Geopolitical Shifts and New Strategic Directions in Northeast Asia and the Indo-Pacific

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Geopolitical Reordering- *Wither to LIO? (I)*

- Post-WWII liberal international order (LIO)—anchored by U.S. leadership—the institutional and normative backbone of global stability.

- Through the UN, the World Bank, and U.S.-led alliances, this order ensured security and prosperity for a wide range of states, esp. middle powers.

- LIO was not merely about power, but **shared rules, institutional legitimacy, and global public goods**. (trade openness, development finance, and collective defense).

Geopolitical Reordering- *Wither to LIO? (II)*

- LIO under strain—not from external shock alone, but from internal erosion and normative fragmentation

- *3 dimensions of disruption*:
  - **Structural**: Power shifts; rising multipolarity; alliance realignments
  - **Ideological**: Liberal-democratic retreat vs. authoritarian resurgence; Weakening normative consensus
  - **Institutional**: Declining multilateral efficacy (UNSC paralysis, G7 legitimacy gap, fiscal crises at the UN, WB; Deep budget cuts to USAID, NED, humanitarian/ developmental arms – health, food, displacement etc.

→ ***not just a shift in power, but a shift in purpose*.**

The Indo-Pacific as Crucible of Global Reordering

- The **Indo-Pacific is** the epicenter of global strategic volatility
- **East Asia –** overlapping hotspots (South China Sea; Taiwan Strait; Korean Peninsula; East China Sea) risk simultaneous escalation with global consquences
- **Northeast Asia**
  - World's 3 largest militaries (US, C, R)
  - Dense alliance network (US-Korea-Japan) and rivalries
  - Authoritarian nuclear states (R, C, NK) vs. Democratic non-nuclear states (ROK, J)
  - Security cooperation remains fragmented and fragile b/w ROKK and J ; trilateral cooperation (US-ROK-J)

- $5.3 trillion in annual global trade passage —under increasing strategic risk.

Driver 1: Failure of Great Power Governance: The Dual Trap

- **Thucydides Trap** – US-China strategic conflict moved beyond economic/trade – tech, finance, military, norms, and institutions
  - 2024 RIMPAC (Rim of the Pacific Exercise) led by the US Navy – largest ever – 29 states – united in deterring potential adversaries and signaling 'collective deterrence posture'

- **Kindleberger Trap** – No great power willing or able to provide global public goods - leadership vacuum and normative drift (US retrenchment – cuts to USIAD, NED, RFA)
  - *Lessons Unlearned*: After the Cols War, US hegemony ignored fragile states → Failed states as groud for terrorism – culminated in 9/11
  - Boomerang effect - US global influence fall by 30% by 2030 (2025 RAND projection) -> more damaging than 9/11 with uncertain replacement

- **Heading to Sleepwalker Trap**– "We are sleepwalking into catastrophe" -war' unaware of escalating tension, systemic crises, reminiscent of 1914's Sarajevo moment (J. Nye)

Driver 2: Authoritarian Entente and Democratic Fragmentation

- China-Russia-North Korea axis is deepening.
  - NK-Russia military ties - NK troops deployed to Ukraine-expanding cooperation (trade, tech) posing regional and global threats
  - Undermine Korean Peninsula peace process & denuclearization diplomacy – NK ignores US and SK

- China's influence grows (outreach to Global South under Trump 2.0)
  - Huawei's 5G deployed in 80+ states; BRI resurgence : $608 in 2024 across Africa and Latin America

- Democratic Fragmentation persists
  - 60% of Indo-Pacific nations doubt US reliability (2005 Pew)
  - 92% of elites view china as a revisionist threat, but strategic hedging continues
  - Undermining collective deterrence in the Indo-Pacific

Driver 3: US Strategic Uncertainty and Structural Decline

- Erosion of Hegemonic Capacity
  - US global GDP share from 50% (1948) to 24% (2025)
  - Democracy promotion budget cuts – USAID officially shut down (Jul1 2025- $8B in foreign aid cuts) – 14 million preventable deaths by 2030 (The Lancet) ; RFA (Korean, Mandarian, Tibetan services suspended) ($1B cut)

- Trump's Transactionalism over Alliance Solidarity
- Rise of Strategic Transactionalism –
  - Traditional institutions lack enforcement and cohesion (G7, UNSG)
  - Strategic Transactionalism – India in Quad and BRICS; Vietnam hosting US and China defense dialogues - Middle powers hedge, not bandwagon

❖ **No viable alternative to the LIO yet exists (*Ikenberry*)**

Resilience of Democratic Multilateralism *(RDM)*

- **Definition**: The capacity of democratic states to uphold, adapt, and advance multilateral institutions and norms in the face of hegemonic decline, authoritarian pushback, or systemic crises.

- **Why it matters:**
  - Prevents power vacuums and institutional breakdown
  - Protects shared norms: human rights, rule of law, open economy
  - Offers predictability and legitimacy in global governance
  - Shields vulnerable regions from authoritarian influence
  - Ensures that multilateralism remains value-based, not purely transactional

The Role of Middle Powers– From Consumers to Designers

- NO longer mere participants but Strategic Order facilitators
  - Tech powerhouses (e.g. ROK 70% of global DRAM production)
  - Norm entrepreneurs (cybersecurity, digital governance, human seucirty)
  - Instutional innovator (minilateral coalition, flexible plurilateralism)
  - ROK credibility resting on developmental legacy, democratic resilience, alliance reliability- but risks being undermined by internal divides and external misalignment
  - “Talent Giants” – Japan, Australia, (India, Singapore..)

With the US vs. Without the US – Straegic Scenarios

Scenario	Multilateral Outcome	Role of Middle Powers
With U.S. Leadership (e.g., Biden era)	Institutional revitalization possible (e.g., G7, NATO, CHIPS Act)	Complement U.S. agenda; lead on niche issues (e.g., digital, green finance)
Without U.S. Leadership (e.g., Trump 2.0)	Risk of fragmentation; UN/World Bank/NATO weakened or bypassed	Must **anchor and sustain** institutio ns; forge **coalitions of the willing**
U.S. as Disruptor (e.g., defunding, withdrawal)	Erosion of rules, funding voids, rising transactionalism	Replace U.S. funding (e.g., EU–ROK –Japan trust funds); lead **institutio nal innovation**

Final Takeaways (I): Sustaining the RDM

- Ensure continuity of rules-based order amind US retrenchment
  - Institutionaize middle powers role in G7, NATO, and UN forums
  - Build backup mechanisms via minilateral funds (e.g. IP infrastructure fund)
  - Jointly defend WTO, UNCLOS, and rule-based systems

- Shields against authoritarian influence and strategic vacuum
  - form coalitions on digital and information norms
  - Support media and democracy in the Global South
  - Expand flexible cooperation with norm-sharing states

- Shape/Design Institutions (not just use them) as Middle powers
  - UN: Propose middle-power initiatives and consultative groups (UNGA)
  - World Bank: Support broader inclusion in decision-making and co-lead innovation platforms
  - Link G20, UN, OECD on rule-of law and governance metrics

Final Takeaways (II): Strategic Priorities for Middle Powers

- **Revitalize Coalition Credibility**
  - Upgrade trilateralism (U.S.–ROK–Japan) into a governance platform
  - Build middle-power-led security and economic architectures

- **Bridge the Governance Gap**
  - Co-develop infrastructure norms with Global South partners
  - Scale flexible minilateral models (e.g., IPEF, AI governancem IP Funds)

- **Align Strategic Narratives**
  - Coordinate alliance messaging to reinforce cohesion
  - Address domestic divides to sustain international credibility

- **Reinforce Institutional Anchoring**
  - Uphold liberal democratic values thru active presence in G7, NATO
  - Go beyond the G20 – expand engagement across diverse minilateral platforms
  - Practice 'hybrid multilateralism' – engage not only like-minded but also norm-respecting non-like-minded states
  - Promote inclusive, rules-based cooperation through outreach and institutional innovation