How the Sino-American Rivalry Is Reshaping the World Order

Jun 7, 2024 [**WILLIAM R. RHODES**](https://www.project-syndicate.org/columnist/william-r-rhodes) and [**STUART P.M. MACKINTOSH**](https://www.project-syndicate.org/columnist/stuart-p-m-mackintosh)

*We are entering a period of deteriorating US-China relations, with each side backed by its own allies and operating in its own international forums. While the precise impact of the changing geopolitical balance remains unknown, it is clearly becoming an impediment to addressing humanity’s most pressing problems.*

WASHINGTON, DC – Tensions between the United States and China continue to flare, even as Treasury Secretary [Janet L. Yellen](https://www.project-syndicate.org/columnist/janet-l-yellen), Secretary of State Antony Blinken, and several other senior US officials visit the country for talks. The two sides may disagree on most things, but maintaining dialogue is an essential part of geopolitics. The breakdown in communication last year, following visits to Taiwan by prominent American politicians and the US downing of a Chinese spy balloon, was dangerous and destabilizing, because when adversaries do not engage, misperceptions – and the risk of a clash – mount.

But, midway through 2024, dialogue is proving unable to bridge deep divides. This major superpower conflict looks set to continue, and may even worsen, as positions on the war in Ukraine, national-security concerns, and trade tensions harden into a long-term standoff. Global institutions, forums, and solutions will be among the biggest losers in an ongoing US-China decoupling, while regional alliances will increase in importance.

Some weakness was evident at the World Bank and International Monetary Fund spring meetings in Washington. The International Monetary and Financial Committee did not issue a communiqué, as it normally would, because China and its allies refused to include a reference to Russia’s invasion of Ukraine. US and European shareholders, for their part, wanted to recognize the war and its impact. The resulting silence was a victory for both Chinese President Xi Jinping and Russian President Vladimir Putin.

The G20 has also become more divided and less effective. In contrast to 2008-09, when G20 leaders quickly forged a coordinated response to the global financial crisis, the group currently lacks the collective will to address crises and achieve common goals. To be sure, the G20 still holds annual summits, and technical experts have made progress in some areas. But Russia’s invasion of Crimea in 2014 opened fissures in the group, which have only deepened in the years since. Consequently, the G20 is no longer the principal forum for global diplomacy.

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Meanwhile the enlarged BRICS+ forum, an initiative pushed by China, seeks to counter American influence, especially now that the US is caught in what [Graham Allison](https://www.project-syndicate.org/columnist/graham-allison) calls [Thucydides Trap](https://www.belfercenter.org/thucydides-trap/overview-thucydides-trap) – the tendency toward war when an emerging power threatens to displace a regional or international hegemon.

By putting new BRICS in the wall – the group now includes Egypt, Ethiopia, Saudi Arabia, Iran, and the United Arab Emirates, in addition to Brazil, Russia, India, China, and South Africa – China is trying to build an alternative world order, in which the Global South has greater geopolitical, economic, and diplomatic heft. In 2024, the BRICS+ countries [account for](https://www.fiw.ac.at/en/2024/02/15/brics-plus-a-new-world-order-and-the-end-of-the-us-dollar-as-the-global-reserve-currency/) around 36% of global GDP and 45% of the world’s population. While its members do not always – or even often – agree, they are shifting power away from the US and its allies, especially in the IMF, the World Bank, the G20, and the United Nations, where they promote China’s positions.

The expanded group is buttressed by the [New Development Bank](https://www.ndb.int/), the [Asian Infrastructure Investment Bank](https://www.aiib.org/en/index.html), and huge resource transfers, valued at roughly [$1 trillion](https://www.gisreportsonline.com/r/what-is-the-future-of-chinas-belt-and-road-initiative/), through China’s Belt and Road Initiative to partners around the world. These are part of China’s efforts to construct its own global financial architecture that will support its goals and compete with the European-led IMF and the US-led World Bank.

Whether China will succeed in coordinating the Global South is unclear. America certainly hopes not. But others see BRICS+ as a [new global economic paradigm](https://www.scirp.org/journal/paperinformation?paperid=124945). The reality is somewhere in between, although the US seems to be falling out of favor.

Tellingly, the US has responded to China’s growing might by taking a step backward and attempting to reinvigorate the G7, an unrepresentative group that is no longer as effective or relevant as it once was. To be sure, a forum for Western allies is necessary. But the notion that a group as small as the G7 can advance global goals at a time of heightened tensions and hardening stances is fanciful. Moreover, the G7 is far from united: despite US pressure, its members have been unable to agree on commandeering [Russia’s frozen assets](https://www.reuters.com/world/europe/yellen-says-g7-still-working-ways-tap-frozen-russian-assets-2024-03-01/).

While the exact impact of the changing geopolitical balance remains unknown, it is clearly becoming an impediment to addressing global challenges, whether related to climate change, migration, disease, or other worldwide crises. We are entering a period of deteriorating US-China relations, with each side backed by its own allies and operating in its own international forums. As the risk of a great-power confrontation increases, the window of opportunity for solving humanity’s most pressing problems is closing fast.

[William R. Rhodes**WILLIAM R. RHODES**](https://www.project-syndicate.org/columnist/william-r-rhodes)

Writing for PS since**2021**  
William R. Rhodes, President of William R. Rhodes Global Advisers LLC, is the author of [*Banker to the World: Leadership Lessons From the Front Lines of Global Finance*](https://www.mhprofessional.com/banker-to-the-world-leadership-lessons-from-the-front-lines-of-global-finance-9780071704250-usa) (McGraw Hill, 2011).

[Stuart P.M. Mackintosh**STUART P.M. MACKINTOSH**](https://www.project-syndicate.org/columnist/stuart-p-m-mackintosh)

Writing for PS since**2021**  
Stuart P.M. Mackintosh is Executive Director of the Group of Thirty.