

## DOES THE CONCEPT OF MULTIPOLARITY ACCURATELY REFLECT THE CURRENT GEOPOLITICAL REALITY?

Jelena ZVEZDANOVIĆ LOBANOVA<sup>1</sup>, Goran NIKOLIĆ<sup>2</sup>

### ABSTRACT

We are witnessing the trend of relative economic and, consequently, political weakening of America and the West and a constant rise of the “rest of the world”, primarily China, whose economic growth, despite slowing down in recent years, is still three times faster than that in the EU and the US. Given that the strategies and policies of great powers, as well as of smaller countries like Serbia, depend on it, in this paper, we try to answer the question of whether the world is in the process of becoming bipolar, multipolar, or whether some form of unipolarity will persist. We start with the definition of polarity in neo-realist terms. We generally accept that after the end of the Cold War, there was a moment of unipolar US dominance, coupled with its hegemony, but this moment has largely passed. However, we are faced with the situation that there has been no clear emergence of either a new bipolar or multipolar order. We cannot argue that Beijing is the other pole of power since only the US has functional alliances that carry weight economically and militarily. And, if we are witnessing the emergence of multipolarity, that is the one that is still fundamentally asymmetric in America’s favour since Washington’s actions predominantly determine the main currents of global geopolitical processes. Thus, we claim that the global order is shaped as an unbalanced multipolarity, with the caveat that the role and strength of poles are in modern times considerably less important than before due to the processes of globalisation and economic interdependency.

### ARTICLE HISTORY

Received:  
25 March 2024  
Revised:  
24 May 2024  
Accepted:  
30 May 2024

### KEYWORDS

multipolarity;  
unipolarity;  
bipolarity; USA;  
China; geopolitics.

**Cite this article as:** Zvezdanović Lobanova, Jelena, and Goran Nikolić. 2024. “Does the Concept of Multipolarity Accurately Reflect the Current Geopolitical Reality?”. *The Review of International Affairs* LXXV (1191): 261–277. [https://doi.org/10.18485/iipe\\_ria.2024.75.1191.4](https://doi.org/10.18485/iipe_ria.2024.75.1191.4)

<sup>1</sup> Research Associate, Centre for Economic Research, Institute of Social Sciences, Belgrade, Serbia. E-mail: [jzvezdanovic@idn.org.rs](mailto:jzvezdanovic@idn.org.rs), <https://orcid.org/0000-0003-3159-3331>.

<sup>2</sup> Principal Research Fellow, Institute of European Studies, Belgrade, Serbia. E-mail: [goranvnikolic@gmail.com](mailto:goranvnikolic@gmail.com), <https://orcid.org/0000-0001-9312-2194>.

## Introduction

By the mid-1870s, the American economy had become the largest in the world, surpassing that of Great Britain. Between the two world wars, Washington became the centre, without which no important issue could be resolved. By 1942–45, America had become a global hegemon, controlling half of the world's industrial production and boasting the largest armed forces deployed across vast territories. The Cold War that soon followed was not the cause of the decline in America's share of the global GDP; rather, it was the result of natural and expected income growth in other parts of the world.

While a kind of bipolar order was established in the second half of the 1940s, it does not mean that both superpowers had a similar level of power, but that there were two strong centres of global decision-making, of which the one located in Moscow was significantly weaker. Moreover, such a balance was disrupted with the fall of the Berlin Wall in 1989. Until the beginning of the Second Iraq War in 2003, the US enjoyed the so-called “unipolar moment”, which is the first recorded instance in human history where one country held such a dominant position in international relations. Since the Second Iraq War and especially since the Global Financial Crisis of 2008–09, the two closest competitors on the world stage, China and, to a much lesser extent, Russia, as well as other major developing countries, particularly India, have strengthened their influence, partly at the expense of Washington. The viewpoint that America's dominance is either over or nearing its end in favour of China already today or in the (near) future is becoming the perspective of many experts (Hansen 2011, 5-7).

Our approach is based on the neorealist notion of polarity, which considers it a structural feature of the international system. Changes in polarity are the most important changes in the international structure, while anarchy is always the basic assumption of the system. Poles are defined through a combination of economic and, necessarily, military strength, where the second component has been historically more relevant (Wohlforth 1999; Monteiro 2014). Both of them require strong demographics and relevant landmass as the foundations for such power (Tunsjø 2018). While great power balancing is, in general, the main dynamic of an international structure with two or more poles, in the unipolar system, it is less relevant (Hansen 2011, 2-3). Features of unipolarity are usually cases of security free-riding and asymmetric distribution of power, but also the possibility of hegemony, which requires both military and economic power but also internal political will as the hegemon purposefully exercises its overwhelming power to impose order on the international system (Layne 2006, 11). The position of a pole is gained through the particular balance or

configuration of capacity, usually a combination of military and economic means, to do something of importance (Ikenberry 2014, 203).

The stability of the unipolar world was supported by the asymmetric distribution of power after the end of the Cold War, which made the US the strongest great power in relation to potential rivals in history. Nevertheless, since the turn of the century, there has been an increasing diversity in the interpretations of the polarity of the existing international system. Some continued to interpret the system in terms of unipolarity (Hansen 2011; Monteiro 2014), some in terms of “Chimerica” bipolarity (Ferguson 2008; Maher 2018; Tunsjø 2018), and some have argued early about the emergence of multipolarity (Waltz 2000). We understand that, in general, the polarity effects are weaker now than over most of the previous two centuries. This is due to the more complex nature of international relations, with vastly more state and non-state actors present and the richness of their connections, and due to international politics being more regional and less systemic, as the poles of power are less able to exert global dominance (Græger et al. 2022, 13). As has been noted, order is scarce in today’s world politics, and randomness suggests a rise in international political entropy (Schweller 2022).

We note that the key dynamic is the incredible rise of China for more than four decades, whose economic growth, despite slowing down in recent years, is still significantly faster than that of Western countries. Projections by the IMF for 2024 also indicate that such dynamics will continue, with projected economic growth of 4.6% for China, 2.1% for the US, and 0.9% for the Eurozone (Gourinchas 2024). The relative weakening of Russia’s international economic position with the beginning of the war in Ukraine, the fastest (expected) economic growth among major economies recorded by India (2023: 6,7%, 2024: 6,5%, 2025: 6,5%), and the very slow GDP dynamics of the Eurozone after 2008, and especially in 2023–24 (0,5% and 0,9%, respectively), further complicate the tasks of those who need to predict the geopolitical future.

We will argue that the rise of China has not yet developed into bipolarity (with the US) nor has quite yet led to a form of multipolarity. The unipolar moment, which was also marked by brief US hegemony, is over and has been since the global economic crisis (2008). A combination of factors, including unsuccessful military endeavours, the economic rise of China, and the slower recovery of the US and the EU, has led to the diminishing of unipolarity. We will also show that the currents of economic globalisation add more complexity to the discussion about polarity and favour the rise of macro-regional cooperation, which might be the early signs of multipolarity in the future.

This paper is organised as follows: First, we analyse the practical importance of determining whether the world is unipolar, bipolar, or multipolar since

misdiagnosing global polarity could lead to flawed policies, significant economic losses, and increased security risks. Then, we examine the dominance of the US and, to a lesser extent, China as the primary global powers and question the potential of other nations to become additional poles of power. We also evaluate the risks associated with Washington's strategy of assuming a continued unipolar world, dominated by the US, despite the emerging multipolar trends. In the final section, we highlight that the war in Ukraine has accelerated the transformation of the world order, necessitating a more sustainable interdependence.

### **Practical Importance of (Multi/Bi/Uni) Polarity**

The answer to the question of whether the world will be unipolar, bipolar, or multipolar is sought by planners, experts, and politicians in Washington, Beijing, Moscow, Brussels, Berlin, and Delhi in order to make their strategies and policies as good as possible (Græger et al. 2022). Any potential misdiagnosis of the situation regarding the world polarity implies that the policy being pursued is inadequate, which can be a costly mistake involving significant economic losses and increased security risks. For example, the new German national security strategy, published in June 2023 (The Federal Government 2023), states that "the international and security environment is becoming multipolar and less stable". If this assumption about multipolarity is correct, this strategy makes sense for policymakers in Berlin, as in multipolar systems, major powers form alliances and coalitions to avoid one state dominating others (this could lead to constant realignments and sudden shifts if a major power changes its allegiance, whereas in a bipolar system, two superpowers generally balance each other out) (Bekkevold 2023). However, if the hypothesis regarding future multipolarity proves to be inaccurate, it is not only worthless but may also make Germany's international position more difficult.

Kenneth Waltz, a leading figure in neorealism, reshaped our understanding of international relations by emphasising the significance of polarity at the systemic level. For Waltz, the structure of international systems hinges on three key factors: the overarching ordering principle, the designated functions of system units, and the distribution of capabilities among these units (Waltz 1979). Neorealists like Waltz argue that the stability of the system is directly linked to shifts in its polarity. In addition, polarity is also important for businesses. Morgan Stanley (2023) recently published a strategic document for "navigating a multipolar world", preparing its clients and students for a new kind of global order. Namely, trade and investment flows can vary greatly depending on the number of poles, and now macro-regional cooperation is showing how globalisation is moving away from unipolarity and bipolarity to

multipolarity (Pieterse 2017), but is not there yet. The issue of US and EU economic sanctions on Russia and Iran, with the ban on currency trading where the dollar acts as a global reserve currency and the US has a final say on its flow, is an example of one of the levers of power still existing in the US hands. In addition, advocating for a multipolar world when it is bipolar or unipolar can send the wrong signals to both friends and enemies. For example, the president of France, Emanuel Macron, during his visit to China in April 2023, emphasised the importance of Europe becoming a third superpower, which met with disapproval in Washington and some EU countries. On the other hand, the Chinese hosts were delighted, but if they confused Macron's musings on multipolarity with the readiness of France and the EU to support Beijing in the US-China rivalry, they may have received the wrong signals.

Discrepancies in opinions regarding the significance of particular power centres are reasonable. Part of the explanation undoubtedly lies in the fact that the creation of narratives about power also has a propaganda purpose. The story of an idyllic multipolar world is promoted by Beijing and Moscow as a means of constraining US power and advancing their own position, among other things, by gaining influence in the "Global South" (middle-power leaders also promote multipolarity, as Brazilian President Lula da Silva does in an attempt to position his country as a leader among the "non-aligned"). Additionally, for many people who advocate the idea of multipolarity (Chan, Harburg, and Mahbubani 2023; Ashford and Cooper 2023b), it is a normative concept and an expression of the end of Western hegemony. European leaders often view multipolarity as a desirable alternative to bipolarity because they believe it would create better conditions for a rules-based world order. The EU Strategic Compass (European External Action Service 2022) sees the "contested multipolar world" as already existing, while it wants to participate in global governance based on multipolarity and agreed rules, preferably those close to the European experience. Namely, many in the West (Ashford and Cooper 2023b; Tobin and Li 2023) see multipolarity as the basis of a fairer system, as a way to revive multilateralism, and as an opportunity to improve ties with the Global South. The idea of multipolarity is also popular because, after three decades of globalisation and relative peace, policymakers and academics find it difficult to accept the reality of the intense, comprehensive, and polarising rivalry between the US and China. Thus, the belief in multipolarity itself is different and an expression of the desire to avoid a (second) Cold War.

However, it would be imprudent to create future strategies based on the idea of multipolarity. Namely, there are many indications that the world is not, nor will soon be, like that. Therefore, believing in such a frequently desired concept could undermine national interests. The example of Serbia, where there is widespread anticipation that Russia will emerge or is already positioned as

one of the three major superpowers, fortunately, does not cause negative repercussions, probably because that is the view of the majority of Serbs but not the stance of policymakers.

### **Bipolarity or Unbalanced Multipolarity?**

Some International Relations scholars see the bipolar structure of international relations as the concept that best describes the current geopolitical constellation. For instance, Jo Inge Bekkevold (2023), a Norwegian political scientist and diplomat, starts with the assumption that multipolarity requires three or more superpowers. Currently, he identifies the US and China as the only countries possessing the requisite economic size, military strength, and global influence to qualify as poles of power. The fact that there are rising middle powers or non-aligned countries with large populations and growing economies does not make the world multipolar. For example, the most serious candidate that could possibly constitute the third pole in the distant future—India—has become the third largest spender in defence (a critical indicator for measuring global power), but despite this, its military budget is only a little over a quarter of China's.

Economic wealth, the basic indicator of power possession, is also concentrated in the US and China. Thus, until 2023, Japan had the third-largest economy in the world, yet its GDP is less than a quarter of China's. The EU does not constitute a third pole, even though such a characterization of Brussels' role is often heard from European academics and politicians. Namely, European states have different national interests, while the EU practically lacks a unified defence, security, or effective foreign policy and, at times of crisis, cannot act as a military power, which makes it hard to become a pole. Russia is a potential candidate for great power status based on its territory (the largest country in the world), vast natural resources, and leading position in the nuclear military arsenal. However, the economy of the country, measured by GDP per purchasing power, is only about one-fifth of China's, and its military budget amounts to at most a quarter of what Beijing has at its disposal.

The rise of the Global South and the decline of the West are also deceptive. The relatively rapid development of India, Brazil, Turkey, South Africa, and Saudi Arabia does not make the system multipolar, as none of these countries has the economic or military power to form their own pole of power, which would threaten the positions of Washington or potentially Beijing (the expansion of BRICS is hardly a significant step towards a multipolar order, considering its heterogeneity, low level of mutual integration, and conflicting security interests between China and India). The analysis by the Stimson Center (Ashford and Cooper 2023a), based on numerous indicators encompassing not only China's

growth but also the major economic gains achieved by “middle powers” in recent years, concludes that the new distribution of power is best described as a system of “unbalanced multipolarity”. Namely, power is increasingly shifting towards dynamic middle powers that will increasingly shape the international environment in the coming decades. Although there might be a higher number of armed conflicts during periods of multipolarity, the analysis suggests that these would likely be civil wars and low-intensity conflicts rather than conflicts between great powers, which pose a crucial risk to humanity. The authors argue that multipolarity should be accepted as a basic principle of US foreign policy, which would involve broad cooperation with other countries in bilateral and minilateral formats, the negotiation and conclusion of various mutually beneficial trade agreements, and “pushing” allies to bear more of the costs of their own defence. It is emphasised that the United States simply does not have the level of military and economic power it possessed during the early decades of the Cold War. Namely, a strategy of containing China is only possible if Washington and its allies control the lion’s share of economic and military power, while in this way, the US risks becoming increasingly isolated from the middle powers it relies on.

Considering a dozen different metrics of power over time (GDP per capita, GNI, Comparative National Capabilities, and Total National Wealth), the aforementioned study by the Stimson Center (Ashford and Cooper 2023a) demonstrates that the US and China are by far the foremost. However, it also indicates that economic and military power is accumulated elsewhere, from France to Australia. Unlike the Cold War era, when Washington and Moscow controlled the lion’s share of economic and military power, China and the US currently together control significantly less (the constructed Index of Military and Economic Power indicates that this share has decreased from around 40% in 1946 to about 30% today). While the share of the global economy controlled by Washington, Moscow, and their two allied blocs amounted to as much as 88% of global GDP in 1950, today, the US and China account for only 57% of the world GDP.

Other studies have focused on the use of military power as an indicator of polarity. Røren (2024) uses a formula that compounds the size and sophistication of a state’s military forces and names it Mshare. The formula represents a multiplication of the military size measure (as a share of the world total) by national military expenditure per troop (as a measure of sophistication). The application of the formula to current military expenditure and size levels leads to Røren’s conclusion that the US military is three times stronger than China’s (Mshare value of 0.39 to 0.13), while Russia, France, and the UK remain at levels of 0.02-0.03. The unavoidable conclusion regarding polarity is that the world remains quite unipolar. Despite the emphasis on the

term multipolarity, it does not mean that all poles of power are equal. The strategists in Beijing recognise that even in such a world, the role of Washington is by far the most significant. By forcing greater global fragmentation, they see an opportunity to increase the importance of their country. What works in their favour is that such an approach aligns with the aspirations of the majority of the planet, stemming from the (natural) aspiration of almost all countries to seek greater sovereignty. For instance, it is indicative that most countries in the so-called “Third World” do not fully trust Western claims of supporting a rules-based order. They believe that the White House selectively applies its norms (in this regard, the practical support of the White House to Tel Aviv in the armed conflict with the Palestinians in 2023–24 is a strong argument for these claims).

### **Is Washington’s Strategy Based on a Unipolar Concept Risky?**

A significant number of analysts, particularly those from Anglo-Saxon countries, believe that the dominance of the US is still unquestionable. Thus, Brooks & Wohlforth (2023), using military expenditure and indicators of technological advancement, suggest that the world is still fundamentally unipolar. Among others, Richard Carroll (2021) holds a similar view, stating that if there are no dramatic internal turbulences in the US, the country has good chances of maintaining some form of unipolarity in global affairs, considering the (economic) challenges faced by China and especially Russia. Arguments supporting these views include a favourable geographic location, a stable transfer of political power among different politically antagonising elites, and still solid demographics coupled with a developed economy that provides the largest market.

Such perspectives are particularly important because, in combination with partial acceptance of the bipolarity concept, they practically form the basis of the White House administration’s policy. The Biden administration, partly driven by its own fears of multipolarity, pursues a “block strategy” where the strength of its partners is supposed to neutralise the weakening of American power. The basic idea is to build an anti-China coalition, which involves closer military and technical cooperation among allies across Europe and Asia. It would be linked within a “global alliance of democracies” oriented against “authoritarian revisionists”. The approach is then supported by a stronger role of the state in the economy, with the aim of undermining China’s access to key global markets and limiting the transfer of advanced technology. Specifically, in addition to preventing the export of sophisticated chips and equipment for their production, the US also prohibits American investments in China involving “sensitive technologies and products” (Woo 2022).



However, in the contemporary world, this “block strategy” approach is fraught with risks. By attempting to organise a group involving numerous countries opposed to Beijing, the White House risks weak partnerships built on the smallest common interests (a series of middle powers with different interests are unlikely to form a coherent global bloc). In addition, large coalitions will hardly be effective in an increasingly multipolar world, and consequently, Washington should focus on bilateral and multilateral agreements centred on shared interests. In this context, the G7 agreement on the global minimum corporate tax is a positive example (Ashford and Cooper 2023b).

The conflict in Ukraine highlights practical challenges facing the new White House strategy: states that have collaborated with Washington against China have often been less willing to support the US stance on Ukraine (for instance, India supports American strategies in the Indo-Pacific but continues to import energy and, to a lesser extent, weapons from Russia). Meanwhile, Germany remains a close trading partner of Beijing while closely cooperating with the White House on the issue of Ukraine. The most pronounced clash between increasing multipolarity and Washington’s current strategy occurs in the economic sphere. The US no longer possesses the enormous economic power to persuade countries to economically isolate Beijing in exchange for promises of access to the US market. Instead of cutting China off from the global economy, the neo-mercantilist approach of the Biden administration puts close allies, such as South Korea and the Netherlands, at a disadvantage (Ashford and Cooper 2023b).

The explicit ban on semiconductor exports to China is seen by many as a form of declaration of war against the country or at least an implicit commitment by Washington to do everything short of engaging in a war to preserve its dominant global position from the perceived challenger (Woo 2022; Luce 2022). “Containment” of China is gradually becoming the strategy of the White House and a practical cessation of the policy previously pursued towards that country, which assumed “engagement” with the belief that integrating Beijing into the global economy would prevent it from positioning itself as a rival force. New retaliatory actions by Washington against Beijing are highly likely. What can be expected is that Western companies will stop investing in Chinese companies in other technological domains, such as biotechnology. Among other things, the goal is to prevent the realisation of China’s major development strategies, particularly the plan for dominance in artificial intelligence.

Considering the importance of chips for its economy, the Chinese economy faces significant challenges, among other things, due to the high complexity of supply chains in the semiconductor industry. Beijing lags in this area to some extent, but with the potential to concentrate the efforts of the entire

community, it could achieve dramatic scientific and commercially applicable breakthroughs in this sector (Milutinović & Nikolić 2023). China does not necessarily need the most advanced semiconductor for its exports to be competitive, considering that 90% of embedded chips are not highly sophisticated, so Beijing's delay in this area of 5 or 8 years is not discouraging.

What complicates China's position is that its relative importance as a supplier to the American market has significantly decreased, as there was a significant drop in the country's share of US goods imports from 2018 to 2023, from 21.3% to 11.2% (The U.S. Census Bureau and the U.S. Bureau of Economic Analysis 2024). This trend is likely to continue as the deterioration of relations between the two countries has made Western multinational corporations in China more concerned about geopolitical risks. At first glance, it seems that global external trade has changed, contrary to Beijing's goals. However, this is only part of the truth because a significant portion of trade links between the two largest economies have been maintained, but in intermediate forms. American trade with India, Mexico, Taiwan, and Vietnam has significantly increased, but, at the same time, their trade with China has also increased, implying that these countries are often locations for assembling Chinese products. Stronger financial and trade ties between Washington's allies in Eastern Europe and Southeast Asia with Beijing are an unexpected consequence of White House actions to weaken those ties (The Economist 2023). However, to avoid confusion, the growth of the US trade imbalance with "third countries", as well as overall, does not mean that China benefits because Chinese firms face increased costs due to the need to register subsidiaries or relocate business to other countries. Additionally, increased efforts by Brussels towards derisking from China are additional headaches for Beijing. In addition, the White House often overlooks Beijing's ability to take retaliatory measures. Furthermore, China is encouraged to build self-sufficiency much earlier than it would otherwise. Before the ban on components for ZTE and Huawei, Beijing was content with being able to buy American chips and focus on hardware. The situation is slowly changing, and Huawei's ability to launch the Mate 60 Pro, a new smartphone with a 5G chip and domestically developed operating system, despite harsh American sanctions against the company, illustrates the counterproductive nature of US policy.

Finally, modern China has shown many times that its technological development cannot be easily stopped, despite several mostly unsuccessful efforts since 1949 to limit Beijing's development of various critical technologies, including nuclear weapons, space, satellite communication, GPS, semiconductors, supercomputers, and artificial intelligence (Chan, Harburg, and Mahbubani 2023). For example, the Clinton administration attempted to restrict China's access to satellite technology in 1993, but today, China has around 540

satellites in space and is launching a competitor to Starlink. The same principle occurred with GPS. When the US limited China's access to its geospatial data system in 1999, Beijing responded by constructing the parallel BeiDou navigation satellite system. During the 1950s and 1960s, when Moscow denied Beijing nuclear weapon production technology, China initiated its own "Manhattan Project" in the early 1960s and successfully tested nuclear weapons in 1964.

The enormous economy and, consequently, the fact that China is the most important trading partner for two-thirds of the countries in the world are the biggest problems for the US. However, the White House underestimates the importance of China, among other things, as its trading partner. In this regard, despite the decline in the relative importance of export-import transactions between the two countries due to the ongoing trade war since 2018, in 2023, the US exported \$145 billion worth of goods to China and imported as much as \$427 billion (US International Trade in Goods and Services 2024). Additionally, in American media as well as in White House policymaking, it seems that excessive importance is given to the real estate sector crisis that has shaken China since mid-2021, when the China Evergrande Group, at that time the largest Chinese investor in that industry, was unable to service its obligations. Soon, many other companies in the real estate sector faced similar challenges. For example, reports from the end of 2023 indicate that more than half of the investors listed on the stock exchange had not serviced their obligations or had restructured their public debts. The sale of new residential units was half as much in 2023 as in 2021, while the construction of new ones also decreased by a similar amount.

Although such a development is unfavourable for China's economic growth in the short term, it has led to the elimination of weaker companies from the sector, which is a necessary step for the emergence of a sustainable real estate market. Specifically, at the peak of the crisis in 2021, a large portion of total housing purchases were speculative rather than driven by real demand. It appears that positive tendencies have been developing in recent months. For instance, in 2023, the number of completed residential buildings increased by 17%, and if this trend continues, it will help restore confidence in the real estate market. Namely, the main challenge for the emergence of a sustainable real estate market is the completion of properties that were pre-sold, usually without a deposit or advance payment but fully paid in advance. The key is that potential buyers do not fear that the units they purchase may never be built, and 2023 was a significant turning point for this challenge. Although the construction of new apartments decreased by almost half, the volume of real estate investment decreased by only one-fifth, both compared to 2021. The biggest part of the explanation is that starting in 2022, an increasing share of real estate investment has not gone into new residential projects but into

completing those that were previously initiated. Thus, investors dramatically reduced the construction of new residential units, recognising that the real estate boom is over, and since then, they have invested the majority of their limited resources into completing pre-sold residential units (Lardy 2024). As claimed by Yongding (2024), despite the recent wave of disappointing economic news, China is in a good position to achieve a growth rate of 5% in 2024. The fact that the Chinese economy is in a quasi-deflationary period allows policymakers to introduce significant fiscal stimuli to boost economic growth without worrying about inflation, at least in the short term. It is expected that the People's Bank of China will ease its monetary policy and set a targeted inflation rate of 3-4%, emphasising interest rates as a short-term macroeconomic tool instead of directing financial resources towards specific industries and companies.

Undoubtedly, investments in infrastructure will remain the most effective government tool for stimulating the economy when demand is weak. If the government encounters difficulties in financing infrastructure investments through the issuance of government bonds, the People's Bank of China could implement its own version of quantitative easing and purchase government debt on the open market. Contrary to the claims of some economists, China is not grappling with excessive investments in infrastructure; rather, the country still has a significant infrastructure gap that needs to be closed, especially in critical areas such as healthcare, elderly care, education, scientific research, urban development, and transportation. Public facilities lag behind those in developed countries and even some developing economies. Allowing the ratio of budget deficit to GDP to increase from 3% to 3.8%, the Chinese government has signalled that it will no longer limit annual budget deficits and public debt to 3% and 60% of GDP, respectively (according to the Maastricht criteria of the European Union). While the government's main priority in 2024 is to stimulate economic growth and restore economic confidence, Beijing must also address the high debts of local governments and a liquidity crisis in the real estate sector. However, the Chinese government has the financial means necessary to directly confront these challenges. By implementing expansive fiscal and monetary policies and the necessary structural reforms, Beijing is still in a position to reverse the slowdown of its economy in 2024 and maintain strong growth in the years to come.

### **Concluding Remarks**

It seems unquestionable that the war in Ukraine has accelerated the transformation of the world order (Altheyabi 2022). Challenges to US interests increase annually and may become greater than those in the 20th century. The

risk posed by a nuclear-armed Russia and an economically and technologically advanced China, which together argue that the international order established in 1945 must be redefined, is likely the biggest risk Washington has ever faced (Abrams 2022). Undoubtedly, the main challenger is China, which, with a growing number of globally competitive companies, is increasingly a source of innovation. Its economic allure and technological capacity enable it to shape key international institutions and strengthen its presence in developing countries. However, Beijing faces growing resistance from advanced industrial democracies. Furthermore, even if it were to articulate a coherent alternative to the post-war order, China would struggle to garner support from many developing countries. Deepening security ties among QUAD members and growing transatlantic concerns about Beijing's behaviour make it difficult for Beijing to achieve regional dominance, let alone global dominance.

In any case, Washington needs a more sustainable configuration of interdependence with strategic competitors, especially Beijing. Considering the thinking of Chinese strategists, who increasingly define their country's goal as survival in a world without order, implying a loss of faith that the Western-centric system can be reformed, power centres in the West should be more proactive in efforts to preserve the outlines of the existing international order through concessions or reforms (Leonard 2023). The most likely course of action, besides actively managing the risks arising from interdependence with China and decoupling from it, is reducing Washington's global activism—a process that has been underway to some extent over the past decade and a half. Indeed, contrary to common views, reducing international engagement is not a relatively rare and ineffective policy instrument. MacDonald & Parent (2011, 37-39) show that countries that respond to international shifts in power balance with appropriate realignments, namely reducing their global engagement, tend to fare better than those that refuse to adapt (which consequently leads to resource depletion). Comparing 18 cases of acute relative decline from 1870, it is shown that great powers often pursue such policies and that they are often effective (it should be added that prevailing explanations exaggerate the importance of democracy, bureaucracy, and interest groups in preventing a reduction in global engagement).

If the two world superpowers come to the realisation that the chance of prevailing in the current competition is minimal, it will drive them towards cohabitation and consequently mitigate the risks arising from the often-tense relations between the two states (Wyne 2023). It seems that Washington has increasingly embraced the concept of "competitive coexistence" with Beijing. Namely, practice shows that Washington and Beijing can cooperate on certain issues (e.g., the global climate agenda) while simultaneously being sharp competitors in high technology and, of course, in military positioning in the

(South) East Asia region (Sanger 2021). The world is in the process of reducing the gravitational power of one pole located in the White House. We cannot claim that China is the other pole of power, and, in that sense, the world is not bipolar since only Washington has functional alliances that carry weight in economic and military terms. However, if we use the term multipolarity, the same can be said, but bearing in mind that it is unbalanced in favour of America since the actions of the White House still critically determine the main currents of global geopolitical processes.

**ACKNOWLEDGEMENT:** This paper was written as part of the 2024 Research Programme of the Institute of Social Sciences with the support of the Ministry of Science, Technological Development and Innovation of the Republic of Serbia.

## References

- Abrams, Elliott. 2022. "The New Cold War", *Council on Foreign Relations*, March 4, 2022. <https://www.cfr.org/blog/new-cold-war-0>
- Altheyabi, Jameel. 2022. "New Cold War, or World War III?" *Saudi Gazette*, February 26, 2022. <https://www.saudigazette.com.sa/article/617526/Opinion/New-Cold-War-or-World-War-III>
- Ashford, Emma, and Evan Cooper. 2023a. "Assumption Testing: Multipolarity is more dangerous than bipolarity for the United States", *Stimson*, October 2, 2023. <https://www.stimson.org/2023/assumption-testing-multipolarity-is-more-dangerous-than-bipolarity-for-the-united-states/>
- Ashford, Emma, and Evan Cooper. 2023b. "Yes, the World Is Multipolar", *Foreign Policy*, October 5, 2023. [https://foreignpolicy.com/2023/10/05/usa-china-multipolar-bipolar-unipolar/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=Editors%20Picks%2010072023&utm\\_term=editors\\_picks](https://foreignpolicy.com/2023/10/05/usa-china-multipolar-bipolar-unipolar/?utm_source=Sailthru&utm_medium=email&utm_campaign=Editors%20Picks%2010072023&utm_term=editors_picks)
- Bekkevold, Jo Inge. 2023. "No, the World Is Not Multipolar", *Foreign Policy*, September 22, 2023. <https://foreignpolicy.com/2023/09/22/multipolar-world-bipolar-power-geopolitics-business-strategy-china-united-states-india/>
- Brooks, Stephen G., and William C. Wohlforth. 2023. "The Myth of Multipolarity: American Power's Staying Power", *Foreign Affairs*, April 18, 2023. <https://www.foreignaffairs.com/united-states/china-multipolarity-myth>
- Caroll, Richard. 2021. "Why the United States Is the Once and Future Unipolar Superpower", *The National Interest*, May 26, 2021. <https://national>

- interest.org/blog/buzz/why-united-states-once-and-future-unipolar-superpower-186156
- Chan, Tony, Ben Harburg, and Kishore Mahbubani. 2023. "America Can't Stop China's Rise (And it should stop trying)", *Foreign Policy*, September 19, 2023. <https://foreignpolicy.com/2023/09/19/america-cant-stop-chinas-rise/>
- European External Action Service. 2022. Strategic Compass for Security and Defence. [https://www.eeas.europa.eu/sites/default/files/documents/strategic\\_compass\\_en3\\_web.pdf](https://www.eeas.europa.eu/sites/default/files/documents/strategic_compass_en3_web.pdf)
- Ferguson, Niall. 2008. *The Ascent of Money: Financial History of the World*. New York: Penguin Press.
- Gourinchas, Pierre-Olivier IMF. 2024. "Global Economy Approaches Soft Landing, but Risks Remain", *IMF Blog*, January 30, 2024. <https://www.imf.org/en/Blogs/Articles/2024/01/30/global-economy-approaches-soft-landing-but-risks-remain>
- Græger, Nina, Ole Wæver, Bertel Heurlin, and Anders Wivel. 2022. "Introduction: Understanding Polarity in Theory and History". In: *Polarity in International Relations. Past, Present, Future*, edited by Nina Græger, Ole Wæver, Bertel Heurlin, and Anders Wivel, 1-20. London and New York: Palgrave Macmillan.
- Hansen, Birthe. 2011. *Unipolarity and World Politics. A theory and its implications*. London and New York: Routledge.
- Ikenberry, John G. 2014. *Power, Order, and Change in World Politics*. Cambridge: Cambridge University Press.
- Lardy, Nicholas. 2024. "Housing turns the corner in China, but challenges remain", *PIIE*, January 26, 2024. <https://www.piie.com/blogs/realtime-economics/2024/housing-turns-corner-china-challenges-remain>
- Layne, Christopher. 2006. "The Unipolar Illusion Revisited: The Coming End of the United States' Unipolar Moment". *International Security* 31 (2): 7-41.
- Leonard, Mark. 2023. "China Is Ready for a World of Disorder: America Is Not", *Foreign Affairs*, June 20, 2023. <https://www.foreignaffairs.com/united-states/china-ready-world-disorder>
- Luce, Edward. 2022. "Containing China is Biden's explicit goal", *The Financial Times*, October 19, 2022. <https://www.ft.com/content/398f0d4e-906e-479b-a9a7-e4023c298f39>
- MacDonald, Paul K., and Joseph M. Parent. 2011. "Graceful Decline? The Surprising Success of Great Power Retrenchment". *International Security* 35 (4): 7-44.

- Maher, Richard. 2018. "Bipolarity and the future of US-China relations". *Political Science Quarterly* 133 (3): 497-525.
- Milutinović, Petar, and Goran Nikolić. 2023. "Can China challenge the technological supremacy of the United States: current standpoint and perspectives". *The Review of International Affairs* LXXIV (1187): 87-106.
- Monteiro, Nuno. 2014. *Theory of unipolar politics*. Cambridge: Cambridge University Press.
- Morgan Stanley. 2023. „Charting Strategies for a Multipolar World”, *Morgan Stanley*, August 22, 2023. <https://www.morganstanley.com/ideas/multipolar-world-global-strategy>
- Pieterse, Jan Nederveen. 2017. *Multipolar Globalization Emerging Economies and Development*. Routledge.
- Røren, Pål. 2024. "Unipolarity is not over yet". *Global Studies Quarterly* 4 (2), ksae018. <https://doi.org/10.1093/isagsq/ksae018>
- Sanger, David. 2021. "Washington Hears Echoes of the '50s and Worries: Is This a Cold War With China?", *The New York Times*, November 16, 2021. <https://www.nytimes.com/2021/10/17/us/politics/china-new-cold-war.html>
- Schweller, Randall. 2022. "An Emerging World that Defies Historical Analogy". In: *Polarity in International Relations. Past, Present, Future*, edited by Nina Græger, Ole Wæver, Bertel Heurlin, and Anders Wivel, 389-410. London and New York: Palgrave Macmillan.
- The Economist. 2023. "How America is failing to break up with China", *The Economist*, August 8, 2023. <https://www.economist.com/finance-and-economics/2023/08/08/how-america-is-failing-to-break-up-with-china>
- The Federal Government. 2023. "Integrated Security for Germany. Robust. Resilient. Sustainable. National Security Strategy", *The Federal Government*. <https://www.nationalesicherheitsstrategie.de/en.html>
- The U.S. Census Bureau and the U.S. Bureau of Economic Analysis. 2024. "U.S. International Trade in Goods and Services, April 2024". Release Number: CB 24-87, BEA 24-21. June 6, 2024. [https://www.census.gov/foreign-trade/Press-Release/current\\_press\\_release/ft900.pdf](https://www.census.gov/foreign-trade/Press-Release/current_press_release/ft900.pdf)
- Tobin, Meaghan, and Lyric Li. 2023. "Lula Tells Xi 'Nobody Can Stop' Brazil-China Relationship", *The Washington Post*, April 14, 2023. <https://www.washingtonpost.com/world/2023/04/14/brazil-china-lula-xi-jinping/>.
- Tunsjø, Øystein. 2018. *The return of bipolarity in world politics: China, the United States, and geostructural realism*. New York: Columbia University Press.



- Waltz, Kenneth. 1979. *Theory of International Politics*. Long Grove: Waveland Press.
- Waltz, Kenneth. 2000. "Structural realism after the Cold War". *International security* 25 (1): 5-41.
- Wohlforth, William C. 1999. "The stability of a unipolar world". *International Security* 24 (1): 5-41.
- Woo, Liang. 2022. "US chip ban all about preserving unipolar power", *Asia Times*, November 7, 2022. <https://asiatimes.com/2022/11/us-chip-ban-all-about-preserving-unipolar-power/>
- Wyne, Ali. 2023. "The Dangers of Detachment", *Foreign Affairs*, July 31, 2023. <https://www.foreignaffairs.com/china/dangers-detachment-economic-independence-dangerous>
- Yongding, Yu. 2024. "China s Economic Prospects Are Brighter Than They Appear", *Project Syndicate*, January 30, 2024. <https://www.project-syndicate.org/commentary/how-will-the-chinese-economy-fare-in-2024-by-yu-yongding-2024-01>

#### DA LI KONCEPT MULTIPOLARNOSTI TAČNO ODRAŽAVA TRENUTNU GEOPOLITIČKU REALNOST?

*Apstrakt:* Svedoci smo trenda relativnog ekonomskog, i posledično političkog, slabljenja Amerike i Zapada i konstantnog uspona "ostatka sveta", pre svega Kine, čiji je privredni rast, i pored usporavanja poslednjih godina, još uvek trostruko brži od onog u EU i SAD. Budući da od toga zavise strategije i politike velikih sila, ali i manjih država poput Srbije, u ovom radu pokušavamo da odgovorimo na pitanje da li će svet postati bipolaran, multipolaran, ili će se pak zadržati neka forma unipolarnosti. Počinjemo od definicije polariteta u neo-realističkim terminima. Generalno prihvatamo da je nakon kraja Hladnog rata postojao trenutak unipolarne dominacije SAD-a, zajedno s njegovom hegemonijom, ali da je taj trenutak uglavnom prošao. Međutim, suočavamo se s situacijom u kojoj nije došlo do jasnog nastanka ni novog bipolarnog ni multipolarnog poretka. Ne možemo tvrditi da je Peking drugi pol moći, jer samo SAD ima funkcionalne saveze koji imaju ekonomsku i vojnu težinu. Iako svedočimo nastanku multipolarnosti, ona je još uvek temeljno asimetrična u korist Amerike, jer Vašingtonove akcije pretežno određuju glavne tokove globalnih geopolitičkih procesa. Dakle, naša tvrdnja je da se globalni poredak oblikuje kao neuravnotežena multipolarnost uz napomenu da je uloga i snaga polova u moderno doba znatno manje važna nego pre zbog procesa globalizacije i ekonomske međuzavisnosti.

*Ključne reči:* multipolarnost; unipolarnost; bipolarnost; SAD; Kina; geopolitika.