Europe – one of the objectives of the Belt and Road Initiative – is relevant to the transatlantic relationship. Some European governments might even consider letting their economic relationship with China take precedence over the strategic interests of the US, in so far as this can be done without seriously harming their enduring relationship with Washington. If relations between Washington and Beijing deteriorate further, it will become increasingly difficult for European actors to strike a balance.

6.2.5.4 Future Outlook

Going forward, there is scope for a close cooperation between both countries with respect to economic relations and an extensive bilateral dialogue. China and the United States already collaborate on climate (and increasingly so) and security (as far as certain UN peacekeeping operations in Africa are concerned). At the same time, there are clearly tensions in several areas: there exists a military image of the enemy on both sides, the US is enforcing a boycott on the sale of defense equipment to China, both countries accuse each other of large-scale harmful cyber activities and there are clearly conflicting interests with respect to the implementation of the international order (with regard to the balance of power and the role of certain values, but not the order's general institutional form).

6.2.6 China-Russia Relations

Key Takeaways

China and Russia are currently more aligned than at any point since the mid-1950's. These ties are likely to become even stronger in the coming years, as various interests and threats may converge.

China and Russia are increasing their bilateral cooperation in order to redefine global rules and standards to their advantage and create a counterweight to the US and other Western states.

Russia and China are likely to intensify efforts to gain influence in Europe at the expense of US interests, benefitting from the economic fragility of some countries and from transatlantic disagreements.

The Sino-Russian relationship has become a robust and pragmatic geostrategic partnership in light of the fact that certain US policies have driven the two closer together.

Diplomatically, China and Russia both frequently oppose US-endorsed measures in the UN Security Council, and generally share a desire for a multipolar world order in which the US has less influence and strength worldwide. Since 2005, neither Russia nor China have supported a resolution that the other opposed.

In recent years, China has increased its investment in Russia, and Russia has become one of China's top sources for energy imports.

Russian and Chinese technological and military collaboration has expanded and deepened. The two countries are also collaborating on techniques for improved censorship and surveillance.

Figure 28 - Conflict and cooperation in China-Russia relations

| Non Cooperation | Conflict over norms | Conflict over rules | | | Norms | Norms and rules | Full institutionalized Cooperation |

Cooperation

Non-Cooperation

6.2.6.1 Political Relations

China and Russia are currently more aligned than at any point since the mid-1950s. These ties are likely to become stronger in the coming years, as various interests and threats may converge. China and Russia are increasing bilateral cooperation, also through international bodies, in order to redefine global rules and standards to their advantage and create a counterweight to the US and other Western states. Russia and China are likely to intensify efforts to build influence in Europe at the expense of US interests, benefitting from the economic fragility of some countries and transatlantic disagreements.

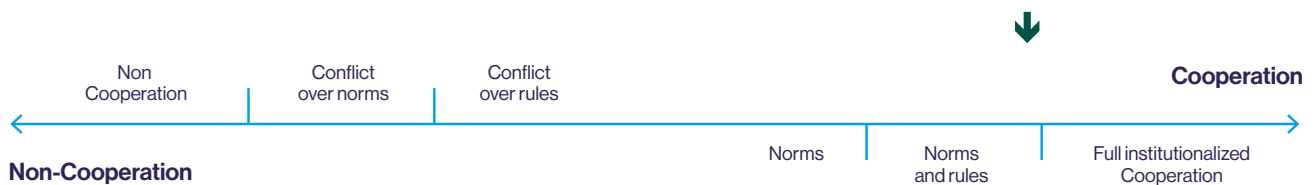Sino-Russian interactions span much of the globe, with several areas where both players have significant stakes and intersecting interests. China and Russia interact in East Asia, Central Asia, and the Arctic. The way these interactions play out vary by region and are of course subject to change over time. Over the past decades, the Sino-Russian relationship has been characterized as respectively "a robust partnership", "an axis of convenience"," a strategic alliance", "a pragmatic relationship", and even a "troubled marriage".

Whereas some scholars indeed point towards a growing divergence in interests and potential subsequent cracks in the partnership, others argue that for the foreseeable future, Chinese-Russian strategic interests on the geopolitical stage remain mostly complementary, and that there is therefore little

chance of "trouble in paradise". However, in order to be able to thoroughly analyze and explain its current, and possible future trajectory, it is useful to take a brief look at China-Russia relations over the past three decades.

After the Soviet Union's dissolution in December 1991, the Russian government's main goal was survival, and the implementation of Western-style reforms. In pursuit of these goals, in the early 1990s, the Kremlin initially sought close relations with the United States and the European Union. Moscow wanted the West to accept Russia as an equal partner of the "global North" and perceived positive relations with the United States and Europe as the best way to achieve that goal. As the 1990s went on, Moscow's strategic objectives shifted to creating a stronger economy and re-establishing Russia as a great power. The Kremlin was disappointed when the West did not welcome Russia into its economic and security structures and when NATO expanded significantly in 1999 and 2004.

6.2.6.2 Economic Relations

Trade between Russia and China in 2019 increased by 3.4%, to $110.79 billion. Chinese exports to Russia increased by 3.6%, amounting to $49.7 billion, whereas Chinese imports from Russia also increased by 3.2%, totaling $61.05 billion. Russian export to China has doubled over the past decade. By far, the most imported item by China from Russia is mineral fuels, oils, and distillation products (worth

$42.11 billion in 2018), followed by wood, articles of wood and wood charcoal ($4.69 billion) and fish, crustaceans, etc. ($2.11 billion).[196]

After the 2008 financial crisis, which affected China less than the West, China emerged as the world's second-largest economy, and Chinese diplomacy became more assertive. In view of its unsatisfactory relations with the West, as well as Asia's growing economic importance, the Kremlin realized that it had more to gain with a multipolar world, in which Russia could seek to play a role as a great power. To this end, Moscow started to pursue a multi-vectored foreign policy, in which Sino-Russian relations would feature more prominently. When, as a result of the Russian annexation of the Crimea, the US imposed far-reaching economic sanctions on Russia, relations with the West deteriorated further. These sanctions induced the Kremlin to strengthen Russia-China relations even more.

6.2.6.3 Security Relations

After the Sino-Soviet split of the Khrushchev era had more or less been repaired in the second half of the 1960s, and Mao died in 1976, relations between Beijing and Moscow normalized during the 1980s. The rapprochement between the Soviet Union and China concluded with an official reconciliation in 1989, when Gorbachev visited Beijing and the two countries declared a so-called "peaceful coexistence". However, Chinese-Russian relations had still not improved greatly at that point. Both sides wanted peaceful relations but not much more than that. As the Cold War drew to an end, Russia emerged as looking more to the West, which Yeltsin saw as its "natural" ally.

These developments, and the end of the Cold War, changed China's basic perception of world politics and national security. In the Cold War era, it had been

in Beijing's interest to maintain a strategic triangular relationship with the Soviet Union and the United States. When the Soviet Empire collapsed, the old parameters for China's security strategy disappeared, and Beijing needed to reorient its security strategy on a new strategic axis. At the same time, Beijing's economic ambitions started to take shape, as did its efforts to speed up reforms towards a market economy. From these developments emerged an understanding of security politics as intrinsically connected to political, economic, and societal factors in international relations. As such, Beijing started to increasingly integrate its traditional military defense strategy with its economic, and public diplomacy agenda.

During the last decade, the Sino-Russian relationship can be best described as a quasi-alliance, a great power entente, falling short of a formal alliance but having grown much closer than the strategic partnership the two countries established in the 1990s. On the international stage, Russia and China have been engaged in a precarious balancing act of cooperation and competition against the backdrop of a rapidly changing international world order. However, despite their competition in some areas, their shared interests and threat perceptions have created a relatively strong mutual understanding between Moscow and Beijing. In the current geopolitical landscape, both powers have little to gain from conflict. The current Sino-Russian partnership, based on a combination of reassurance and flexibility, is therefore a product of both systemic evaluations, such as both states' resistance to US hegemony, and pragmatic considerations.

As an example of such pragmatic calculations, the sanctions following Russia's annexation of Crimea in 2014 have accelerated Russia's turn to China, as Russia has sought to reduce its economic dependence on the West. This acceleration has manifested itself in growing bilateral trade and an expanding energy relationship. At the same time, military and high-tech cooperation between the two countries has grown extensively, as evidenced by the joint military exercises and air patrols, as well as collabo-

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[196] "Russia-China Bilateral Trade Hit US$110 Billion in 2019 - What Is China Buying?," Russia Briefing, January 14, 2020, https://www.russia-briefing.com/news/russia-china-bilateral-trade-hit-us-110-billion-2019-china-buying.html/.

rations in the Arctic and in the realms of artificial intelligence and biotechnology.

Since 2018, when President Donald Trump began imposing tariffs and trade barriers, the trade war between the US and China has pushed China and Russia even closer together. In terms of "worldview", Russia and China could already be characterized as "revisionist" because of their commitment to establish a "post-West" global order. They have shared a desire to contest American leadership, which inhibits both countries' aspirations for increased global power. Additionally, Putin and Xi's autocratic regimes share an interest in limiting any international criticism of their repressive politics. Both leaders therefore support each other's narrative and message of sovereignty and non-interference.

However, as a result of the sanctions on the Russian economy and the trade war with China, the current de-facto alliance is as much dictated by strategic pragmatism and economic necessity as by a shared vision for a global order. Due to its increasing demand for natural resources, China is to a large extent dependent on Russian supply, which means that an increasingly close Chinese-Russian trade relationship is all but inevitable. Sino-Russian cooperation allows both countries to simultaneously augment their capabilities and offset vulnerabilities in their relations with the US.

6.2.6.4 Future Outlook

While the mutual benefits of the Sino-Russian strategic partnership so far seem to outweigh the drawbacks, this relationship is not without its strains. There is a significant asymmetry in various aspects of the relationship, some key elements of the respective strategic agendas are inherently oppositional and mutual mistrust remains. A major and ever-growing source of frustration on the Russian side is what it considers to be its inferior junior status. It is indeed certainly a fact that China holds the upper hand in the economic relationship and this power asymmetry continues to grow at the expense of Russia, despite the latter's dominance in the nuclear arena. Being Russia's number one trading

partner as well as the second-largest purchaser of Russian military hardware, China is economically more important to Russia than the other way around. Because of this undeniable economic asymmetry, Russia so far appears to have grudgingly accepted its relegation to being China's (economic) junior partner.[197]

6.2.7 EU-US Relations

Key Takeaways

The EU recognizes the transatlantic relationship as the single-most important relationship to address key global challenges.

The US feels bound to Europe through shared commitments to democracy, individual liberty and the rule of law, and also considers Europe to be the US' most important trading partner.

At the same time, the US is worried about Russia's and China's growing strategic footholds in Europe.

On the other side of the Atlantic, the EU is concerned with America's commitment to not only the Union, but also to the wider transatlantic partnership and the maintenance of an open international trading system and the role of multilateral institutions.

The EU and US have the world's largest bilateral trade relationship and benefit from the most integrated economic relationship in the world.

The EU and US have a strong record of cooperation: from the promotion of peace and stability in the Balkans, Afghanistan, Africa, and the Middle East, to law enforcement and counterterrorism, cybersecurity, climate change, and non-proliferation.

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197 Goos Hofstee and Noor Broeders, "Sino-Russian Relations in Central Asia" (The Hague: Clingendael Institute, November 30, 2020), https://www.clingendael.org/publication/sino-russian-relations-central-asia.

Figure 29 - Conflict and cooperation in EU-US relations
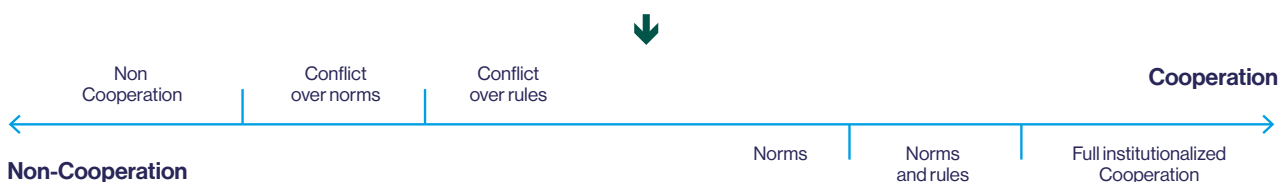
6.2.7.1 Political Relations

The relationship between the EU and the US is characterized by a high level of cooperation, which of course goes back a long way. These great powers work together in a very large number of areas, such as trade and the economy, security, justice and home affairs, energy, climate, science, non-proliferation etc. However, the level and intensity of cooperation varies from time to time and is influenced by several factors. What the transatlantic relationship will look like in the future will therefore depend on the attitude and response of these two powers to a number of global issues.

6.2.7.2 Economic Relations

Firstly, it is crucial how the economic relationship between the EU and the US will develop further. At present, total US goods and services trade with the EU amounted to nearly $1.3 trillion in 2018; exports totaled $575 billion and imports $684 billion, leading to a US trade deficit with the EU of $109 billion. Total goods trade with the EU amounted to $807 billion (with a US goods trade deficit), whereas services comprised $452 billion (with a US services trade surplus). The EU ranked as the largest export market for the US, with top export markets being the UK, Germany, the Netherlands, France, and Belgium. Top US export categories included: aircraft, machinery, mineral fuel, optical and medical instruments, and pharmaceuticals. The EU ranked as the third largest agricultural export market for the US, with top export categories including soybeans, tree nuts, wine and beer and processed food. In 2018, the EU was the second largest supplier of imports to the US, with top

import suppliers including Germany, the UK, Italy, France, and the Netherlands. Top import categories included: machinery, pharmaceuticals, vehicles, optical and medical instruments, and electrical machinery. After Mexico, the EU ranked as the second largest supplier of agricultural imports to the US, with leading categories including wine and beer, essential oils, snack foods, vegetable oils and processed fruits and vegetables.[198]

In 2019, the US was the EU's largest partner for EU exports (comprising 18% of total extra-EU exports). The US was also the second largest partner for EU imports (12% of total extra-EU imports), following China (19%). Between 2009 and 2019, the EU has maintained a trade surplus with the US, one that has also increased over the last decade. In 2019, €384 billion EU exports to the US and €232 billion EU imports from the US, led to an EU surplus of €153 billion. For both EU imports and exports with the US, machinery and vehicles; chemicals; and other manufactured goods dominate, accounting for 88% of EU exports and 80% of EU imports. The three largest EU member state importers from the US include Germany, the Netherlands and France, whereas the three largest EU exporters are Germany, Ireland, and Italy.[199]

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[198] "European Union | United States Trade Representative," Office of the United States Trade Representative, n.d., https://ustr.gov/countries-regions/europe-middle-east/europe/european-union.

[199] "EU-US Trade in Goods: €153 Billion Surplus in 2019," Eurostat, March 11, 2020, https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200311-1.

6.2.7.3 Security Relations

Although the EU is trying to develop into a capable security actor, NATO is still America's main partner for military cooperation with European countries. There have been tensions within NATO for some time now, whereby the US has increasingly urged Europe to make a greater contribution to NATO's budget and its capacities. Moreover, the US expects Europe to carry more and more responsibility for security in the region. Most of the European partners have by no means met the NATO Guidelines to spend a minimum of 2% of their GDP on defense. Such differences have a negative effect on the possibilities for cooperation between Europe and the US. Domestic issues in the US only seem to add to this pressure. Moreover, the pivot to Asia of US foreign and security policy is a clear signal towards Europe. It is clear that the US will pay less attention to European security, if only because there are other regions, the Indo-Pacific in particular, which demand its attention.

Relations between the EU and the US have deteriorated since President Trump took office in 2017. Under president Biden US foreign policy will change again going forward. Important questions here, however, are the extent to which the new president will focus on foreign policy (or on domestic problems) and what his objectives and priorities will be. Moreover, they will also depend on his preferred instruments and channels: does he prefer cooperation at a multilateral, as currently seems to be the case, or at regional or bilateral level? And where does he stand on military intervention? The answers to questions such as these will obviously have consequences for the future transatlantic relationship.
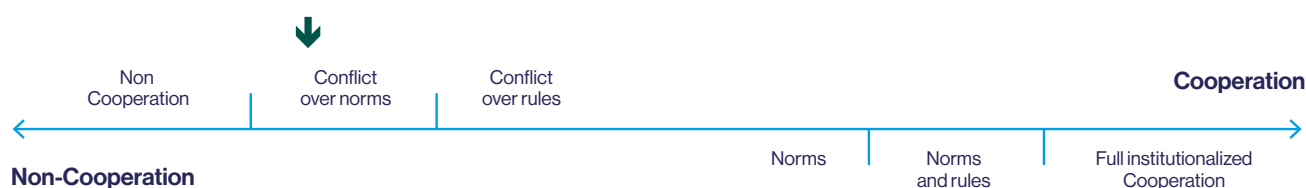
With regard to expectations about the future relationship between the US and the EU, the development and position of other great powers are particularly important. The emergence of China is an especially big challenge for both the EU and the US. China's rise will continue to affect its relationship with the US, but also its relationship with the EU. Another decisive factor is the relationship with Russia. The relationship of both the EU and the US with Russia has deteriorated over the past decade. In particular the MH17 disaster, the annexation of the Crimea, the "little green men" in Ukraine and Russia's support for Ukraine separatists have increased tensions between the West and Russia. Russia's trump card, however, is its ability to divide the two transatlantic partners and to undermine Western cohesion. This has the ability to continue to strain the relationship between the EU and the US in the future.

6.2.7.4 Future Outlook

It is to be expected that the future relationship between the US and the EU will continue to be characterized more by cooperation than by conflict. The countries will continue to cooperate in many different areas and will remain important partners as far as security policy and trade are concerned. However, the relevance of this relationship for the level of cooperation at a global level will decrease for two reasons. Firstly, as a result of the emergence and position of other great powers, particularly China. Asia will probably replace Europe as the strategically most important region in the 21st century. Secondly, the declining influence in the world of the EU and its member states plays a role, as a result of which the US-EU relationship could further lose importance in the future.

Figure 30 - Conflict and cooperation in EU-Russia relations

| Non Cooperation | Conflict over norms | Conflict over rules | | Norms | Norms and rules | Full institutionalized Cooperation | **Cooperation** |

Non-Cooperation

6.2.8 EU-Russia Relations

Key Takeaways

The EU-Russia relationship has witnessed a significant decline in the years following Russia's annexation of Crimea in 2014. Tensions that have been compounded by Russia's military support for the Assad regime in Syria and alleged Russian interference in EU politics. tackle these activities have significantly facilitated Russian behavior.

The EU has a double-track approach: on the one hand, it continues to cooperate with Russia on foreign policy issues of interest to both, yet on the other, EU sanctions against Russia remain in place and continue to strain the relationship.

Despite diplomatic, individual, and economic sanctions, the EU continues to be Russia's largest trade partner, with Russia being the EU's fourth largest trade partner.

Areas of ongoing bilateral cooperation include energy, the environment and climate change, human rights issues, justice, freedom and security, and science and technology.

There are several factors that influence the EU-Russia relationship: US presidential elections, US-China relations, developments in the Middle East, and the state of the global economy.

6.2.8.1 Political Relations

Like the relations between the US and Russia, the relations between the EU and Russia have seriously deteriorated since Russia's annexation of the Crimea and Moscow's support for the separatists in Eastern Ukraine. More than six years after these events, relations between the EU and Russia are characterized by tensions and uncertainty. The deterioration of the past decade follows a period when the mutual relations were already subject to fluctuations. Until about 2000, most people assumed that Russia would be able to develop into a Western-style democratic state with the rule of law and a market economy. However, since Vladimir Putin took office as president in 2000, it has gradually become clear that Russia will pursue an increasingly independent course, in terms of both internal and foreign policy. This change in course has largely taken shape since the color revolutions in former Soviet states and is expressed in Russia in a more autocratic style of government and a more acute nationalism, resulting in a revisionist foreign policy. This reorientation has gone hand in hand with increasing tensions and sharper differences of opinion between Russia and the West, in particular Russian rejection of the Euro-Atlantic security architecture and the West's perceived eastward expansion through NATO. Russia regards this expansion as an attempt by the West to increase its sphere of influence and isolate Russia. In the same period Russia began to reorganize and modernize its armed forces, with the intention of making greater combined use of military and political means.

6.2.8.2 Economic Relations

The EU is Russia's main trading partner. However, Russia's annexation of Crimea has led to the suspension of several trade-related policy dialogues and mechanisms of cooperation. In 2019, two-way trade in goods was valued at €232 billion. Also in 2019, Russia was the origin of 40% of EU gas imports and 27% of oil imports. This led to an EU trade deficit with Russia of €57 billion in 2019. EU-Russia trade in goods peaked in 2012 and dropped by 43% between 2012 and 2016 (from €322 billion to €183 billion). In 2019, overall EU exports to Russia were still 25% lower than in 2012, and agri-foods exports were 38% lower. In 2019, Russia was the destination of 4.1% of EU global exports, a decrease from 6.7% in 2012. The EU also accounted for 35% of imports into Russia, a decrease from 39% in 2012. EU was the destination of 42% of exports of goods from Russia in 2019, a decrease from 50% in 2012. Main EU exports to Russia are machinery, transport equipment, medicines, chemicals, and other manufactured goods, whereas main EU imports from Russia are raw materials (oil and gas) and metals (iron/steel, aluminum, nickel). In 2019, the EU exported €26.2 billion worth of services to Russia, whilst imports in services from Russia to the EU only amounted to €12 billion. Finally, the EU is the largest investor in Russia, with an estimated stock of €276.8 billion in 2018 (75% of total FDI stock in Russia). Russian FDI stock in the EU amounts to only 1%, or €89.3 billion.[200]

Despite this (economic) interdependence, Moscow has made it clear that it will not put up with EU requirements in the areas of democracy, rule of law and human rights. Therefore, a value gap is becoming increasingly pronounced, with the EU's post-modern structure on one side and, on the other, a more conservative Russia which is more inwardly focused and cherishes its sovereignty. Moreover, Russia does not shirk at playing a game of divide and rule with the EU by targeting bilateral relations with individual EU Member States, a game to which some EU Member States are rather susceptible. This illustrates that the relationship between Russia and Europe is a complex one. On the one hand, Russia is a natural trading partner, particularly with respect to energy. On the other hand, Russia forms a natural threat, making active use of the vulnerabilities of the EU's eastern neighbors.

6.2.8.3 Security Relations

Is the crisis in these relations a variation on the past, or have European-Russian relations fundamentally changed? With all the uncertainty, there is a great deal which points towards a drastic change in the mutual relations. The fact that Russia no longer accepts the rules of conduct established during and after the Cold War lies at the heart of this. This concerns respect for the sovereignty and territorial integrity of countries and for the right of countries to outline their own foreign policy. With the annexation of Crimea, the ongoing support for the separatists in Eastern Ukraine and the hybrid threat against other surrounding countries, Moscow has made it clear that it regards its near abroad as its sphere of influence, where no European or Western interference or orientation towards the EU/the West is tolerated. This not only applies to NATO expansion, but also to rapprochement to the EU. A major NATO-Russia war is not likely during the next ten years, but Eastern European member states are right to be concerned about the high chance of success of a limited probe by Russia.[201]

Apart from the frustration about the fall of the Soviet Union, NATO's eastward expansion and Russia's desire to be recognized as a global power, this position is also based on domestic political considerations. The establishment of stable, prosperous, Western-oriented democracies on Russia's borders

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[200] "Russia - Trade - European Commission," European Commission, n.d., https://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/.

[201] Ben Hodges et al., 'NATO Needs a Coherent Approach to Defending Its Eastern Flank', War on the Rocks, 12 June 2020, http://warontherocks.com/2020/06/nato-needs-a-coherent-approach-to-defending-its-eastern-flank/.

could constitute an immediate threat to the authoritarian regime in Moscow. From a Russian point of view, to prevent this from happening lies at the heart of the geopolitical rivalry in which the West/the EU and Russia have now become involved.

For the relations between the EU and Russia, this means first of all that there are fundamentally different views on Europe, with the EU's post-modern model on one side and, on the other, Moscow's zero-sum mentality. For the first time in its existence, the European Union is involved in a geopolitical conflict where European security and stability are at stake. Because the EU is relatively weak as a security actor, this means that, as a collective alliance, NATO will play a more prominent role in the defense of the EU and its member states, in particular the Baltic States. At the same time, because of the hybrid nature of the threat, cooperation between the EU and NATO is now more necessary than ever before.

Is this the dawn of a new Cold War? Not if this is understood to mean a global conflict between two parties which dominate the global system. However, one can definitely speak of a clash of values at a regional level and of competition between two separate forms of regional integration: one under the leadership of the EU, the other under the direction of Moscow. At the same time, in contrast with the Cold War period, one can no longer speak of clearly delineated European blocs which provide predictability and stability. On the contrary, Eastern Europe and the Western Balkans give Russia room for its hybrid forms of influence.

6.2.8.4 Future Outlook

The lack of a clear structure means that the security situation in Europe has become more unpredictable. This unpredictability is increased by Russia's hybrid operations and by the modernization of Russia's armed forces over the past decade. It has been given an extra dimension in the light of the unpredictability of the current Russian regime. Furthermore, it is clear that the EU's relations with Russia are inextricably linked with events in the former Soviet States in the

east and vice versa. Russia will probably continue to try to prevent or frustrate rapprochement between the EU and the countries of the Eastern Partnership, thereby putting a heavy burden on the EU's policy to stabilize these countries through their association with the EU. Practical cooperation with Russia will sometimes be possible. However, it will be conditioned ad hoc and, to a large extent, by power-political considerations. Moreover, depending on the internal political and economic developments in Russia, a further deterioration of relations cannot be ruled out.

6.2.9 Russia-US Relations

Key Takeaways

Russia's annexation of Crimea, election interference and involvement in Syria has significantly degraded the US-Russian bilateral relationship.

Both Russia and the US perceive the other as being in a state of long-term decline, which has disincentivized the making of concessions. It is therefore expected that US-Russia relations will remain competitive, as well as, at times, confrontational in nature.

The US foreign policy community sees Russia as a hostile state, Russia's global activism and its partnership with China having caused resentment and concerns among US policymakers.

The Russian foreign policy community on the other hand views the US as a unilateral, hostile, and aggressive actor, threatening Russia's domestic stability, as well as Russia's claim to a prominent global position.

In response to Russia's aggression, the US has installed several sanctions programs against Russia. Russia has in turn responded to these US sanctions with its own retaliatory measures.

Although it is expected that Russia will not be opposed to cooperating with the US in areas where US-Russian interests intersect, Russia's political elite views using the US as scapegoat for internal problems as a good strategy.

Figure 31 - Conflict and cooperation in Russia-US relations
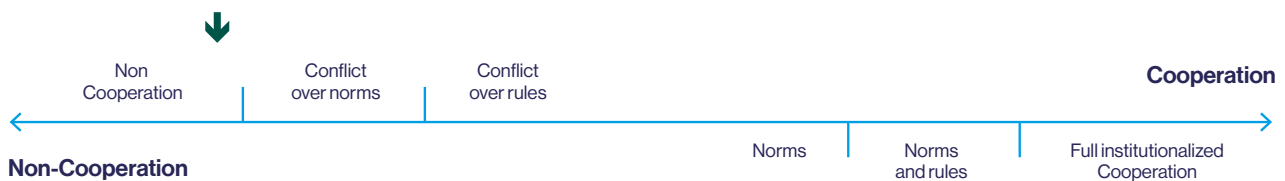
6.2.9.1 Political Relations

Relations between Russia and the United States have deteriorated at a rapid pace over the past years. Following the annexation of the Crimea, Russia's military involvement in the conflicts in Eastern Ukraine, Syria, and Libya, and above all Russian interference in US domestic politics, the relationship between the US and Russia has reached a low point. Russia's actions have seriously violated the global security order which had taken shape after the Cold War. In the previous two decades there was still optimism about the possibilities for cooperation between both countries. For instance, Russia and the US concluded the New Strategic Arms Reduction Treaty (START) in 2010.

However, US-Russia relations lost momentum after 2011 and the tensions between the countries have increased ever since. Tensions intensified when President Vladimir Putin took office again as president for a third term. Putin's domestic political policy is strongly geared towards staying in power, whereby his power is based on a social contract in which he promises the Russian people political stability and prosperity in exchange for restrictions on political freedoms.   This contract has been subject to ever-greater pressure. To increase his political legitimacy, Putin is pursuing a strong anti-Western line. He is strongly opposed to the hegemonial role of the US and claims that the US violates the sovereignty of other states, and mostly encourages regime change around the world in the form of so-called democratic revolutions (color revolutions in the post-Soviet

sphere and, for example, the Arab Spring) and therefore poses a continuous risk for international stability.

Putin's foreign policy can be characterized as revisionist and aimed at restoring Russia's global status as a great power. Russia therefore regards every expansion of democracy or Western institutions (such as NATO or the EU) at its borders as an enormous threat to its national security. Russia perceives this expansion as a Western attempt to expand its influence in the region. Russia has therefore classed both the NATO/US and so-called "color revolutions" as national security threats in its national security strategy. Conversely, analysts have warned for a small but growing risk of military conflict with another major power, such as Russia.

6.2.9.2 Economic Relations

Economically speaking, there is little interdependence. In 2018, Russia was the US' 36th largest goods export market ($6.7 billion), whereas Russia was the US' 22nd largest supplier of goods ($20.9 billion). Top US export categories to Russia include aircraft ($1.9 billion), machinery ($1.3 billion), vehicles ($867 million), optical and medical instruments ($534 million) and electrical machinery ($384 million), whereas top import categories include mineral fuels ($10 billion), iron and steel (2.8 billion), precious metal and stone ($1.6 billion), aluminum ($964 million) and fertilizers ($923 million). The US goods trade deficit with Russia in 2018 amounted to $14.2 billion, which was a 41.4% increase from 2017 ($4.2 billion). The US does have a services trade surplus of $2.8 billion, which

was only a 2.8% decrease from 2017. US FDI in Russia was $14.8 billion in 2018 (6.6% increase), which was predominantly invested in manufacturing, wholesale trade and nonbank holding companies. Russia's FDI in the US was $4.6 billion in 2018 (2.6% increase), yet there is no information on the distribution of this stock.[202]

Although Russia is more dependent on the US than vice versa in terms of exports and investments, this has very little effect on their relationship. Crucially, unlike the EU, the US does not depend much on Russian oil or gas. Between January and May 2020, trade between the US and Russia amounted to a total of $9.4 billion, of which $1.89 billion consisted of exports (US to Russia) and $7.51 billion imports. This amounts to an overall US trade deficit of $5.62 billion. In 2019, exports of $5.78 billion and imports of $22.26 billion (total trade volume $22.04 billion), led to a deficit of $16.48 billion. This trend of less US exports to Russia than Russian imports to the US dates back to 1994. It is furthermore evident that trade between the two states has consistently increased over the years, as in 1992 US exports amounted to $2.11 billion and Russian imports to only $481 million.[203]

6.2.9.3 Security Relations

Cooperation in other areas has turned out to be possible, albeit to a limited extent. For instance, both countries maintain a dialogue on the prevention of the proliferation of weapons of mass destruction. Furthermore, the countries also have a common counter-terrorism agenda. There is also long-term cooperation in the areas of research and education, for example regarding space travel. However, these forms of cooperation have not been able to remove

the strong sense of mutual distrust. Moreover, there are suspicions about Russia's motives to help broker diplomatic deals. Critics suspect that Russia's willingness to cooperate is largely motivated by the desire to increase its influence in the world and to reduce that of the West.

What does the above imply for the world order? It is obvious that the tense relationship can be harmful to both countries and to the international system as a whole. Both countries disagree on the form of the future world order and its underlying rules. Under President Putin, Russia is striving for a multipolar world order and, together with countries such as China, hopes to rewrite the current rules determined by the West. Overall, one may say that the relationship between the US and Russia is becoming increasingly more complex. On the one hand, the relations are seriously deteriorating, whereby both countries explicitly portray each other as a threat. On the other hand, limited cooperation is possible in some areas, although it is often weak. Both countries seem to realize that they need each other in order to be able to deal with regional crises, such as the one in Syria. Cooperation seems to be largely motivated by pragmatism here, with fundamental distrust on both sides.

6.2.9.4 Future Outlook

It is difficult to say how the relationship between Russia and the US will develop in the coming decade. There does not seem to be much of a chance that the relationship will stabilize somewhat in the short term, as it did at the time of the so-called reset a decade ago. The current situation is more likely to continue in the next decade, whereby the relationship will probably largely be determined by Russia's actions in its near abroad. It will probably come down to conflict wherever possible, cooperation whenever necessary. Finally, other, more temporary factors also play a role, such as the outcome of future US presidential elections, which only serve to increase the continued uncertainty about the US-Russia relationship.

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[202] "Russia | United States Trade Representative," Office of the United States Trade Representative, n.d., https://ustr.gov/countries-regions/europe-middle-east/russia-and-eurasia/russia.

[203] "Foreign Trade - US Trade with Russia," US Census Bureau Foreign Trade Division, n.d., https://www.census.gov/foreign-trade/balance/c4621.html.

6.2.10 Conclusion

The world order is fragmenting without a clear organizing principle to follow. Our analysis finds that the highest likelihood outcome for world order in the coming decade will not be a continuing US unipolar moment or a bipolar Cold War-style competition, but a multi-order in which the relative strength of both the United States and China will be balanced by the influence and independent foreign and security policies of Germany, France, the United Kingdom, and others in the EU. Russia will likely continue to contest American power and influence with spoiler or other nefarious behavior, particularly in the gray zone. Despite its relative loss of economic power during this timeframe, Russia will probably remain the most problematic global actor for the United States and its allies, with only limited room for cooperation.

Our analysis identifies potential future volatility in the China-Russia relationship, suggesting in many ways that the ties between these two states may have reached a high-water mark that will be difficult to sustain in the next decade. Russian foreign and security policy is strongly tied to its views of its relative strength vis-à-vis both China and the United States, against which it dynamically rebalances to its own perceived advantage. Regarding the EU-US relationship, this study has identified areas of cooperation and areas where the transatlantic partners dissent or increasingly have diverging interests. However, considering the structural trends in the global balance of power, there is a growing need for the EU to develop a new perspective on transatlantic relations and other foreign and security policy positions based on its own interests, capabilities, and activities.

Within the transforming geopolitical landscape, clearly the most important variable at play is the relative influence and leadership of the United States and China, and the bilateral relationship between these two states. Under no circumstances has the US-China relationship been found to be fully cooperative, though cooperation is possible on select, shared global interests. Notably, the United States could find advantage in shaping the behavior of China through its allies and partners, but only when it is willing to engage multilaterally and when other nations make the cost-benefit calculus that supporting a world order under continued U.S. leadership is preferable to a China-led or a non-aligned order.

Previous editions of the Strategic Monitor have already noted that the bilateral relationship between the US and China in particular is decisive for the future world order. With these geopolitical forces gaining influence in the international system, the EU appears – as a result of a lack of unity and effective military force – to be a relatively weak party in the great power games that are played out on the world stage. It is therefore a legitimate question to ask whether the EU will be able to act as a global power over the next ten years, or whether, due to a lack of unity, the European countries will be at risk of becoming the plaything in the power games of the other great powers, with all the concomitant negative consequences for the position and interests of its individual Member States, including the Netherlands.

6.3 International Cooperation and Climate (In)Security
6.3.3 Introduction

Recent years have seen both the gradual changes brought on by climate change and the proliferation of extreme weather events it is associated with manifest in earnest (Annex). 2020 emerged (unsurprisingly) as one of – if not *the* – warmest year on record in recent memory, continuing sea level rise prompted many coastal systems to formulate plans detailing billions in (mitigatory) infrastructure investment, and scientists continued to warn of the negative impacts of ocean acidification, among others. Intense wildfires raged across California and much of Europe, resulting in the loss of homes and businesses. Hurricanes lashed the US and many of the Caribbean islands with historically unparalleled frequency and intensity, incurring hundreds of millions in damages.

The Netherlands – and, indeed, the international community at large – has ample reason to be concerned about the phenomenon. In addition to having an immediate negative impact that sea level rise is likely to have on individuals and communities in the long run, climate change can also be associated with the proliferation of a wide range of traditional security threats – a notion which is commonly encapsulated within the concept of climate security. The Syrian Civil War and the European Migrant Crisis, both of which have contributed to the emergence of diffuse forms of political unrest and insecurity within Europe and the Netherlands, were both likely precipitated – at least in part – by droughts brought on or worsened by climate change, meaning that they are both case studies that can be studies through the lens of climate security.

Because pathways through which climate change contributes to the manifestation of security threats such as the Syrian Civil War are long-winded and diffuse, addressing them in a meaningful way is contingent on robust international cooperation. In this chapter, the report builds upon methods and research designs developed within the context of previous Strategic Monitor publications to assert whether the international community has increased or decreased the degree to which it cooperates on addressing climate security over the course of the past decade. It finds that, while states have generally tried to comply with the norms and rules that have been formulated to prevent, mitigate, foster recognition of, adapt, and increase resilience to climate change and its security impacts, a great deal of the progress the international community has made over the course of the past decade can be attributed to substate actors. This means that, while virtually all indicators point towards an upwards trend, state actors have a long way to go as far as coordinating their efforts to mitigate the security threats posed by climate change is concerned.

6.3.4 Climate Security

Climate security refers to the notion that, as climate change's first and second order effects interact with preexisting social, political, and economic factors, it creates insecurities at the human (individual), national (state), and international (system) levels.[204] Climate change's first-order effects can generally be understood as taking the form of either gradual processes, such as sea level rise, or of extreme weather events, such as tropical storms. Box 1 provides an overview of climate change's various first-order effects. Each of these first-order effects may trigger second order effects (not described below) which may eventually contribute to the emergence of climate (in)securities.

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[204] See Matt McDonald, "Discourses of Climate Security," *Political Geography* 33 (March 1, 2013): 42–51, https://doi.org/10/gc7n39.

Box 1 - Clarification: gradual climate-related processes and extreme weather events

This piece will refer to gradual climate-related processes and extreme weather events frequency. These terms should be read as referring to umbrella categories which, unless specifically stated, may refer to the occurrence of any of the following event types. Gradual climate-related processes are processes which, over the longer term, may result in any of the following climatological stresses[205]:

• Sea level rise
• Ocean acidification
• Permafrost melt
• Glacial melt
• Air quality degradation
• Sustained changes in cloud cover patterns
• Sustained changes in precipitation patterns
• Sustained changes in temperature

Extreme weather events are violent natural phenomena capable of wreaking significant damage. Many of the events included in this category can be understood as occurring more frequently, or occurring with greater intensity, as a result of the unfolding of gradual climate-related processes:

• Droughts, heatwaves, and (where applicable) wildfires resulting therefrom
• Fluvial floods (river flooding)
• Pluvial floods
• Coastal floods (storm surges)
• Tropical storms
• Winter storms

The insecurities brought on by climate change can manifest at the individual, state, and system levels. At the individual level, climate change's causes insecurity both directly and indirectly. Examples of direct individual-level effects include water scarcity, food scarcity, increased susceptibility to diseases, crop failure, and livelihood destruction. A well-documented example of climate change infringing on individual-level security can be observed in 2017's hurricane Irma. The Storm caused $77.2bn in damages and resulted in 52 direct deaths across 14 countries. Because it damaged infrastructure, the hurricane also had several long-term individual-level effects. In Puerto Rico, Irma – outside of leaving thousands homeless – also resulted in widespread power outages and in water shortages. Climate change's direct effects on individual-level security almost invariably contribute to the emergence of indirect negative externalities. Individuals experiencing direct insecurities (i.e.: water and food shortages) are likely to look to national authorities to alleviate their suffering and may experience feelings of disenfranchisement when efforts fall short. Instances of this dynamic can be observed in several states; Syria and the United States included. In Syria, national authorities' inability to provide public services to individuals migrating into cities to escape drought is thought to have contributed to the initiation of the anti-regime protests that preceded that country's civil war.[206] In the United States, the impact of extreme climate events has combined with the partisan nature of discussions surrounding climate change as a phenomenon to produce polarization, erode the legitimacy of local administrators, and reduce trust in government.[207]

[205] National Intelligence Council, "Global Trends: Paradox of Progress."

[206] Colin P. Kelley et al., "Climate Change in the Fertile Crescent and Implications of the Recent Syrian Drought," *Proceedings of the National Academy of Sciences* 112, no. 11 (March 17, 2015): 3241–46, https://doi.org/10/2jw.

[207] Vann R. Newkirk II, "Climate Change Is Already Damaging American Democracy," The Atlantic, October 24, 2018, https://www.theatlantic.com/politics/archive/2018/10/climate-change-damaging-american-democracy/573769/.

It is also useful to distinguish between direct and indirect effects at the state level. Direct effects are predominantly physical, and include damage done to critical infrastructure, reductions in the integrity of military installations, and military operators needing to fulfil new mandates, among others. Generally speaking, these effects can be summarized *either* as deriving directly from climate change-related events, *or* as taking the form of operational changes which states and/or institutions must enact as part of their response to climate change as a phenomenon. Indirect effects can, by and large, be understood as phenomena which manifest when climate shocks disturb systems at the individual and state levels. Climate change's indirect threat to state stability derives not from the phenomenon itself, but rather from how the change it incurs is – whether as a result of lack of ability and resources or otherwise – (mis) managed by governments.[208] The nature of these changes ranges from economic downturn to migrant flows,[209] crop failures, wildfires, water shortages, and infrastructure damage. As is outlined in the Syrian case study introduced in the individual-level impact writeup above, a government's failure (or unwillingness) to manage climate change can – in extreme cases – spiral into state failure and civil conflict.

The physical impacts of gradual effects associated with climate change, combined with its individual and state-level security implications, result in the manifestation of system-level insecurities. Taken together, they introduce new areas of interstate competition, increase the risk of armed interstate conflict, and undermine international institutions' legitimacy and ability to facilitate interstate cooperation. In the case of interstate competition, this arises from several factors. First and foremost, transitioning to green

sources of energy requires access to resources – whether in the form of REEs or access to bodies of water. As political pressure continues to grow within countries, their imperative to procure and/or secure these resources is likely to increase. There are already signs that this is resulting in new forms of interstate competition. Chinese authorities have invested heavily in the construction of hydroelectric dams along several major rivers, the Mekong included. Climate change's contribution to increasing the risk of interstate conflict derives from three dynamics. First, it places pressure on stocks of critical resources (water, food, energy). Second, by placing pressure on state institutions and fermenting political unrest, climate change can precipitate intrastate conflicts which provide regional and international actors with an opportunity to secure their geostrategic goals through military intervention. Third, the energy transition is creating winners and losers. As the price of oil plummets, rent seeking autocrats such as Russia and Saudi Arabia are liable to engage in diversionary conflicts to mitigate internal dissent – intensifying existing or initiating new conflicts in the process.

6.3.5 International Order
This research asserts trends in international cooperation by distinguishing between trends in cooperation as they relate to the **prevention & mitigation** of climate insecurity, **recognition** of climate (in)security as a phenomenon, **adaptation** to climate insecurities where they manifest, and **resilience** to their ravages. This taxonomy is grounded in the following considerations:

- **Prevention & mitigation.** The primary function of the **prevention and mitigation** component is to establish whether the international community takes climate change seriously. The greater the temperature rise, the more dramatic the effect of gradual climate-related processes, the higher the frequency and intensity of extreme weather events, and the more far-reaching the social, political, and economic consequences. Because climate change is the primary driver of climate

208 Caitlin E. Werrell and Francesco Femia, "Climate Change, the Erosion of State Sovereignty, and World Order," *Brown Journal of World Affairs* 22 (2016 2015): 222.

209 Paul A. Griffin, "Energy Finance Must Account for Extreme Weather Risk," *Nature Energy* 5, no. 2 (February 2020): 98–100, https://doi.org/10/gg7wcj.

insecurity, an international community which takes climate change seriously is a prerequisite for one which cooperates on climate security.

- **Recognition**. The **recognition** component aims to establish the degree to which states have recognized climate security as a phenomenon. Much as is the case with the **prevention** component, the **recognition** component constitutes something of a prerequisite for international cooperation aimed at mitigating climate insecurity. Outside of UN Resolution 63/281, which touched on climate change's possible security impacts, very few international initiatives have formed around climate security as a phenomenon. The **recognition** component explores trends in state reception of the General Secretary's reporting on climate change's impact on security on the one hand, and the degree to which they have intensified their efforts to address these impacts on the other.

- **Adaptation**. Adapting to the impacts of climate insecurity requires states to take proactive measures, both domestically and internationally. Because a wide range of phenomena fall under the climate security umbrella, these measures are diverse enough in their nature and scope that testing for them comprehensively cannot be feasibly achieved within the context of this study. To complicate matters further, not all measures which mitigate climate insecurities are necessarily implemented as a result of concern over climate security. As an example, the EU-Turkey migrant agreement – though it aims to limit irregular migration, a phenomenon which can be readily linked to climate – is not motivated by concerns over climate security as a phenomenon. Rather, it is motivated by issues such as political polarization and the protection of the welfare state. Because of this, its implementation cannot reasonably be construed as contributing to the integrity of the international order surrounding climate security. To correct for this, this study draws upon the reports countries prepare within the context of Articles 9 (international) and 7 (domestic) of the Paris Agreement to draw conclusions.

- **Resilience**. Minimizing climate change's impact on (inter)national security requires states not only to **adapt** – something which is covered in the previous component – but to be **resilient**. Resilience is commonly referred to as a society's ability to recover or bounce back to its original state before the exposure to shock, from the effects of climate change. While the ability to adapt generally increases an entity's resilience, states or communities can take steps to improve their resilience beyond what can be achieved through adaptation. Within the context of climate security, adaptation refers to actions or plans that a state or community might employ against a current or anticipated climate event, such as adapting building codes to future weather conditions and extreme weather events, cultivating drought-resistant crops, or proactively raising the levels of dykes. Actions or plans included within adaptation reduce the impact of climate events, but (outside of reducing the cost of recovery) do little to increase society's ability to recover from them. This component is included to ensure that this study also incorporates an analysis of states' adherence to the notion that adaptive policies should be supplemented with policies which aim to improve societies' ability to recover from climate events if and when they occur. Examples of policies tested for within this component include the development of disaster preparedness protocols and the bolstering of social services.

An analysis of trends in state cooperation shows that the degree of interstate cooperation on issues pertaining to climate security is, by and large, on the uptick (Figure 32).

Figure 32 - Trends in international cooperation on climate security

"Domain"	Norm		Rule	
Prevention & Mitigation	States ought to protect vulnerable communities and natural ecosystems by taking steps to reduce their contribution to global temperature rise.	⬆	The degree to which states adhere to Article 2(1) of the United Nations Paris Agreement, which incentivizes signatories to pursue efforts to limit global temperature rise to well below 2 degrees Celsius above pre-industrial levels.	▬
Recognition	States ought to treat climate change as a threat to (inter)national security.	⬆	UN Resolution 63/281 on climate change and its possible security implications, which invites UN agencies and UN member states to intensify their efforts to address climate change and its security implications, and which formalized a process in which the General Secretary submits comprehensive reports climate change's potential security implications to the General Assembly.	▬
Adaptation	States ought to take steps to reduce climate change's adverse effects on vulnerable communities internationally.	⬆	The degree to which states adhere to Article 7(1) and 8 of the United Nations Paris Agreement, which encourage developed countries to assist developing countries with climate mitigation and adaptation financially.	⬆
	States ought to take steps to reduce climate change's adverse effects domestically.	⬆	The degree to which states adhere to Article 7, 9, and 10 of the United Nations Paris Agreement, which encourage states to improve their capacity to adapt to climate change.	⬆
Resilience	States ought to create systems, communities and societies that are able to resist, absorb, accommodate to, and recover from the effects of a hazard caused by climate change (in a timely and efficient manner).	⬆	The degree of which states adhere to Article 2. 1b (in connection with Article 7. 1) of the United Nations Paris Agreement which encourages all parties to increase the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development.	⬆

6.3.5.1 Prevention & Mitigation

An analysis of state (non)compliance with existing international agreements aimed at curbing climate change indicates little to no progress in the rules-based international order that underpins the prevention of climate insecurity. Simultaneously, several factors point towards an uptick on the normative side.

This study's assertion that the rules-based international order has seen little to no progress bases itself, first and foremost, on the fact that the degree to which states have complied with existing international agreements has not significantly increased over time. This is partially because the number of international agreements which require states to undertake specific climate-relation actions are few and far between, and partially because those agreements which *do* exist incorporate extremely lackluster compliance mechanisms. The Kyoto Protocol, the second commitment period of which ended in 2020, mandated the Protocol's 38 ratifying states to reduce their annual hydrocarbon emissions by an average of 5.2% by 2012. Targets were country-specific; the European Union (EU) committed to an 8% reduction, while the United States (US) and Canada formulated goals of 7% and 6% respectively. States are generally viewed as having complied with the Kyoto Protocol, though some caveats apply. Ratifying

states succeeded at reducing their emissions by 24.2% below 1990 between 2008 and 1990, but the US' ultimate refusal to ratify the treaty and the Canadian Harper Administration's decision to withdraw the country from the Protocol reduced the agreement's potential impact as far as emission curbing is concerned. Though several countries opted out of renewing their commitments during the Protocol's second commitment period, remaining states' compliance in the post-2012 period also approaches 100%.[210]

The Paris Agreement aimed to address concerns voiced over the Kyoto Protocol's limited geographic reach. The Kyoto Protocol placed emission reduction requirements on a group of 38 countries. The Paris Agreement places them on 189, but also significantly reduces the costs of compliance. Whereas the Kyoto Protocol formulated a predefined average annual emissions reduction target, the Paris Agreement tasks the international community with the challenge of limiting global temperature rise to no more than 2 degrees Celsius above pre-industrial levels. While concrete, this goal is far more amorphous than were the Kyoto Protocol's emission reduction targets from a state-level implementation standpoint. This ambiguity is reflected in the Paris Agreement's implementation and enforcement mechanisms. The Agreement requires states to prepare and submit Nationally Determined Contribution documents (NDCs) and National Communications (NCs), which allow states the outline what commitments they are willing to make towards the realization of the Agreement's temperature rise limitation goals. The Paris Agreement includes no mechanisms for forcing countries to set targets in their NDCs within a predefined timeframe and does not feature an enforcement mechanism to correct for instances in which these targets are not met, something which helps to explain why compliance

has been so high. Of the Agreement's 189 parties, 186 have submitted their first NDCs. Four (4) have submitted updated (second) versions.[211]

On the normative side, the situation can generally be surmised as having improved. Contrary to many of the security threats addressed in this publication, norms pertaining to climate change are shaped by – and apply to – a wide gamut of non- and sub-state actors. Recent years have seen a large number of multinational corporations make public commitments to reducing their carbon footprints over the course of the following decades.[212] Worldwide, cities – an actor category whose relevance to global governance issues is on the uptick as a result of a trend which has seen populations flocking into metropolitan areas – have put policies aimed at tackling climate change in place, often in direct circumvention of the policies and/or rhetoric championed by their national governments. Whether these commitments have a meaningful impact on these corporations' carbon footprints or not, the very fact that they have taken the steps of formulating, communicating, and implementing them speaks to the increased salience of the normative framework. Upwards of 6 million people participated in climate protests in a single week of 2019 alone,[213] an observation which speaks to the normative pressure individual-level views are exercising on state and nonstate bodies alike. This normative pressure can be most clearly observed in the actions of corporations, which have made a point of showcasing, at least rhetorically, their commitment to combating climate change. Because corpo-

210   Michael Grubb, "Full Legal Compliance with the Kyoto Protocol's First Commitment Period – Some Lessons," *Climate Policy* 16, no. 6 (August 17, 2016): 673–81, https://doi.org/10/gg79qn.

211   "All NDCs," UNFCCC: NDC Registry, n.d., https://www4.unfccc.int/sites/NDCStaging/Pages/All.aspx.

212   Blake Morgan, "101 Companies Committed To Reducing Their Carbon Footprint," Forbes, 2019, https://www.forbes.com/sites/blakemorgan/2019/08/26/101-companies-committed-to-reducing-their-carbon-footprint/.

213   Matthew Taylor, Jonathan Watts, and John Bartlett, "Climate Crisis: 6 Million People Join Latest Wave of Global Protests," *The Guardian*, September 27, 2019, sec. Environment, https://www.theguardian.com/environment/2019/sep/27/climate-crisis-6-million-people-join-latest-wave-of-worldwide-protests.

rations' actions are a direct reflection of consumer sentiment, these actors' actions provide a clear indication of existing normative pressures. Amazon announced a Climate Pledge in which it outlined plans to achieve net-zero carbon by 2040 in 2019, an initiative that Verizon, Infosys, Reckitt Benckiser (RB), and Mercedes Benz (among others) have since also signed on to.[214] American computer giant Apple, which has already achieved carbon neutrality within its operations, announced its intention to become 100 percent carbon neutral within its supply chain and products by 2030.[215] Google also strives to be carbon neutral by 2030.[216]

Regional and substate actors are also examples of actor categories which cannot be in direct (non) compliance with the international legal framework, but which *can* contribute to shaping the strength of the international norm. As population sizes have increased, cities' policies are increasingly representative of large population groups interests. They are also increasingly impactful within the greater context of tackling climate change as a phenomenon. Today, 55% of the world's population lives in cities – a value is projected to increase to 68% by 2050.[217] They also consume two thirds of the world's energy and account for more than 70% of global CO_2 emis-

sions.[218] City-level cooperation through platforms such as the C40 speak to cities' recognition of climate change as a threat factor, something which this study construes as contributing to an uptick in the integrity of the underlying norm. In an implicit nod to the notion that the *international* legal framework is too weak and/or not ambitious enough (and, by extension, to the integrity of the underlying norm), regional organizations have also increasingly meaningful strides. The EU, ASEAN, SAARC, ECOWAS, and IGAD have implemented policies geared towards reducing emissions (see for example the EU Green Deal).

6.3.5.2 Recognition

The rules underpinning the notion that states ought to treat climate change as a potential threat to (inter) national security have not seen an absolute increase or decrease in compliance in the last decade, yet there has been a significant increase in the integrity of the norm.

Compliance with UN Resolution 63/281 – which constitutes the only piece of international legislation that incentivizes states to take any sort of action to recognize climate security – has seen no over-time developments. The Resolution, which formalized a process in which the General Secretary submits comprehensive reports on climate change's potential security implications to the General Assembly, was introduced in 2009. An initial iteration of such report was presented to the sixty-fourth session of the UN General Assembly in the same year. It highlighted climate change as a "threat multiplier" with a potentially exacerbating effect on existing threats to international peace and security and received a lukewarm reception. Many UN Member States did not respond to the Secretary General's call to submit their views on the nature and degree of the security implications of climate change, Australia, Canada, Japan, and

214   Kara Hurst, "Three Global Companies Join The Climate Pledge Co-Founded by Amazon," US Day One Blog, June 16, 2020, https://blog.aboutamazon.com/sustainability/three-global-companies-join-the-climate-pledge-co-founded-by-amazon.

215   "Apple Commits to Be 100 Percent Carbon Neutral for Its Supply Chain and Products by 2030," Apple Newsroom, accessed November 5, 2020, https://www.apple.com/newsroom/2020/07/apple-commits-to-be-100-percent-carbon-neutral-for-its-supply-chain-and-products-by-2030/.

216   "Our Commitments," Google Sustainability, accessed November 5, 2020, https://sustainability.google/commitments/.

217   "68% of the World Population Projected to Live in Urban Areas by 2050, Says UN," UN DESA | United Nations Department of Economic and Social Affairs, May 16, 2018, https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html.

218   "Why Cities?," C40, 2020, https://www.c40.org/ending-climate-change-begins-in-the-city.

many African and Asian countries included and,[219] ultimately, only 31 Member States or regional and international organizations submitted reactions to the report, CARICOM, the EU, and the Pacific Small Island Developing States (PSIDS) included.[220] Almost all the Member States that submitted their input recognized and shared the UN General Secretary's concern that climate change poses critical security risks and challenges. Most states – CARICOM, the EU, and PSIDS included – stress the multi-dimensional character of the threat presented by climate change and its adverse impacts, exacerbating existing security challenges, such as food and water security, health, lives, and livelihoods as well as the implications posed to territorial integrity, migration, social unrest, and conflict. A few states recognize the need for action and agree that climate change poses a challenge to development, but do not explicitly recognize its impact on security. These include Brazil and the United States.[221]

The fact that there have been no UN Resolutions geared towards officially acknowledging climate security as a phenomenon since 63/281 need – and does – not mean that the norm surrounding recognition has stagnated and/or eroded. Recent years have seen the UNSC take concrete action on climate security through initiatives such as (among others) the establishment of a Group of Friends on climate security and the adoption of resolutions that underline the adverse impacts of climate change on regional peace and security. These include Lake Chad (S/Res/2349), West Africa and the Sahel (S/PRST/2018/3), (S/PRST/2019/7), Somalia (S/Res/2408), Mali (S/Res/2423), Darfur (S/

Res/2429), and Africa (S/Res/2457) – all of which explicitly recognize the adverse impact that climate and ecological factors can have on peace and security. An increasing number of governments have also acknowledged climate security as a phenomenon in their national security policy documents. Examples include the EU (which recognized the political and security challenges climate change posed to EU interests as early as 2008),[222] the UK, and the US.[223] The Chinese government's official position to climate security has also shifted. Whereas the Chinese government did not recognize climate change as a security issue in 2008, it acknowledged – in a joint statement with the EU – climate change as "a root cause for instability" in 2017.[224] This trend has been mirrored in regional organizations, which have increasingly recognized climate change as a phenomenon with negative security implications at the national, regional, and international levels. The Association of Southeast Asian Nations (ASEAN),[225] the Caribbean Disaster Emergency Management Agency

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219 United Nations General Assembly, "Resolution Adopted by the General Assembly 63/281. Climate Change and Its Possible Security Implications" (United Nations General Assembly, June 2009), 2, http://doi.wiley.com/10.1111/j.1564-913X.2009.00056.x.

220 United Nations Department of Economic and Social Affairs, "64th GA Session (2009)," Division for Sustainable Development, 2009, https://www.un.org/esa/dsd/resources/res_docugaecos_64.shtml.

221 United Nations Department of Economic and Social Affairs.

222 European Commission, "Climate Change and International Security: Paper from the High Representative and the European Commission to the European Council" (Brussels: European Commission, 2008), 3, https://www.consilium.europa.eu/media/30862/en_clim_change_low.pdf; European Commission, "Reflection Paper on the Future of European Defence" (Brussels: European Commission, 2017), 7.

223 The Obama administration stressed climate change's role as a threat multiplier that posed "new risks to America's national security – both domestically and internationally. This position was reversed under the Trump administration. See The White House, "National Security Strategy of the United States of America."

224 European Commission, "EU-China Leaders Statement on Climate Change and Clean Energy" (United Nations Framework Convention On Climate Change, June 16, 2018), 2, https://www.scribd.com/document/350072665/Final-Version-EU-China-Leaders-Joint-Statement-on-Climate-Change.

225 Association of Southeast Asian Nations, "ASEAN Cooperation on Climate Change," ASEAN Cooperation on Environment, 2020, https://environment.asean.org/awgcc/.

(CDEMA),[226] and the Economic Community of West African States (ECOWAS) all constitute examples of this phenomenon.[227]

6.3.5.3 Adaptation

Both the norm as well as the rules underpinning the notion that states ought to take steps to reduce climate change's adverse effects on vulnerable communities internationally have been on the uptick over the course of the past decade. The past ten years have also seen an increase in state efforts to reduce climate change's adverse effects domestically, something which can be observed both in their compliance with various Articles of the Paris Agreement and in their implementations of voluntary provisions within the Sendai and Hyogo frameworks.

At the international level, compliance with Articles 7(2), 7(6), and 7(7) of the Paris Agreement has – by and large – been robust and increasing. The number of intergovernmental platforms for facilitating inter-state cooperation in disaster risk management (DRM) has increased, implying an uptick in the degree to which "recognize that adaptation is a global challenge faced by all with local, subnational, national, regional and international dimensions, and that it is a key component of and makes a contribution to the long-term global response to climate change to protect people, livelihoods and ecosystems, taking into account the urgent and immediate needs of those developing country Parties that are particularly vulnerable to the adverse effects of climate

change."[228] Compliance with Articles 9 and 10 has also shown a positive trend. The number of multilateral climate funds (MCFs), international financial institutions which manage climate-related financial flows, has increased from 20 in 2011 to 24 in 2020. The period 2011 – 2019 also saw a rise in absolute MCF climate finance commitments for emerging and developing economies, with only two minor drops in the years 2013 and 2015.[229] The total amount of climate finance for low- and middle-income countries reached $14 billion in 2019 – all of which speaks to an uptick in compliance with Article 9. The Climate Technology Centre saw an increase in request counts from 44 in 2015 to 177 second quarter of

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226 Caribbean Disaster Emergency Management Agency, "Regional Consultations on Climate and Security in the Caribbean Region" (Aruba: Caribbean Disaster Emergency Management Agency, 2018), https://www.cdema.org/Concept_Note_Regional_Consultation_on_Climate_and_Security.pdf.

227 Economic Community of West African States, "ECOWAS Strengthens Regional Capacity to Adapt to Climate Change," Economic Community of West African States (ECOWAS), May 2, 2019, https://www.ecowas.int/ecowas-strengthens-regional-capacity-to-adapt-to-climate-change/.

228 Examples of such regional intergovernmental platforms and organizations supporting and strengthening cooperation in the context of climate change adaptation and mitigation and disaster risk reduction include the Global Climate Change Alliance Plus (GCCA+), the League of Arab States (LAS), the Association of Southeast Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC), the African Union, the Economic Community of West African States (ECOWAS), the Caribbean Disaster Emergency Management Agency (CDEMA), and the Coordination Centre for the Prevention of Disasters in Central America and the Dominican Republic (CEPREDENAC). Newly introduced platforms include the African Climate Policy Centre (ACPC) (2010), the WGClimate (2010), the Climate and Development Knowledge Network (CDKN) (2010), the Africa Adapt Initiative (2015), the Pacific Resilience Partnership (2017), and many regionally organized for a including the European Forum for Disaster Risk Reduction Roadmap 2015–2020, the ISDR Asia Partnership (IAP) (2018) and the Central Asia and South Caucasus (CASC) Sub Regional Platform (2018). See uropean Commission, 'Disaster Risk Reduction', International Cooperation and Development - European Commission, 26 November 2019, https://ec.europa.eu/international-partnerships/topics/disaster-risk-reduction_en; United Nations Office for Disaster Risk Reduction, 'Global Assessment Report on Disaster Risk Reduction 2019' (Geneva: United Nations Office for Disaster Risk Reduction, 2019), 300–308, https://gar.undrr.org/sites/default/files/reports/2019-05/full_gar_report.pdf; Florian Krampe, Roberta Scassa, and Giovanni Mitrotta, 'Responses to Climate-Related Security Risks: Regional Organizations in Asia and Africa' (Stockholm: Stockholm International Peace Research Institute, 2018), JSTOR, https://doi.org/10.2307/resrep24467.

229 group of multilateral development banks, "Joint Report on Multilateral Development Banks' Climate Finance" (London: European Bank for Reconstruction and Development, 2020), 55.

2019.[230] The number of technology transfer requests and requesting countries in the period 2014-2019 both show an increasing trend, indicating that countries worldwide are upscaling their climate change adaptation efforts and speaking to an increase in compliance with Article 10.[231]

On the domestic side, compliance with Articles 7(1) and 8 of the Paris Agreement has also trended upwards. Article 7(1) encourages states to enhance their adaptive capacity, strengthen resilience, and reduce vulnerability to climate change. Article 8 urges states to avert, minimize, and address loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events, and emphasizes the role of sustainable development in reducing such risk to loss and damage.[232] Though states cannot formally comply with these Articles, in practice, compliance roughly correlated with the degree to which they have implemented the Sendai Framework for Disaster Risk Reduction. Because the number of states that reported progress on implementing the Sendai framework increased from 60 in 2011 to 80 in 2019 and because the number of countries that demonstrated a validation of all global targets also showed an absolute increase over this period, compliance with these rules can generally be surmised as being robust.[233]

The integrity of the norm has improved at both the international and domestic levels. Compliance with Articles 7(1), 7(2), 7(6), 7(7), 8, 9, and 10 is on the uptick – something which, because these Articles incorporate no enforcement mechanisms, speaks to state subscription to the principles they enshrine. As evidenced by the adoption of the first UN Plan of Action on Disaster Risk Reduction for Resilience, disaster risk reduction and resilience have also received higher prioritization in the UN. This point is further strengthened by the fact that the UN implemented the Sendai Framework for Disaster Risk Reduction in 2015 and by the fact that the past decade has seen an increase in the number of UN organizations prioritizing disaster risk reduction in their strategic work plans and Results Based Monitoring Frameworks. For the period 2014-2017 as well as 2018-2021, twelve UN bodies – the FAO, UNDP, UNEP, UNFPA, UNHABITAT, UNICEF, UNOPS, WFP, WMO, WHO, UNESCO and World Bank – prioritized addressing climate change adaptation and resilience-building (and disaster risk reduction) in their workplans, a 70% increase over preceding workplan cycles.[234] Outside of the UN system, the wide network of regional intergovernmental organizations, institutions, and platforms for disaster risk reduction has played an instrumental role in the adoption of resolutions and strategies and setting norms and targets in support of building resilience to the adverse impacts of climate change.[235] The establishment of new regional platforms and many other international and regional organizations and initiatives indicates an increased willingness on the part of individual states to reduce the adverse impacts of climate change on vulnerable communities internationally.

230 Climate Technology Centre and Network, "Progress Report: January 2014 - August 2015" (Copenhagen: Climate Technology Centre and Network, 2015), 26–27, https://www.ctc-n.org/sites/www.ctc-n.org/files/resources/2015_ctcn_progress_report.pdf; Climate Technology Centre and Network, "Progress Report 2019" (Copenhagen: Climate Technology Centre and Network, 2019), 56, https://www.ctc-n.org/sites/www.ctc-n.org/files/resources/progress_report_2020_march_rev1.pdf.

231 Climate Technology Centre and Network, "Progress Report 2019," 56.

232 United Nations, "Paris Agreement" (United Nations, 2015), 5–7, https://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf.

233 United Nations Office for Disaster Risk Reduction, "Measuring Implementation of the Sendai Framework," Sendai Framework for Disaster Risk Reduction Monitor, 2020, https://sendaimonitor.undrr.org/.

234 United Nations Office for Disaster Risk Reduction, "UNDRR in the UN System," United Nations Office for Disaster Risk Reduction, accessed August 27, 2020, https://eird.org/americas/we/unisdr-in-the-un-system.html.

235 Florian Krampe, Roberta Scassa, and Giovanni Mitrotta, "Responses to Climate-Related Security Risks: Regional Organizations in Asia and Africa" (Stockholm: Stockholm International Peace Research Institute, 2018), 1, JSTOR, https://doi.org/10.2307/resrep24467.

6.3.5.4 Resilience

The norms and rules underpinning resilience are on the uptick. States' submitted Adaptation Communications, their NDCs, and data derived from the UN-DRR all speak to an uptick in compliance with Article 2(1) of the Paris Agreement. Compliance as measured through the submission of Adaptation Communications has been weak. Only three states – Ecuador on 29th March 2019, Morocco on 19th September 2016 and New Zealand on December 21, 2017[236] – have submitted documents.[237] An analysis of state's submitted NDCs provides some initial indications that compliance with the rule is on the uptick. China's NDC from June 30, 2015 demonstrates (under the rubric "Policies and Measures to implement Enhanced Actions on Climate Change") the country's willingness to enhance its overall climate resilience, with examples of policies ranging from the optimization of water resources allocation to the strengthening of comprehensive assessment and risk management of climate change, the development of disaster reduction and relief management system, and the enhancement of its national monitoring, early warning and communication system on climate change.[238] The United States, India, and Japan are among the pool of other countries which have submitted NDCs. Outside of India, which *does* feature a chapter on Disaster Management and Disaster Risk Reduction, none of these countries specifically refers to climate resilience in its NDC. The UNDRR serves as another venue for measuring states' compliance with Article 2(1). Though the two are not formally linked to Article 2(1), their mandates are in clear alignment. The UNDRR (formerly UNISDR) has served as "the focal point in the United Nations system for the coordination of disaster reduction and to ensure synergies among the disaster reduction activities of the United Nations system and regional organizations and activities in socio-economic and humanitarian fields" since 2001. The figures on the financial resources that UNDRR has received to implement the UNDRR work program show an increase over time. As of the end of 2015, around 39% of the organization's funding was derived from voluntary contributions (the UNDRR's top-three donors in 2019 were Sweden, Japan, and Germany); for the target year 2018-2019, this share stood at 90% – a sum of over $36 million.[239] This speaks to an over-time increase in compliance with Article 2(1), albeit an indirect one.

The norm has been strengthened on several fronts. At the local and state levels, governments and cities alike have increasingly implemented strategies which are geared towards growing resilience and supporting sustainable development. One example is the "Resilient Cities" initiative from the Global Facility for Disaster Reduction and Recovery (GFDRR), managed by the World Bank, which aims to create new methodologies for urban resilience building in

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236 "Adaptation Communications | UNFCCC," accessed October 14, 2020, https://unfccc.int/topics/adaptation-and-resilience/workstreams/adaptation-communications. New Zealand for instance wrote regarding "Adaptation": "New Zealand's support for climate change adaptation efforts is primarily designed to reduce the vulnerability of human or natural systems to the impacts of climate change and climate vulnerability, by increasing community and infrastructure resilience and adaptive capacity. Our support is largely delivered through bilateral assistance to partner countries, with our aid programme having an investment priority specifically focused on 'resilience'. National- and community-level resilience and adaptation actions are implemented within the context of national and regional plans, strategies and frameworks (...)."

237 Because Article 2(1) does not formulate a submission deadline, states which have not yet submitted ACs are technically not in noncompliance – though they *can* readily be viewed as laggards.

238 "China's First NDC Submission.Pdf," accessed October 27, 2020, https://www4.unfccc.int/sites/ndcstaging/Published-Documents/China%20First/China%27s%20First%20NDC%20Submission.pdf.

239 "UNDRR Annual Report 2019," 17, accessed October 14, 2020, https://www.undrr.org/publication/undrr-annual-report-2019. Accessed 14 October 2020, https://www.undrr.org/publication/undrr-annual-report-2019.

cities. In the fiscal year of 2019, 122 grants were funded, totaling $73.9 million, in 58 countries.[240] According to the UNDRR's "Making Cities Resilient Report 2019" (performance and impact analyses), 214 cities/communities from Asia (88), America (50), sub-Saharan Africa (50) and Arab states (26) carried out the scorecard assessment in the period 2017-2018.[241] Initiatives such as these have contributed to a cascade of regional initiatives, several of which have resulted in the development of resilience and adaptation actions as part of a multi-stakeholder collaboration (for instance, between governments, NGOs, financial institutions etc.). These collaborations include the African Adaptation Initiative, the Coalition for Climate Resilient Investment and the Ocean Risk and Resilience Action Alliance.[242] They are also reflected in various UN Resolutions. A resolution adopted by the General Assembly on 19 December 2019 (74/218) stresses "the urgent need to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change and extreme weather events, and in this regard further urges Member States to continue engaging in adaptation planning processes and to enhance coopera-

tion in disaster risk reduction."[243] Other relevant Resolutions include Resolution 73/231 (20 December 2018), Resolution 72/218 (20 December 2017), Resolution 71/276 (13 February 2017), and Resolution 64/200 on the International Strategy for Disaster Reduction (25 February 2010).[244]

A final point that is worth considering when examining the integrity of the norm surrounding resilience has to do with compliance with Sendai and Hyogo. While already covered in previous section (under adaptation), developments surrounding the Sendai Framework for Disaster Risk Reduction also provide clues as to the health of the norm surrounding resilience specifically. The Sendai framework emerges as enjoying not only greater compliance, but also as being more stringent – something which clearly speaks to the strengthening of the norm underpinning resilience. According to the UNDRR Annual Report 2019, 130 Member and Observer States made use of the SFM at the end of 2019. Given the fact that 187 UN member states originally adopted the "Sendai Framework for Disaster Risk Reduction 2015-2030" in 2015, [245] this 66% share can be con-

240 "Resilient Cities | GFDRR," accessed October 15, 2020, https://www.gfdrr.org/en/resilient-cities.

241 "UNDRR_Making Cities Resilient Report 2019_April2019.Pdf," 7, accessed October 15, 2020, https://www.unisdr.org/campaign/resilientcities/assets/toolkit/documents/UNDRR_Making%20Cities%20Resilient%20Report%202019_April2019.pdf. See also: The UNDDR Annual Report 2019 states that at the end of 2019, 237 local governments in 36 countries in five regions had completed the Disaster Resilience Scorecard for Cities.

242 "CAP_Resilience_and_Adaptation_ES.Pdf," 5, accessed October 15, 2020, https://unfccc.int/sites/default/files/resource/CAP_Resilience_and_Adaptation_ES.pdf.

243 "Disaster Risk Reduction :," January 23, 2020, http://digitallibrary.un.org/record/3848699. See also in regard to the security of vulnerable societies: "Expressing its deep concern at the number and scale of disasters and their devastating impact this year and in recent years, which have resulted in massive loss of life, food insecurity, water-related challenges, displacement, humanitarian needs and long-term negative economic, social and environmental consequences for vulnerable societies throughout the world, and which hamper the achievement of their sustainable development, in particular that of developing countries (...)"

244 "United Nations Resolutions & Reports - Knowledge Base - PreventionWeb.Net," accessed October 15, 2020, https://www.preventionweb.net/english/professional/resolutions/index.php?o=res_date&o2=DESC&ps=50&pg=1.

245 IISD's SDG Knowledge Hub, "WCDRR Adopts Sendai Framework for Disaster Risk Reduction | News | SDG Knowledge Hub | IISD," accessed October 14, 2020, https://sdg.iisd.org:443/news/wcdrr-adopts-sendai-framework-for-disaster-risk-reduction/. See also: https://www.undrr.org/news/world-conference-adopts-new-international-framework-disaster-risk-reduction-after-marathon

strued as a relatively high number. A closer look on the "Measuring Implementation of the Sendai Framework" of the UN reveals that, in 2019, of the 195 countries (193 UN Member States and two Observer States) covered by Sendai, just under half (90) have started country reporting, something which Target (e) of the Sendai Framework aims to "substantially increase" by 2020.[246] While compliance with Hyogo was also high – 158 countries submitted at least once a report within the three reporting cycles of the period 2007-2015 and, at maximum, 130 countries reported in one single reporting cycle between 2011-2013 – the Sendai places significantly more stringent (though non-legally binding) obligations and commitments on countries. Sendai states that its predecessor lacked, among other things, the ability to address the underlying risk factors and the necessity to strengthen disaster resistance at all levels,[247] necessitating a "a shift from reaction to prevention" which makes the framework much more demanding in terms of its implementation and monitoring.[248]

6.3.6 Conclusion

Climate change's impact on (inter)national security has manifested increasingly vividly in recent years, including in ways which are of (in)direct relevance to the Netherlands. The Syrian civil was likely precipitated – at least in part – by droughts brought on or worsened by climate change. The European Migrant Crisis – which contributed to a deepening of political polarization in the Netherlands – was at least partially triggered by climate insecurities in the Sahel, Middle East, and North Africa. Intense wildfires raged across California and much of Europe, resulting in the loss of homes and businesses. Hurricanes lashed the US

and many of the Caribbean islands, resulting in widespread destruction and homelessness.

Fortunately, the integrity of the norms and rules which guide state behavior as it relates to the topic of climate security has, by and large, improved over the course of the past decade. Cooperation is, at the macro-level, on the uptick. States have generally tried to comply with rules that have been formulated to prevent, mitigate, foster recognition of, adapt, and increase resilience to climate change and its security impacts. Insofar as they exist, the norms that exist within this subject area have also strengthened – oftentimes despite (or perhaps *because*) the rules that apply to it have been viewed as doing too little to address core issues. Despite the fact that norms and rules have generally strengthened – those which *do* exist or have been formulated generally incorporate weak enforcement and/or oversight mechanisms. This makes them easy (read: cost free) to comply with, meaning that the previously detailed upward trend in compliance – though it exists – cannot be taken for granted. Nor should it be viewed as an endorsement of the international community's efforts at mitigating climate security: progress *has* been made, but far more needs to be achieved for this security threat to be effectively mitigated – something which our societies are likely to experience in the years to come.

A final finding which is worth outlining is that virtually all instances of entities within the international community working to strengthen or expand existing norms and rules present at the substate or regional levels. Individual states often emerge as being reluctant to take far-reaching measures, and rules introduced at the international level (as previously outlined) tend to be weakly enforced and/or vaguely formulated. The way they are interpreted and implemented by regional and substate actors is often aggressive – something which lends further credence to this study's finding that non- and sub-state actors are emerging as increasingly relevant actors within the international security arena.

[246] "UNDRR Annual Report 2019."

[247] "Sendai Framework .:. Sustainable Development Knowledge Platform," accessed October 28, 2020, https://sustainabledevelopment.un.org/frameworks/sendaiframework.

[248] Mami Mizutori, "Reflections on the Sendai Framework for Disaster Risk Reduction: Five Years Since Its Adoption," International Journal of Disaster Risk Science 11, no. 2 (April 1, 2020): 147–51, https://doi.org/10.1007/s13753-020-00261-2.

7. **Conclusion**

Donald Trump's tenure, from 2016-2020, inflicted significant damage on transatlantic relations and the multilateral system. Though the inauguration of Joseph Biden in January 2021 will make it easier for the Netherlands and European Union to work with the United States, at least for the next four years, the US-Dutch and US-European relationships cannot return to the status quo ante. Too much has changed, on both sides of the Atlantic and, more broadly, in the international system for a return to the pre-2016 state of affairs. Instead, the Netherlands and the European Union should view Biden's election as an inflection point, one that provides an opportunity to (a) rebalance their most important external relationship, and (b) better position themselves to protect their interests and values in a rapidly changing world.

7.2 COVID-19 and Megatrends

According to our review of strategic foresight literature and our survey of Dutch and international experts, the six most important **megatrends** in the system are Europe's ongoing problems; US retrenchment; climate and environment-related stresses; gray zone operations; Russian assertiveness; and China's rise.

Our research on these six megatrends, with special focus on the impact of COVID-19, finds considerable overlap with the thrust of the foresight literature and the view of experts in our survey. More specifically, the report argues that COVID-19 has **accelerated, exacerbated, or catalyzed** each of these megatrends.

At the same time, our research differs with the foresight literature in some respects. For instance, the report concludes that although **Europe's ongoing challenges** were exacerbated during the initial phases of the COVID-19 pandemic, and that these problems will persist, fears that it would splinter further under the weight of the virus have been overblown. Instead, the crisis has catalyzed a new sense of purpose. It has engendered a conviction among the public and many policymakers that Europe needs to cooperate more closely in order to handle the pandemic and, more broadly, with the challenges posed by the evolution of the international system.

One of those challenges is **US retrenchment**. The report largely agrees with the foresight literature and the experts in our survey: in spite of Donald Trump's defeat in the 2020 presidential election and President Joe Biden's promise to restore US leadership,

the United States is retrenching. It is pulling back from some of its traditional roles in order to focus on strategic competition, especially with China. It is in at least gradual decline relative to its competitors, a fact that been highlighted by its struggles during the COVID-19 crisis – and by China's successful navigation of the pandemic. However, US decline – and its eventual displacement by China – is not inevitable. It is one of several potential scenarios that could come to pass, all of which are contingent upon many factors, including the development of domestic political and social challenges.

The report is fully in agreement with the foresight literature and the experts surveyed when it comes to the importance and nature of **climate and environmental stresses**. Climate change and environmental degradation will have an increasingly acute impact, both directly, by worsening environmental conditions such as weather, and indirectly, by increasing food insecurity and migration flows, which will in turn further exacerbate problems such as terrorism and conflict. COVID-19 has modestly improved the climate outlook, but the impact will probably be temporary; it has also exacerbated some environmental problems, such as overuse of plastic.

When it comes to the growing salience of **gray zone operations**, the report mostly agrees with the foresight literature and the experts in our survey: though hybrid tactics are not new, they are an increasingly important feature of the international landscape. Countries are seeking ways to compete below the threshold of large-scale shooting wars. COVID-19 has exacerbated the

tendency to utilize hybrid tactics, with China and Russia, in particular, being active in this realm.

The foresight literature and the experts in our survey are also right when it comes to the increase in **Russian assertiveness** in recent years. Russia has become more proactive in seeking to maximize its power and influence in recent years and the report expects it to continue in a similar manner for the next ten years. Russia's response to COVID has been less successful than China, for instance, with a relatively high case fatality rate (1.8 percent) and deaths per one hundred thousand rate (49.85).[249] In spite of its COVID-related struggles, the overall trend of Russian assertiveness has been accelerated by the pandemic and includes some new tactics, such as foreign medical assistance operations, more targeted manipulation of existing social media debates, greater coordination with China's foreign-influence operations, and an overtly focused effort to secure relief of sanctions for Moscow and its partners.

The foresight literature and our survey experts are mostly accurate when it comes to the sixth megatrend, **China's rise**. China's power and influence are likely to continue to grow and that China will become, at least in some respects, the most important actor in the international system. However, China faces numerous significant challenges, and its unimpeded rise is far from assured. COVID-19 has accelerated China's assertiveness. Beijing has used aid to boost its power and influence. During the pandemic, it has become more aggressive in its use of information operations and has used the crisis as an opportunity to showcase its version of digital authoritarianism to other countries.

7.3 Major Actors in the International System
7.3.3 Major Powers
When it comes to the role of **major powers** in the international system, the report formulates five key findings and conclusions. First, the international

system is moving toward a loose form of multipolarity. Poles of power are coalescing around the United States and China and Russia could become weaker third pole by 2030. The European Union will probably remain attached to the US pole, but with somewhat weaker connections, and with the EU planning for a more independent future.

The report also finds that the rules-based order is changing fundamentally and irreversibly. Key **international institutions and organizations** are surviving but transforming in ways that are often less conducive to Dutch and European interests. This means that the Netherlands and Europe need to think carefully about which institutions and organizations are most important, and what can be done to bolster them.

The **state** remains the key actor in the international system, even though non-state actors are becoming more important. **Innovation mercantilism** is becoming an increasingly influential factor, but the precise nature of its impact on the international system remains unclear. Much will depend upon developments in domestic politics, especially in the major powers. Right now, among the major powers, only the European Union fully supports the rules-based trading system and has avoided the temptation of innovation mercantilism; the Netherlands and Europe will need to find allies to buttress this system, which is essential to Dutch and European prosperity.

Our research indicates that the formation of **rival orders** in the international system is underway, though this process remains at an early stage and may not be fully realized. One potential alternative is that a weaker version of the current order will survive, with illiberal powers on one end of the spectrum and democratic countries on the other. The outcome of this process will be of major importance to the Netherlands and Europe; they should devise strategies so that the current order, even in diluted form, survives.

Survival of the current order is imperative because it will have a significant impact on war and peace. The

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[249] "Mortality Analyses."

report finds that there is a higher risk of major power conflict than any point since end of the Cold War. All-out major power wars likely will not erupt over the next ten years. Rather, gray zone operations and proxy wars will serve as safety valves to prevent major power competition from escalating. This is crucial, because **international orders** play a vital role in keeping the peace: As long as the current order survives in some form, with China, EU, Russia, and US all operating within its parameters, our research suggests that full-scale major power war can be avoided.

7.3.4 Middle powers

The roles of the major powers in the international system have changed the environment in which **middle powers** operate, and many have embraced the greater room for maneuver by more aggressively pursuing their interests. This report develops four findings and conclusions for middle powers. First, it argues that assertive security strategies – which entail foreign military interventions outside of a UN mandate – do less to promote the power and influence of middle powers than defensive strategies, at least in the long run, and that they are destabilizing for the countries involved, and often for the regions affected. However, short-term incentives will likely encourage more middle powers to adopt assertive strategies over the next ten years – a development that the Netherlands and Europe will need to take into account.

The existence of these incentives is one reason that, in spite of the financial constraints imposed by COVID-19 and the consequent economic crisis, middle power defense budgets are likely to grow over the next ten years, if only slowly in many cases. This should add to the pressure on the Netherlands and other European countries to strive for larger defense budgets and closer security cooperation.

Innovation mercantilism is increasingly prevalent among middle powers in the Global South. This is bad for the overall global economy, but there are short-term incentives for middle powers to adopt this approach. For now, democratic and high-income middle powers still tend to prefer free trade strategies, but that could change if innovation mercantilism leaves them at a disadvantage. The Netherlands and Europe should consider reforming institutions such as WTO and adjusting trade relationships with middle powers in the Global South, in order to incentivize them to embrace free trade policies.

Finally, many middle powers in the Global South are moving closer to China and Russia, though most will not fully align with the illiberal major powers. Instead, they will seek good relations with all the major powers in order to maximize their degree of power and influence. The Netherlands and Europe should implement policies designed to encourage these middle powers to avoid full alignment with Beijing and Moscow.

7.3.5 Non-State Actors

The shift of the international system toward a loose form of multipolarity has changed the role of **non-state actors**. Four findings and conclusions stand out. First, the evolution of the international system has allowed the largest and most influential NSAs to dramatically expand their roles and to assume **functions traditionally performed by states**, even as they pursue self-interested agendas. This can be useful for states but also involves pitfalls; it will likely accelerate the trends toward innovation mercantilism and gray zone operations. This will complicate Dutch and EU efforts to maintain the rules-based trading system and to manage conflict.

NSAs perform many useful functions in national and public health efforts and in encouraging democratic political trends, but the trend for NSAs to play an ever-larger role in these areas is dangerous. These NSAs can set the agenda in ways that primarily benefit their own agendas, that **dilute the influence of states**, and **undermine public confidence** in state institutions and electoral processes. Dutch and European policymakers should design strategies for encouraging these NSAs, as much as possible, to play positive roles, and structures that limit any negatives consequences of their influence.

The process of disintermediation has enabled **abuse by pernicious actors** that can warp the political process, as the examples of Facebook and Twitter have demonstrated. Disintermediation has also played a role in empowering individuals within NSAs who want to want to overthrow existing social and political structures, as has been the case with Black Lives Matter and Extinction Rebellion. Social media can serve as a **powerful tool for authoritarian regimes**, facilitating repression and the spread of misinformation. The ease with which authoritarian regimes can instrumentalize social media can weaken public trust in facts and undermine democratic institutions. Dutch and European policymakers will need to devise strategies to combat such tactics, which are inherently more harmful to democratic countries; they will need to so the same for malicious NSAs, such as QAnon, that can foment **unrest and even violence**.

Finally, the number of powerful and influential NSAs based in the Global South will grow over next ten years. The Netherlands and Europe should devise strategies for working with these NSAs in a constructive fashion.

7.4 The World in (Dis)Order
7.4.3 Global Trends in Conflict and Cooperation
The report draws seven principal findings and conclusions in the area of Global Trends in Conflict and Cooperation. First, the international system is evolving toward a loose version of multipolarity in which the leading major powers, the United States and China, will compete and cooperate with the lesser major powers, the European Union and Russia, depending on the circumstances.

Second, it is highly likely that, for the next ten years, **US-Russia ties** will focus on competition, as Moscow continues to contest US power and influence. As part of this strategy, Russia will continue to undermine and divide the transatlantic security architecture by targeting EU member countries and multilateral institutions, such as the European Union and NATO. This has important implications for **Russia-EU ties**, as gray zone operations will be a central part of Moscow's strategy. Despite its shaky economy and political institutions, Russia will probably remain the most problematic global actor for the United States and its allies, with only limited room for cooperation.

Third, if Russia will be the most consistently difficult actor for the United States and Europe, China will be the most important. Though both **China and the United States** are preparing for long-term strategic competition, which includes at least partial decoupling of their economies, economic and political cooperation will remain part of the bilateral relationship. The United States enjoys the advantages of a global network of alliances and partnerships, but it remains to be seen if Washington will be able to effectively leverage these in competition with China. This question holds implications for the Netherlands and Europe: they should develop a strategy that will incentivize US multilateralism on issues of shared concern when it comes to China, such as innovation mercantilism and maintaining open sea lanes of communication (SLOCs). SLOCs are important, because China holds a military advantage in East Asia, one that is likely growing.

Fourth, the report expects volatility in the **China-Russia relationship** over the next ten years. For now, China and Russia enjoy shared interests in maintaining authoritarian regimes, in revamping aspects of the international system, and in strategic competition with the United States. That said, ties between these two countries may have peaked and competing interests should begin to fray the relationship. In particular, Russia's status as the junior partner will be problematic. Central Asia is another potential point of contention.

Fifth, fluctuations in the **EU-US relationship** can be expected over the next ten years. To be sure, extensive cooperation will persist, based on many shared interests and values, with security and trade likely to be key areas for collaboration. That said, the US pivot to Asia means that Europe is no longer the top priori-

ty for US grand strategy, and European policymakers have begun to take steps to reduce their security dependence on Washington. Both of these trends will accelerate between now and 2030.

Sixth, over the next ten years, **EU-China relations** will grow in importance for both sides. Bilateral economic cooperation is likely to remain the focus of the relationship, though the European Union will engage in this process warily, with due consideration for concerns about security threats and avoiding developing economic dependencies on Beijing. EU-China. EU-China interaction in multilateral formats should also intensify, though there will be caution on the European side about Beijing's strategy of undermining human rights and democratic norms in institutions such as the United Nations. The relationship will also suffer at times from US-China competition, with both sides seeking support from the European Union. The US focus on competition with China will also, at times, harm transatlantic ties, with Brussels often seeking a more cooperative relationship with Beijing than Washington would like.

Finally, the report concludes that, given the trajectory of the dyadic relationships discussed above, the European Union will need to develop a greater ability to think and act strategically. If it does not, it will remain susceptible to the divide and rule tactics frequently used by the other major powers, and to which the European Union remains particularly vulnerable. More broadly, if it does not become savvier in the **practice of geopolitics**, the European Union will not be able to shape the international system to the same degree as China, Russia, and the United States.

7.4.4 International Cooperation and Climate (In)Security

The intersection of climate and security has been a priority for this year's Strategic Monitor project. The report formulated three main findings and conclusions. First, the **impact of climate change on (inter) national security** has grown more profound in recent years. Climate change, in the form of droughts, likely played a role in sparking the Syrian civil war. Similarly, the European Migrant Crisis was likely triggered, at least in part, by climate insecurity in the Sahel, Middle East, and North Africa. Extreme and deadly weather patterns in North American and the Caribbean, Europe, and Australia have also focused attention on the climate and security nexus.

Second, the **integrity of the norms and rules** which guide state behavior as it relates to climate security has, fortunately, **improved** over the past decade. Overall, cooperation is increasing. States have generally tried to comply with rules designed to prevent, mitigate, foster recognition of, adapt, and increase resilience to climate change and its security impacts. Existing norms have also strengthened. However, in spite of this progress, norms and rules have tended to incorporate weak enforcement mechanisms. This makes them easy to comply with, meaning that the trend in compliance cannot be taken for granted. Furthermore, the international community's progress in addressing climate insecurity, though laudable, is insufficient. Far more needs to be achieved for this security threat to be effectively mitigated.

Finally, most actors working to strengthen or expand existing norms and rules operate at the substate or regional level. Individual states are often reluctant to undertake ambitious measures, and rules introduced at the international level tend to be weakly enforced or vaguely formulated. In contrast, the way they are interpreted and implemented by regional and substate actors is often aggressive, a finding that dovetails with this report's conclusion that NSAs are increasingly relevant actors within the international security arena. Effectively partnering with these NSAs in the area of climate and security should be a priority for the Netherlands and Europe over the next ten years.

8. Recommendations

Based on the report's conclusions, this final section offers recommendations for the Netherlands and for its European partners. These recommendations are organized into two broad categories, with some overlap: relations with other states and non-state actors, and key thematic areas. The overarching recommendation is that the Netherlands and its European partners should proactively seek to foster a more equal relationship with the United States, one that enables the Netherlands and Europe to accept more responsibility for their own security and for promoting peace and stability in their region. Among other tasks, this will require developing more effective and robust military capabilities. The first step to tackling the complex challenges outlined in this report is modernizing the transatlantic relationship. More specific recommendations are listed below.

8.2 Relations with States and Non-State Actors

When it comes to Dutch and European relations with other states and with NSAs, this report offers recommendations in three areas: with major powers, middle powers, and NSAs.

With other major powers, it recommends the following:

China
1. Develop a **proactive agenda** that will allow the Netherlands and Europe to shape interactions with China on issues of vital importance, such as trade and multilateral institutions, in a way that protects Dutch and European interests and values
2. **Develop a plan for bolstering cohesion** among EU members, so as to avoid divide and rule tactics to which the European Union is especially vulnerable
3. Partner with the United States, if possible, and with other like-minded countries to **prevent the closing of sea lines of communication** in East Asia; as part of the European Union's Strategic Compass exercise – which is intended to highlight threats and prioritize objectives and capabilities – the Netherlands could propose air and maritime surveillance and interdiction operations in the region (which were first mentioned in the December 2008 EU report "Report on the Implementation of the European Security Strategy")
4. Leverage the momentum from the publication of the Dutch, French, and German Indo-Pacific strategies to **work toward a common, EU Indo-Pacific strategy** document

Russia
1. The Netherlands and the European Union look for common ground with Russia where possible, for instance on **arms control**, but given Russian intransigence over issues such as the downing of flight MH17, cooperation will be difficult
2. Hence it will be necessary to **build more resilience** against gray zone operations (see below) and conventional military power to counter growth in Russian capabilities

United States
1. It is in the interest of the Netherlands and the European Union to maintain strong ties with the United States, but to develop more a more independent and capable foreign and security policy that will **reduce Dutch and European dependency**
2. The Netherlands and Europe should **expect and plan for inconsistency** from the United States; the Biden administration will be a more congenial partner, but it will be more focused on China and East Asia than on Europe and could give way to a Trump-like administration as early as 2024
3. The Netherlands and European Union should **develop a comprehensive strategy** for a relationship with Washington and begin implementing it; recent documents from the EU Commission ("A New EU-US Agenda for Global Change") and from the European Council represent a good start[250]; the **Netherlands should promote the**

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[250] Herszenhorn, "EU Extends a Hand (or Two) to Joe Biden."

ideas in these initiatives and, with other Atlanticist EU member states, try to play a bridging role between Washington and Brussels

With middle powers, the report recommends the following:

1. The Netherlands and European Union should **incentivize middle powers to avoid assertive security strategies**, which are destabilizing but will nevertheless likely proliferate; this could be done by incorporating middle powers into existing security agreements and arrangements, such as NATO's Partnership for Peace, or by creating new initiatives
2. The Netherlands and Europe should **make it less attractive for middle powers to adopt innovation mercantilism**; this could be done at the international level, with reform of WTO being a priority (see below) and at the regional (EU) level or by the Dutch government
3. The Netherlands and Europe should develop incentives for middle powers to avoid full alignment with China and Russia; this should be done using the Netherlands' and EU's considerable economic and political sway
4. The Netherlands and Europe should **create forums for like-minded middle powers to meet and cooperate** on issues of shared importance; the Alliance for Multilateralism is a good starting point, but the Netherlands should play a leading role in ensuring that these and other initiatives are more than symbolic – they should actually shape the international system
5. Middle powers in the Global South represent a crucial battleground for issues of important to the Netherlands and the European Union, such as security strategies and innovation mercantilism; Dutch and EU policymakers should **devise a strategy for engaging more closely and more effectively with middle powers in the Global South**.

With non-state actors, this report recommends:

1. **Developing a comprehensive strategy for working with NSAs in the Global South** to promote Dutch and European interests, because there will be more of them over the next ten years and because they exercise disproportionate influence in the region
2. The Netherlands and European Union should **incentivize NSAs to play constructive roles in the administration of public health functions and political institutions**, in part by making them part of the process so as to better regulate or govern their behavior
3. The Netherlands and Europe should think strategically about disintermediation and the role of NSAs in gray zone operations; there are no easy answers, but **creating incentives for NSAs such as Twitter and Facebook to self-regulate to prevent abuse by malicious actors** is a good first step
4. The Netherlands and European Union should **foster initiatives to bolster resilience** to hybrid tactics, especially among the most vulnerable democracies, in Southern Europe and elsewhere
5. Over the next ten years, the Netherlands and European Union should **develop a plan for limiting the influence of malicious NSAs**, such as QAnon

8.3 Key Thematic Areas

When it comes to safeguarding Dutch and EU interests and values in key thematic areas, this report offers recommendations in four areas: the rules-based international order; climate and security; international trade; and international and regional security.

With regard to the rules-based international order, the report recommends the following:

1. The Netherlands and European Union should **prioritize maintaining the current order, even in diluted form**, because this is a vital step in preventing the outbreak of full-scale major power war

2. It may be necessary to **accept some alterations to keep China and Russia within the order**, though the Netherlands and European Union will need to decide the extent to which they are willing to compromise on issues such as human rights

3. The Netherlands and European Union should **decide which multilateral institutions they view as most important in maintaining the current order**, even as they accept and even push for changes to these institutions; for instance, NATO will need to evolve to allow for closer cooperation with the European Union and for rebalancing with the United States (see below); the WTO will need to be reformed (see below) if it is to survive challenges from China and the United States

When it comes to climate and security, the report advises:

1. The Netherlands and European Union should create incentives for states to be more aggressive in the way that they interpret and implement rules and norms

2. The Netherlands and European Union should partner more closely with non-state actors, which for the foreseeable future will be the most effective force in pushing the international community toward standards that will limit the worst effects of climate change

Regarding international trade and economics:

1. The Netherlands and Europe should **prioritize reform of the WTO**; the 2018 proposal advanced by the European Union and like-minded countries was and important, but still insufficient step; the Netherlands and European Union should **act as a bridge between China and the United States**, a role that will likely require years of patient and difficult diplomacy

2. The Netherlands and European Union should **develop a comprehensive strategy for countering the trend toward innovation mercantilism outside of the West**; special attention

might be paid to middle powers in the Global South with whom the Netherlands or the European Union have particular influence, as the behavior of these countries should be the least difficult to sway

3. To reduce the possibility of dependency on potentially unfriendly major powers, the Netherlands should encourage **development of an EU strategy for maintaining supplies of strategic goods**, from personal protective equipment to emerging technologies

Finally, when it comes to international and regional security, the report recommends that:

1. The Netherlands and Europe **prioritize reforming NATO**; this will include continuing the move toward a closer relationship between NATO and the European Union; the Netherlands and fellow European member states should aim to **contribute 50 percent of spending and operations** within the next ten years (with the United States providing the other 50 percent)

2. In order to develop the capabilities to shoulder this heavy burden, the Netherlands should play a leading role in **developing a more stable funding stream for the European Defense Fund and national defense budgets**, with firm annual commitments

3. The Netherlands and other European states - through NATO or the EU - should **invest in conventional precision strike capabilities**, including supporting C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance) systems; together with **investments in more integrated air and missile defense** – the PESCO TWISTER (Timely Warning and Interception with Space-based Theater surveillance) project is a good example of such programs – this would allow Europeans to provide fully-formed A2/AD capabilities; collectively, these capabilities would allow Europeans to raise the costs of aggression against member states, thereby facilitating deterrence through denial

4. The Netherlands and European Union would benefit from a stronger and more consolidated technological and industrial base; the Netherlands should **play a bigger role in efforts to increase cross-border cooperation and participate in larger multinational procurement formats**, such as the Franco-German future generation combat air and land systems programs

5. The Netherlands and European Union should **build more resilience to withstand gray zone operations**; as the Carnegie Endowment for international Peace notes, EU initiatives – such as the Code of Practice on Disinformation, the Action Plan Against Disinformation, the East StratCom Task Force, and the Rapid Alert System – represent a good start, but are not enough[251]

6. One ways to develop safeguards against the proliferation against hybrid threats is for the Netherlands and the European Union to **more aggressively use their ability to shape and set international norms** in regard to: (a) hybrid actions they and like-minded countries are willing to forgo; (b) enforcement actions that like-minded countries will undertake when other countries transgress norms; (c) direct resources to NSAs operating as so-called norm entrepreneurs, that work with states to build legitimacy for norms and increase the scope of punishment for transgressors[252]

In closing, the recommendations in this report share a common thread: each highlights the need for the Netherlands and its EU partners to think more carefully and systemically about how to develop working relationships, partnerships, and new institutions and regimes in the new multipolar system. Doing so will be an indispensable part of protecting Dutch and EU interests and values over the next ten years. Working out the specifics of these arrangements will be the focus of next year's Strategic Monitor project.

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[251] Pamment, "The EU's Role in Fighting Disinformation."

[252] Faesen, Sweijs, and Klimburg, "From Blurred Lines to Red Lines: Countermeasures and Norms in Hybrid Conflict."

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10. **Methodology**

10.2 Abstract

This section is geared towards outlining the methodologies utilized within the Strategic Monitor report, with the specific goal of ensuring a.) the transparency of the report's findings, and b.) its methodological replicability going forward. To this end, this document details the methodological design and the datasets utilized to operationalize the 2020 iteration of the Strategic Monitor, which is themed around the concepts of international peace, security, and societal stability. The framework utilized in the Strategic Monitor takes a multidimensional approach to evaluating these concepts by considering. The **Global Megatrends** section provides an overview of six (6) megatrends with the potential to impact Dutch national security in the coming years. The **Key Actors in the World** section synthesizes an overview of major powers', middle powers', and nonstate actors' roles in the international security environment. Finally, **The World in (Dis)order** section provides an appraisal of the integrity of the rules-based international order. This document provides a high-level oversight of the methodologies employed within the Strategic Monitor report, in addition to providing references to method documents and/or datasets deemed necessary for their replication.

10.3 Introduction

The purpose of this document is to provide an overview of the methods and sources that have been utilized to synthesize the Annual Report of the 2020-2021 Strategic Monitor, which is oriented around the themes of international peace & security societal stability. The Annual Report incorporates three sections; namely: (1) **Global Megatrends**, (2) **Key Actors in the World**, and (3) **The World in (Dis)order**. The Global Megatrends section utilizes a combination of *horizon scanning*, *expert interview*, *survey*, *trend analysis*, and *scenario analysis* methods to provide an overview of six (6) megatrends with the potential to impact Dutch national security in the coming years. The Key Actors in the World section leverages a combination of *horizon scanning* and *trend analysis* to synthesize an overview of major powers', middle powers', and nonstate actors' roles in the international security environment. Finally, The World in (Dis)order section leverages a combination of *horizon scanning*, *trend analysis*, and *international order* analyses to provide an appraisal of the integrity of the rules-based international order. The findings derived from these sections are then transposed into an overview of findings, threats, opportunities, and potential partners in the Strategic Monitor's concluding chapter, **The Netherlands in a Changing World**.

Figure 33 - Overview of research methods employed, Strategic Monitor 2020-2021

Methodology	Description
Horizon scanning	Horizon scanning methodology relies on the manual monitoring of hundreds of validated foresight resources, the structured coding of signals, and expert assessment. The horizon scanning exercise is geared largely towards establishing likelihood of manifestation and likely impact.
Expert consultation	A methodology which leverages either surveys or expert sessions to extract knowledge and feedback from subject matter experts.
Scenario analysis	Scenario analysis is a process of analyzing future events by considering alternative possible outcomes
Trend analysis	Trend impact analysis is characterized by structured multi-year tracking of emerging and manifesting phenomena.
International order	A qualitative structured focused comparison approach which employs a structurally consistent evaluation of phenomena with systematic scope boundaries in order to assert over-time trends in state compliance with norms and rules.

Because many of the methods outlined in Figure 33 above are utilized in different ways throughout this research, this document is structured as follows. It provides, on a method-by-method basis, a.) a generic description of the method in question and its high-level use cases, and b.) a detailed description of what research phase(s) the method in question was employed in and how.

10.4 Methods
10.4.3 Horizon Scanning

The 2020 Strategic Monitor makes extensive use of the horizon scanning methodology. Horizon scanning methodology on the manual monitoring of hundreds of validated foresight resources, the structured coding of signals, and expert assessment. The horizon scanning exercise is geared largely towards establishing likelihood of manifestation and likely impact. It is a technique for detecting early signs of potentially important developments through a systematic examination of potential threats and opportunities. The method calls for determining what is constant, what changes, and what constantly changes. It explores novel and unexpected issues as well as persistent problems and trends, including matters at the margins of current thinking that challenge past assumptions. A solid 'scan of the horizon' can provide the background to develop strategies for anticipating future developments and thereby gain lead time. It can also be a way to assess trends to feed into a scenario development process.

Within the context of this research, horizon scanning is a methodology which bases itself heavily on desk research. The method helps to develop the big picture behind the issues to be examined. This research involved a wide variety of sources, such as the Internet, government ministries and agencies, non-governmental organizations, international organizations and companies, research communities, and on-line and off-line databases and journals. The horizon scanning methodology employed within the 2020 Strategic Monitor built upon iterations HCSS and Clingendael developed in previous years and was

applied within the context of the Global Security Pulse (GSP) project, in addition to several of the chapters included within the final Strategic Monitor.

The implementation of the horizon scanning methodology constitutes the systematic (manual) analysis of articles and/or publications which have appeared within a six (6) month window preceding a research's finalization. In concrete terms, the horizon scanning methodology is executed by means of the following 4-step process:

1. **Identification of sources**. The horizon scanning process kicks off with the identification of a list of sources upon which the search queries that are formulated as part of step two are eventually applied. Identified sources can be divided into four distinct categories, namely: *(inter)national organizations*, *think tanks & research centers*, *platforms & media outlets*, and *influencer profiles*. The *(inter)national organizations*, *think tanks & research centers*, *platforms & media outlets* categories are populated by a 'standardized' list of relevant entities, with expert review resulting on the addition of (depending on research theme) the addition of supplementary (subject-relevant) sources. *Influencers* are identified on the basis of Twitter posts, and often comprise a small share of the overall source list.

2. **Identification of search terms & formulation of queries**. To ensure a systematic (and replicable) approach, each horizon scan is conducted using a theme-specific set of key terms and/or word combinations. These are identified on the basis of a short literature review and are validated by means of expert opinion and/or consultation. The research team identifies a.) a 'baseline' set of key terms and/or word combinations, in addition to b.) a series of 'buckets' with which the aforementioned key terms can be combined to identify potentially relevant publications within the previously formulated source list.

3. **Application of search queries**. The formulated search queries are applied to the list of identified

Figure 34 - Overview of publications consulted for longlist formulation

Publishing entity	Publication title
Center for Security Studies, ETH Zurich	Strategic Trends 2020: Key Developments in Global Affairs
Atlantic Council	Global Risks 2035 Update: Decline or New Renaissance
UK Ministry of Defence	Global Strategic Trends: The Future Starts Today
Centre for Strategic Futures	Foresight
EU, European Strategy and Policy Analysis System	Global Trends to 2030: Challenges and Choices for Europe
EU Institute for Security Studies	What if...? 14 futures for 2024
Allied Command Transformation, NATO	Strategic Foresight Analysis
World Economic Forum	World Economic Forum Shaping a Multiconceptual World
RAND Corporation	Geopolitical Trends and the Future of Warfare
Munich Security Conference	Westlessness
RAND Corporation	Economic Trends and the Future of Warfare
RAND Corporation	Military Trends and the Future of Warfare
European Commission	2020 Strategic Foresight Report: Charting the Course Towards a More Resilient Europe
Office of the Director of National Intelligence (US)	Global Trends: Paradox of Progress

sources by means of Google's Advanced Search feature. Buckets are inserted into the interface's "any of these words" field, while baseline queries and source domains are inserted into the "this exact words or phrase" and "site or domain" fields, respectively.

4. **Analysis**. Analysis constitutes the final phase of the horizon scanning process. Links returned through Google's Advanced Search feature are scanned for relevance, with relevant entries being analyzed to extract thematically relevant signals. Signals are conceptualized as events and/or observations (i.e.: "Russia has tripled the number of active servicemen in Crimea") whose occurrence can be associated with the manifestation (or proliferation) of a higher-level trend (i.e.: "the norm of state sovereignty is facing erosion").

The horizon scanning method was used, in one form or another, in the **Global Megatrends** and **The World in (Dis)order** sections of this research. In the case of the **Global Megatrends** section, the methodology was employed to yield an initial megatrend "longlist" which was subsequently whittled down to a short-list

on the basis of an in-depth analysis of top think tank and/or research organizations' (lack of) identification of these trends, and which was finally narrowed down to the six megatrends featured in the final report by means of expert consultation.

10.4.4 Expert Consultation
Two forms of expert consultation were employed within the context of the 2020-2021 Strategic Monitor; namely: surveys and expert sessions.

10.4.4.1 Surveying
Survey methods were employed within the context of the **Global Megatrends** section, which set out to identify six (6) trends whose impact is unfolding at a global scale (or "megatrends") on the basis of, among other things, their relevance to Dutch and/or EU national security. As outlined in the previous section, *horizon scanning* was utilized to identify an initial megatrend "longlist" which was subsequently whittled down to a shortlist of fifteen (15) megatrends based of an in-depth reading of reports published by influential international think tanks, international institutions, or government agencies involved in foresight work (Figure 34).

This list informed the development of an online expert survey. The survey was published and disseminated through Google Forms, and incorporated the following sections:

1. A section which asked respondents to provide information pertaining to their sector of employment, years of work experience, and country of operations.
2. A section which asked respondents to provide, on the one hand, rate each of the 15 megatrends featured on the shortlist between 1 and 5 based in their perception of that megatrend's impact on European security, and which asked them to indicate which megatrends were likely to be of greatest relevance and the short term and which were likely to be of greatest relevance in the long term.
3. A section which asked respondents to provide, through long-form responses, insights into whether the shortlist featured any blind spots (i.e.: "missed" megatrends), to identify trends they viewed as particularly threatening (and why), to identify trends they viewed as opportunities (and why), and – finally – to say something about the impact of COVID-19.

For a complete overview of questions included in the survey, please refer to Annex I. The survey was sent out to over 400 Dutch and international security experts, which were partially identified through the HCSS and Clingendael network and partially through a manual identification of individuals working at Dutch universities, (inter)national think tanks, and (inter) governmental agencies and organizations. This resulted in 153 responses – or a response rate of just under 50% – and allowed for the identification of the following six (6) megatrends for further analysis:

1. Europe's ongoing crises
2. US retrenchment
3. Environmental and climate related stresses
4. Russian assertiveness
5. Gray zone operations increasing in frequency
6. China's economic, political, and military rise

Megatrends were identified based on several factors, including their average 1-5 score in the survey's "relevance to European security" questions and the frequency with which they were identified as short-term threats and/or opportunities.

10.4.4.2 Expert Sessions

Expert sessions are, within the context of the Strategic Monitor program, a method which is commonly utilized. Their purpose, generally speaking, is to aggregate expert opinion on preliminary research results, proposed and/or contentious research designs, and/or to validate the salience of policy recommendations formulated by the research teams.

Within the context of the 2020-2021 Strategic Monitor program, the following expert sessions were convened:

1. **Expert session on climate and security**: this expert session included a wide range of climate experts involved in (among others) the Water Peace Security initiative. The discussion was used to expand the research's scope and to adjust its underlying methodology and presentation.
2. **Day of Progress**: this expert session included a large number of experts from the Dutch ministries of Defense and Foreign Affairs; it was used to develop ideas for the concluding section of the report

10.4.5 Trend Analysis, Scenario Analysis, and Case Study Identification
10.4.5.1 Trend Analysis

Trend analysis is a simple approach that extrapolates historical data into the future, while taking into account unprecedented future events. This method permits an analyst to include and systematically examine the effects of possible future events that are expected to affect the trend that is extrapolated. The events can include technological, political, social, economic, and value-oriented changes. This is a form of quantitative analysis, commonly executed through the use of open-source data, that HCSS and Clingendael use throughout the Strategic Monitor 2020-2021.

In the **Global Megatrends** section, trend analysis is employed to synthesize graphs and visuals that lend credence and context to the arguments being presented. In the **Key Actors in the World** section, the method is employed not only to lend credence and context to arguments, but also as a tool that shapes various aspects of the research design. As an example, the method is employed to identify which countries are great powers, which countries are middle powers, and which nonstate actors warrant inclusion in the greater analysis.

10.4.5.1.1 Identifying Great Powers Using Trend Analysis

The 2020-2021 Strategic Monitor defines great powers as state actors which rank among the most influential international actors in terms of security policy, military power, and/or economic position. On the basis of their permanent seat on the UN Security Council and/or the size of their military, economy and population, and based on trend-centric metrics such as developments in their over-time share of international influence and global power, this study regards the following actors on the world stage as major powers: the United States, China, Russia, and the European Union. As far as security is concerned, these four are influential on account of their permanent seat on the Security Council (US, China, Russia) or that of its Members States (the EU by way of France and the United Kingdom). Of the four, the US holds a special position since it is the only power which plays a leading security role in every region of the world.

10.4.5.1.2 Identifying Middle Powers Using Trend Analysis

The 2020-2021 Strategic Monitor defines middle powers as having two key characteristics. First, they have the capacity to exert influence at the international level – something which can be understood as a product of their population size, economic power, and military prowess. Second, use their capacity to exert influence to actually do so. HCSS and Clingendael utilized trend analysis to identify middle powers. The report utilized datasets such as, among others,

the Pardee Centre for International Futures' Foreign Bilateral Influence Capacity (FBIC) index and indicators available through open sources such as the World Bank (population, GDP, etc.) to synthesize an overview of countries which fell into the middle powers bracket. This publication omits European countries from its list of middle powers, and also strives for a relatively (geographically) diverse analysis pool.

Trend analysis was additionally employed to answer specific research questions. In concise terms, the report examined four variables in an effort to pinpoint how middle powers are reacting to the evolving international system. This includes middle power trade policies, with a focus on whether they trend toward free trade or toward innovation mercantilism. The report also examined the security stances of middle powers, and whether they are assertive or defensive. Middle powers with assertive security stances have undertaken non-UN mandated military interventions during the last five years outside of their borders. Defensive stances entail no such interventions.

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10.4.5.1.3 Identifying NSAs Using Trend Analysis

For this section of the report, four types of large or influential NSAs were examined. The report analyzed corporations (big tech, big pharma, and big oil), philanthropic organizations, violent NSAs, and social or political movements organizing via social media. In choosing individual NSAs, the report looked at factors such as rankings of influential NSAs, budget

sizes, prominence in national and global events, and geographical spread. In total, the research included sixteen NSAs.

10.4.5.2 Scenario Analysis

Scenario analysis is a process of analyzing future events by considering alternative possible outcomes. This study uses the scenario framework that was developed within the scope of the *"Future Policy Survey: A new Foundation for the Netherlands Armed Forces"*.[253] It expressly focuses on the horizontal axis that runs from cooperation to non-cooperation/conflict. It is a fusion which incorporates features of both the multilateral and multipolar scenarios. Cooperation and conflicts of interest between state actors are not mutually exclusive. This study focuses on whether this blended scenario will hold when the relationships between the great powers, which are assumed to be a decisive factor for global stability, are examined.

10.4.6 International Order Analysis

Threats and megatrends occur within an international environment, and oftentimes have spillover effect. As a result, mitigating and/or preventing their occurrence is contingent on multilateral solutions. To assess the international community's ability to formulate such multilateral solutions, the Strategic Monitor incorporates an "international order" analysis which has been developed in-house over the course of the past years. In concrete terms, this component of the Strategic Monitor is geared towards establishing the degree to which the international order exhibits signs of convergence (or diversion), whether – on the basis of observed instances of cooperation or confrontation – the international order is equipped to tackle overarching threats.

The methodology featured within the Strategic Monitor views the international order through the lenses of separate policy domains (hereafter defined as international regimes). It takes the form of a structured focused comparison. A structured focused comparison is 'structured' because a systematic set of questions is evaluated on a regime-by-regime basis. It can be considered 'focused' because only important elements are assessed (degree of institutionalization, development of and compliance with norms and rules). The methodology utilized within the Strategic Monitor adheres to Stephen Krasner's definition of international regimes ('a set of implicit and explicit principles, norms, rules, and decision-making procedures around which the actors converge in a particular area of international relations'). Rules encode the *goals* of the norms they are associated with into international law, but it is entirely possible for state adherence to a norm to degrade () even while adherence to the rule stays constant () or even increases (), or vice-versa. Norms can be distinguished from rules not only by the fact that one is encoded in international law while the other is not, but also by the fact that their legitimacy can be eroded through the expression of sentiments which do not align with the behavioral ideals they enshrine. For example, states might refrain from engaging in more conflict – thus complying with Art 2(4) of the UN Charter – while also expressing sentiments which communicate disdain over the notion that they are prevented from doing so or which downplay the horrors of armed conflict. In both of these hypothetical cases, states are adhering to rules surrounding the prevention of armed conflict while simultaneously eroding the normative framework which underpins them. These concepts are evaluated on the basis of a set of three criteria, namely:

1. **Actors and Institutions** (which actors or institutions are most important with respect to the norm or rule, and how is this trend likely to develop?)
2. **Norms and Rules** (how has this norm or rule been historically understood and how does it reflect concerns for human rights and western interests?)

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253   Interdepartementaal Project Verkenningen, *Verkenningen: houvast voor de krijgsmacht van de toekomst* (Den Haag, Ministerie van Defensie, 2010) 126-146.

Figure 35 - Components international order climate security

"Domain"	Norm	Rule
Prevention & Mitigation	States ought to protect vulnerable communities and natural ecosystems by taking steps to reduce their contribution to global temperature rise.	The degree to which states adhere to Article 2(1) of the United Nations Paris Agreement, which incentivizes signatories to pursue efforts to limit global temperature rise to well below 2 degrees Celsius above pre-industrial levels.
Recognition	States ought to treat climate change as a threat to (inter)national security.	UN Resolution 63/281 on climate change and its possible security implications, which invites UN agencies and UN member states to intensify their efforts to address climate change and its security implications, and which formalized a process in which the General Secretary submits comprehensive reports climate change's potential security implications to the General Assembly.
Adaptation	States ought to take steps to reduce climate change's adverse effects on vulnerable communities internationally.	The degree to which states adhere to Article 7(1) and 8 of the United Nations Paris Agreement, which encourage developed countries to assist developing countries with climate mitigation and adaptation financially.
	States ought to take steps to reduce climate change's adverse effects domestically.	The degree to which states adhere to Article 7, 9, and 10 of the United Nations Paris Agreement, which encourage states to improve their capacity to adapt to climate change.
Resilience	States ought to create systems, communities and societies that are able to resist, absorb, accommodate to, and recover from the effects of a hazard caused by climate change (in a timely and efficient manner).	The degree of which states adhere to Article 2. 1b (in connection with Article 7. 1) of the United Nations Paris Agreement which encourages all parties to increase the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development.

3. **Adherence and compliance** (how have adherence to and/or compliance with the existing set of norms and rules developed over the past 10 years, and is there an overall trend towards conflicting or rather cooperation?)

The application of this methodology results in the development of a trend table which features distinct sections for norms and rules. Much like those utilized in the threat landscape section of the report, the trend tables break observations down into sub-components, each of which are evaluated within the context described above in order to gauge the overall increase (or decrease) in threat. Following the plotting of the regime into the matrix, Trends identified within the trend tables are further evaluated on the basis of desk research, qualitative reasoning, and judgements rendered during an expert meeting. These evaluations – which contribute to an overall assessment of developments within the international order – are further updated on the basis of an overall assessment. The overall assessment incorporates an expert evaluation of several aspects of the analyzed regime as they have developed over the course of the last 10 years; namely: 1.) the regime's most impor-

tant norms, 2.) the regime's most important rules, 3.) the seven most important (whether positive or negative) formal and/or informal debates which have taken place between members of the regime, 4.) the outcomes of the aforementioned meetings (and the implications thereof), and 5.) the seven most important (whether positive or negative) formal and/or informal actions the regime has undertaken.

The 2020 Strategic Monitor – which focuses its international order analysis on the theme of climate security – employs this methodology to explore trends in cooperation as they relate to the **prevention & mitigation** of climate insecurity, **recognition** of climate (in)security as a phenomenon, **adaptation** to climate insecurities where they manifest, and **resilience** to their ravages. Each component of this trichotomy is associated with one or more "norms". Each of these norms is, in turn, associated with one or more "rules". Rules encode the *goals* of the norms they are associated with into international law, but it is entirely possible for state adherence to a norm to degrade even while adherence to the rule stays constant or even increases, or vice-versa.

The **prevention**, **recognition**, **mitigation**, **resilience** structure outlined in Figure 35 is grounded in the following considerations:

- **Prevention & mitigation**. The primary function of the **prevention and mitigation** component is to establish whether the international community takes climate change seriously. The greater the temperature rise, the more dramatic the effect of gradual climate-related processes, the higher the frequency and intensity of extreme weather events, and the more far-reaching the social, political, and economic consequences. Because climate change is the primary driver of climate insecurity, an international community which takes climate change seriously is a prerequisite for one which cooperates on climate security. International cooperation on climate change is not something which can be taken for granted. Climate change remains a contested issue in today's political climate, both domestically and internationally. It also an exceptionally complicated issue. The optimal response to climate change – a global moratorium on the use of fossil fuels and on the consumption of meat and other animal-based products – cannot be feasibly implemented and is unlikely to be achieved in our lifetimes. Concerns pertaining to economic welfare and human prosperity, particularly when applied within the context of developing countries such as India, mean honest conversations on the issue are bogged down from the get-go. International cooperation on climate change currently predominantly takes the form of the Paris Accord, which was ratified by 175 parties in 2015. The Paris accord builds upon the 1997 Kyoto protocol by (among others) imposing requirements on developing countries and by introducing a Celsius limitation on global temperature rise. Climate change has also enjoyed a minor, but marked, increase in attention within the United Nations Security Council (UNSC) in recent years, and has found its way into the policy frameworks and institutional discourses of key regional organi-

zations, the EU, ASEAN, the South Asian Association for Regional Cooperation (SAARC), the Economic Community of West African States (ECOWAS) and the Intergovernmental Authority on Development (IGAD) included.[254]

- **Recognition**. The **recognition** component aims to establish the degree to which states have recognized climate security as a phenomenon. Much as is the case with the **prevention** component, the **recognition** component constitutes something of a prerequisite for international cooperation aimed at mitigating climate insecurity. Outside of UN Resolution 63/281, which touched on climate change's possible security impacts, very few international initiatives have formed around climate security as a phenomenon. The **recognition** component explores trends in state reception of the General Secretary's reporting on climate change's impact on security on the one hand, and the degree to which they have intensified their efforts to address these impacts on the other.

- **Adaptation**. Adapting to the impacts of climate insecurity requires states to take proactive measures, both domestically and internationally. Because a wide range of phenomena fall under the climate security umbrella, these measures are diverse enough in their nature and scope that testing for them comprehensively cannot be feasibly achieved within the context of this study. To complicate matters further, not all measures which mitigate climate insecurities are necessarily implemented as a result of concern over climate security. As an example, the EU-Turkey migrant agreement – though it aims to limit irregular migration, a phenomenon which can be readily linked to climate – is not motivated by

254 Dan Smith et al., "Climate Security: Making It #Doable" (The Hague: Netherlands Institute for International Relations, 2019), https://www.clingendael.org/publication/climate-security-making-it-doable.

concerns over climate security as a phenome-
non. Rather, it is motivated by issues such as
political polarization and the protection of the
welfare state. Because of this, its implementation
cannot reasonably be construed as contributing
to the integrity of the international order sur-
rounding climate security. To correct for this, this
study draws upon the reports countries prepare
within the context of Articles 9 (international) and
7 (domestic) of the Paris Agreement.

- **Resilience**. Minimizing climate change's impact
on (inter)national security requires states not
only to **adapt** – something which is covered in the
previous component – but to be **resilient**. Resil-
ience is commonly referred to as a society's
ability to recover or bounce back to its original
state before the exposure to shock, from the
effects of climate change. While the ability to
adapt generally increases an entity's resilience,
states or communities can take steps to improve
their resilience beyond what can be achieved
through adaptation. Within the context of climate
security, adaptation refers to actions or plans
that a state or community might employ against a
current or anticipated climate event, such as
adapting building codes to future weather condi-
tions and extreme weather events, cultivating
drought-resistant crops, or proactively raising
the levels of dykes. Actions or plans included
within adaptation reduce the impact of climate
events, but (outside of reducing the cost of re-
covery) do little to increase society's ability to
recover from them. This component was includ-
ed to ensure that this study also incorporates an
analysis of states' adherence to the notion that
adaptive policies should be supplemented with
policies which aim to improve societies' ability to
recover from climate events if and when they
occur. Examples of policies tested for within this
component include the development of disaster
preparedness protocols and the bolstering of
social services.

11. Annex

11.2 Annex I

Box 2 - Question 1

Sector of employment

In this question, please indicate whether you are currently employed in the public (i.e.: the Dutch Ministry of Defense), private (i.e.: a think tank or consultancy), or academic (i.e.: a university) sector.

Public sector
Private sector
Academia

Box 3 - Question 2

Years of work experience

0-5 years
5-15 years
15 or more years

Box 4 - Question 3

China's political, economic, and military rise

China has become increasingly influential on the world stage. It is leveraging its economic power to expand its political and strategic influence. It has also made significant investments into the modernization and professionalization of its military.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 5 - Question 4

US retrenchment

US leadership in the international system has been called into question by (a) the Trump administration's unilateralist and nationalist policies; (b) external pressures such as the rise of China; and (c) internal challenges such as rising income inequality and political dysfunction.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 6 - Question 5

Russian assertiveness

Russia has grown increasingly assertive in recent years. Examples include assuming a prominent role in the Syrian civil war, annexation of the Crimea, and intervention in the 2016 US elections.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 7 - Question 6

Europe's ongoing crises

Europe faces significant challenges, including extremist political movements, weaknesses in the Eurozone, disagreements about the nature of the European Union, China's growing influence, and the future of the relationship with the United States.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 8 - Question 7

Violent extremism

Even after a decades-long international counterterrorism campaign, Islamic jihadist and other types of extremism remain a factor with which Europe must contend.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 9 - Question 8

Resource scarcity

As the world population grows and a global energy transition looms, resource scarcity is likely to intensify interstate competition.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 10 - Question 9

The decline of the West

Western economies have suffered in terms of relative competitiveness, with growth and innovation both slowing. The West also no longer enjoys absolute military superiority.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 11 - Question 10

The erosion of the global trade system

The rules-based international trading system is threatened by China and the United States, as well as by protectionist sentiment in many countries.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 12 - Question 11

Potentially disruptive technologies

From cryptocurrencies to artificial intelligence, new technologies are upsetting many aspects of the existing status quo.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 13 - Question 12

Activity in the space domain

Whether commercial or military in nature, human activities in outer space have profound security implications.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 14 - Question 13

Gray zone operations increasing in frequency

States are increasingly attempting to achieve (geo) political aims through hybrid means. Gray zone operations include activities such as information operations (election meddling), the use of so-called "little green men", and cyberattacks on critical infrastructure.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 15 - Question 14

Diffusion of power to non-state actors

The influence of non-state sector actors has increased. On the military front, actors such as PMCs are increasingly able to infringe on the state's previous monopoly on violence. Non-state actors are also a driving force behind technological development to the extent that they sometimes supply public services that national governments cannot or will not provide.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 16 - Question 15

Empowerment of humankind

On the whole, humans are more educated, healthier, and have higher income levels than at any point in history. Paradoxically, this rising prosperity has been, at times, economically, politically, and socially destabilizing at the national and international levels.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 17 - Question 16

Environmental and climate-related stresses

Climate change and ecosystem failure significantly increase the risks of flooding and other extreme weather events. They place pressure on the global food supply. They also contribute to third-order effects such as state failure and migrant flows.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 18 - Question 17

Demographic transitions and urbanization

More people are living in urban areas. In some countries, populations are aging. Others have developed youth bulges. These demographic distortions create economic, political, and social challenges.

Respondents could select an answer between 1 and 5, with 1 referring to "Very low impact on European security" and 5 referring to "Very high impact on European security".

Box 19 - Question 18

Short-term prioritization

Please indicate, in your opinion, which of the previously outlined trends is likely to be most detrimental to European security in the short-term.

Respondents could select any of the 15 shortlisted megatrends, with multiple answers being possible.

Box 20 - Question 19

Long-term prioritization

Please indicate, in your opinion, which of the previously outlined trends is likely to be most detrimental to European security in the long-term.

Respondents could select any of the 15 shortlisted megatrends, with multiple answers being possible.

Box 21 - Question 20

Blind spots

Please indicate whether the list of 15 megatrends has omitted any trends that you view as being particularly relevant to European security. Please explain your choices.

Open / long-form question.

Box 22 - Question 21

Threats

Please identify those trends you view as being particularly threatening to European security. Please include an explanation as to why.

Open / long-form question.

Box 23 - Question 22

Opportunities

Please identify those trends that may provide opportunities to enhance European security. Please include an explanation as to why.

Open / long-form question.

Box 24 - Question 23

Impact of COVID-19

COVID-19 has been widely identified as a risk multiplier and will be a key theme in our study. Please outline below the megatrends most likely to be exacerbated by the pandemic. Please briefly explain why and how.

Open / long-form question.

Notes

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