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Key Developments in Global Affairs

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Strategic Trends 2012: From a multipolar to a polycentric world

IN THE FIRST TWO ISSUES OF *STRATEGIC TRENDS*, WE PAINTED THE PICTURE OF A WORLD THAT IS SUBJECT TO PROFOUND CHANGE. We argued that the global power shifts that accelerated as a result of the financial crisis have given rise to an international order marked by growing fragmentation, lack of leadership, and more instability. We depicted an emerging multipolar system where great power relations and geopolitics take centre stage again while the fight against non-state jihadist terrorism turns from a strategic priority to an ongoing operational challenge. We also drew attention to changing regional dynamics, focusing in particular on the domestic upheavals in many Arab states that are bound to alter the balance of power in the Middle East.

In *Strategic Trends 2012*, we seek to take our analysis of major global and regional developments one step further. Focusing on the five themes of a more assertive China, a strategically weakened Europe, conflict-torn Africa, the changing geopolitics of energy, and the militarisation of cyber security, the chapters of this year's issue confirm

that global leadership is in short supply, with political fragmentation and polarisation continuing unabated. But they also bring to the fore structural interdependencies that continue to frame state behaviour and interstate relations. These interdependencies, be they economic, societal, or technological, suggest that there are limits as to how far divergence will translate into non-governance and large-scale confrontation in a globalised world. They also explain why geopolitics is a much more complex phenomenon today than at any time before. As the notion of 'multipolarity' fails to capture these linkages and mutual dependencies between the centres of power, it is perhaps more adequate to describe today's international system as 'polycentric'.

As our chapters indicate, domestic politics play a large role in accounting for the extent to which individual states emphasise political divergence or the need for cooperation. At this stage, the predominant trend is for divergence to remain strong, with interdependence often providing for minimal governance only.

*Uncertainties about China's rise*

After years of impressive economic growth, China by now plays the sort of global role that renders it a major actor in all our chapters. China has become a much-sought investor in debt-ridden Europe, a source of hope and conflict in Africa, a key player in global energy relations, and a main suspect as far as cyber attacks are concerned. However, there are two major uncertainties concerning China's further rise. First, although its relative economic power will continue to increase to some extent, China's growth rates may well shrink significantly. The downturn of the global economy and especially the crisis in Europe have resulted in decreasing demand for Chinese exports. Adapting China's growth and development model may become inevitable in this context, but any such move implies serious political risks for the leaders in Beijing. Like the Western economies, China faces its own major structural problems these days.

Second, not least as a result of the unfolding growth challenge, China's political elites are increasingly nourishing nationalistic sentiments as a means to cement domestic cohesion. Together with other factors such as the growing role of the Chinese military in shaping foreign policy, this has resulted in Beijing gradually taking a more assertive line internationally, particularly as

far as the Asia-Pacific neighbourhood is concerned. On the global level, China's economic interdependence with the US and Europe may still provide enough incentive for Beijing to work within the established, Western-shaped economic system. By contrast, on the regional level, growing polarisation between China on the one side and many of its neighbours and the US on the other seems a distinct possibility, irrespective of the recent surge in mutual economic ties and multilateral schemes. The political successions that are due in Beijing and Washington in the second half of 2012 will provide additional markers as to how Sino-US relations might evolve.

Europe's growing frailty

In Europe, the question of where China is heading has not received nearly as much attention as in the US. This is not just because of differences in geography, power, and strategic culture, but also because the Europeans are preoccupied with themselves these days. The EU is in a bad state, having suffered much fragmentation as the debt crisis has shaken both the Eurozone and the European project proper. Intra-European power shifts that have catapulted Germany into a new leadership role, political and economic divisions between Europe's North and South, renationalisation tendencies in the EU, and the rise of



Euroscepticism across the continent are profoundly changing the nature of European unification. Britain's self-marginalisation in Brussels and the growing split between the 17 Eurozone members and the ten other EU member states raise further questions as to Europe's future cohesion. All this amounts to a significant weakening of the EU's capacity to serve as an anchor of stability in Europe.

With distrust and divergence on the rise and national treasuries empty, European foreign policy is losing clout too. Projecting stability beyond its periphery is an ever bigger challenge for the EU as enlargement fatigue grows, soft power wanes, and EU incentives for neighbours to reform remain modest. The EU's relations with global powers have become cacophonous as individual member states focus on their own strategic partnerships with China and the likes and tend to stress commercial diplomacy rather than EU normative vocabulary.

Interdependence in the case of the EU has had negative contagion effects as far as the spreading of the debt crisis is concerned. But it has also been a major source of cooperation, as it compels member states to show enough solidarity to keep the Eurozone and the European project afloat. Close economic, cultural, and historical ties in

Europe lend the EU a degree of resilience that makes the scenario of disintegration look improbable – even if domestic politics are bound to render the search for effective solutions to the debt and euro crisis ever more difficult. Interdependence may also mitigate fragmentation as far as European defence is concerned, as national defence cuts and Washington's turn towards the Pacific strengthen the case for more 'pooling and sharing' in the EU and NATO if Europe's security and credibility are to be preserved.

Regional conflict as Africa's sore spot

While there are many gloomy headlines about the EU these days, there is a growing sense of optimism concerning the future of sub-Saharan Africa. The extent to which current signs of democratisation and economic growth provide for sustainable development remains debatable, however. Above all, armed conflicts constitute a persistent source of instability in large parts of Africa, especially in the Middle and the Horn. While these conflicts have complex causes, bad governance by political elites is often a major driver, with natural resources and ethnic or religious divisions playing important roles too. What renders these conflicts particularly intractable is the fact that they are usually transnational in nature, a characteristic



that will likely become increasingly prominent as China and others build up transport and communications infrastructures across Africa.

Interdependence in the case of Africa has not yet reached levels that would push political elites to undertake effective regional governance and crisis management efforts. To be sure, African security institutions have been set up, and African peacekeeping is on the rise. But the performance of these institutions has been poor so far, as political fragmentation continues to be strong and regionalism superficial. As for the UN, while it has recently paid more attention to the cross-border nature of troubles in Africa, it is still struggling to come up with much-needed regional solutions because of the difficult local conditions on the ground.

There are those who have expressed hope for 'Arab Spring' dynamics to enter into sub-Saharan Africa as a means of tackling the bad governance problem in many conflict-prone countries. Compelling though their logic seems at first, they will have to consider carefully what they wish for. There is a high risk that domestic revolts would not translate into better local politics, but rather into violence of a scale and intensity not seen in the Arab world so far.

Unconventional resources changing the geopolitics of energy

If our outlook for Africa emphasises continuity over change, there are important new dynamics when it comes to global energy markets. Here, we do not refer to the Iranian nuclear crisis and related worries over oil supplies that send oil prices skyrocketing. Nor is it the rapid rise of Asia as an oil importer we have in mind, as this trend has been around for some time. Rather, our energy chapter focuses on the growing importance of unconventional resources and the marked changes this implies for the energy supply picture and geopolitical variables.

The advent of unconventional hydrocarbons such as oil sands and shale gas helps consumers gain common ground, as the positive-sum character of oil and gas supply is enhanced. Unconventionals are a prime example of economically driven investment and technology development, countering the trend of ever-growing concentration of suppliers. As they strengthen market coordination over other forms of resource acquisition and allow for diversifying supply relationships, they reduce the power of land-based petrostates such as Russia.

Even as unconventionals are reinforcing market governance on a global



level, they are increasing the need for accommodation on the domestic level, as production moves to new regions and new technologies are being contested for their ecological impact. The growing salience of domestic politics translates into divergent policy responses to unconventional resources by the three main consumers in the energy market: Whereas the US (together with Canada) has been the main host of technology development and production from the start, China was quick to jump on the unconventional train. The EU, meanwhile, remains marred in internal quarrels and mainly sticks to its decarbonisation goals, while remaining extraordinarily dependent on world energy markets. This is another example of a major EU governance deficit, fitting in nicely with our assessment above.

Militarisation of cyber security

Lack of common governance has also become a defining feature in the field of cyber security. Although there is a shared worldwide dependency on a stable Internet environment, policy responses are fragmented and reflect a strong sense of vulnerability and mutual distrust. The current trend of militarising cyber security may well become a major source of international tension, with signs of a cyber security dilemma already discernible.

In the US military, cyberspace is now depicted as the fifth domain of warfare after land, sea, air, and space. Since October 2010, the US has had an operating Cyber Command. Particularly after the discovery of Stuxnet, the computer worm probably programmed to sabotage the Iranian nuclear programme, more and more states are following suit by setting up their own military cyber units. They reckon that Stuxnet could mark the beginning of the unchecked use of cyber weapons in open or more clandestine military aggressions.

The tendency to see cyber security mainly as a matter of national security and not as a civil defence or economic issue, and the efforts by states to acquire offensive cyber means, are bound to make both the virtual and the real world less and not more safe. Rather than paying too much attention to the diffuse notion of large-scale 'cyber war', states should focus on protecting their information systems and national critical infrastructures against cyber crime, espionage, and sabotage. They will also have to work towards better governance structures, both across countries and in public-private partnerships, to ensure that the world can continue reaping the benefits of the information revolution.

*A polycentric world*

Collectively, the different chapters in *Strategic Trends 2012* indicate how the extent to which structural interdependencies affect international affairs varies greatly depending on the region and on the subject-matter. But the chapters also underline that for all the visibility and predominance of political fragmentation, these interdependencies do constitute an important part of the evolving international system and are even being strengthened in some respect. This is also why the notion of 'multipolarity' seems ill-suited to fully capture the forces that shape this system today.

The advantage of 'multipolarity' is that it accounts for the ongoing diffusion of power that extends beyond uni-, bi-, or- tripolarity. But the problem with the term is that it suggests a degree of autonomy and separateness of each 'pole' that fails to do justice to the interconnections and complexities

of a globalised world. The term also conceals that rising powers are still willing to work within the Western-shaped world economic system, at least to some extent.

This is why the current state of play may be better described as 'polycentric'. Unlike 'multipolarity', the notion of 'polycentricism' says nothing about how the different centres of power relate to each other. Just as importantly, it does not elicit connotations with the famous but ill-fated multipolar system in Europe prior to 1914 that initially provided for regular great power consultation, but eventually ended in all-out war. The prospects for stable order and effective global governance are not good today. Yet, military confrontation between the great powers is not a likely scenario either, as the emerging polycentric system is tied together in ways that render a degree of international cooperation all but indispensable. ●