

Think

new things

Make

new connections

Terms of Reference

**Authoritarian Alliances:
an alternative world
order in the making or
just marriages of
convenience?**

A Ditchley Foundation conference, in partnership with American Ditchley
8-10 September 2023

DITCHLEY

Terms of Reference

Some things happen by human design. Most emerge largely from a combination of circumstances, trends and forces. This Ditchley conference, convened in partnership with American Ditchley at the Greentree estate on Long Island will bring together leaders and expertise from government, the private sector and academia to explore whether an alternative authoritarian world order is in the making, how democratic countries might best respond, and what dilemmas this would surface for governments, business and alliances.

There has been much analysis and discussion of the rise of authoritarianism as a global trend but when it comes to alliances, often this has been noted as a mark of distinction between rule of law states and the authoritarians. Rule of law states can develop long-lasting alliances because their leaders are constrained by the long-established checks and balances of their systems. For authoritarians, the constraints are much looser, and consequently relationships between states are often less stable. Is this comforting fact of geopolitics beginning to change in the process of global competition, as relationships between authoritarians become more essential?

The authoritarian alliance that has attracted most attention is that between Russia and China. The announcement of a friendship without limits in Beijing in February 2022 was followed swiftly by Russia's full-scale invasion of Ukraine (although it remains unclear what President Putin told President Xi Jinping). But failure of the invasion plan to deliver a swift coup revealed quickly that friendship did have its limits. What we have seen since the invasion has been a carefully judged balancing act by China, with no criticism of Russia in public but a stance stopping well short of full support and supply of weapons. It remains to be seen if a risk of an erosion of Russian power through the war will force Beijing to cross the line on military support, or instead to distance itself.

There are also long-term questions about the stability of the relationship, which historically has had many ruptures and tensions. Will the mutual need for reinforcement against the West continue to outweigh the counter currents? Will President Xi Jinping continue to back President Putin in Ukraine as the war drags on, or if Russian advances are reversed by a Ukrainian counter offensive? President Putin appears willing to make long-resisted concessions to China in the East to win support in his conflict in the West. But will the charges that he and Russia are now a "vassal" begin to sting? How is he feeling as China leaves his pronouncements on an imminent trans-Siberian gas pipeline deal hanging in the air?

Russia and China are not the only authoritarian countries who have been building closer ties. In addition to the longstanding links between China and North Korea, Russia and China are building a strong set of relationships in the Middle East. Bashar Al-Assad's regime in Syria is propped up by Russia on the one hand and Iran on the other, including through Hizbullah in Lebanon. Saudi Arabia is building a new future as a centre for tourism and sport and making genuine steps on the emancipation of women. But in terms of fundamental governance it still has little in common with the democracies and Crown Prince Muhammad bin Salman's relationship with the US Administration remains tense. Iran remains Saudi Arabia's prime adversary, as the champion of Shia' Islam, but China has been able to broker a resumption

of diplomatic relations that would not have been possible for the US. Saudi Arabia is waiting to see if China can deliver acceptable limits to Iranian behaviour in the region. Turkey is still officially an aspirant member of the European Union, but Prime Minister Erdogan shares some authoritarian instincts with his Russian and Chinese counterparts and aims to sit between the West and the authoritarians, as for example in the hosting of negotiations between Russia and Ukraine. With a new electoral mandate after the most contested election in years, we will see if his authoritarian tendencies grow or are moderated. There are also plenty of authoritarian tendencies in the Caucasus but also some signs of leaders looking to keep their distance from President Putin when they can. A Belarusian crisis is also looming, especially if President Lukashenko falters. Will his regime survive him and what is President Putin prepared to do to ensure that it does?

The Chinese Belt and Road Initiative is less prominent than in previous years but across the southern Mediterranean and the Black Sea, China continues to make strategic investments and loans to build access to maritime facilities and to win friends and influence. It is quite possible, and not without irony, that Ukraine could one day receive a Chinese offer to help rebuild infrastructure destroyed by Russia's war. In Africa, again despite the tarnished reputation of Belt and Road, many countries continue to look to China for infrastructure investment and construction and owe significant debts for past projects. China has control of many sources of critical minerals. Russia's Wagner group is also active in Africa, providing regime security and civil war as a service, alongside official Russian support to authoritarian leaning governments.

In Europe, Hungary's government is closest to the authoritarians in instincts, whereas others have pivoted back towards the West's values, repelled by Russia's invasion of Ukraine. There are signs though of growing discontent with the war in Germany and France and frustration with globalised capitalism, expressed through support for the right-wing Alternative for Germany and the National Front. In contrast, Italy's new right-wing government has, at least for the moment, remained strikingly supportive of Ukraine.

Latin America has a long history of authoritarianism and Brazil held its breath whilst President Bolsonaro pondered whether to accept the election result and step down, or to mobilise his supporters to contest it as President Trump did. Authoritarian links are not constrained by older forms of ideology. There is Venezuela but China is finding other friends and targets for investment in Latin American, and the Caribbean too, filling gaps left by British military and police training missions for example.

India, the world's largest democracy and a key partner with regard to China, is also arguably the world's largest authoritarian state in the making. For a variety of reasons – for example colonialism, the defence relationship, and economic interests through cheap energy – India has remained instinctively understanding of Russia's frustrations over Ukraine, rather than sharing the West's outrage. But there is also a shared narrative with Russia on the importance of the historic racial and religious identity of the nation – Russia as a Slavic state, India as a Hindu state. And, of course, India does not want Russia to see China as its only large-scale ally. Will Prime Minister Modi stay the course on democracy, or be tempted to deepen his links with authoritarian leaders? Will the Russian and Chinese relationship allow this? Will a strategic interest in western weapons, especially after the Ukraine war example, naturally pull him towards the West? How will his vision for a multipolar world work out in practice?

Many of the states mentioned above come together multilaterally through the Shanghai Cooperation Organisation, with full members including China, Russia, India, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Iran is edging closer to membership and observers and partners at the Samarkand summit included Afghanistan, Belarus, Mongolia, Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka and Turkey. The deep tensions between various of the states, for example China and India, and India and Pakistan, mean that this is hardly the G7 or NATO in terms of shared interests. But there are certainly some shared traits in distrust of the West and a liberal world order.

Set against all the commentary above, almost all the countries in the SCO, and especially China, have some deep economic and technological dependencies with the West. They need the West's markets as much as the West needs them. For now, they continue mostly to invest heavily in building influence in existing multilateral infrastructure and institutions, rather than seeking to build new ones.

As yet, authoritarian countries lack credible alternatives to existing multilateral institutions and systems. But it is possible that these will emerge as tensions increase, for example through US use of financial sanctions leveraging the power of the dollar. Could these strands be connected by China to begin to resemble an alternative world order? What institutions and capabilities would need to mature? Could we start to see a mirror image of our own coalitions of the willing – for example through a range of like-minded countries imposing sanctions on ideological rivals in a coordinated way? Hiking energy prices as a cartel for political ends rather than financial gain? Restricting access to key supply chains such as critical minerals? Developing alternative payment and clearing systems? Beyond this, what should we look out for in terms of shared development of new technologies and coordinated deployments of armed forces?

How will the emerging network of authoritarian ties play out in the developing world? Could we imagine an authoritarian development bank building on China's practice with Belt and Road? To what extent do we have an effective response to the supply of authoritarian telecoms infrastructure, computer networks and surveillance capabilities at lower price than western suppliers can offer? If the market isn't enough, then what is our offer?

How should democratic countries respond to this emerging network of authoritarian connections? Should we be focused on strengthening ties between the likeminded, or would we be better served by maintaining a more open architecture whenever possible, more G20 perhaps than G7? Do we risk incubating a rival world order by classing together elements that are no more than tactical *real politik*?

The authoritarian tendency in the West that Europeans worry most about is, frankly, that of President Trump and his possible return in 2024. How can the US' allies be reassured that the US will remain in NATO and, less dramatically, will not surprise them with unilateral moves? Can the US' allies have confidence that the checks and balances in the US system, which were effective after the 6 January Capitol riot, continue to hold?

What do these emerging authoritarian trends mean for the place of values in our foreign policy, development support and investment and trade decisions, whether in the government or the private sector? Should adherence to human rights, consultative government, modern liberal values and the rule of law remain at the centre of our approach?

Or should we be moving to a more realist conception built on shared interests? What should our approach be to countries such as India, Saudi Arabia and Uganda and others in Africa, where we have strategic interests but also some deep concerns around human rights and basic freedoms?

How will growing authoritarian cohesion and coordination potentially impact on business? Companies have got used to the idea that they might need to structure their subsidiaries in China to allow for divergence of laws and a potential crisis. But what are the implications to business if separate financial systems emerge and Chinese style capitalism begins to spread? What would this mean for the concept and practice of a multinational company?

On the second day of the conference we will separate into three working groups to look at these issues in more detail:

Working group A will look at the impact of these trends on governments and businesses through **the lens of the Chinese and Russian relationship and India**. How stable is the somewhat transactional alliance between President Xi Jinping and President Putin? Will China move yet closer to Russia, or decide to exert its influence to try to bring the Ukraine war to a close on terms that will leave President Putin frustrated? What will this mean for India and Prime Minister Modi's navigation of a multipolar world? For businesses, what would a progressive shift from China to India (and others) as a partner and market mean in the context of these trends?

Working group B will look at the **Middle East and Turkey, exploring how Russian and Chinese influence is evolving and shaping trends in the region**. Saudi Arabia is in a confident mood, buoyed by high energy prices – will it continue to choose when to look to authoritarians and when to the West? How will President Assad's rehabilitation into the Middle East as an ally of Russia change things? What do we make of Iran's increasingly close relationship with Russia and China? Will Iran be helpfully constrained and the region more stable, or is there trouble ahead? And what about Turkey and President Erdogan, member of NATO, friend of authoritarians? Will Turkey continue to look to Europe? What will all this mean for government policy and the operations of companies? How should this impact our energy policies? Japan, for example, remains heavily dependent on Middle Eastern crude oil and Saudi Arabia in particular. What is the impact on plans for a green transition?

Working group C will explore **the relationships between authoritarian tendencies in democratic states and emerging authoritarian alliances**. Russia has long sought contacts with such movements. Are we seeing China beginning to play in this space, for example in Latin America? What are the prospects for authoritarianism in Europe, in the East of course but also in France and Germany? And what would the re-election of President Trump mean for the US' approach to its democratic allies and the engagement of authoritarian alliances? Would there be continuity of policy in line with the Republican foreign policy tradition, or would President Trump want to try to cut a deal with President Putin, distancing him from China, and potentially at the cost of Ukraine and Europe? How would allies navigate such a landscape? What would it mean for business in the US and elsewhere?