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Winning the Majority: A New U.S. Bargain with the Global South

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Executive Summary

The ongoing Ukraine war has exposed the waning influence of the United States in the vast arc of the world stretching from Latin America to Southeast Asia and the Pacific Islands known as the Global South. Most Global South states, while opposed to the Russian invasion, have not backed the United States on its strategies of sanctioning Russia or seeking a defeat of Moscow. Some have explicitly criticized what they see as Washington's double standards.

Despite the region's great diversity and heterogeneity, a new nonalignment is emerging in the Global South. However, it is not the same as its previous version (of the Non-Aligned Movement) in important respects – being much less institutionalized, less ideological, and based more on national interests. This makes it more durable and harder to counter through tools that the United States has traditionally employed.

Despite the region's great diversity and heterogeneity, a new nonalignment is emerging in the Global South.

The United States cannot succeed in a world where power is increasingly diffuse without strong ties to the Global South. It is the region where the majority of humanity lives. It contains sites of crucial natural resources, supply chains, major markets, and increasing innovation. It is an essential partner to solve the climate challenge. Its states are wealthier and more assertive when it comes to their interests and resources. Over the past two decades, most have built deep economic ties with China, and continue to value ties with Russia.

In general, the states of the Global South wish to leverage all of their international relationships for their own benefit and not take sides in or support a new cold war between the great powers. Most are unconvinced or alienated by Washington's rhetoric of "democracy v. autocracy" and the "rules-based order." They feel particularly threatened by U.S. policies of secondary sanctions designed to limit or end their ties

with U.S. rivals. But the current U.S. strategy is inadvertently pushing the Global South toward Beijing and Moscow. This is an unforced error Washington can ill afford.

This brief calls for an urgent re-orientation of U.S. strategy toward the Global South by implementing the following policy approaches¹:

- **Accept** the reality of the Global South’s new nonalignment, resist the temptation to view the region primarily through the lens of the “strategic competition,” and recognize that the expulsion or containment of Russia and China is unrealistic. Shift away from a strategy centered on secondary sanctions, which could counterproductively push states closer to Beijing or Moscow.
- **Discard** the “democracy v. autocracy” and “rules-based order” rhetoric. It lacks credibility and damages U.S. equities in the Global South. Democracy-promotion might be more successful if the United States follows a policy of doing no harm and leading by example.
- **Steer** the inevitable competition with China and Russia in the Global South away from bloc-formation and militarization and toward economic and technological arenas that can potentially trigger virtuous cycles.
- **Lead** with incentivization and integration. Large transfers of public funds are unrealistic in the current domestic U.S. environment, but playing the role of a catalyst is possible. Act more as partner than patron with respect to the Global South’s middle powers, some of whom are increasingly sites of supply chains and innovation.
- **Strengthen** the G20 and expand its representation of Africa, for better coordinating solutions to global challenges such as climate change, food security, global health, and finance.

¹ The author would like to thank Samuel Gardner-Bird for his diligent research support and Samar Al-Bulushi, George Beebe, William Hartung, Trita Parsi, and Michael D. Swaine for their comments and feedback.

Introduction

The 2022 Ukraine war has sharply exposed the waning influence of the United States in the Global South, the vast arc of the world stretching from Latin America to Southeast Asia and the Pacific Islands. Most of its states, opposed to the Russian invasion, have voted with the United States at the United Nations.² But states representing about half the global population did not support the U.S.–backed resolutions.³ These include major states such as India, Pakistan, South Africa, Kazakhstan, Vietnam, and others. Even those who voted for the resolutions have made statements on maintaining strong ties with Russia or criticizing U.S. actions.⁴ Most crucially, the Global South has overwhelmingly not joined the U.S.–led sanctions regime against Moscow or the chorus of American and European voices calling for combating global autocracy and defeating Russia.⁵

In the new landscape of increasing multipolarity and fluidity, how and why should the United States reorient its grand strategy to regain and even expand its influence in the Global South? This brief argues that it is important and urgent to do so for the sake of the national interest. It provides five policy recommendations to help achieve this goal.

The United States cannot succeed in a world where power is more diffuse without strong ties with the increasingly assertive and nonaligned Global South. Not only does

² U.N. “Ukraine: UN General Assembly demands Russia reverse course on ‘attempted illegal annexation’.” UN News, October 12, 2022. <https://news.un.org/en/story/2022/10/1129492>; UN. “General Assembly resolution demands end to Russian offensive in Ukraine.” UN News, March 2, 2022.

<https://news.un.org/en/story/2022/03/1113152>

³ Shidore, Sarang. “Global South again shows ambivalence on the Ukraine war.” *Responsible Statecraft*, October 13, 2022.

<https://responsiblestatecraft.org/2022/10/13/global-south-again-shows-ambivalence-on-the-ukraine-war/>

⁴ Associated Press. “Mexican president slams NATO policy in Ukraine.” AP News, June 13, 2022.

<https://apnews.com/article/russia-ukraine-mexico-caribbean-nato-b9aaddc8e3da3ad2b2cc013a6e8ff4bb>

; Tani, Shotaro, and Koya Jibiki. “Indonesia’s Jokowi calls for cease-fire in Russia-Ukraine war.” *Nikkei Asia*, March 9, 2022.

<https://asia.nikkei.com/Editor-s-Picks/Interview/Indonesia-s-Jokowi-calls-for-cess-fire-in-Russia-Ukraine-war>

⁵ Beech, Hannah, and Abdi Latif Dahir, and Oscar Lopez. “With Us or With Them? In a New Cold War, How About Neither.” *The New York Times*, April 24, 2022.

<https://www.nytimes.com/2022/04/24/world/asia/cold-war-ukraine.html>; Menon, Shivshankar. “The Fantasy of the Free World.” *Foreign Affairs*, April 4, 2022.

<https://www.foreignaffairs.com/articles/united-states/2022-04-04/fantasy-free-world>

the region represent the majority of humanity, but it also contains sites of crucial natural resources, supply chains, and increasingly, products and innovation. Its participation is essential in overcoming the climate crisis. However, current U.S. policies are counterproductive and risk the Global South bandwagoning toward China and Russia. This presents both an opportunity and a risk to the United States.

The United States needs new tools to regain or increase its influence in these regions to maximize its opportunities and minimize the risks. Older approaches from the unipolar era are much less effective today. A new bargain with the Global South should be based on pulling back from currently onerous U.S. practices and leading with integration and inducements.

Is it a thing? Defining the Global South

The Global South, formerly described more hierarchically as the “Third World” or “Developing World,” is a vast belt stretching from Latin America to Southeast Asia and the Pacific Island states (Figure 1).⁶ The G77, an organization founded in the United Nations in 1964 as decolonization was at its peak, is a reasonable guide defining its composition.⁷ The grouping, with 134 member states, defines itself as “the largest intergovernmental organization of developing countries in the United Nations, which provides the means for the countries of the South to articulate and promote their collective economic interests and enhance their joint negotiating capacity.”⁸

⁶ The lexicon of the Global South originates in the intersectionality of contributions from, among others, Antonio Gramsci who theorized a north–south divide in Italy. Raul Prebisch and Immanuel Wallerstein articulated a “core” v. “periphery” distinction and Edward Said and Gayatri Spivak added insights from a postcolonial perspective. The term itself came into its own in the post–Cold War decades and replaced the more hierarchical “Third World.” Scholars have pointed out that a “South” can also be described as embedded in the “North” and vice versa. However, in a more geopolitical, Restraint–oriented frame that we are concerned with, a nation–state based definition is the most useful.

⁷ The G77 officially lists China as a member state. However, China’s massive economy and extremely rapid rise has transformed it to a *sui generis* case of a great power and a peer of the United States in the international system. Also, Mexico, a middle–income state, left the G77 in 1994. However, the stark inequalities across a common border with the United States argues for its inclusion in our definition of the Global South. Thus we define the Global South as all member-states of the G77, excluding China and including Mexico.

⁸ G77. “Member States,” <https://www.g77.org/doc/members.html> ; Ahmia, Mourad. “The Group of 77 at Fifty.” *UN Chronicle*, <https://www.un.org/en/chronicle/article/group-77-fifty>

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The Global South is where most of humanity lives.

But the diversity and sprawl of the Global South implies that there will neither be a perfect definition nor perfect policy alignment among its states.⁹ This heterogeneity is seen most clearly between its least wealthy states (known as least developed countries), mostly in Africa, and large middle powers such as Brazil, India, South Africa, Turkey, and others.¹⁰ The latter have a substantial middle class and relatively more influence in the international system, though most also contain large populations of very low income citizens.

Nevertheless, three drivers – economic, political, and historical – lead to a certain coherence and policy convergence in the Global South. First, most Global South states see materially “catching up” with the wealthy North as important and urgent. Thus,

⁹ Arguably, there are some anomalies in the definition of the Global South. For example, Singapore and Gulf petrostates such as Saudi Arabia and Qatar long passed middle-income status. Chile has also made major economic progress. However, these states do lie outside the core of global decision-making and have colonized or semi-colonized pasts.

¹⁰ UNCTAD. “UN list of least developed countries.” UNCTAD. <https://unctad.org/topic/least-developed-countries/list>

developmental concerns often unite rather than divide them.¹¹ Second, they are acutely aware of their relative political marginalization in global structures and processes, and seek to reform them. Third, most of the Global South carries a level of historical wariness toward a U.S./Europe–centric world order due to memories of colonialism.¹²

Does it matter much? U.S. vital interests in the Global South

Does the Global South really matter to Washington? Should it matter? Vast, largely unorganized, and no match to the still–mighty United States, with its \$25 trillion economy and 700+ military bases worldwide, the Global South can be easy to ignore when formulating American grand strategy.¹³

Many states in the Global South are seeing a major resurgence in resource nationalism.

But the Global South is where the majority of humanity lives. It contains regions of vital U.S. interest such as Southeast Asia, the Gulf states, and Mexico and Central America. Three key U.S. treaty allies – Turkey, Thailand, and the Philippines – are located there. The Global South is also strongly represented in international organizations such as the Shanghai Cooperation Organization (SCO), Brazil–Russia–India–China–South Africa (BRICS), the Major Economies Forum, and the G20.

The Global South is a major source of natural resources, most prominently energy and minerals. Crucially, it is also a source of strategic minerals of the clean energy economy of the future such as cobalt, copper, lithium, and nickel. Of course, this is not new – the

¹¹ This is currently most visible in international negotiations on climate change.

¹² Walsh, Declan, and John Eligon, “Shunned by Others, Russia Finds Friends in Africa.” *The New York Times*, March 3, 2022.

<https://www.nytimes.com/2022/03/03/world/africa/russia-ukraine-eritrea-africa.html> ; Botes, Alvin.

“Ukraine – South Africa is not neutral, we are non-aligned.” *Daily Maverick*, May 16, 2022.

<https://www.dailymaverick.co.za/opinionista/2022-05-16-ukraine-south-africa-is-not-neutral-we-are-non-aligned/>

¹³ The author has personally witnessed a senior U.S. official questioning the importance of the Global South to U.S. grand strategy.

“Third World” has historically been the source of raw materials for consumption in wealthy states. The difference now is that many states in the Global South are seeing a major resurgence in resource nationalism. These states have asserted greater control and rents from extractive industries, weakening the power of global miners, many of whom are based in the United States and Europe.¹⁴ Indonesia is even considering starting a strategic minerals cartel similar to OPEC.¹⁵

Many manufacturing supply chains on which the U.S. economy depends also run through the Global South – particularly Mexico, ASEAN, and Gulf states – and utilize maritime routes such as the South China Sea.¹⁶ The U.S. push to decouple from China has only gone so far, and even then the beneficiaries in many cases have been in the Global South, especially Vietnam, Thailand, Malaysia, and Mexico. The United States will remain reliant on the Global South for the foreseeable future.

The economies of the eight Global South states (GS8) within the G20 – Argentina, Brazil, India, Indonesia, Mexico, Saudi Arabia, South Africa, and Turkey – have grown faster in Purchasing Power Parity (PPP) terms in aggregate than the United States, and overtook it around 2008 (Figure 2).¹⁷ Despite the setbacks due to the pandemic, the overall trend of the GS8 over the past two decades is that of relative catch-up in terms of purchasing power and living standards. Global South states are also increasingly

¹⁴ Haslam, Paul A., and Pablo Heidrich. *The Political Economy of Natural Resources and Development: From neoliberalism to resource nationalism*. Routledge, 2018. <https://www.routledge.com/The-Political-Economy-of-Natural-Resources-and-Development-From-neoliberalism/Haslam-Heidrich/p/book/9780367109776> ; Editors. “Resource nationalism on the rise in top mining countries – report.” Mining.com, October 25, 2021. <https://www.mining.com/resource-nationalism-on-the-rise-in-top-mining-countries-report/>

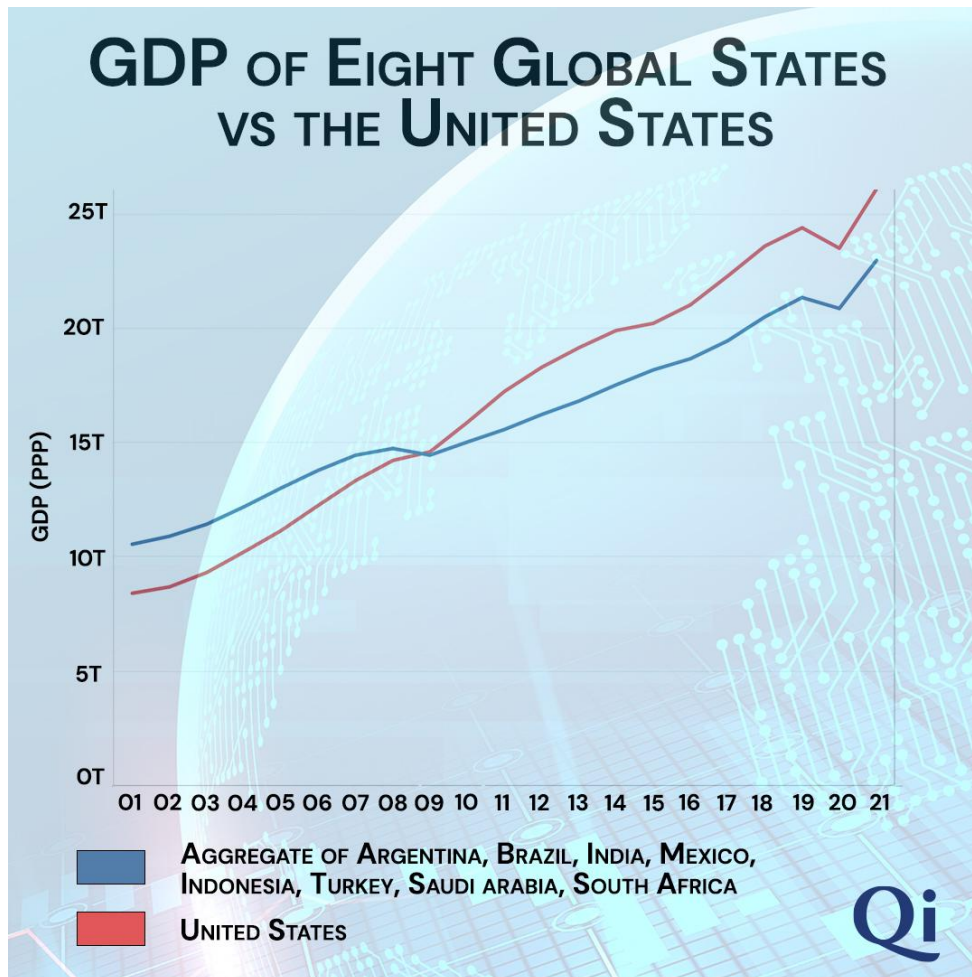
¹⁵ Dempsey, Harry, and Mercedes Ruehl. “Indonesia considers Opec-style cartel for battery metals.” *Financial Times*, October 30, 2022. <https://www.ft.com/content/0990f663-19ae-4744-828f-1bd659697468>

¹⁶ Huld, Arendse, and Qian Zhou, “Reshoring from China to Mexico – How Prevalent is it Really?” *China Briefing*, May 27, 2022.

<https://www.china-briefing.com/news/reshoring-from-china-to-mexico-how-prevalent-is-it-really/> ; China Power Team. “How Much Trade Transits the South China Sea?” *China Power*, August 2, 2017. <https://chinapower.csis.org/much-trade-transits-south-china-sea/>

¹⁷ In nominal (USD) terms, the GS8 closed their gap with the United States until the financial crisis, but the three Latin American states in the G20 (Argentina, Brazil, and Mexico) have lost major ground since then. However, PPP (Purchasing Power Parity) is a better measure of purchasing power and relative standards of living.

sites of remarkable, lower-cost forms of innovation.¹⁸ This makes them increasingly important as partners and markets in their own right.



Aggregate GDP (PPP) of eight Global South states in the G20 compared to the United States.¹⁹

Support at the U.N. is another reason why the Global South matters. The vote-taking in the U.N. system may be symbolic, but it lends crucial legitimacy to U.S. claims. The clear violations of international law by Russia led to many states of the Global South voting with the United States on two such resolutions, even as their leaders made more ambiguous statements. However, a majority of these states did not support a third U.N.

¹⁸ Srinivasan, Ramesh. "The Global South Is Redefining Tech Innovation." *Wired*, November 7, 2019. <https://www.wired.com/story/opinion-the-global-south-is-redefining-tech-innovation/>; Noor, Elina, and Mark Bryan Manantan. "Raising Standards: Data and Artificial Intelligence in Southeast Asia." Asia Society. <https://asiasociety.org/policy-institute/raising-standards-data-ai-southeast-asia>

¹⁹ World Bank. "GDP, PPP." <https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD>

resolution to expel Russia from the Human Rights Council, demonstrating that Washington cannot take the Global South for granted, even when it has a good case.²⁰

Reality check: Waning U.S. influence

The Ukraine developments are only the latest sign of waning U.S. influence in the Global South, as its states increasingly push back against Washington's more onerous, sometimes illegal, demands to limit or cut ties with U.S. rivals. India, historically Russia's biggest defense partner, has repeatedly abstained on U.N. resolutions on Ukraine.²¹ Its purchases of Russian oil have skyrocketed to 22 percent of its net oil imports (from 0.2 percent before the Ukraine war.)²² The Biden administration's failure to re-enter the JCPOA has meant that Iran's relations with Russia have grown stronger, with Iranian drones providing support to the Russian offensive in Ukraine.²³ Saudi Arabia's decision on reducing oil production was a rebuke to Biden, who had traveled to Riyadh to cajole concessions to stave off inflation prior to the 2022 U.S. election.²⁴

Russia also retains much of the goodwill it generated in many African states through Moscow's past support for their anti-colonial struggles.²⁵ The widely reported incidents of racist treatment of African students by Ukrainian border guards did not go down well in Africa.²⁶ Recently, Mali and the Central African Republic have welcomed much greater

²⁰ UN Affairs. "UN General Assembly votes to suspend Russia from the Human Rights Council." *UN News*, April 7, 2022. <https://news.un.org/en/story/2022/04/1115782>

²¹ Shidore, Sarang. "India tilts towards Russia in Ukraine fight at the UN." *Responsible Statecraft*, February 3, 2022. <https://responsiblestatecraft.org/2022/02/03/india-tilts-towards-russia-in-ukraine-fight-at-the-un/>

²² PTI. "Russia Becomes India's Top Oil Supplier in October." *The Wire*, November 6, 2022. <https://thewire.in/energy/russia-becomes-indias-top-oil-supplier-in-october>

²³ On the Biden administration failure to re-enter the JCPOA, see Parsi, Trita. "Last Chance For America and Iran." *Foreign Affairs*, August 26, 2022. <https://www.foreignaffairs.com/iran/last-chance-america-and-iran-new-nuclear-deal>; Parsi, Trita. "Has Biden lost the plot on Iran?" MSNBC, May 19, 2022. <https://www.msnbc.com/opinion/msnbc-opinion/u-s-joining-israel-military-drills-would-hurt-biden-s-n1295539>; Parsi, Trita. "Bibi Wants Biden to Bend the Knee." *Newsweek*, December 10, 2020. <https://www.newsweek.com/biden-bibi-iran-deal-1553933>

²⁴ Hudson, John, Jeff Stein, and Tyler Pager. "Biden's Saudi trip faces new scrutiny after OPEC oil cut." *Washington Post*, October 6, 2022. <https://www.washingtonpost.com/politics/2022/10/06/biden-saudi-oil-trip-mbs/>

²⁵ Walsh, Declan, and John Eligon, "Shunned by Others, Russia Finds Friends in Africa." *The New York Times*, March 3, 2022. <https://www.nytimes.com/2022/03/03/world/africa/russia-ukraine-eritrea-africa.htm>

²⁶ Pietromarchi, Virginia. "More African students decry racism at Ukrainian borders." *Al Jazeera*, March 2, 2022. <https://www.aljazeera.com/news/2022/3/2/more-racism-at-ukrainian-borders>

Russian influence.²⁷ South African foreign minister Naledi Pandor spoke of “patronizing bullying” by some western states during Secretary Blinken’s visit in August 2022.²⁸

The Ukraine developments are only the latest sign of waning U.S. influence in the Global South, as its states increasingly push back against Washington’s more onerous, sometimes illegal, demands to limit or cut ties with U.S. rivals.

The ambiguity over the Ukraine war extends to Latin America and the Middle East. Mexico’s president, Andrés Manuel López Obrador has condemned NATO’s strategy in Ukraine as “immoral.”²⁹ Colombian president Gustavo Petro has called for peace negotiations.³⁰ Brazilian president Lula’s former foreign minister, Celso Amorim, criticized U.S. sanctions on Russia as a mistake that risked nuclear escalation.³¹ And Lula himself has opposed sanctions and blamed both sides for the war in Ukraine.³² “In Europe, they have their own story, in Russia they have their own story,” said Suhail Al

²⁷ This includes inviting Russian mercenaries from the Wagner Group into these states, a source of legitimate concern in Washington. Walsh, Declan. “Putin’s Shadow Soldiers: How the Wagner Group Is Expanding in Africa.” *The New York Times*, May 31, 2022.

<https://www.nytimes.com/2022/05/31/world/africa/wagner-group-africa.html>

²⁸ U.S. Department of State. “Secretary Antony J. Blinken and South African Minister of International Relations and Cooperation Naledi Pandor at a Joint Press Availability.” August 8, 2022.

<https://www.state.gov/secretary-antony-j-blinken-and-south-african-minister-of-international-relations-and-cooperation-naledi-pandor-at-a-joint-press-availability/>

²⁹ Associated Press. “Mexican president slams NATO policy in Ukraine.” AP News, June 13, 2022.

<https://apnews.com/article/russia-ukraine-mexico-caribbean-nato-b9aaddc8e3da3ad2b2cc013a6e8ff4bb>

³⁰ Quesada, Juan Diego. “Colombia’s Petro calls for peace negotiations to end the war in Ukraine.” *El Pais*, September 21, 2022.

<https://english.elpais.com/international/2022-09-21/colombias-petro-calls-for-peace-negotiations-to-end-the-war-in-ukraine.html>

³¹ Preissler Iglesias, Simone, and Martha Viotti Beck. “Lula’s Top Foreign Adviser Says US Sanctions on Russia a Mistake.” *Bloomberg*, August 5, 2022.

<https://www.bloomberg.com/news/articles/2022-08-05/us-sanctions-on-russia-are-a-mistake-lula-s-top-adviser-says>

³² Rosati, Andrew. “Lula Says Zelensky, Biden Share Blame for Russia War on Ukraine.” *Bloomberg*, May 4, 2022.

<https://www.bloomberg.com/news/articles/2022-05-04/lula-says-zelensky-biden-share-blame-for-putin-s-war-on-ukraine>

Mazrouei, minister of energy and infrastructure in the United Arab Emirates, adding: “We can’t be siding with this country or that country.”³³

U.S. extraterritorial (or secondary) sanctions do not have the force of international law and are particularly resented by target states. In 2017, well before Russia’s February 2022 wholesale invasion of Ukraine, the U.S. Congress passed CAATSA, a law designed to severely limit defense and energy ties of any state with Russia (also Iran and North Korea).³⁴ Though U.S. officials argued repeatedly that the act targeted Russia, it was in fact aimed at any third country that did significant business with these three states.³⁵

Most Global South states had complied reluctantly with prior extraterritorial demands on ending oil purchases from Iran. On CAATSA’s strictures on Russia however, two middle powers dissented strongly. Turkey, a U.S. treaty ally, and India, a close security partner, insisted on completing their purchases of the cutting-edge S-400 air defense system from Moscow. Washington ended up sanctioning Turkey.³⁶ But the U.S. Congress passed a waiver for India, keeping in mind New Delhi’s criticality as a China-balancer.³⁷ The U.S. approach both failed to hurt Russia in these transactions, and bolstered the sense of autonomy among middle powers.

When it comes to China, resistance to the U.S. embrace of containment strategies is almost as sharp.³⁸ In recent years, the triangulating behavior of the three most

³³ Brower, Derek, David Sheppard, Andrew England, and Felicia Schwartz, “The new oil war: Opec moves against the US.” *Financial Times*, October 7, 2022.

<https://www.ft.com/content/70853af8-b7a4-4a28-bdfe-b4f3e375a1f0>

³⁴ Countering America's Adversaries Through Sanctions Act. Public Law. 115-44.

<https://www.govinfo.gov/app/details/PLAW-115publ44>

³⁵ CAATSA echoed the “maximum pressure” campaign of the Trump administration against Iran, when Washington unilaterally demanded that major oil importers eliminate their purchases of Iranian oil. Key importers such as India, Japan, and South Korea complied. China, however, complied only partially. Aghi, Mukesh, and Vikram Mahajan. “The Problem With CAATSA.” *The Diplomat*, December 17, 2021.

<https://thediplomat.com/2021/12/the-problem-with-caatsa/>

³⁶ Landay, Jonathan. “Biden committed to maintaining Turkey sanctions over S-400.” Reuters, July 21, 2021.

<https://www.reuters.com/world/middle-east/biden-committed-maintaining-turkey-sanctions-over-s-400-2021-07-21/>

³⁷ PTI. “U.S. House votes for India-specific CAATSA waiver.” *The Hindu*, July 15, 2022.

<https://www.thehindu.com/news/national/us-house-votes-for-india-specific-caatsa-waiver/article65642679.ece>

³⁸ The major exception to this is India, a long-time rival of China’s. However even India faces structural and other limits to forging an anti-China front with the United States. See Shidore, Sarang. “The Quad’s perils outweigh its promises.” *Responsible Statecraft*, September 27, 2021.

prominent U.S. treaty allies in the Global South – Thailand, the Philippines, and Turkey (the latter with respect to Russia) – shows the limits of Washington’s influence. Despite the spectacular rise of China in their neighborhood, no southeast Asian state has lined up to join the Quad (and its shadow military exercise Malabar).³⁹ Key ASEAN members Indonesia and Malaysia have also criticized the AUKUS military pact.⁴⁰ Speaking at the U.N. on behalf of ASEAN in 2022, Indonesian foreign minister Retno Marsudi said that “we refuse to be a pawn in a new cold war.”⁴¹ Prominent Singaporean ex-diplomat and academic Kishore Mahbubani has long argued that Washington’s military strategy of containment will be overtaken by the attractions of China’s economic strategy.⁴²

The divergence can also be seen on trade and technology fronts. In the race for 5G mobile technologies, a large number of states in the Global South have bucked U.S. preferences and even pressure, adopting Chinese platforms.⁴³ These include important

<https://responsiblestatecraft.org/2021/09/27/does-the-quads-perils-outweigh-its-promises/>; Shidore, Sarang. “India should beware as ‘the Quad’ evolves toward an informal military alliance in Asia.” *Responsible Statecraft*, August 28, 2020.

<https://responsiblestatecraft.org/2020/08/28/india-the-quad-evolves-toward-informal-military-alliance-asi> a/;

³⁹ The Quad is a minilateral arrangement composed of the United States, Japan, Australia, and India.

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/24/quad-joint-leaders-statement/>; Shidore, Sarang. “The Quad’s perils outweigh its promises.”; Quincy Institute. “Is the Quad’s Rise Destabilizing Asia?” April 21, 2021. <https://quincyinst.org/event/is-the-quads-rise-destabilizing-asia/>

⁴⁰ AUKUS is a 2021 military pact between the United States, Australia, and the United Kingdom involving defense technology cooperation, including the supply of nuclear-powered submarines to Canberra. White House Briefing. “Joint Leaders Statement on AUKUS.” September 15, 2021 <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>; Shidore, Sarang. “AUKUS’ military alliance is another Western attempt to isolate China.” September 17, 2021.

<https://responsiblestatecraft.org/2021/09/17/uk-us-australian-nuclear-sub-deal-is-another-western-attempt-to-isolate-china/>

⁴¹ Marsudi, Retno L. P. “Statement by Minister for Foreign Affairs of the Republic of Indonesia at the General Debate of the 77th Session of the UN General Assembly New York, 26 September 2022.” Ministry of Foreign Affairs, September 26, 2022.

<https://kemlu.go.id/portal/en/read/4018/pidato/statement-by-minister-for-foreign-affairs-of-the-republic-of-indonesia-at-the-general-debate-of-the-77th-session-of-the-un-general-assembly-new-york-26-september-2022>; Subramanian, Sribala. “Indonesia’s Plea: ‘G-20 Must Not Fail’.” *The Diplomat*, November 1, 2022. <https://thediplomat.com/2022/11/indonesias-plea-g-20-must-not-fail/>

⁴² Mahbubani, Kishore. “In Asia, China’s Long Game Beats America’s Short Game.” *Foreign Policy*, December 12, 2021. <https://foreignpolicy.com/2021/12/12/china-us-asean-trade-geopolitics/>; Mahbubani, Kishore. *Has China Won?: The Chinese Challenge to American Primacy*, 2020. <https://mahbubani.net/has-china-won/>.

⁴³ Allison, Graham, and Eric Schmidt, “China’s 5G Soars Over America’s.” *Wall Street Journal*, February 16, 2022.

<https://www.wsj.com/articles/chinas-5g-america-streaming-speed-midband-investment-innovation-competition-act-semiconductor-biotech-ai-11645046867>

middle powers Brazil, Indonesia, Saudi Arabia, South Africa, and Turkey.⁴⁴ The largest global trade pact in the world, the Regional Comprehensive Economic Partnership (RCEP), is led not by the United States, but the Global South states of ASEAN.⁴⁵ After the United States walked away from the Trans–Pacific Partnership, Japan revived negotiations, and found eager takers among many southeast Asian states.⁴⁶

Speaking at the U.N. on behalf of ASEAN in 2022, Indonesian foreign minister Retno Marsudi said that “we refuse to be a pawn in a new cold war.”

The differences on America’s China policy are clearest over the contentious issue of Taiwan.⁴⁷ Singapore, a close U.S. partner, has warned Washington to “stay very far away” from getting embroiled in a conflict over the island.⁴⁸ During Speaker Nancy Pelosi’s August visit to Taiwan, major southeast Asian states made clear their support for One China in their statements reacting to the visit. But they conspicuously omitted any mention of backing democracy (the stated reason for Pelosi’s visit) – just another sign that the “democracy v. autocracy” framing finds few takers in the region.⁴⁹

⁴⁴ Mason, Jeff, and Michael Martina. “U.S. warned Brazil that Huawei would leave it ‘high and dry’ on 5G.” Reuters, August 9, 2021.

<https://www.reuters.com/technology/us-warned-brazil-about-chinas-huawei-5g-network-white-house-official-2021-08-09/>; Herscovitch, Benjamin, Dirk van der Kley, and Gatra Priyandita, “Why Indonesia Has Embraced Huawei.” *Foreign Policy*, July 28, 2022.

<https://foreignpolicy.com/2022/07/28/indonesia-china-huawei-tech-cybersecurity/>

⁴⁵ RCEP. “Home.” RCEP. <https://rcepsec.org/>; Quincy Institute. “The U.S. and Asia: Toward Economic Integration or Fragmentation?” June 8, 2022.

<https://quincyinst.org/event/the-u-s-and-asia-toward-economic-integration-or-fragmentation/>

⁴⁶ The trade deal was resurrected as the Comprehensive and Progressive Agreement for Trans–Pacific Partnership (CPTPP), which includes Global South states Brunei, Chile, Malaysia, Mexico, Peru, Singapore, and Vietnam.

⁴⁷ Swaine, Michael D. “Will the New Taiwan Crisis Spiral Out of Control?” *The National Interest*, August 8, 2022. <https://nationalinterest.org/feature/will-new-taiwan-crisis-spiral-out-control-204071>; Swaine, Michael D. “Threat Inflation and the Chinese Military.” Quincy Institute, Quincy Paper No. 7, June 2, 2022.

<https://quincyinst.org/report/threat-inflation-and-the-chinese-military/>

⁴⁸ Mahmud, Aqil Haziq. “US should ‘stay very far away’ from physically confronting China over Taiwan: Ng Eng Hen.” *Channel News Asia*, November 4, 2021.

<https://www.channelnewsasia.com/singapore/taiwan-china-us-tension-ng-eng-hen-2290256>

⁴⁹ Shidore, Sarang. “In backdrop of ASEAN meeting in Cambodia...” @globalsarang, August 4, 2022.

<https://twitter.com/globalsarang/status/1555086857100075009>. The Philippines was an exception with its non–committal statement.

Global South states do have their differences with China and Russia. Four ASEAN states have contentious maritime territorial disputes with Beijing and oppose its intrusive behavior in the region. Singapore joined U.S.–led sanctions against Russia. India–China relations have deteriorated sharply since Chinese incursions into Indian–held territory in June 2020 along their contested border.⁵⁰ New Delhi recently put a modicum of distance between itself and Russian actions in Ukraine.⁵¹ And the Global South is eager to partner with the United States – for example, most ASEAN states have joined initial consultations on Washington’s Indo–Pacific Economic Framework (IPEF) initiative.⁵² This indicates that there are opportunities for a reset, should Washington wish to act upon them.

As the climate crisis escalates, Global South states are also becoming increasingly vocal on failures of the United States (and other wealthy states) in honoring their financing and other commitments under the U.N. framework’s Paris agreement.⁵³ Washington has contributed far less than its fair share when it comes to climate finance.⁵⁴ Thus we find arch–adversaries India and Pakistan both taking similar, assertive positions (though separately) on the issue.⁵⁵

⁵⁰ Haidar, Suhasini. “Worldview with Suhasini Haidar | Two years after Galwan: How much has changed in India-China ties?” *The Hindu*, June 17, 2022.

<https://www.thehindu.com/news/national/worldview-with-suhasini-haidar-two-years-after-galwan-how-much-has-changed-in-india-china-ties/article65537384.ece>

⁵¹ Parsi, Trita. “India’s rebuke of Putin should reduce Washington’s fears of a multipolar world.” MSNBC, September 21, 2022.

<https://www.msnbc.com/opinion/msnbc-opinion/modi-s-criticism-putin-over-ukraine-displays-multipolar-world-n1299008>

⁵² White House. “FACT SHEET: In Asia, President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity.” May 23, 2022.

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity/>

⁵³ Pardikar, Rishika. “All Implementation is linked to means, and finance is the biggest means, says G-77 chair on COP27.” *Carbon Copy*, November 2, 2022.

<https://carboncopy.info/finance-and-other-cop27-themes-for-developing-countries-nabeel-munir/>

⁵⁴ Carty, Tracy, Jan Kowalzig, and Bertram Zagema. “Climate Finance Shadow Report 2020.” Oxfam, October 20, 2022. <https://www.oxfam.org/en/research/climate-finance-shadow-report-2020>

⁵⁵ Koshy, Jacob. “India demands \$1 trillion as ‘climate finance.’” *The Hindu*, November 11, 2021.

<https://www.thehindu.com/news/national/india-demands-1-trillion-as-climate-finance/article37438973.ece>; Pardikar, Rishika. “All Implementation is linked to means, and finance is the biggest means, says G-77 chair on COP27.” *Carbon Copy*, November 2, 2022.

<https://carboncopy.info/finance-and-other-cop27-themes-for-developing-countries-nabeel-munir/>

Past is part-prologue: The new nonalignment

Dying Unipolarity

The world order is undergoing a radical change, comparable to the shift that occurred after 1991. The fall of the Soviet Union initiated an unprecedented period of American unipolarity, when States emerged as the unquestioned military, diplomatic, economic, institutional, and normative superpower until the 2008 financial crisis.⁵⁶ During unipolarity's peak decade of the 1990s, the United States implemented a raft of treaties in arms control, nuclear proliferation, human rights, and trade. It helped facilitate the Irish peace process, intervened successfully to end the India–Pakistan Kargil war in 1999, and nearly achieved a peace settlement between Israel and the Palestinians. New institutions such as the World Trade Organization were also established and China was brought into the global trading system. The power not only to create rules but also exceptions to those rules, with few consequences, was another hallmark of unipolarity. Thus, India, a non–nuclear weapons state under the Non–Proliferation Treaty, was brought in from the cold as a part–legitimate nuclear power with the U.S.–India nuclear deal of 2005.⁵⁷

The United States also offered a market–based economic model that, until the 2008 global financial crisis, was a major attractive force. The contrast between the two halves of Korea – in which South Korea surged to become a leading global technological powerhouse with first world living standards, while North Korea languished – had clear lessons for many in the Global South. In addition, the United States possessed far more soft power than the Soviet Union or China. The attractions of U.S. youth culture – from

⁵⁶ For instance, as many as 35 countries (many of them not formal allies) sent troops to reverse the Iraqi occupation of Kuwait during the First Gulf War in 1991, something hard to imagine today. US Department of State. "The Gulf War, 1991." Office of the Historian. <https://history.state.gov/milestones/1989-1992/gulf-war> ; US Navy. "The Gulf War 1990-1991 (Operation Desert Shield/ Desert Storm)." Naval History and Heritage Command. <https://www.history.navy.mil/our-collections/art/exhibits/conflicts-and-operations/the-gulf-war-1990-1991-operation-desert-shield-desert-storm.html>

⁵⁷ The deal was completed in 2008. Bajoria, Jayshree, and Esther Pan, "The U.S.-India Nuclear Deal." *Council on Foreign Relations*, November 5, 2010. <https://www.cfr.org/background/under/us-india-nuclear-deal>

popular music to jeans — may have exerted significant influence on disenchantment among the citizens of the Soviet sphere of influence in Europe.⁵⁸

Four developments marked the beginning of the end of unipolarity. First, the 2008 financial and economic crisis discredited the Washington consensus of a supposed liberal economic international order. Second, the spectacular rise of China increasingly provided an alternative pole of economic and political power. Russia, too, began asserting itself after its deep economic malaise of the 1990s.

Third, America’s “War on Terror” destabilized the Middle East and alienated many across the world with its illegal military interventions and abuses. The war is also estimated to have cost as much as \$8 trillion and more than 900,000 lives, according to the Costs of War Project at Brown University.⁵⁹ These gigantic sums in blood and treasure mark not only a vast unleashing of punitive violence in the Global South, but also a self-defeating overreaction to the terror attacks of September 11, 2001. The fourth development was the rise of the Global South, as laid out previously.

The Global South was a keen observer of these developments. From the financial crisis it concluded that the Anglo-American version of capitalism had major flaws. From China’s meteoric rise and its offer of investments through the Belt and Road Initiative (BRI), it perceived increasing benefits in partnering with Beijing. From the illegal actions during the “War on Terror” it saw stark double standards in America’s claim of being a liberal and exceptional great power. And, in current times, it sees the Biden administration’s rhetoric of a global struggle between (Western) democracy and (Chinese and Russian) autocracy as largely instrumental.

Nonalignment Redux

These shifts are opening up space for a new nonalignment in the Global South. Nonalignment’s first incarnation was from the 1960s to the 1980s, represented by the

⁵⁸ Dawkins, Jennifer Ortakales. “A contraband pair of Levi’s were worth up to \$500 on Germany’s black market during the Cold War because they were an icon of American culture.” *Business Insider*, November 18, 2020.

<https://www.businessinsider.com/levis-blue-jeans-were-banned-east-germany-during-cold-war-2020-11>

⁵⁹ “Costs of War.” Watson Institute, Brown University. <https://watson.brown.edu/costsofwar/>

Non-Aligned Movement (NAM).⁶⁰ NAM was founded in 1961 by leaders of three key middle powers of the day — Josip Broz Tito of Yugoslavia, Gamal Abdel Nasser of Egypt, and Jawaharlal Nehru of India.⁶¹ It had its roots in a major conference of mainly African and Asian states in Bandung, Indonesia in 1955.⁶² NAM was at its most assertive when advocating against colonialism, apartheid, and nuclear weapons and pressing for economic concessions from wealthy states.⁶³

Precisely because the new nonalignment is less ideological, it is likely to be more robust and sustainable.

By the 1980s, however, NAM had become deeply divided and largely ineffective. The dawn of unipolarity and the end of Cold War blocs in the 1990s marked an existential crisis for the movement. The question was, nonaligned with respect to whom? The movement seemed all but dead.

However the wheel is turning a full circle with the return of a Cold War–like environment in the global order. A new nonalignment is visible across the Global South. Unlike its previous version, however, it is a strategic orientation, emerging organically through the actions of individual states, rather than an organized movement or an attempt to create one. It is also much less ideological, rooted more in pragmatism and the national interest. This works to its advantage.⁶⁴ Precisely because the new nonalignment is less ideological, it is likely to be more robust and sustainable. Not having a formal organization attempting to evolve an ideological consensus on every global issue

⁶⁰ Manela, Erez. *The Wilsonian Moment: Self Determination and the International Origins of Anticolonial Nationalism*. Oxford University Press, 2007; Abraham, Itty. "From Bandung to NAM: Non–Alignment and Indian Foreign Policy, 1947-65." *Commonwealth & Comparative Politics*, 46(2), 2008. 195-2019. For a recent recap see Guyer, Jonathan. "Why some countries don't want to pick a side in Russia's war in Ukraine." *Vox*, June 9, 2022.

<https://www.vox.com/23156512/russia-ukraine-war-global-south-nonaligned-movement>

⁶¹ Indonesia's Sukarno and Ghana's Kwame Nkrumah were also its key backers.

⁶² Acharya, Amitav, and Tan See Seng (ed.). *Bandung Revisited: The Legacy of the 1955 Asian-African Conference for International Order*. NUS Press, 2008.

⁶³ For example, their 1974 Declaration on the Establishment of a New International Economic Order. See <https://digitallibrary.un.org/record/218450?ln=en>

⁶⁴ In fact, it is the United States that bears the costs of waging an ideological conflict in our time, with its "democracy v. autocracy" framing.

actually enables states to strategize more effectively and deflates past criticisms of NAM.

A national interest–centered nonalignment is also marked by dynamism. Many middle powers are more prosperous, and have learned the arts of realpolitik and ad hoc coalition–building to secure their interests. Their populations are less enamored of U.S. soft power compared to the 1980s and 90s and feel much less threatened by the rise of China and the reassertion of Russia than they did during the Cold War years.

The Global South would rather see a multipolar world where power is more diffused, in order to expand its own strategic space. Thus key middle powers in the Global South will align with the United States when it suits their interests, but sharply depart from its line, and even align with China or Russia, in other circumstances. They are well aware that Russia and particularly China sometimes offer products and services (e.g., defense equipment, energy, infrastructure, financing) that are comparable or better value propositions than the United States and its core allies. The Global South generally seeks to leverage all major powers toward its developmental and strategic benefit. In this manner, it seeks to end both its economic and political marginalization.

Their colonial history still matters to the states of the Global South.⁶⁵ But historical memories now play an auxiliary role to furthering national interests and ending their economic and political marginalization.

Out of the way: Why U.S. strategy is increasingly ineffective and risky

During the decades of the Cold War traditional U.S. tools in the Global South consisted of elite persuasion and inducements, arms sales, coercive sanctions, and direct and indirect military interventions to achieve regime change. The United States and the Soviet Union intervened repeatedly to topple governments in the newly independent

⁶⁵ Botes, Alvin. “Ukraine – South Africa is not neutral, we are non–aligned.” *Daily Maverick*, May 16, 2022. <https://www.dailymaverick.co.za/opinionista/2022-05-16-ukraine-south-africa-is-not-neutral-we-are-non-aligned/>

states of the Global South. The complete number of U.S. direct and indirect interventions is too long to list here.⁶⁶ But those in Iran in 1953, Guatemala in 1954, Indonesia in 1965, Chile in 1973, Vietnam (initially in support of French colonialism), and support for the Pakistani military's actions in East Pakistan (later Bangladesh) in 1971 were among the most prominent. During the decades of unipolarity, U.S. interventionism in the Global South actually increased.⁶⁷ Extraterritorial (secondary) sanctions became a favored tool, with Iran, North Korea, and others being major targets.

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Some of these tools worked during the Cold War years.⁶⁸ Elites in many states in the Global South, especially Latin America and Southeast Asia, felt greatly threatened by revolutionary Marxism's aggressive stance on class. The interests of these elites typically coincided with those of Washington in countering domestic leftists, often through brutally repressive means.⁶⁹

The United States also exploited divisions among Global South states in regional balancing strategies. For example, it initially backed Iraq against Iran, and then Saudi Arabia against Iraq. A cold war alliance with Pakistan was utilized to keep India in check. Post-1999, roping in India into the U.S. security architecture to counter China has been a core goal.⁷⁰ These strategies have had mixed results, with regime-change

⁶⁶ The Suez crisis of 1956 was an important exception in which the United States backed Egypt against intervention by Israel, Britain, and France.

⁶⁷ Kushi, Sidita, and Monica Toft. "Introducing the Military Intervention Project: A New Dataset on US Military Interventions, 1776–2019." *Journal of Conflict Resolution*, August 8, 2022. <https://journals.sagepub.com/eprint/NSBIKPXYGT4U3VRBTPMM/full>

⁶⁸ O'Rourke, Lindsey. *Covert Regime Change: America's Secret Cold War*, 2021.

<https://www.cornellpress.cornell.edu/book/9781501761737/covert-regime-change/#bookTabs=1>

⁶⁹ Bevins, Vincent. *The Jakarta Method*. PublicAffairs, 2021. <https://vincentbevins.com/book/>

⁷⁰ Shidore, Shidore. "De-Risking the India Relationship: An Action Agenda for the United States." Quincy Institute, Quincy Brief No. 10, March 10, 2021.

<https://quincyinst.org/report/de-risking-the-india-relationship-an-action-agenda-for-the-united-states/>

operations and coercive economic sanctions the least successful.⁷¹ Regional balancing strategies have had greater successes.

The 2022 National Security Strategy (NSS) has dedicated sections on key regions of the Global South such as Africa and Asia citing a raft of global public goods such as climate change, public health, infrastructure and others.⁷² Regime change has been roundly discredited in Washington after the failures in Iraq and Afghanistan; the NSS now officially disavows it.⁷³ In its core sections, the NSS frames U.S. grand strategy as revolving around “strategic competition” with rival great powers and engaging in a universal battle against autocracy.

But the supposed global battle against autocracy makes little sense in the Global South, where many states are not democracies – and those who are do not view the world through such a Manichean lens. The new nonalignment, based more on national interests than ideology, makes it more difficult for Washington to enlist states into forming blocs against great power rivals. And the growing U.S. reliance on coercive, even illegal, actions such as secondary sanctions is increasingly resented.

Washington also has limited scope to exploit regional rivalries for its containment goals. China and Russia no longer threaten Global South elites as they did during the height of communism and are not looking for client states as they once did. This is a major reason why two “pink tides” have been able to take power in Latin America in the post–Cold War decades.⁷⁴ Rivalry dyads involving the Global South – India–Pakistan, Morocco–Algeria, Turkey–Greece, and others – are either too low–intensity or mostly tangential to the “strategic competition.”

However, Washington sees opportunities in the Saudi–Iran and India–China rivalries and territorial disputes between four ASEAN states (Brunei, Malaysia, Philippines, and

⁷¹ O’Rourke, Lindsey A. *Covert Regime Change: America’s Secret Cold War*. Cornell University Press 2021. <https://www.cornellpress.cornell.edu/book/9781501761737/covert-regime-change/#bookTabs=1>

⁷² White House, “National Security Strategy,” October 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

⁷³ Ibid.

⁷⁴ The second pink tide was capped with Lula’s victory in Brazil in October 2022, on the heels of Gustavo Petro’s win in Colombia and the election of Gabriel Boric in Chile earlier in the year.

Vietnam) and China. The United States has had some success in utilizing these divisions for its goals of containing Iran and China. But New Delhi has placed implicit limits on its convergence with Washington on China–containment.⁷⁵ Both India and Saudi Arabia have also triangulated with Russia. Practically all ASEAN states have resisted joining a new cold war against China.⁷⁶ In the brave new world of the 21st century, divide–and–conquer is less likely to work as a strategy in the Global South as it once did.

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Russia and (particularly) China also bring certain attractions to the table. Russia is a top arms supplier to many states in the Global South (Figure 3), and has greatly increased its below–market price energy exports to India and Turkey, among other states. It doesn't hurt that practically no Global South state has a major dispute with Moscow.

⁷⁵ Shidore, Sarang. “De-Risking the India Relationship: An Action Agenda for the United States.” Quincy Brief No. 10, Quincy Institute, March 10, 2021. <https://quincyinst.org/report/de-risking-the-india-relationship-an-action-agenda-for-the-united-states/>

⁷⁶ For instance, Vietnam. Pham, Linh. “Vietnam releases defense white paper, reaffirming no military alliance.” *Hanoi Times*, November 26, 2019. <https://hanoitimes.vn/vietnam-releases-defense-white-paper-reaffirming-no-military-alliance-300279.html>

TOP GLOBAL SOUTH IMPORTERS OF RUSSIAN WEAPONS



Global South states most reliant on Russian arms.⁷⁷

U.S.–led sanctions that target Russia are substantially hurting the Global South.⁷⁸ But as Washington readies its first slew of extraterritorial demands after Russia’s invasion of Ukraine by enforcing a price cap on Russian oil, the pushback is likely to increase.⁷⁹ India, for example, has been resolutely non–committal on abiding by the price cap, stating that it will be guided by its “supreme national interest.”⁸⁰ Turkey, another major oil importer, may well follow suit.

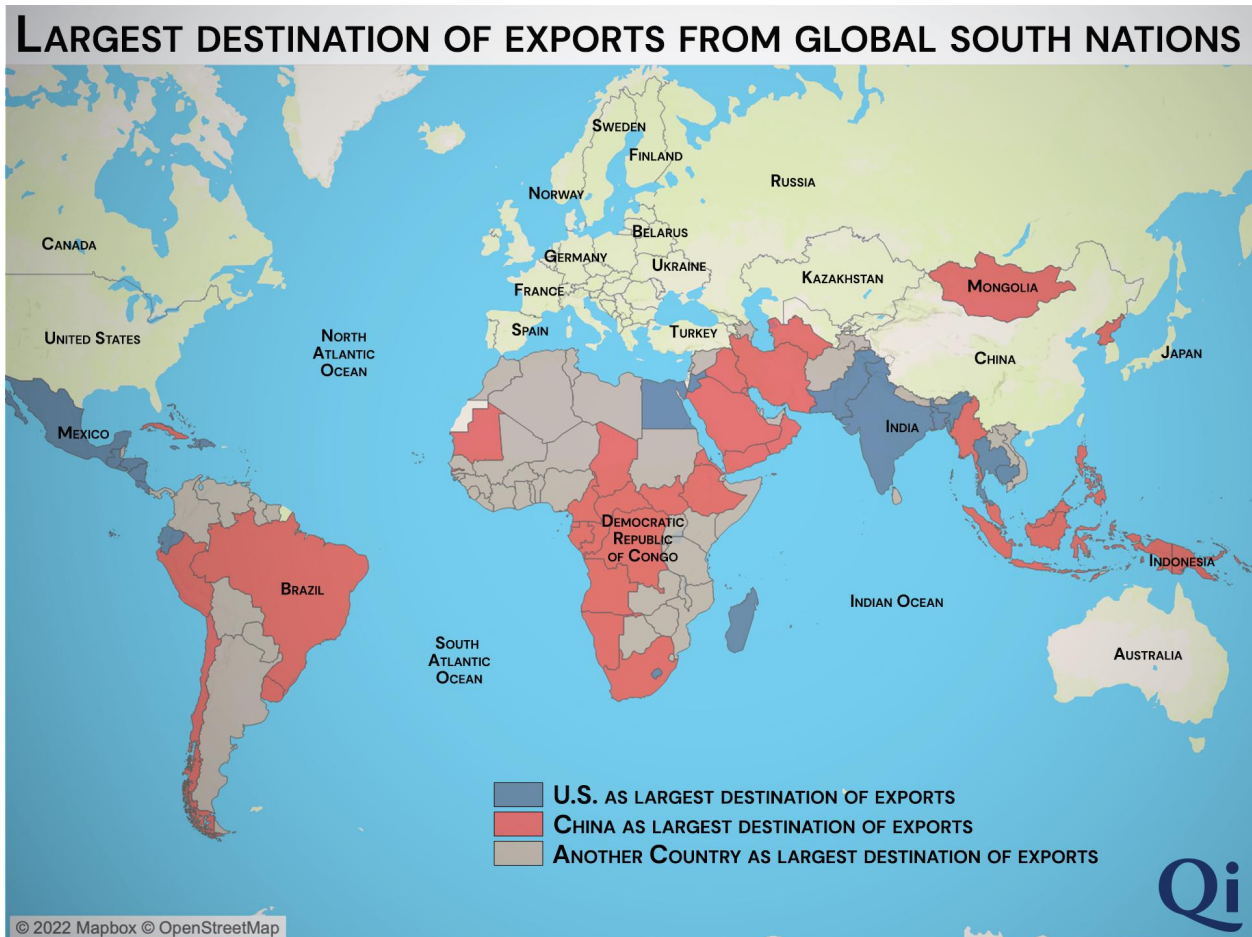
⁷⁷ Stockholm International Peace Research Institute. “Importer/Exporter TIV Tables.” 2017-2021, <https://armstrade.sipri.org/armstrade/page/values.php>

⁷⁸ Mulder, Nicholas. “The Collateral Damage of a Long Economic War.” *Foreign Affairs*, September 26, 2022. <https://www.foreignaffairs.com/russian-federation/collateral-damage-long-economic-war>

⁷⁹ Foy, Henry, Guy Chazan, and David Sheppard. “G7 says Russian oil price cap to be ready ‘in the coming weeks.’” *Financial Times*, November 4, 2022. <https://www.ft.com/content/3ff17b4f-649a-41ee-8db4-d3721f018b9c>

⁸⁰ PTI. “Russia Becomes India’s Top Oil Supplier in October.” *The Wire*, November 6, 2022. <https://thewire.in/energy/russia-becomes-indias-top-oil-supplier-in-october>

In the past, the United States and Europe successfully used their global financial hegemony to block trade with sanctioned countries.⁸¹ But doing the same for Russia, a much more influential player, will be far more challenging. Russia working in tandem with China, Iran, and India could provide almost all of the needed shipping capacity and insurance cover for its oil exports.⁸² This could easily set a precedent that opens the door for other states to join in defying U.S. pressure.



More Global South states have China as their biggest destination of exports than the United States.⁸³

The risks are much greater when it comes to targeting states on their relations with China. China is now a bigger trading partner (on both exports and imports) than the

⁸¹ For example, by cutting off insurance provisions to Iranian oil merchandise.

⁸² Watkins, Simon. "How Effectively Can Russia Bypass The G7's New Oil Price Cap?" Oil Price, October 31, 2022.

<https://oilprice.com/Energy/Crude-Oil/How-Effectively-Can-Russia-Bypass-The-G7s-New-Oil-Price-Cap.html>

⁸³ CIA. "Exports – partners." The World Factbook.

<https://www.cia.gov/the-world-factbook/field/exports-partners/>

United States for most of the Global South (Figures 4, 5). It is far more active than the United States when it comes to building infrastructure in higher-risk regions through the BRI.⁸⁴ Post-Covid, China is also acting as a rival to the International Monetary Fund – restructuring debt and providing liquidity to 23 Global South states, including Sri Lanka, Ecuador, and Zambia.⁸⁵ Sixteen of these are in Africa. Essentially, China has now emerged as a provider of many global public goods that the United States and its closest allies provided for decades.

Essentially, China has now emerged as a provider of many global public goods that the United States and its closest allies provided for decades.

Washington recently unveiled a set of tough sanctions on advanced Chinese technologies, including in the semiconductor domain.⁸⁶ If this trend is extended to other domains, forcing Global South states to pick a side, many may choose China, harming U.S. interests and equities.

⁸⁴ Some BRI projects, such as Pakistan’s Gwadar Port, have gone badly. But allegations that the BRI is nothing but debt-trap diplomacy are inaccurate. In one of the worst financial crises – Sri Lanka – only 10 percent of its debt was owed to Chinese creditors. African states owe three times as much to non-Chinese creditors as to China, and interest rates on Chinese loans are about half of the other loans. U.S. monetary policy has also contributed greatly to the debt crisis. Savage, Rachel. “African states’ private debts three times that owed to China.” Reuters, July 11, 2022.

<https://www.reuters.com/world/africa/african-states-private-debts-three-times-that-owed-china-2022-07-11/> ; Eichengreen, Barry. “Is the dollar about to take a turn?” *Financial Times*, July 26, 2022.

<https://www.ft.com/content/6ea4a7ee-989a-4771-a7f6-50dc8e046863> ; Dorsey, James. “China’s BRI crown jewel in Pakistan has turned into a powder keg.” *Responsible Statecraft*, December 19, 2021.

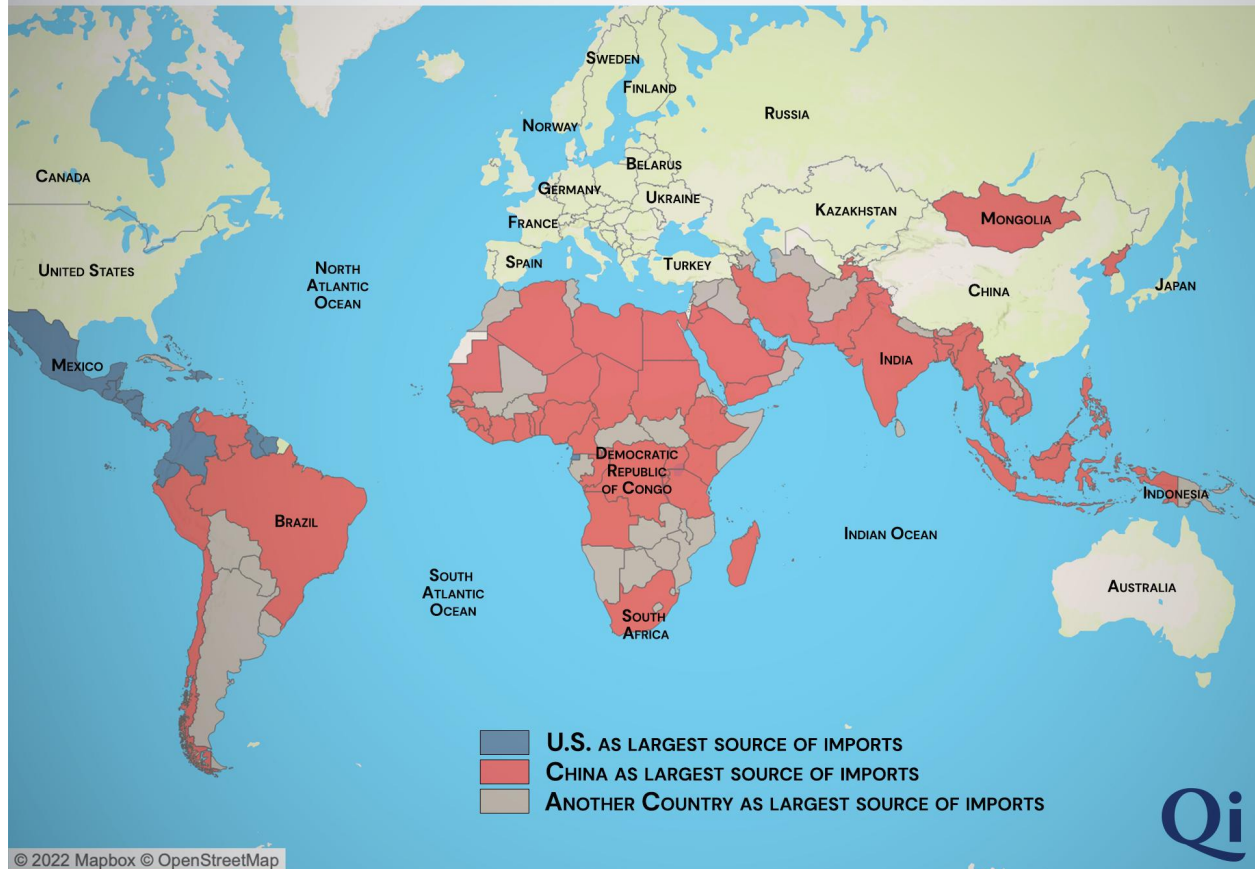
<https://responsiblestatecraft.org/2021/12/19/chinas-bri-crown-jewel-joins-the-era-of-defiance-and-dissent/>

⁸⁵ Johns Hopkins School of Advanced International Studies. Global Debt Relief Dashboard. China Africa Research Initiative. <http://www.sais-cari.org/debt-relief>

⁸⁶ Cao, Ann. “China’s chip imports see biggest drop in 2022 with accelerated decline in October amid US restrictions and weak demand.” *South China Morning Post*, November 7, 2022.

<https://www.scmp.com/tech/tech-war/article/3198726/chinas-chip-imports-see-biggest-drop-2022-accelerated-decline-october-amid-us-restrictions-and-weak>

BIGGEST SOURCE OF IMPORTS FOR GLOBAL SOUTH NATIONS



More Global South states have China as their biggest source of imports than the United States.⁸⁷

The U.S. dollar is the dominant reserve currency of almost all major trading nations, which is the source of Washington's power to impose secondary sanctions.⁸⁸ It is still the currency that fuels the international oil trade. The Chinese yuan has some ways to go before it dethrones the dollar's reign. But the secondary sanctions tool is itself a pathway to risking this domination.⁸⁹

⁸⁷ CIA. "Imports – partners." The World Factbook.

<https://www.cia.gov/the-world-factbook/field/imports-partners>

⁸⁸ Farrell, Henry J., and Abraham L. Newman. "The U.S. Is the Only Sanctions Superpower. It Must Use That Power Wisely." *The New York Times*, March 16, 2022.

<https://www.nytimes.com/2022/03/16/opinion/us-russia-sanctions-power-economy.html>.

⁸⁹ As much as 30 percent of China's trade is now conducted in the yuan. This growing fraction is a bellwether of the future challenge to the dollar's dominance. Wong, Kandy. "China trade: yuan settlements seen rising as geopolitical strife fuels currency diversification." *South China Morning Post*, November 1, 2022.

<https://www.scmp.com/economy/china-economy/article/3197866/china-trade-yuan-settlements-seen-rising-geopolitical-strife-fuels-currency-diversification>

Thus, unleashing extraterritoriality when it comes to the Global South's relations with Beijing carries serious risks for the United States. In the worst case, it could lead to a bifurcation of the world order. Pursuing this self-defeating strategy would also lead to much greater global inflation and hurt the welfare of everyday Americans.

The one tool of influence upon which the United States prides itself the most when it comes to its global presence – its military – has, at best, a mixed impact on furthering its influence. The “War on Terror,” for instance, alienated a huge swath of citizens in Muslim-majority and other nations, while growing U.S.-backed military containment coalitions against China are making many Asian states uneasy.

Conclusion: Forging a New Bargain

At one level Washington does acknowledge the relevance of the Global South and has put in place policies and programs directed at enhancing its influence. IPEF is a welcome (if belated and weak) attempt at engaging Southeast Asia. USAID continues to do its historically important work in places such as Bangladesh and the Sahel.⁹⁰

Washington has contributed nearly \$100 million for victims of climate-magnified Pakistani floods.⁹¹ The passage of the Global Fragility Act in 2019 was an important landmark.⁹²

Most states in the Global South are not interested in choosing sides, and its middle powers now have the heft to stand their ground.

But a new bargain with the Global South is badly needed to forestall the risks laid out here, which include pushing key states away from the United States and closer to Russia

⁹⁰ USAID. “Bangladesh.” <https://www.usaid.gov/bangladesh> ; Thurston, Alex. “An Alternative Approach to U.S. Sahel Policy.” Quincy Institute, No. 32, November 7, 2022.

<https://quincyinst.org/report/an-alternative-approach-to-u-s-sahel-policy/>

⁹¹ Gul, Ayaz. “US to Give Pakistan Additional \$30 Million for Flood Victims.” VOA News, October 27, 2022. <https://www.voanews.com/a/us-to-give-pakistan-additional-30-million-for-flood-victims-/6808346.html>

⁹² Engel, Eliot L. “H.R.1580 – Global Fragility Act of 2019.” <https://www.congress.gov/bill/116th-congress/house-bill/1580>

and China. But the less ideological nature of the new nonalignment is also an opportunity. If Washington offers a better value proposition, most states of the Global South will eagerly take it. After all, their elites have deeper ties to America than Russia or China, and diasporic communities in the United States act as a unique bridge to their countries of origin.

The first step is for the United States to accept the Global South's new nonalignment. It has not yet done so. This is a vital precondition for the next step, which is to base the bargain on finding areas of overlapping interests – without losing sight of the humanitarian needs of its poorest states. Such a bargain ought to have at least the following elements.

Accept the reality of the Global South's new nonalignment, resist the temptation to view the region primarily through the lens of the "strategic competition," and recognize that the expulsion or containment of Russia and China is unrealistic. Shift away from a strategy centered on secondary sanctions, which could counterproductively push states closer to Beijing or Moscow.

Most states in the Global South are not interested in choosing sides, and its middle powers now have the heft to stand their ground. Trying to counter this strong preference through overt or covert pressure will only alienate such states. Shifting away from coercion ideally implies a repeal of onerous secondary sanctions on states in the Global South that continue to maintain their relationships with U.S. rivals. At the very least, exemptions, such as the one granted for India recently on CAATSA sanctions, should be more widely employed.⁹³ When legislative remedies are difficult to enact, regulations should be framed in a way that is as permissive as feasible when the Global South is a target.

Discard the "democracy v. autocracy" and "rules-based order" rhetoric. It lacks credibility and damages U.S. equities in the Global South.

⁹³ PTI. "U.S. House votes for India-specific CAATSA waiver." *The Hindu*, July 15, 2022. <https://www.thehindu.com/news/national/us-house-votes-for-india-specific-caatsa-waiver/article65642679.ece>

The frame of democracies v. autocracies has minimal resonance across the Global South, where many states are not democracies.⁹⁴ The frame's highly selective and largely instrumental application by Washington has thoroughly undermined its credibility. Democracy– and human rights–promotion might be more successful if the United States follows a policy of doing no harm and leading by example, rather than hectoring.⁹⁵

Steer the inevitable competition with China and Russia in the Global South away from bloc–formation and militarization and toward economic and technological arenas that can potentially trigger virtuous cycles.

Realistically, a degree of competition that pits the United States against Russia and China (and indeed some middle powers in the Global South) is inevitable. The challenge is to pursue such competition with longer–term goals in mind, and in a way that does not provoke destabilizing outcomes or great power war. The Quincy Institute's George Beebe has argued for a grand strategy of “managed competition” as the appropriate framework for great power relations.⁹⁶ U.S. minilaterals with implicit or explicit military aspects, such as the Quad and AUKUS, have triggered concerns in the region that they are offensive plays to bifurcate Asia into two camps.⁹⁷ Military strategies of bloc formation detract from, and cannot substitute for, economic and political strategies.

Arms sales are another major tool used by Washington for the purpose of influencing states. As the Quincy Institute's William Hartung has argued, U.S. arms sales to the Global South should be much better regulated. They are useful in some cases, but in

⁹⁴ Shidore, Sarang, and Shivshankar Menon. “South Asia and the Global South Amid Sharpening Great Power Rivalries.” Zoom Webinar, Quincy Institute, May 23, 2022.

<https://quincyinst.org/event/south-asia-and-the-global-south-amid-sharpening-great-power-rivalries/>; Menon, Shivshankar. “The Fantasy of the Free World.” *Foreign Affairs*, April 24, 2022.

⁹⁵ Bali, Asli. “The Humanitarian Paradox: Why Human Rights Require Restraint.” Quincy Institute, Brief No. 27, August 1, 2022.

<https://quincyinst.org/report/the-humanitarian-paradox-why-human-rights-require-restraint/>

⁹⁶ Beebe, George. “Managed Competition: A U.S. Grand Strategy for a Multipolar World.” Quincy Brief No. 30, September 1, 2022.

<https://quincyinst.org/report/managed-competition-a-u-s-grand-strategy-for-a-multipolar-world/>

⁹⁷ Shidore, Sarang. “A Southeast Asian strategy of denial?” *Responsible Statecraft*, October 29, 2021.

<https://responsiblestatecraft.org/2021/10/29/a-southeast-asian-strategy-of-denial/>; Shidore, Sarang.

“The Quad's perils outweigh its promises.” *Responsible Statecraft*, September 27, 2021.

<https://responsiblestatecraft.org/2021/09/27/does-the-quads-perils-outweigh-its-promises/>

many others they are counterproductive to U.S. interests, destabilize key regions, and enable human rights violations.⁹⁸

Lead with incentivization and integration. Large transfers of public funds are unrealistic in the current domestic U.S. environment, but playing the role of a catalyst is possible. Act more as partner than patron with respect to the Global South’s middle powers, some of whom are increasingly sites of supply chains and innovation.

The more initiatives Washington can propose to enhance trade and investment without punitive or militarized components, the more states in the Global South will willingly sign on. Under some circumstances, economic competition can benefit the United States through a virtuous cycle of new market creation or expansion. Leading with incentivization and integration is needed, rather than trying to bifurcate highly successful regions such as ASEAN into exclusive blocs. Initiatives such as the Indo–Pacific Economic Framework, if properly designed, have potential, but remain hobbled by the lack of market access on the table.

The more initiatives Washington can propose to enhance trade and investment without punitive or militarized components, the more states in the Global South will willingly sign on.

It is unrealistic to expect Washington to dole out large sums of cash to the Global South for climate action and other arenas in the current domestic political environment.⁹⁹ But

⁹⁸ Hartung, William. “Promoting Stability or Fueling Conflict? The Impact of U.S. Arms Sales on National and Global Security.” Quincy Institute, Paper No. 9, October 20, 2022. <https://quincyinst.org/report/promoting-stability-or-fueling-conflict-the-impact-of-u-s-arms-sales-on-national-and-global-security/>

⁹⁹ A proposal to create another tranche of SDRs by the IMF to stimulate (green) investment in the Global South has some merit. However, it is unlikely that such disbursements will be anything on the scale required even under an optimistic scenario. Pazarbasioglu, Ceyla, and Uma Ramakrishnan. “A New Trust to Help Countries Build Resilience and Sustainability.” IMF, January 20, 2022. <https://www.imf.org/en/Blogs/Articles/2022/01/20/blog012022-a-new-trust-to-help-countries-build-resilience-and-sustainability>; Worland, Justin. “Moral Obligation! John Kerry Says Developed Countries Need to Ramp Up Help for Growing Climate Losses.” *Time*, October 28, 2022. <https://time.com/6225834/john-kerry-loss-and-damage-climate-interview/>; Shalal, Andrea, and Lawder,

Washington can catalyze greater U.S. private flows of capital, trade, and technology and push them to adopt environmentally sustainable practices.

It is also important to act as a partner more than a patron. Showing up as a partner involves including key middle powers at the core of providing solutions to massive systemic challenges such as climate adaptation, global health, and food security. There is scope to do much more collaborative R&D and product innovation with middle powers to accelerate technology deployment in hard-to-solve or scale areas such as green hydrogen, carbon capture, nuclear fusion, and industrial carbon abatement. This also means collaboration with geopolitical rivals (principally China) and key Global South states to prepare for climate-magnified natural disasters of the future. Washington should also consider joining the Asian Infrastructure Investment Bank, a Chinese-led multilateral institution with major Global South participation.

Strengthen the G20, and expand its representation of Africa, for better coordinating solutions to global challenges such as climate change, food security, global health, and finance.

Given the paralysis of the U.N. Security Council, alternative forums are needed to discuss, coordinate, and help solve global challenges, most prominently climate change, but also global health and finance. The expansion of the U.N. Security Council has been discussed for many years, but there is no prospect of such reform in sight. Covering 80 percent of the global GDP, the G20 provides an alternative grouping with major Global South representation that can be better utilized for problem-solving. Its decisions are not subject to veto powers and do not have the force of international law. But this may be an advantage as it better enables informal discussions and coordination. A retooled and expanded G20 (to better represent Africa and smaller states) could act as a useful complement to the U.N. system.

David. "Yellen says new IMF SDR allocation not appropriate at this time." *Yahoo Finance*, October 14, 2022. <https://finance.yahoo.com/news/yellen-says-imf-sdr-allocation-182148580.html>

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