

HOW TO CONSTRUCT A NEW GLOBAL ORDER*

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INTRODUCTION

The existing global political-economic order is unlikely to persist in its present form. On the political side, declining U.S. power, the concomitant rise of China, and the return of multipolarity has upended a global system previously dominated by the United States and its allies. Although the Biden administration maintains that “America is back” and hopes to revitalize relations with traditional U.S. partners, it faces serious doubts about U.S. constancy, powerful illiberal trends, and domestic needs that will limit U.S. options. On the economic side, financial crises, creeping protectionism, a backlash against globalization, concerns about surrender of sovereignty to trade agreements or in the case of Europe, to regional integration arrangements, and increasing tensions with China on a multitude of trade and investment fronts have discredited the post-1990 model of hyper-globalization. New technologies—most notably in the digital realm—are creating new possibilities and pitfalls in a loosely-regulated economic and political space. Although Donald Trump’s explicit rejection of multilateralism, disinterest in democratic values, broad contempt for international organizations, and confrontational approach toward China accelerated these trends, he was as much a symptom and reflection of the undercurrents destabilizing our present arrangements as an independent cause.

How should governments respond to these accumulating challenges? What form(s) might a new global order take, what principles and objectives should guide its creation, and how should more desirable orders be defined and pursued? Although current structural and institutional features will shape and constrain near-term possibilities, the rules and arrangements that define and govern relations among the key actors in the international system—states, corporations, non-state actors, international organizations, etc.—are not predetermined. There is considerable scope for human agency; the order(s) that emerge in the years ahead will be ones that humans collectively create.

For example, it is easy to imagine a future world order of rigid bipolarity, where the United States and China competed in virtually every realm of human activity, decoupled their national economies, and led coalitions of like-minded states in overlapping military, political, and economic partnerships. Each would promote its own ideological and normative visions and seek

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to discredit the other's. In this mostly zero-sum world, cooperation between the two blocs would be limited and fragile.

But one can just as easily imagine a more benign bipolarity, where the United States and China competed on a number of fronts, continued to trade with and invest in each other's economies, did not challenge the legitimacy of the other's domestic political order, cooperated on major issues where their interests aligned, and observed certain "rules of the road" designed to make a dangerous clash of arms less likely.

Alternatively, the future world order could be one of uneven multipolarity, featuring several major powers (or regional blocs) of unequal capabilities, connected by flexible and fluctuating economic and security ties. Over the longer term, one can also imagine the emergence of more elaborate and powerful global institutions created to help all countries address the destructiveness of modern weaponry or the risks of catastrophic climate change.¹

More radical possibilities (such as a world state) might seem far-fetched at present, but it is worth remembering that the political and economic arrangements that govern human life have taken many forms over time and in different regions. Until a few hundred years ago, the inhabitants of Eurasia and the Western Hemisphere were not aware of each other's existence and a *global* order was therefore unimaginable. Political institutions around the world were strikingly different: Europe's heteronomous feudal order was gradually turning into a system of absolutist territorial monarchies and then into national states; Central Asia was divided among loosely governed empires and local potentates; China dominated a loose tributary order in the Far East; the Western Hemisphere contained a diverse array of cities, empires, local indigenous communities, and nomadic tribes; most of the Middle East was run by local authorities under the indirect rule of the Ottoman Empire, and the peoples of Africa were governed by a mix of kingdoms, kinship systems, and proto-states.²

The modern territorial state became the dominant political form by the middle of the 20th century, a process driven by European colonization and the subsequent breakup of the major colonial empires after World War II. Yet a parade of evolving and competing orders have come and gone within this state-centric framework, ranging from the "laissez faire" liberalism of the pre-World War I period to the U.S.-led liberal capitalist order established after World War II, which coexisted and competed with the Marxist-Leninist planned economies of the Warsaw Pact, People's Republic of China, North Korea, Vietnam, and Cuba. The "embedded liberalism" of the Bretton Woods system eventually gave way to the market-dominant neo-liberalism of the 1980s and 1990s, culminating in the "hyper-globalized" order promoted by the United States and others following the collapse of communism.

¹ See Alexander Wendt, "Why a World State is Inevitable," *European Journal of International Relations* 9, no. 4 (2003).

² See, among others, Stuart J. Kaufman, William C. Wohlforth, and Richard Little, eds., *The Balance of Power in World History* (New York: Palgrave, 2007); David Kang, *East Asia Before the West: Five Centuries of Trade and Tribute* (New York: Columbia University Press, 2010); Charles Tilly, ed., *The Formation of National States in Western Europe* (Princeton: Princeton University Press, 1975); Christopher Ehret, *The Civilizations of Africa: A History to 1800* (Charlottesville: University of Virginia Press, 2002).

Even if we limit our gaze to the past two centuries, therefore, it is clear that historically distinct orders have existed at different times and places, to say nothing of the failed attempts to create alternative orders, such as Napoleon Bonaparte and Adolf Hitler's short-lived European empires or Imperial Japan's "New Order" in Asia. The main actors in all of these orders were self-interested states co-existing in anarchy and wars, alliances, trade, migration, and other familiar phenomena occurred in all of them, but the differences between them were still significant and some of these orders were much more successful than others.³

It follows that important features of a future world order are not preordained. The question is: how can a new and better world order be constructed, taking into account the obstacles such an effort is likely to face?

When the interests of states and other key actors are sharply at odds—or when there are irreconcilable differences in how to achieve shared interests—there is little prospect for a global order. A certain degree of consensus among the major powers and at least tacit acceptance of the consensus by other actors would appear to be a prerequisite. But how extensive does that consensus need to be and is it a realistic objective in present circumstances? We argue in this paper that the establishment of a stable and broadly beneficial world order may require significantly less commonality in interests and values than is typically presumed. It is possible to envisage a global order that is largely peaceful and broadly beneficial yet leaves significant room for individual states to pursue their own interests and attend to their own needs.

Specifically, we propose a "meta-regime" that presumes only minimal initial agreement among the major powers. This meta-regime is essentially a device for structuring a conversation around the issues where states agree and disagree, and facilitating either agreement or accommodation, as the case may be. It is largely agnostic and open-ended with regard to the actual rules to be applied in particular issue-areas. Where agreement proves impossible, as will be often the case, the objective of the meta-regime is twofold: to enhance communication among the parties and clarify the reasons for the disagreement, and to incentivize states to avoid inflicting unnecessary harm on others as they act autonomously to protect their interests. By itself, participating in this meta-regime would impose few constraints on states that want to maintain their freedom of action. Yet in favorable circumstances, our approach could facilitate significant cooperation. Equally important, it can encourage increased cooperation over time even among adversaries, as participation in the meta-regime builds trust between them.

The remainder of this paper is organized as follows. We begin by defining what we mean by "world order," describe its core elements or features, and draw several conclusions about the process by which workable orders are established and endure. Next, we state our assumptions about the structural constraints within which any new global order will have to operate. In particular, we specify those aspects of global political and economic relations which we believe are unlikely to change in the short-to-medium term.

³ To make an obvious comparison, the post-1945 Bretton Woods order was far more successful than the political-economic order that emerged after the Paris Peace Conference in 1919.

We then describe our “meta-regime” in detail and demonstrate its potential value by applying it to two “hard cases”: 1) whether to ban or regulate the use of Huawei 5G technology in foreign countries’ digital architecture, and 2) the current impasse between the United States and Iran. If our approach stands a reasonable chance of helping address difficult issues such as these, we can be more confident that it would be useful in constructing rules and understandings on issues where interests are more closely aligned and the level of trust is higher.

The next section describes the main objectives that a better global order would accomplish and how our general approach might help further those objectives. What are the necessary (or at least highly desirable) goals that future global arrangements must try to achieve? How does our meta-regime promote the achievement of those goals?

In the concluding section, we briefly consider possible objections to our approach and offer suggestions on how state and non-state actors could usefully employ our meta-regime and transform it into a broader diplomatic initiative.

WHAT IS “WORLD ORDER”?

There is no canonical definition of “world order,” but common to most conceptions is the idea that relations among some set of global actors be regulated by a set of rules or institutions that define who the key actors are and help them manage their interactions with each other.⁴ Thus, Hedley Bull defines international order as “a pattern of activity that sustains the elementary or primary goal of international society.” For Bull, an international society consists of “a group of states. . . that conceive themselves to be bound *by a set of common rules* in their relations with one another and share in the working of common institutions.”⁵ For John Mearsheimer, an order is “an organized group of international institutions that help govern the interactions among the member states,” and he notes further that “*institutions . . . are effectively rules that the great powers devise and agree to follow because they believe that obeying those rules is in their interests.*”⁶ Henry Kissinger defines world order as “the concept held by a region or civilization about the nature of just arrangements and the distribution of power thought to be applicable to the entire world” and argues that such orders rest on “*a set of commonly accepted rules that define the limits of permissible action and a balance of power that enforces restraint where rules break down, preventing one political unit from subjugating all others.*”⁷ Following Kissinger,

⁴ “World order” is not even a consensus term, insofar as scholars use “international order,” international society” or “global order” interchangeably and sometimes inconsistently.

⁵ See Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press, 1977), p. 8, 13 (emphasis added)

⁶ John J. Mearsheimer, “Bound to Fail: The Rise and Fall of the Liberal International Order,” *International Security* 43, no. 4 (Spring 2019), p. 9 (emphasis added).

⁷ He adds “A consensus on the legitimacy of existing arrangements does not. . . foreclose competitions or confrontations, but it helps ensure that they will occur as adjustments within the existing order rather than as fundamental challenges to it.” See his *World Order* (New York: Penguin, 2014), p. 9. In his earlier work on this topic, Kissinger saw order arising from a “generally accepted legitimacy” based on “international agreements about the nature of workable arrangements and about the permissible aims of foreign policy.” A “legitimate order” was one in which no major power was so dissatisfied that it decided to pursue a “revolutionary” policy aimed at

Robert Blackwill and Thomas Wright define world order “a shared understanding among the major powers to limit the potential for serious confrontation,” and they claim that true “world orders” are historically rare.⁸

Scholarly discussions of the so-called liberal international order also stress the importance of rules. John Ikenberry’s many works on the subject emphasize the role of institutions and the rules-based, multilateral nature of the U.S.-led order.⁹ Similarly, Beth A. Simmons and Hein E. Goemans argue that “[a]ny intergroup order must be defined by *rules of group membership* and *rules of political authority*.”¹⁰ Even a skeptic such as Patrick Porter sees the liberal order as defined partly by rules, norms, and institutions, and he emphasizes how the United States used its power to pressure other states into complying with the rules it preferred, even if it also violated them when it wished.¹¹

We conceive of world order in similar fashion. Any system of interdependent states requires a basic “operating system”—a set of rules to manage trade, investment, communication, the movement of peoples, the conduct of diplomacy, the use of force, and a vast array of other issues. These rules may be formally embodied in international organizations and treaties or internalized as norms that guide individual states’ behavior. They will be most effective when they are viewed as desirable and fair by most if not all participants.

In other words, these arrangements must form a “semi-stable equilibrium” in the sense that none of the major actors has sufficient incentive to abandon them unilaterally, even if some or all participants violate some of the rules on occasion. We refer to them as “semi-stable” to acknowledge that the central features of any order are not fixed: underlying conditions and incentives will change over time and arrangements that exist today will not last forever. Sometimes this process of change is gradual and fairly smooth; at other times—such as during or after major wars—it will be violent, discontinuous, and more consequential.¹²

overturning the existing arrangements. The idea that order requires adherence to some set of formal or informal rules is implicit but clearly present in this conception. See *A World Restored: Metternich, Castlereagh, and the Problem of Peace 1812-1822* (New York: Houghton Mifflin, 1957), pp. 2-3.

⁸ Robert Blackwill and Thomas Wright, *The End of World Order and American Foreign Policy* (New York: Council on Foreign Relations, 2020), p. 5.

⁹ See, for example, G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Building of Order after Major Wars* (Princeton: Princeton University Press, 2000); and *A World Safe for Democracy: Liberal Internationalism and the Crises of Global Order* (New Haven: Yale University Press, 2020).

¹⁰ See Beth A. Simmons and Hein E. Goemans, “Built on Borders: Tensions with the Institution Liberalism (Thought It) Left Behind,” *International Organization* (2021) emphasis added.

¹¹ See Patrick Porter, *The False Promise of Liberal Order: Nostalgia, Delusion and the Rise of Trump* (New York: Polity, 2020); also Lloyd Gruber, *Ruling the World: Power Politics and the Rise of Supranational Institutions* (Princeton: Princeton University Press, 2000).

¹² See especially Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981).

The failure of U.S. efforts to expand the liberal order after 1992 illustrates this broader point. After the collapse of the Soviet Union, U.S. leaders tried to turn the bounded liberal order it had led during the Cold War into a truly global liberal order. It did this by recruiting new members into U.S.-led institutions such as NATO or the World Trade Organization, by promoting market-based globalization in trade and finance, and by trying to spread democracy through a variety of means, including in some cases military force. U.S. leaders assumed that victory in the Cold War had demonstrated the intrinsic superiority of liberal democratic capitalism and that this model was destined to triumph in most if not all of the world. Non-liberal states would gradually converge on some version of the liberal democratic model and voluntarily enter the rules-based order that the United States had designed and now led. The result, according to U.S. leaders, would be increased prosperity and “generations of democratic peace.”¹³

Unfortunately, this ambitious effort did not lead to a “semi-stable equilibrium.” China and Russia rejected many elements of the U.S. vision for a liberal world order, other authoritarian states proved surprisingly resistant and resilient in the face of U.S. pressure, and countries such as India, Brazil, Turkey, Hungary, Poland, Israel, and others began to deviate from core liberal principles.¹⁴ Britain’s decision to leave the European Union in 2016 and U.S. president Donald Trump’s disdain for liberal norms were further signs that a global liberal order was not in the offing.¹⁵

Elements of World Order

Political orders consist of several different components, at varying levels of abstraction and concreteness. We identify them here, beginning at the most general level and proceeding to more specific or concrete elements.

1. *Constitutive Norms*

At the most general level, orders depend on collective agreement on the identities and status of the key members. These “constitutive norms” define who the key actors are, based on an agreed-upon set of normative and/or empirical criteria (undisputed control of territory, popular support, recognition of and by others, etc.). In today’s world order, for example, states recognize each

¹³ Running for president in 1999, for example, George W. Bush declared that American foreign policy “must have a great and guiding goal: to turn this time of American influence into generations of democratic peace.” See “A Distinctly American Internationalism,” speech at the Ronald Reagan Presidential Library, Simi Valley, CA, November 19, 1999. See also William J. Clinton, *A National Security Strategy of Engagement and Enlargement* (Washington, D.C.: The White House, 1995).

¹⁴ See Tanja A. Borzel and Michael Zürn, “Contestations of the Liberal International Order: From Liberal Multilateralism to Postnational Liberalism,” *International Organization* (2021); Mearsheimer, “Bound to Fail,” and Stephen M. Walt, *The Hell of Good Intentions: America’s Foreign Policy Elite and the Decline of U.S. Primacy* (New York: Farrar Straus & Giroux, 2018), chap. 2.

¹⁵ Another sign: according to the New York-based research organization Freedom House, 2020 marked the fifteenth consecutive year in which the overall level of global freedom declined. In their words, “the long democratic recession is deepening.” See *Freedom in the World 2020: Democracy under Siege* (New York: Freedom House, 2021), pp. 1-2; at <https://freedomhouse.org/report/freedom-world/2021/democracy-under-siege>

other as the primary holder of authority over particular geographic areas. The norm of sovereign equality places them on the same plane for many purposes—despite vast differences in power or wealth—and grants all of them privileges that other actors are denied. The annual revenues of Google or Apple vastly exceed the annual GDPs of Kenya or Ethiopia, for example, but it is permissible for the latter to declare war on a rival for purposes of self-defense and to kill members of that opponent’s armed forces, but it would be unthinkable for Apple or Google to defend market share in the same way. The agreements that established the European Coal and Steel Community and transformed it into the European Union have a similar “constitutive” quality: the treaties of Rome, Lisbon, Maastricht, etc. brought into existence a set of governing bodies that would have no power were they not recognized as legitimate.¹⁶

The content and meaning of “constitutive norms” are not fixed. Even the most fundamental norms of the current international system have changed significantly over the past several centuries.¹⁷ Governments acknowledge limits on what it is permissible to do even on their own soil. The continuing debates over the doctrine of the Responsibility to Protect (R2P), the invocation of “universal jurisdiction” to prosecute crimes against humanity, or whether individuals can sue foreign governments in domestic courts are further evidence of how the basic principle of sovereignty continues to evolve.¹⁸

2. *Scope and Depth*

John Mearsheimer suggests that in a world of territorial states, political orders will vary according to the: 1) scope of membership, and 2) breadth and depth of coverage.¹⁹ In his terms, *international* orders include all the great powers and ideally cover the entire world; by contrast, *bounded* orders do not include all great powers and are typically limited to particular regions. *Thin* orders have relatively few institutions or rules constraining what members may do; *thick* orders contain a denser array of rules and institutions covering a wide range of economic and security activities.²⁰

¹⁶ Even so, the status of the European Union is not quite as well established as that of most states. During the Trump administration, for example, the United States downgraded the diplomatic status of the EU delegation in Washington from “Ambassador” to a “representative of an international organization.” See Steven Erlanger, “In a Change of Tone, U.S. Restores E.U.’s Diplomatic Status,” *New York Times*, March 4, 2019.

¹⁷ Sovereign states were once conceived of as the personal possessions of the monarch (“*L’etat, c’est moi*”) but after the Congress of Vienna, “the state itself had now become the subject of sovereignty, a kind of moral person, and its prince had become essentially the executive organ of that sovereignty.” Paul W. Schroeder, *The Transformation of European Politics 1763-1848* (London: Oxford University/Clarendon Press, 1994), pp. 578-79.

¹⁸ See Leslie Johns, “The Diverging Theory and Practice of International Law,” in William R. Thompson, ed., *Encyclopedia of Empirical International Relations Theory* (London: Oxford University Press, 2018), and more broadly, Stephen D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton: Princeton University Press, 1999).

¹⁹ See Mearsheimer, “Bound to Lead,” pp. 9-16.

²⁰ Bounded orders can also be *realist* (motivated primarily by zero-sum competition among great powers), *ideological* (uniting states with similar domestic institutions), or *agnostic* (containing states with different domestic systems).

Mearsheimer argues that the type of orders that emerge will be determined by whether the world is unipolar, bipolar, or multipolar and by the domestic character of the leading powers, which influences the type of orders they will try to establish.²¹ He also emphasizes that different orders may coexist simultaneously: for example, a thin and essentially realist order at the international level could contain two or more thicker, bounded orders containing a subset of states but not all of them.

Mearsheimer's typology helps distinguish between different types of orders but does not explain the specific rules that make up an order or how they might change. As discussed above, the bounded, partially liberal order that the United States led during the Cold War went through several distinct phases and its institutional arrangements both thickened and evolved over time. By itself, knowing that a particular order is "thicker" than another will not tell us which issue-areas will be most heavily rule-based or specify the content of the rules themselves.²²

3. *Operating Principles*

Orders also vary according to the "operating principles" by which relations are maintained and decisions are reached. The metaregime we propose in this paper functions mostly at this level. Here a key distinction is whether relations are conducted bilaterally or organized on a multilateral, rules-based basis. The tributary system in East Asia (roughly 1300 to 1800) was a system of bilateral relations centered on China, and the trade and monetary ties that Nazi Germany organized in Central Europe during the 1930s had a similar bilateral character.²³ By contrast, the postwar capitalist order led by the United States was multilateral insofar as all participants were formally subject to the same set of rules.²⁴ Similar distinctions can be found in security affairs: U.S. alliance commitments in Europe are multilateral (within NATO), but its "hub-and-spoke" system of Asian alliances consists of bilateral treaties that tie each partner to Washington but not to each other.

The operating principles that prevail within a particular order can vary in other ways as well. Do collective decisions require a consensus, or is a simple majority sufficient? Are certain members

²¹ Consistent with his own theory of international politics, he believes international orders containing two or more great powers are always realist in character. See John J. Mearsheimer, *The Tragedy of Great Power Politics*, 2nd ed. (New York: W. W. Norton, 2014).

²² Moreover, even liberal orders are likely to contain significant non-liberal elements, as concerns about the so-called "democratic deficit" in key Western institutions suggests.

²³ On the former, see Kang, *East Asia before the West*; on the latter, see Larry Neal, "The Economics and Finance of Bilateral Clearing Agreements: Germany 1934-38," *Economic History Review* 32, no. 3 (August 1979).

²⁴ See John G. Ruggie, "Multilateralism: Anatomy of an Institution," *International Organization* 46, no. 3 (Summer 1992), especially pp. 568-69. This is not to deny that the United States and other leading powers had special privileges within that order and did not hesitate to ignore or change the rules when it suited them.

granted special privileges, either formally or informally?²⁵ Do formal mechanisms exist to resolve disputes among members or are they settled in an ad hoc fashion? Very importantly, what roles or functions are reserved for political authorities and which are left to market forces or non-state actors?

4. *Specific Regimes, Institutions, and Organizations*

Finally, orders contain specific rules (“regimes”) regulating specific activities. These rules are sometimes tacit or informal, but are usually formalized in treaties, conventions, or formal international organizations. Establishing these rules typically requires long and contentious negotiation, because participants recognize that the terms of the agreement will have significant real-world consequences and may persist even after the conditions under which they were originally created have changed.²⁶

Observations

International orders invariably reflect the underlying balance of power, because major powers will seek arrangements that preserve or improve their positions and oppose arrangements they believe will make them weaker, poorer, or more vulnerable over time. The Soviet Union ultimately chose not to participate in the Bretton Woods system, for example, and set up the Council for Mutual Economic Cooperation (COMECON) instead. Today, China and Russia openly oppose key aspects of the existing global order, and especially those elements that they believe give other states certain advantages or privilege Western conceptions of human rights.²⁷

Second, all orders are incomplete. They cannot anticipate every possible contingency or determine every outcome. The interactions that orders help actors manage invariably produce unintended consequences and the conditions that prevailed when an order was established will change over time. States and other actors will adapt to whatever system of rules is in place and invoke and reframe existing norms and rules to advance their interests. As Ian Hurd points out, international law is not a set of fixed, neutral rules that states either comply with or not; it is better understood as a set of tools and/or norms that states invoke to justify their own conduct,

²⁵ The position Supreme Allied Commander (SACEUR) in NATO has always been occupied by an American officer. The managing director of the International Monetary Fund has always been European and its first deputy director has always been American.

²⁶ In other words, “institutions are sticky.” For example, Britain and France are still permanent members of the Security Council (with the power to veto resolutions) even though their international positions are far different than they were when the UN Charter was signed.

²⁷ Jessica Chen Weiss and Jeremy L. Wallace argue that “Rather than being a frontal challenge to the existing international order, greater Chinese influence will likely shift the international order in a more Westphalian direction, as Beijing continues to support the principles enshrined in the UN Charter of state sovereignty, equality, and noninterference, while circumscribing the liberal emphasis on individual political freedoms and movement toward more intrusive international institutions.” See “Domestic Politics, China’s Rise, and the Future of the Liberal International Order,” *International Organization* (2021); also Nadège Rolland, “China’s Vision for a New World Order,” Special Report No. 83 (Seattle, WA: National Bureau of Asian Research, 2020), pp. 14, 24-25.

persuade others that what they are doing is legitimate, and realize other particular objectives. As states use the law in these instrumental ways, the implications of its strictures will change.²⁸

Third, orders are rarely consistent; there will almost certainly be tensions or contradictions between the different principles on which an order is based. Liberal orders rest on specific claims about the natural rights of individuals, for example, but they also privilege certain groups (e.g., “nations”) over others and ultimately depend on the prior, non-liberal norm of territorial sovereignty. As recurring debates over the legitimacy and conduct of humanitarian intervention demonstrates, these principles co-exist uneasily at best.

Lastly, no single power can write and enforce all the rules of an order by itself, because even weak states have some capacity to resist and thus some bargaining leverage. The United States got most of what it wanted during the creation of the Bretton Woods system, for example—an unsurprising outcome given that the U.S. economy produced roughly half the world’s goods and services immediately after World War II—but it had to compromise on certain issues to obtain agreement.²⁹ Furthermore, canonical accounts that credit the Anglo-American powers with the creation of the post-World War II order may understate the role that weak states played in this process, including many from the developing world.³⁰ Because successful orders require consensus and compliance, reaching a semi-stable equilibrium typically requires that key actors get at least some of what they want, so that they do not try to overturn or modify an agreement as soon as it is signed.

STRUCTURAL CONSTRAINTS

What are the broad features or structural constraints in which a new global order must be created? In other words, what aspects of global politics and economics are unlikely to change in the short-to-medium term, even as more malleable elements are negotiated or redefined?

1. *States.* We assume the territorial state will remain the basic “building block” of global politics. To be sure, a future global order will need to acknowledge and accommodate the

²⁸ In his words, “international law is often much more successful at constituting and legitimating government policies than at positively distinguishing between compliance and noncompliance. The international rule of law is thus a permissive regime as much as a constraining one, and its relations to power is more complicated than standard assumptions acknowledge.” See his *How to Do Things with International Law* (Princeton, NJ: Princeton University Press, 2017), p. 3.

²⁹ According to Harold James, “The treaty reflected a compromise between a U.S. desire to impose convertibility on the large trading area within the sterling system and a British attempt to make the United States underwrite perpetual world prosperity and to promote adjustment by obliging creditors to expand rather than debtors to contract. The most obvious form of the reconciliation of interests involved in these negotiations was the balancing of Article VII of the Lend-Lease Agreement (on the obligation to introduce convertibility) with Article VII of the IMF’s Articles of Agreement (on the scarce currency provision). Sterling could become convertible, but only if Britain was to be permitted in some circumstances to introduce discriminatory protection against exports from dollar countries; and if Britain were prepared to rein in its large official (largely military) spending overseas.” See *International Monetary Cooperation since Bretton Woods* (Oxford: Oxford University Press, 1996), chapter 3.

³⁰ See Marcos Tourinho, “The Co-Constitution of Order,” *International Organization* (2021).

interests and activities of many different actors, not only states but also multinational corporations, transnational social movements, international NGOs, and possibly others. The presence of these actors complicates the landscape of international relations, creates a multitude of interests that do not align neatly with existing borders, renders state action potentially less effective, and creates ways to reach desirable social and economic objectives without relying on governments.

Even so, territorial states will remain paramount. The number of independent states has increased steadily since 1945, which suggests that different national or ethnic groups continue to crave the security and autonomy that self-government can provide. Moreover, corporations, banks, and NGOs are ultimately backstopped by rules enacted and enforced by governments. Put crudely, if corporations have privileges such as limited liability or legal personhood, it is because states have given these to them. International organizations such as the United Nations, World Bank, or World Trade Organization may possess a certain amount of independent agency, but they owe their existence to commitments by states and depend upon them for their budgets, legitimacy, and other resources. When emergencies arise, citizens look to governments for assistance and protection, even if private actors also play constructive roles. Individuals may identify with and feel a powerful sense of loyalty toward their employer, religion, ethnic group, tribe, etc., but nationalism remains the most powerful and enduring form of political identity and its hold on most people is unlikely to erode any time soon.

2. *Polarity.* There is considerable debate about which state will be strongest in the decades ahead—the United States or China—but there is a broad consensus that these two countries will be significantly stronger than any of the other states in the system. Accordingly, the structure of material power for the next several decades will be either *bipolarity* (with the United States and China as the two poles) or highly uneven *multipolarity*, with Russia, Japan, India, and possibly some others occupying much weaker positions among the major powers.

It follows that the character of a future global order will depend to a large extent on relations between the United States and China, and on how each manages its relations with other significant actors. Any order that does not adequately address this particular axis has no chance of being a “global” order. If the U.S. and China are able to reach a *modus vivendi* in some important areas, however, prospects for a more benign global future increase significantly.

This is not to say that other states will be unimportant. Indeed, as discussed below, there are important realms where cooperation must include most, if not all, of the states in the system. Moreover, countries such as Russia or India and actors such as the EU are bound to play important independent roles in some critical policy areas. Even in a world order that is heavily shaped by the relations between the two most powerful states, what other countries choose to do will matter.

3. *Interdependence.* We further assume that a future world order will be highly interdependent. Even if some states curtail interactions with certain countries or attempt to be self-sufficient, most states will continue to seek mutual gains from international trade and investment. States will be interdependent in other ways as well: pollution and pathogens will not respect national borders, climate change affects the entire planet, and political events and natural

disasters will sometimes spill across national boundaries. No country—not even North Korea—will be able to cut itself off completely from the rest of the planet. As discussed below, preserving this feature in a future world order is highly desirable.

4. *Ideological Diversity.* Finally, we assume that the construction of a future world order will occur in a world where different states (and non-state actors) hold substantially different visions for how human societies should be organized and governed. Democracies and autocracies will co-exist despite disagreements on core political principles, but there will also be significant variation among capitalist democracies or among different autocracies over the proper balance between governments and markets, the status of women or minorities, or the role of religion. Constructing a stable world order cannot depend on the assumption that all states (or even all the major powers) will adopt similar political-economic models.

Given these four features, we expect the emerging *global* order to be relatively thin, with cooperative arrangements limited by competition between the United States and China. At the global level, cooperative agreements will be confined to particular areas and the depth and institutionalization of the relevant norms or rules will be modest but not zero. In some areas—such as efforts to field superior military forces or preserve an advantage in certain advanced technologies—that rivalry will be mostly if not entirely zero-sum.

Within this largely “realist” global order, the United States and China are likely to construct and manage their own “bounded” orders based on their own preferred principles.³¹ States within these bounded orders will negotiate thicker or deeper rules to manage more extensive relations of interdependence.³² More than a few states will remain outside either order, however—at least on some issues—and try to maintain working relations with both.

A “META REGIME” FOR CONSTRUCTING WORLD ORDER

We now proceed to describe our proposed meta-regime. Using the terminology of our previous discussion, we shall provide the general “operating principles” of our preferred global order. We take prevailing “constitutive norms”—e.g., deference to state sovereignty—as largely given, but remain agnostic about the type of order or the specific constellation of rules that our operating system may generate. The threshold condition for participation in our proposed meta-regime is that states agree on the feasibility and desirability of a four-fold classification of policies—without having to agree in advance on which actions belong in each category. We first provide quick descriptions of the four categories,³³ followed by a more detailed discussion.

³¹ The European Union might conceivably form a third bounded order and take up a more neutral position between the United States and China, though such an outcome is far from certain.

³² This terminology (and the logic that underpins it) is drawn from Mearsheimer, “Bound to Fail.”

³³ This framework is based on *U.S.-China Trade Relations: A Way Forward* (2019), available at https://www.inet.econ.cam.ac.uk/files/us-china_trade_joint_statement_2019.pdf, an initiative of legal scholars and economists led by Jeffrey S. Lehman, Dani Rodrik, and Yang Yao. Like our current project, that report sought to define a middle ground between the view that China should be forced to undertake major domestic reforms in the areas of intellectual property, state intervention in the economy, etc., and become more like the rest of the OECD, and the view that the United States and China should “decouple” their intertwined economies almost entirely in

Category 1 refers to actions that all parties agree are illegitimate or wrong or that contravene principles that all are willing to accept. These actions entail harms imposed on other states that cannot plausibly be justified by economic or national security considerations of the state that causes them. Such policies and actions would be prohibited. We offer several illustrations below.

Category 2 contains policies that do not fit in the previous category—because of insufficient agreement on whether the action in question is clearly illegitimate—but for which a positive-sum solution may still be possible. If State A adopts a policy that is harmful to State B, the two parties may be able to negotiate a mutually beneficial bargain that leaves both better off. Such a bargain might involve State B offering a concession in another domain in return for State A revoking the harmful policy. We call this the “cooperative negotiations” category.

Category 3 refers to policy domains where mutual adjustment proves impossible and each state resorts to its own independent policy action. When two or more states are unable to reach a mutually beneficial bargain, each is understood to be free to adopt “well-calibrated” national actions to further national goals or reduce the harm to its own interests. When these actions are responses to other states’ behavior, such responses should be clearly linked to the damage being done by the other side’s policies, however, and intended solely to mitigate its negative effects. In particular, countervailing policy responses should not be undertaken for the express purpose of punishing the other side or weakening it in the long run. Nor should failure to reach an acceptable compromise in one area be used as a pretext to retaliate in a different and unrelated domain. We call this the “independent response” or “autonomous action” category.

Lastly, Category 4 (“multilateral governance”) deals with situations where A’s bilateral policies toward B have significant spillover effects on C, D, or others. Under these circumstances, an effective response may require involvement and buy-in by most if not all of the states affected, perhaps under the aegis of a formal multilateral institution. We anticipate a similar process as outlined under Categories 1-3 to apply, but multilaterally.

The categories in which a particular policy or issue is handled will be influenced by the overall state of relations between the interested parties, their relative power, and their particular interests. Between major power rivals, for instance, one would expect relatively few issues to land in Category 1 and most to end up in Category 3. Among allies with similar values, by contrast, Categories 1 and 2 will be fairly full and Category 3 will contain fewer issues. If we are correct that the future world order will be a thin “realist” order at the global level and contain largely separate and thicker bounded orders organized around the major powers, then the distribution of issues across the four baskets will vary greatly depending on which states/issues are involved.

We do not expect the boundaries between our categories to be adjudicated by international institutions or outside enforcers—except perhaps in the case of close allies. The categorization can nonetheless serve a useful function insofar as it encourages rivals to explain their actions,

order to preserve their preferred domestic orders. The report laid out a third option, one intended to preserve many of joint benefits of trade while allowing each side “considerable latitude at home to design a wide variety of industrial policies, technological systems, and social standards.”

clarify their motives, and justify their decisions. If doing so prevents conflicts both sides would like to avoid, it also serves the longer-term interests of the parties. In other words, a structure along these lines can “bootstrap” a level of cooperation that might not have occurred otherwise.

Instead of viewing relations between states as one of either “rivalry” or “cooperation,” this framework also encourages us to distinguish among 1) issue areas where there may already be considerable agreement, 2) issue areas where differences now exist but are at least potentially resolvable through negotiation and adjustments, and 3) areas where independent national responses can protect particular national interests without escalating the level of conflict unnecessarily. To be sure, even under this scheme there will undoubtedly be issues that remain irreconcilable and that continue to poison inter-state relations. We also recognize that states will sometimes pursue policies adopted for the express purpose of weakening a rival or gaining an enduring advantage over it. This feature of international politics does not disappear under our approach, either for the major powers or for many others. Our hope is that the framework offers a path for guiding as many contentious issues as possible toward one of our categories, and hence rendering them less malign for the international order.

Viewing relations in this way should facilitate preserving those areas where cooperation remains necessary and mutually beneficial, even in an era characterized by rising competition. The United States and China could use this framework to set their bilateral diplomatic agenda, for example and it could also guide cooperative arrangements between the United States and the countries with which it is likely to be more closely aligned. Moreover, the framework allows a dynamic evolution of the degree of cooperation between adversaries. One consequence of a conversation structured along the lines we propose is that it enables parties to establish reputations, develop trust, and better understand the preferences and motives of each other. Ideally, Categories 1 and 2 would become more densely populated as a result. Finally, this approach has the additional advantage of being applicable to both economic and security issues, as we discuss below.

Category 1: (The “prohibited” category)

There are some broad principles on which all states could agree from the outset. These might include, at a minimum, commitments made under the United Nations Charter, the domestic legitimacy of national governments, and the authority of each nation’s government to regulate the entry of people, goods, capital, and data into its respective country. This category would also contain any other policies that are understood by all parties to be illegitimate or wrong.

In the areas of national security and foreign policy, the UN Charter contains a series of prescriptions and prohibitions that all members of the United Nations regard as legitimate and have publicly committed to follow. Chapter II of the Charter bars the acquisition of territory by conquest and Chapter VII identifies the conditions when states may legitimately use armed force (i.e., in self-defense). Although many states have violated this norm in the past, they also recognize that doing so can carry non-trivial political consequences.

Other examples within the “prohibited” category might include direct violations of the principle of diplomatic immunity (e.g., attacks on embassies, consulates or the unlawful detention of

diplomatic personnel) or an attack on another country's ships or aircraft on the high seas or in international airspace. A less formal prohibition (akin to the informal restraint that the United States and Soviet Union showed toward each other during the Cold War) would be the norm that major powers should strive to avoid direct military engagements with military personnel of other major powers.³⁴ The actual use of a weapon of mass destruction (and especially a nuclear weapon) belongs in this category as well, despite the lack of formal international convention against it.

Most importantly, there is little or no disagreement between the United States, China, and other major powers on these principles. To say that certain actions are proscribed by formal agreements or informal norms does not mean that violations never occur; it simply means that the major powers understand where lines have been drawn and recognize that crossing them is a non-trivial act. There will inevitably be gray areas where major powers disagree on whether an agreed-upon norm applied: for example, China regards Taiwan as an invisible part of its national territory and would undoubtedly view military action against Taiwan as permissible under international law, but the United States (and many other countries) would interpret an attack as an illegal act of aggression. Furthermore, a consensus that certain actions are illegitimate and formally prohibited does not preclude the use of salami tactics, hybrid warfare, or other measures designed to evade or "design around" an existing norm. Even so, such evasions are themselves a tacit acknowledgement that the "lines matter" and that open defiance would entail greater costs or risks.

In economic relations, there are good reasons why states may want to prohibit a type of policy that economists call "beggar-thy-neighbor policies." These are defined as "policies that seek to increase domestic economic welfare at the expense of other countries' welfare."³⁵ The key notion here is that the benefit at home comes "at the expense of other countries." Unlike other domestic policies that may also entail negative repercussions for others, "beggar-thy-neighbor" policies create domestic gains only to the extent that other nations lose.

An example can clarify what is at issue. Consider two different policies, a production subsidy and an export tax. Both policies can hurt a trade partner: in the first case, because the partner's own firms may experience a competitive disadvantage, and in the second case because the partner's firms using the taxed product as an input now face higher input costs. However, under many realistic conditions the production subsidy cannot be considered a beggar-thy-neighbor policy because the benefits that the home country expects to obtain does not depend on harm being done to its trade partners (and can be reaped even if there is no harm). For example, the objective for the subsidy may be to internalize technological learning externalities, which can be achieved regardless of the impact on other countries. The export tax, by contrast, is a beggar-thy-neighbor policy when the home country has global market power in the product in question. The benefits that accrue to the home economy in this instance arise directly from the (terms-of-trade)

³⁴ For example, Russian and U.S. forces operating in or near the Syrian civil war have sought to avoid direct engagement or accidental exchanges with each other.

³⁵ *Princeton Encyclopedia of the World Economy*.

losses suffered by other countries. There would be no gains at home without the costs imposed abroad.

The latter possibility is far from hypothetical. Starting in the 2000s, China implemented a range of export restrictions on rare earth minerals, for which the country is a globally dominant supplier. The restrictions sharply raised prices in other markets.³⁶ Other examples of beggar-thy-neighbor policies include global tax havens (i.e., where corporate tax rates are set artificially low in order to attract shell companies, at the expense of tax revenue in those corporations' home countries) and mercantilist currency policies (i.e., the deliberate undervaluation of the currency in order to expand employment at home at the expense of unemployment abroad).

A second critical feature of beggar-thy-neighbor policies is that they are negative sum for the world as a whole. In the export restrictions case, for example, non-competitive conduct creates a market inefficiency. Except for a few special cases, all countries would hurt if they were all free to engage in those policies.³⁷ For example, the U.S. might respond to China's export restrictions on rare earths by imposing an export tax on agricultural products on which China relies, leaving both countries worse off. The general prohibition of such policies can be motivated on the basis of self-interest of the parties themselves, without having to rely on global norms.

In the real world, of course, states may legitimately or opportunistically disagree over whether a particular economic policy neatly fits into the beggar-thy-neighbor category. For example, a country maintaining very low corporate taxes can argue that the objective is not to act as a tax haven but to stimulate domestic investment, regardless of source. The U.S. might brand certain Chinese industrial policies as beggar-thy-neighbor efforts to seize market share from overseas companies that are more efficient, whereas China may describe those same policies as developmental policies intended to stimulate domestic economic growth. China may brand U.S. restrictions on inward investment by Chinese companies as a beggar-thy-neighbor effort to prevent access to advanced technologies, while the U.S. may view those same policies as critical for protect national security. Such disagreements will surely arise. But the framework proposed here provides a conceptual vocabulary for discussing whether such policies are per se problematic (i.e., beggar-thy-neighbor). In the case of blatant beggar-thy-neighbor policies, refusal to accept them as such and leaving them in place would come at some reputational cost, undermining a state's negotiating capital and drawing opprobrium from third parties (other states, private entities such as corporations, and professional legal and economics communities).

Category 2: (The “cooperative negotiations” category)

This category contains areas where the United States, China, and some other countries have conflicting policies and/or interests, but where each has reason to believe it could get the others to alter their behavior in exchange for other concessions or adjustments.

³⁶ Chinese restrictions were eventually revoked after the WTO ruled that they were inconsistent with trade rules. See Congressional Research Service, “Trade Dispute with China and Rare Earth Elements,” June 28, 2019.

³⁷ There are some exceptions. For example, when countries are very asymmetric in size, it is possible for the larger country to be better off in a retaliation equilibrium than in the free trade equilibrium.

In economics, there are many policies that might fit in this category. A classic example is import restrictions that are maintained not to exercise market power on world markets—i.e., are not beggar-thy-neighbor—but for domestic political reasons such as protecting profits or employment in a particular domestic industry. A trade partner might offer to remove its own tariffs in industries of interest to the first state’s export industries in exchange for the elimination of these restrictions. When both states expect to be better off in the absence of the relevant import barriers, they can strike a bargain. Or take the case of the subsidy discussed earlier. The adversely affected trade partner may offer the subsidizing state the following deal: I will relax some of the foreign investment regulations to enable greater market access for your companies if you remove the subsidies you are providing to domestic firms. Such exchanges are the basis for most trade agreements, and the reasoning continues to apply even when states are adversaries in military or geopolitical realms, unless significant advantages are conferred to one of the parties in those realms from the maintenance of the trade barriers in question.

Within the security realm, arms control negotiations are a classic illustration of this kind of mutual policy adjustment. Instead of wasting money and/or increasing the risk of war through relentless arms increases, potential rivals may be able to reach agreements that eliminate specific areas of vulnerability (thereby making both more secure) and allow them to devote resources that might have been spent on armaments to other needs. It is easy to think of other examples: great powers sometimes agree to limit arms sales to third parties (such as warring factions in a civil war), or to cooperate to make it more difficult for terrorist organizations to obtain weapons of mass destruction. As is typical in such cases, the incentive of each party to reap the benefits of opportunistic behavior in the short run—for example, by selling arms through middle-men—have to be balanced against the gains from longer-term cooperation.

At the height of the Cold War, for example, the United States and Soviet Union jointly sponsored the 1967 Non-Proliferation Treaty, based on their shared interest in limiting the size of the nuclear “club.” To protect key allies and reduce the risk of a superpower clash, the two states also jointly sponsored U.N. Security Council cease-fire resolutions that brought the 1967 and 1973 Arab-Israeli wars to a close. After a series of dangerous naval confrontations, the two superpowers negotiated the 1972 Incidents at Sea agreement, which significantly reduced the danger of mid-ocean collisions between U.S. and Soviet naval vessels. In theory, one could also imagine the United States, China, or other major powers jointly agreeing to limit certain military deployments or activities—such as reconnaissance operations near the opponent’s home territory—in exchange for adjustments by the other side.

Category 3: (The “independent response/autonomous action” category)

International politics is often described as a “self-help” system, where each state must ultimately rely upon its own resources and strategies in order to survive.³⁸ If two or more states cannot reach a mutually beneficial agreement, then each will try to protect its interests through its own actions (possibly subject to some of the prohibitions contained in Category 1).

³⁸ This conception is elaborated most fully in Kenneth N. Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979).

In economics, self-help will naturally apply in a large number of policy domains where nations have different preferences and mutually acceptable bargains may not be available. Such outcomes are already the default option in a wide range of areas that have not been internationalized even though cross-border spillovers do exist.

Consider what may appear to be trivial examples of domestic policy, highway speed limits and education policies.³⁹ Both sets of policies can create adverse effects on some trade partners: a speed limit that is set relatively low reduces that country's demand for oil on world markets and harms the interests of oil exporting nations; a country that accumulates more human capital through education reduces the gains from trade of other countries with which it competes in skill-intensive products. Yet states consider themselves entitled to full autonomy in both domains: no country has ever threatened to retaliate against another because the latter reduced its speed limit or started spending more money educating its own population.

The same principle applies to many areas of consumer and product safety, regardless of implications for trade partners. For example, most states have detailed regulations that producers have to meet in order to be allowed to sell in their market. A foreign automaker or toy producer has to abide by the relevant regulations in each country in order to offer its goods for sale in that market. It is now widely accepted that a country with strict carbon control measures at home could apply a border tax adjustment (an import tariff) on carbon-intensive imports from countries without such controls.

In each of these areas the state reserves the right to keep non-abiding foreign producers out of its national market in order to uphold the regulations it sees fit for its own national circumstances. It has the right to block international arbitrage through trade and investment flows from undermining national standards. This principle could be justifiably extended to prevent international arbitrage of corporate taxation, labor standards, financial regulations, environmental regulations, etc., that leads to an undesirable "race to the bottom."

While protecting domestic standards and regulations is an acceptable objective, using domestic economic policies in a punitive fashion or to force other nations to alter their own national policies is much less so. Hence Category 3 legitimizes policy autonomy only to the extent that is targeted at domestic objectives and is "well-calibrated." In our scheme, it is permissible for a state to ban imports of toys above a certain lead content to protect domestic children, in line with its own cost-benefit calculus. But it is not permissible to use the import ban as an instrument to alter other countries' lead-content regulations or to use them to escalate a trade war and extract other concessions from the target country. Although it may be difficult to disentangle the two cases in practice, there is an important difference in principle. The Trump administration's trade war with China clearly violated this principle, for example, as statements by Trump and other U.S. officials made it clear that the intent behind their trade restrictions was essentially coercive.

³⁹ These and other examples are discussed in Dani Rodrik, "Putting Global Governance in its Place," World Bank Research Observer 35, no. 1 (February 2020).

Major powers typically rely largely on their own national efforts in matters of national security, although they may cooperate with and fight alongside close allies when necessary.⁴⁰ If arms control efforts fail, rival states will strive to enhance their own defense capabilities and conduct R&D designed to gain or preserve a technological edge. Rivals will engage in various forms of espionage to determine what others are planning, to steal military secrets, or to gain other advantages. Rivals will also try to increase their influence with other key countries, form alliances with some of them, or undermine the cohesion of an opposing coalition. As long as there is no central authority to protect states from each other, great power competition is not going to stop.

In theory, these and other competitive activities could be addressed in the Category 2 (“cooperative negotiations”), and some of them will undoubtedly arise at summit meetings or in the normal conduct of great power diplomacy. But history suggests that meaningful agreements on many of these issues will be difficult to achieve or sustain.⁴¹ Arms control agreements between the United States and Soviet Union involved long and difficult negotiations and while they eventually reduced both sides’ arsenals significantly, they did not eliminate the ability of each side to completely destroy the other or end each side’s efforts to develop the ability to destroy the other side’s forces in a first-strike.⁴² Moreover, some of these agreements (such as the 1972 Anti-Ballistic Missile Treaty) were subsequently abandoned.

As in the economic domain, national responses to a foreign security challenge should be “well-calibrated.” In particular, the chosen remedies should be proportional to the harm inflicted by another state’s potentially threatening actions (including its own efforts to increase its military power, recruit new allies, etc.). This recommendation is intended to guard against the danger of a tit-for-tat spiral of escalatory steps that goes beyond whatever measures are necessary to guarantee a particular state’s independence and autonomy.⁴³

However desirable this principle might be in the abstract, we recognize that operationalizing it in national security issues will be difficult. The reason is simple: what one country judges to be a prudent and “well-calibrated” response could easily look like a dangerous and unnecessary provocation to its opponent. To make matters worse, each side is likely to prefer a margin of

⁴⁰ See Joseph Parent and Sebastian Rosato, “Balancing in Neorealism,” *International Security* 40, no. 2 (Fall 2015).

⁴¹ The early 19th century Concert of Europe is often invoked as an example of a cooperative regime that sought to minimize great power competition, but key elements of the Concert broke down in less than a decade.

⁴² As former Secretary of Defense Harold Brown observed in 1983, “the achievements of arms negotiations to date have been modest indeed, as are their immediate prospects. . . . In all, not much to show for thirty-five years of negotiations and twenty years of treaties.” Harold Brown, *Thinking about National Security: Defense and Foreign Policy in a Dangerous World* (Boulder, CO: Westview Press, 1983), p. 185.

⁴³ Robert Jervis argues the Concert of Europe possessed this quality: “In this era the great powers behaved in ways that sharply diverged from normal ‘power politics.’ They did not seek to maximize their individual power positions, they did not always take advantage of others’ temporary weaknesses and vulnerabilities, they made more concessions than they needed to, and they did not prepare for war or quickly threaten to use force when others were recalcitrant. In short, they moderated their demands and behavior as they took each other’s interests into account in setting their own policies.” He also notes that such behavior was historically unusual. See his “Security Regimes,” in Stephen D. Krasner, ed., *International Regimes* (Ithaca: Cornell University Press, 1983), pp. 178-79.

superiority in its favor to an even balance of power and will therefore be tempted to overreact when faced with some new and worrisome action by the other. Weapons manufacturers, the uniformed military, hawkish analysts, and rival politicians will work overtime to exaggerate threats and convince officials to do more, making the crafting of a “well-calibrated” response even harder.

Despite these obstacles, there are prudential reasons why both sides might voluntarily choose to limit their responses in certain ways. Even without a formal or informal agreement that placed certain acts into the “Prohibited” category, great power rivals would be wise to eschew policies that appear to threaten the other side’s political stability, territorial integrity, or national survival, or that suggest its ultimate objective is the complete elimination of the other side as a political rival. Such actions will inevitably provoke worst-case fears on the other side, and shrink the number of areas or issues on which it would be willing to compromise or cooperate.

Significant differences in U.S. and Chinese political values will no doubt complicate the achievement of such moderation. Although existing norms of sovereignty and non-interference preclude direct efforts by either power to influence the other’s internal politics, fundamental differences over core political values will make it difficult to maintain the “modus vivendi” approach we outlined above.

In particular, differences in values can generate conflict and suspicion even when governments act with restraint. Alternative political systems can pose a threat merely by existing, because their presence offer an alternative model that might inspire reformers or rebels inside the rival society. This problem will be especially challenging when a political order is based on universalist principles (such as the claim that all human beings possess certain inalienable rights), as such claims by their nature transcend political borders. Even if the U.S. government never lifted a finger to promote those ideals abroad, America’s presence as an embodiment of these ideals (however imperfectly realized) might be seen as threatening by governments based on different values.

Furthermore, it is hard to imagine that political communities in either the United States or China (or many other countries) could consistently stay “on message” and refrain from actions or statements that suggest an active desire to alter the other’s domestic political arrangements. No matter what a president does or says, at least a few U.S. politicians are going to condemn China’s domestic economic practices or human rights record in harsh terms and demand that its basic political character.⁴⁴ Even if top officials in a particular administration take great care to avoid provocative statements (and there is no guarantee that they will), there are bound to be prominent voices on both left and right advocating continued efforts to shape China’s internal politics.

⁴⁴ Then-Secretary of State Mike Pompeo told an audience in July 2020 that “Richard Nixon was right when he wrote in 1967 that the world cannot be safe until China changes, and called for the United States to engage and empower the Chinese people, a dynamic, freedom-loving people who are completely distinct from the Chinese Communist Party.” See “Communist China and the Free World’s Future,” Speech at the Richard Nixon Presidential Library, July 23, 2020.

Similarly, Chinese debates on foreign policy are not monolithic, and anyone looking for declarations of China’s desire for global supremacy or harsh Chinese criticisms of the U.S. system do not have to search very long.⁴⁵ A “live and let live” approach to each other’s domestic systems may highly desirable, but maintaining it over time will be a major challenge.

The good news, however, is that several other factors may keep the Sino-American rivalry within bounds. First, the existence of nuclear weapons give rivals ample incentive to tread carefully when crises erupt. A second factor is a combination of geography and population: the United States and China are countries of considerable size with large populations and neither could have any realistic hope of conquering the other. Distance poses a further barrier: although the United States has military forces deployed all over the world and China’s power projection capabilities are improving, the ability to attack another great power declines with distance, especially if one has to travel across an ocean and then conduct an amphibious invasion. Although each could probably contrive some sort of conventional attack upon the other’s home territory (at present, America’s ability to attack the Chinese homeland is much greater than China’s ability to threaten the continental United States), neither country could hope to project sufficient power across the Pacific to threaten the other’s territorial integrity or independence.

These features do not make a clash of arms impossible—especially at sea or over Taiwan—but they do place limits on what either state can aspire to do or has reason to fear. Proxy wars, a serious competition for allies and influence, and other forms of geopolitical hardball remain all-too likely, but present conditions discourage an all-out effort against each other both now and for the foreseeable future.⁴⁶

Very importantly, our meta-regime is not predicated on the two sides trusting each other at the outset. It leaves open the possibility—and indeed increases the likelihood—that successfully addressing disagreement within its confines could help both sides trust the other more.

Category 4 (the “multilateral governance” category)

This category contains policies or issues where the relationship between two states has important implications for third parties, creating clear incentives for multilateral solutions. Global public goods are the most obvious case that fits this category, and climate change is the archetypal illustration. A country’s carbon control policies provide benefits to all other nations, and none can be excluded from those benefits. Conversely, a country’s emissions harm all other nations equally. In the absence of multilateral restraints, the incentive for each state is to try to free ride

⁴⁵ See, for example, State Information Office, People’s Republic of China, “The Record of Human Rights Violations in the United States in 2019” (March 2020), available at <https://www.globaltimes.cn/content/1182529.shtml>

⁴⁶ Thus Richard Hanania argues that “China is not a threat in the way traditionally understood. . . .China’s true menace is neither military nor geopolitical, but rather ideological. Its continued success, even if it in no way harms the prosperity or security of most Americans, poses a major threat to the American political establishment, how it justifies its own power, and its understanding of the U.S. role in the world.” See “China’s Real Threat is to America’s Ruling Ideology,” *Palladium*, December 14, 2020, at <https://palladiummag.com/2020/12/14/chinas-real-threat-is-to-americas-ruling-ideology/>

on the control carbon policies of the others. The result is excessive emissions and rapid climate change. A second example might be global public health, as COVID19 has demonstrated. The rapid sharing of information about potential pandemic and the development of therapeutic medicines or vaccines are global public goods.

In economics, there are few domains that might be strictly considered global public goods, even though journalistic narratives often suggest otherwise. We are told: “sound prudential regulation in financial centers is a global public good,” or “an open world economy is a global public good,” but such nostrums often misuse the term. When the U.S. manages its macroeconomy and financial system well, or it keeps its markets open, economic logic suggests that U.S. citizens will be the primary beneficiaries. Other countries may benefit too, but this does not reduce the incentive of U.S. policy makers to pursue those sound policies. By the same token, when those policies are mismanaged, as they were prior to the global financial crisis or under President Trump, it was the U.S. economy that incurred some of the highest costs. Such mistakes do occur of course. But the argument that international cooperation or multilateral rules can reliably prevent these mistakes from happening is difficult to make.⁴⁷ Of course, well-designed international norms can make it harder (though not impossible) for states to engage in inappropriate actions that harm themselves (along with others); what is not clear is how states can be expected to develop “well-designed” norms internationally when they are prone to make mistakes in those same areas domestically.⁴⁸

In the areas of national security and foreign policy, one can imagine two different types of multilateral arrangements. One type would include both the United States and China, as well as other powers such as Russia, India, or the EU. These institutions would facilitate cooperation on areas where state interests substantially overlap, such as climate change, global public health (e.g., responses to COVID19 and other future pathogens), measures to enhance secure control over nuclear weapons and materials, or counterterrorism. Efforts to strengthen the Law of the Sea regime or to develop norms to regulate activities in cyberspace might fit here as well.

A second type of multilateral arrangement consists of institutions created, led, or supported by one of the two main powers but where the other is excluded. Such arrangements would typically be intended to help the member states deal with problems created by the policies of states that are not part of the agreement. Formal military alliances are an obvious example of this type of institution, but as previously discussed, both the United States and China may try to create like-minded coalitions of countries that coordinate their economic and security relations, adopt similar norms regarding digital privacy and surveillance, and use similar digital technologies. The abortive Trans-Pacific Partnership would have been one such arrangement, and its strategic goal (i.e., to cement closer ties with a number of Asian countries) may have been more important than any of its economic provisions or impact. As discussed above, the possibility that the

⁴⁷ Rodrik (2020), op. cit.

⁴⁸ One generic exception to this skepticism is provided by dynamic inconsistency, which arises when actors understand they will be tempted to make mistakes in the future and have the incentive to take an action at present to reduce that likelihood. Signing on to international agreements may then allow states to make (sort of) binding commitments that effectively prevent their current selves from harming their future selves.

digital world will divide into Sino-centric and Western-centric realms could be another instance in which multilateral cooperation expanded on a partial rather than global basis.⁴⁹

APPLICATIONS

To illustrate how our approach could help address a concrete, real-world situation, we offer here brief discussions of two contemporary cases. The first is the dispute over the use of Huawei 5G digital technology: can our framework suggest how to deal with concerns in the West that Huawei poses a national security threat and the measures that the U.S., in particular, has taken in response? The second case is the contentious and potentially dangerous relationship between the United States and Iran: could our meta-regime guide efforts to alter relations in ways that would leave both states better off?

1. The Huawei Case

Huawei is a company that is nominally owned by its workers, but Western analysts have long believed it to have close ties to the Chinese security establishment. Starting from humble beginnings and complete reliance on reverse-engineered Western technology, the company has become one of the world's largest telecom vendors and a key player in the development and installation of next generation (5G) networks. The U.S. has sought to cripple the company's international activities since the early 2000s, when Huawei first tried to enter the U.S. market. It prevented Huawei from acquiring American companies through the Committee on Foreign Investments in the United States (CFIUS) national-security review process. It pressured American telecom operators not to work with Huawei. The U.S. Congress undertook an investigation of the firm. Sanctions were imposed on the firm in several rounds, and the daughter of Huawei's founder and the company's chief financial officer was eventually placed under house arrest in Canada stemming from legal charges against Huawei in the U.S.⁵⁰

For our purposes, it is useful to distinguish between two kinds of U.S. actions in particular: first, the restrictions the U.S. has placed on Huawei's entry and operations in the U.S.; and second, the restrictions the U.S. has imposed on American companies to prevent them from supplying chips and other components that feed directly or indirectly into Huawei's supply chain. We do not aim to provide a definitive solutions to these issues, but merely to show how our framework could help manage what might otherwise seem like an irresolvable and easy-to-escalate conflict.

Category 1: Prohibited Actions

Consider first the ban on Huawei's American operations. In our framework, the justifiability of this policy rests on the plausibility of the national-security argument. If the argument is plausible on the face of it, the type of restraints normally found in Category 1 ("prohibited actions") would not apply and it would be permissible for the U.S. to ban Huawei 5G technology in the United

⁴⁹ "The 'Splinternet of Things' Threatens 5G's Potential," *The Economist*, December 25, 2019, at <https://www.economist.com/the-world-in-2019/12/25/the-splinternet-of-things-threatens-5gs-potential>

⁵⁰ "U.S.-China: Is Huawei 'Too Big To Fail?'," *Financial Times*, August 21, 2020.

States. Our reading of the evidence is that the national-security argument is quite strong in this case: although there is no evidence that Huawei has engaged in spying or cyber-security violations, there is enough uncertainty around its technical capabilities (given the opacity of the software) and the company's links to the Chinese government to justify the U.S. government taking a precautionary stance.

Category 2 Cooperative Negotiations

Having decided that Category 1 does not apply, we might then ask if the case fits under Category 2 (“cooperative negotiations”). The Trump administration decided it did not: China was too big a threat and too unreliable a partner to engage in give-and-take over sensitive issues of U.S. national security. But future administrations and other nations might answer differently. Here the United Kingdom's approach illustrates how Category 2 might work in practice. The British government made an arrangement with Huawei under which the company's products in the U.K. telecoms market undergo an annual security evaluation. The evaluations are undertaken by the Huawei Cyber Security Evaluation Centre (HCSEC), a facility that opened in 2010 and is governed by a board that includes a Huawei representative along with senior officials from the British government and the UK telecom sector. HCSEC's reports are public. The most recent report concluded that there was enough cause for concern: Huawei's “approach to software development” raises risks to UK operators and “requires ongoing management and mitigation.” It noted further that: “The Oversight Board advises that it will be difficult to appropriately risk-manage future products in the context of UK deployments, until the underlying defects in Huawei's software engineering and cyber security processes are remediated.”⁵¹ In July 2020, Britain decided to ban Huawei from its 5G network—though its decision seems to have been a response to pressure from the Trump administration and not the direct result of HCSEC's work.

Beyond the cooperative element—at least in principle—the British approach is also noteworthy for the degree of transparency built into it. Since HCSEC's reports are public, the technical reasoning on which a national-security determination has been made can be seen and evaluated by all parties. This includes domestic firms who may have a commercial stake in Huawei's investments as well as the Chinese government and Huawei itself. This feature alone can help build mutual trust as the parties develop a fuller understanding of others' motives and actions. The Chinese side may come to appreciate the legitimate concerns that the home government has. Conversely, it becomes more difficult for the home government to feign national security concerns when the grounds are weak and are simply a cover for purely protectionist commercial considerations.

By way of comparison, the CFIUS process in the United States, which is the principal mechanism for assessing the national security implications of foreign investment is far more opaque. CFIUS has a much wider remit than HCSEC yet publishes only a single annual report. The report contains general statistical information about the cases it has investigated, but it does not provide any of the evidence or reasoning behind its judgments. Neither U.S. citizens, foreign

⁵¹ HCSEC Annual Report, March 2020, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/790270/HCSEC_OversightBoardReport-2019.pdf.

governments, or foreign investment bodies have any clear and authoritative way to determine whether CFIUS is acting on legitimate national security grounds or solely to protect specific U.S. firms.

This discussion suggests that some sort of adjustment between Huawei and the UK government was theoretically possible, and a full exchange along Category 2 principles might have led to a settlement or a quid pro quo between the two governments. Even in the British case, however, this possibility never quite seemed in the cards. Therefore, the most likely scenario seems to be that the U.S. and other Western governments will continue to make unilateral (and less transparent) decisions regarding Huawei.

Category 3: Independent Responses

This result moves us into Category 3, the realm of unilateral but “well-calibrated” responses. At first glance, the Trump administration appeared to have chosen this route, but a closer look suggests otherwise. While governments are fully entitled to take protective measures under Category 3, their responses are supposed to be proportionate to the real or potential harms suffered and not intended to escalate the conflict or gain a unilateral advantage. The U.S. government violated these strictures by imposing ever-increasing sanctions and barriers on Huawei’s *international* operations. Most critically, it has banned American corporations from selling chips and other components to Huawei and its suppliers, regardless of where they operate. The clear intention seems to be to deliver a fatal blow to the company by starving it of essential inputs.

The export ban on U.S. companies is harder to justify on national security grounds than the ban on Huawei’s U.S.-based operations. While we do not dismiss outright the possibility that such a justification exists, it is far from clear what it would be. If there is a national-security justification, it should be made explicit. Huawei’s operations in third countries may pose a security risk to those countries; but it is the governments of those countries that are in the best position to evaluate the risks and consequences of shutting off Huawei’s operations. It could be that there are spillover risks to the United States from Huawei’s presence in countries that are close U.S. allies, such as the possibility that China might use Huawei’s presence to acquire classified information that the United States had shared with its partners. Even then, the appropriate response would have been to convince these allies to engage in collective and coordinated action instead of undertaking in unilateral action against Huawei itself. U.S. efforts to cripple Huawei in third markets appear to be a classic beggar-thy-neighbor action, which our framework explicitly bars. We conclude, provisionally, that the U.S. export ban over-reached and moved outside the boundaries of Category 3.

Category 4: Multilateral Governance

The U.S. ban on Huawei also has serious economic repercussions for other countries. If Huawei were to fold, the effects would be crippling for national telecoms companies like BT, Deutsche Telekom and Swisscom and others in no fewer than 170 countries that currently rely on the Chinese company’s kits and hardware.⁵² Putting lock-in effects aside, poorer nations are

⁵² Financial Times, op. cit.

overwhelmingly dependent on Huawei's cheaper equipment. According to Liberia's former minister of public works, "in a world where Africa's choices are limited to European and American telecommunications providers, it is inconceivable that the connectivity and cell phone penetration we observe today would be possible."⁵³

These implications suggest that the U.S. export ban also violates the tenets of Category 4, which pertains to spillovers for third parties. Even if the ban were justified on U.S. national security grounds, the U.S. might have at least engaged in a multilateral process that recognized the economic costs to other nations of cracking down on Huawei in third markets. By proceeding unilaterally in a domain with clear global implications, it has acted outside the boundaries of Category 4 as well.

In short, our framework would give the U.S. considerable leeway in applying restrictions on Huawei (or other foreign firms) where operations in the U.S. are concerned. For example, the ban on the domestic operations of Huawei might even be broadened to other foreign firms, to the extent that those firms are integrated with Huawei's supply chains and might pose similar security risks. However, the framework is less permissive with respect to the export ban on U.S. corporations and internationalizing the ban outside a multilateral framework.

We might pause to consider whether the framework we have proposed would make any difference in practice. The ultimate test is whether it would help legitimize justified actions while restraining unwarranted actions that are harmful to others. Powerful nations are generally free to act as they want, and any U.S. (or Chinese) administration that is willing to go it alone will do so. The most we can hope for is the development of shared norms that reinforce what is seen as legitimate and what is not, and that can therefore act as informal restraints over time. Smaller states, non-governmental actors, or academics like us cannot encourage good behavior and discourage bad behavior without first knowing how to define each one. We have to start, therefore, by sketching what the relevant norms should be. Doing so gives us a yardstick for evaluating states' behavior and identifies what more desirable actions would have been.

Furthermore, if those norms clarify how states could pursue critical national security and economic objectives without harming other nations' core interests, they could eventually be perceived by other political leaders as well as public audiences as broadly appealing. Then there might be clearer benefits for acting in accordance with the norms, and greater costs for violating them, in turn creating incentives for norm-reinforcing behavior even by great powers.

2. U.S.-Iranian Relations

Despite several past attempts to reduce tensions, the United States and Iran have been at odds for more than forty years. The two countries have not had formal diplomatic relations since 1980

⁵³ W. Gyude Moore, "African countries should stay loyal to China's troubled Huawei—regardless of Trump," *Quartz Africa*, May 27, 2019, at <https://qz.com/africa/1629078/africa-will-stay-loyal-to-chinas-huawei-regardless-of-trump/>.

and direct government-to-government contact is rare, limited in scope, and usually controversial.⁵⁴

The gulf between these two countries might seem impossible to bridge, but both states would clearly be better off if their relationship were less acrimonious. For the United States, better relations with Iran could reduce the threat of war in the oil-rich Persian Gulf, limit opportunities for China or others to expand their influence there, provide economic opportunities for U.S. firms, and reduce Iranian support for extremists elsewhere in the region. For Iran, improved relations with Washington would mitigate a potential existential threat and facilitate its own efforts to develop its economy. How might our “meta-regime” structure efforts to improve the current situation?

Category 1: Prohibited actions

As a first step, the two governments might agree not to attempt to overthrow the other and to refrain from acts of sabotage on the other’s territory (whether by physical or digital means). Such a commitment would seem to be the bare minimum for any constructive relationship. This might sound like a radical step given where things stand today, but it is implicit in the U.N. Charter’s insistence that members resolve disputes “by peaceful means” and refrain from “the threat or use of force against the territorial integrity or political independence of any state.”⁵⁵ In practical terms, the U.S. government would cease its support for groups seeking to overthrow the Iranian government, stop targeting Iranian officials with drones or other lethal means, and refrain from threatening the use of force except in response to an imminent Iranian attack or if authorized by the Security Council. For its part, Iran would agree to refrain from similar actions toward the United States or any other country, including Israel and Saudi Arabia.

An agreement along these lines would require the United States to move farther than Iran. America is vastly more powerful and it has done far more to damage and destabilize Iran than Iran has done to the United States. George W. Bush labeled Iran part of the “Axis of Evil” in 2002, and his administration’s desire to “transform” the Middle East—beginning with the invasion of Iraq in 2003—clearly included Iran.⁵⁶ United States maintains punishing economic sanctions on Iran and has threatened its own allies with secondary sanctions if they violate these restrictions. The two states have come close to war on several occasions, and U.S. officials have repeatedly stated that “all options are on the table” should Iran attempt to build a nuclear weapon. Top U.S. officials have expressed support for regime change in Iran on a number of

⁵⁴ Useful surveys of U.S.-Iranian relations include: John Ghazvinian, *America and Iran: A History-1720 to the Present* (New York: Knopf, 2021); Triti Parsi, *Losing an Enemy: Obama, Iran, and the Triumph of Diplomacy* (New Haven: Yale University Press, 2017); James A. Bill, *The Eagle and the Lion: The Tragedy of U.S.-Iranian Relations*, 3rd. ed. (New Haven: Yale University Press, 1989); David Crist, *The Twilight War: The Secret History of America’s Thirty-Year Conflict with Iran* (New York: Penguin, 2013).

⁵⁵ *Charter of the United Nations*, Chapter 1, article 2.

⁵⁶ See David Hastings Dunn, “‘Real Men Want to Go to Teheran’: Bush, Preemption, and the Iranian Nuclear Challenge,” *International Affairs*, 83, no. 1 (January 2007).

occasions, the U.S. Congress has passed resolutions endorsing this goal, and some former U.S. officials have been even more outspoken.⁵⁷

For its part, Iran has supported anti-American proxies and extremist groups, including Iraqi militias who fought the U.S. occupation of Iraq, and its proxies have sometimes attacked U.S. forces or allies directly. Iranian officials—including Supreme Leader Ali Khomeini—continue to denounce the United States in uncompromising terms. Iran has imprisoned foreigners and dual citizens on questionable grounds, violently repressed peaceful demonstrations at home, and its past record of compliance with agreements such as the Non-Proliferation Treaty is mixed. Actions such as these would presumably fall under the category of “prohibited” category as well.⁵⁸

Although regional allies, domestic lobbies, and some Iranian exiles would regard giving up the goal of regime change as a major concession, abandoning this objective is more a symbolic gesture than the sacrifice of a genuine option. Hardliners have repeatedly predicted that the Islamic Republic was on the brink of collapse and that just a bit more pressure would do the trick, but their confident forecasts have never come close to fruition. To acknowledge that the United States cannot bring about the demise of the Islamic Republic and should therefore stop trying is less a concession than an acceptance of reality.

Category 2: Cooperative Negotiations

The United States and Iran could also pursue mutually beneficial adjustments through negotiation. The Joint and Comprehensive Plan of Action (JCPOA) signed in 2015 and subsequently abandoned by the Trump administration is a perfect illustration of this kind of agreement: the signatories agreed to alter their own conduct in exchange for concessions by the other side. In particular, the United States, Russia, China, France, Germany, United Kingdom, and European Union agreed to lift economic sanctions linked to Iran’s nuclear program and Iran agreed to substantially reduce its stockpile of enriched uranium, dismantle thousands of its nuclear centrifuges, and allow especially stringent inspections by the International Atomic Energy Agency.⁵⁹

⁵⁷ See Kenneth Katzman, *Iran: Internal Politics and U.S. Policy and Options* (Washington, DC: Congressional Research Service, 2020), pp. 32-33; “The Iran Democracy Support Act,” S. 1082 (2003) at <https://www.congress.gov/bill/108th-congress/senate-bill/1082/text?r=97&s=1>; and Eric Edelman and Ray Takeyh, “The Next Iranian Revolution: Why the United States Should Seek Regime Change in Iran,” *Foreign Affairs* 99, no. 3 (May/June 2020).

⁵⁸ Missile attacks by Iranian-backed militias killed two American contractors in March 2020, and Iranian gunboats have harassed U.S. naval forces and merchant ships on a number of occasions. See Katie Bo Williams, Iranian proxies killed Americans, Pentagon sources say” *Defense One*, March 20, 2020, at <https://www.defenseone.com/threats/2020/03/iranian-proxies-killed-americans-iraq-pentagon-leaders-say/163727/>. As former CIA analyst Paul Pillar notes, however, most Iranian sponsorship of terrorism—and especially attacks on the United States—occurred many years ago and are far less significant than the activities of groups such as Al Qaeda or ISIS. See “Iran Policy and Misusing the Fear of Terrorism,” *LobeLog*, September 25, 2018, at <https://lobelog.com/iran-policy-and-misusing-the-fear-of-terrorism/>

⁵⁹ See *The Iran Nuclear Deal: The Definitive Guide* (Cambridge: Belfer Center/Harvard Kennedy School, November 2017) at <https://www.belfercenter.org/sites/default/files/files/publication/IranDealGuide2017.pdf>

When the JCPOA agreement was signed, supporters hoped it would lead to broader discussion of other areas of disagreement and to a gradual improvement in the overall relationship. That possibility was foreclosed when the United States abandoned the agreement in 2018. In theory, however, the two states could have tried to negotiate limits to Iran’s ballistic missile program or its support for various regional proxies, possibly in exchange for further reductions in U.S. sanctions, the establishment of formal diplomatic relations, or U.S. support for Iranian participation in negotiations in which it has an obvious interest, such as peace talks in Afghanistan, Yemen, or Syria.

Beginning a process of “negotiations and adjustments” has two additional benefits. First, if undertaken sincerely, it forces both sides to decide which interests or policies are sacrosanct and which ones might be abandoned or modified. For example, Iran might find it easier to reduce its support for the Houthis in Yemen or for certain Iraqi militias than for Hezbollah in Lebanon, just as the United States might be more willing to reduce certain sanctions more readily than others or reduce its support for Saudi Arabia before it reduced aid to Israel. Second, the process of negotiating forces participants to explain and justify their positions, which in turn gives each side a greater understanding of the other’s interests, red lines, and sensitive points. There is no guarantee that such efforts will succeed, of course, but when they do, it can establish a degree of trust between the parties and create the possibility for additional adjustments later.

A skeptic might claim that the fate of the JCPOA reveals the limits of this approach. Had the agreement clearly been in both sides’ interests, they might argue, neither country would have had sufficient reason to leave the deal and it would still be in effect today. In our view, however, the Trump administration’s decision to abandon the agreement even though Iran was in full compliance demonstrates its intrinsic merits, because leaving the deal ultimately left the United States worse off than it had been. Trump and his advisors claimed that abandoning the JCPOA and imposing “maximum pressure” would either bring down the regime or force Iran to make additional concessions and thus to an even better deal. Neither of these outcomes occurred; instead, Iran is now closer to getting the bomb today than it was while the JCPOA was in force and the risk of war is arguably higher. A sensible deal is a self-reinforcing equilibrium only if the parties to it understand its merits.

Category 3: Autonomous Policy Initiatives

Given the current state of U.S.-Iranian relations, the two states are highly unlikely to reach a mutually satisfying compromise on every contested issue and will continue to act independently to protect their interests. The principle of “self-help” is not going to disappear. Both states will maintain military capabilities to counter what they fear the other might do and each will support allies or proxies for the same reason. Iran will undoubtedly continue efforts to strengthen relations with China, Russia, and possibly some other states, and Washington and Tehran will no doubt continue to spy on each other and to contend in international forums.

Even so, one can imagine both states acting in the manner we have called “well-calibrated”; that is, with a considerable degree of restraint. Indeed, with a few exceptions, most interactions between the United States and Iran have been “well-calibrated” in the past.

When the United States left the JCPOA in March 2018, for example, Iran did not respond by immediately restarting its full nuclear program. On the contrary, it acted with what Suzanne Maloney has called “uncharacteristic prudence,” continuing to abide by the agreement for months in hopes that the United States would reconsider or that the other signatories would fulfill its terms anyway.⁶⁰ Even when this did not occur, Iran did not try to make a dash for the bomb. Instead, it began to depart from the agreement in a slow, incremental, and reversible fashion, in effect signaling a willingness to return to full compliance in the future if the United States chose to rejoin it.

Iran’s reaction to the “maximum pressure” campaign and the assassination of IRGC commander Qassem Soleimani in January 2020 was also measured. It attacked a handful of oil tankers in the Persian Gulf and appears to have backed a proxy missile attack against a Saudi oil processing facility. Both measures were limited in scope and impact, however, and intended to signal that Iran could impose costs on others if the United States persisted in trying to strangle its economy.⁶¹ Nor did the assassination of Soleimani lead Iran to escalate; on the contrary, its response to the deliberate killing of a prominent senior official was limited to small-scale missile attacks on bases housing U.S. forces in Iraq, accompanied by statements that indicated a desire to contain the conflict.⁶² The United States showed restraint on a few occasions as well, as it did when President Donald Trump decided not to retaliate with military force after Iran shot down a U.S. reconnaissance drone in June 2019.⁶³

Although relations between the two states remain wary, both sides appear to recognize the danger of unwanted escalation and the need to calibrate their independent actions carefully. Were relations to improve, one could also imagine each country beginning to limit these autonomous responses even more. The United States might limit weapons sales to some of its regional clients, and Iranian support for some or all of its regional proxies might be reduced for similar reasons.⁶⁴ Competition is likely to continue for the foreseeable future, but it need not be “all-

⁶⁰ See Suzanne Maloney, “There is an Off-Ramp in the U.S.-Iran Crisis,” June 19, 2019, at <https://www.brookings.edu/opinions/there-is-an-off-ramp-in-the-u-s-iran-crisis/>

⁶¹ See Uri Friedman, “The Blueprint that Iran Could Follow after Soleimani’s Death,” *The Atlantic*, January 4, 2020, at <https://www.theatlantic.com/politics/archive/2020/01/what-iranian-way-war-looks-like/604438/>

⁶² See Julian E. Barnes, David, E. Sanger, Ronen Bergman, and Lara Jakes, “As U.S. Increases Pressure, Iran Adheres to Toned-Down Approach,” *New York Times*, September 20, 2020, at <https://www.nytimes.com/2020/09/19/us/politics/us-iran-election.html?referringSource=articleShare>

⁶³ See Michael D. Shear, Eric Schmitt, Michael Crowley, and Maggie Haberman, “Strikes on Iran Approved by Trump, then Abruptly Pulled Back,” *New York Times*, June 20, 2020, at <https://www.nytimes.com/2019/06/20/world/middleeast/iran-us-drone.html>

⁶⁴ It is worth noting that the United States has refused to provide Israel with the capacity to deliver large, earth-penetrating ordnance (i.e., “bunker-busters”) that could be used to attack Iran’s most well-protected underground nuclear facilities.

out,” especially if both sides have other interests to pursue and good reasons to avoid a clash that would leave both worse off.

Category 4: Multilateral Governance

Our meta-regime recognizes that a multilateral approach may be necessary (or at least highly desirable) when relations between two states have important implications for third parties. Because a significant change in U.S.-Iranian relations would also affect Israel, Saudi Arabia, Turkey, the Gulf States, Syria, Lebanon, and others, establishing a more benign regional order would depend on whether countries within the region can create regional security institutions that reduce their perceived need for U.S. protection.⁶⁵

At present, states such as Israel, Egypt, Saudi Arabia, and the UAE oppose any sign of rapprochement or any significant reduction in the U.S. role in the region. They prefer that the United States remain at odds with Iran, so that they can rely on Washington to balance and contain it. U.S. protection gives them little incentive to reduce tensions with Iran or to build more inclusive regional institutions. In some cases, it may even encourage them to act recklessly, confident that the United States will come to their aid if they get into trouble.⁶⁶

When U.S. support is more conditional, however, incentives to reduce tensions within the region increase. When the Trump administration declined to retaliate militarily following the cruise missile attack on a Saudi oil facility, for example, doubts about the U.S. commitment eventually led Saudi Arabia to end its boycott of Qatar, reach out to Iran via intermediaries, and intensify talks with the Houthi rebels in Yemen.⁶⁷ The United Arab Emirates reacted similarly.⁶⁸ For its part, Iran has promoted its own proposal for a regional security dialogue—the “Hormuz Peace Endeavor”—and a key advisor to Supreme Leader Khamenei called for talks with Saudi Arabia “without preconditions.”⁶⁹

⁶⁵ See Trita Parsi, “Toward an Inclusive Security Arrangement in the Persian Gulf,” Quincy Brief No. 7 (Washington, D.C.: Quincy Institute for Responsible Statecraft, January 2021).

⁶⁶ Uncritical support from the Trump administration may have encouraged Egypt to crack down harder on dissidents, Saudi Arabia to expand its war in Yemen, boycott Qatar, and assassinate dissident journalist Jamal Khashoggi, and Israel to threaten to annex portions of the West Bank.

⁶⁷ See Farnaz Fassihi and Ben Hubbard, “Saudi Arabia and Iran Make Quiet Openings to Head off War,” *New York Times*, October 4, 2019; and Declan Walsh and Ben Hubbard, “With U.S. Help No Longer Assured, Saudis Try a New Strategy: Talks,” *New York Times*, December 26, 2019.

⁶⁸ See Samuel Ramani, “Is the UAE’s Engagement with Iran a Cold Peace or a Genuine Rapprochement?” August 12, 2020; at <https://responsiblestatecraft.org/2020/08/12/uae-engagement-iran-cold-peace-genuine-rapprochement/>

⁶⁹ See Nicole Grajewski, “The Hormuz Peace Endeavor and the Future of Persian Gulf Security,” *European Leadership Network*, July 7, 2020, at <https://www.europeanleadershipnetwork.org/commentary/irans-hormuz-peace-endeavor-and-the-future-of-persian-gulf-security/>; and Ramani, “Is The UAE’s Engagement with Iran a Cold Peace?”

These initiatives suggest that progress toward a U.S.-Iranian rapprochement should be accompanied by a major effort to create more inclusive security institutions within the region.⁷⁰ As many observers have noted, the Middle East suffers from a lack of effective regional institutions and the absence of strong norms against interference in one another's internal affairs.⁷¹ Indeed, interference in each other's internal affairs has been widespread for decades, conflicts within the region frequently overlap, and no outside power is sufficiently strong to impose order and maintain peace on its own. The United States may have aspired to such a role at one time, but its failed attempts to manage the region have shown that it lacks the capacity to do so now. A "security architecture" for the region might begin by addressing functional problems such as maritime security, disaster relief, pandemic responses, etc., before proceeding to more fundamental issues of territorial integrity, non-interference, ethnic and sectarian divisions, arms control, or the proper role of foreign powers such as the United States, China, or Russia. The United States cannot direct this effort—if only because it would not be seen as an honest broker by all the other parties—but neither can it be excluded and its support for such a multilateral initiative would probably be essential to success.

The feasibility of such an initiative and the precise form(s) it might take remains to be seen, but there is no shortage of proposals for how such an effort could proceed.⁷² Suffice it to say that the development of more robust and inclusive regional security institutions would make war in the Middle East less likely, reduce the security burdens borne by outside powers, allow regional powers to address common problems such as the environment, and enhance human well-being in most if not all of these countries.

Summary

The preceding discussion demonstrates that our meta-regime can provide a useful way to categorize and think about steps that even deeply hostile states can take to reap mutual benefits and create a more benign world order. Such efforts will not always succeed: in the case of the United States and Iran, the unhappy record of past attempts is warning enough. But nothing inherent in the situation that makes failure inevitable, especially if leaders on both sides learn from past missteps and take steps not to repeat them.

⁷⁰ Intriguingly, Biden national security advisor Jake Sullivan and former State Department official Daniel Benaim have called for such an approach, writing last year that the United States "should also push for the establishment of a structured regional dialogue—with support from other members of the United Nations Security Council—that explores ways to reduce tensions, create pathways to de-escalation, and manage mistrust." See "America's Opportunity in the Middle East," *Foreign Affairs*, May 22, 2020, at <https://www.foreignaffairs.com/node/1126062>.

⁷¹ The institutions that do exist—such as the Arab League and the Gulf Cooperation Council—are weak, divided, and largely ineffective.

⁷² See, for example: Frederick Wehrey and Richard Sokolsky, "Imagining a New Security Order in the Persian Gulf," (Washington, DC: Carnegie Endowment for International Peace, 2015); Kristian Coates Ulrichsen, "Rebalancing Regional Security in the Persian Gulf," (Rice University, Baker Institute for Public Policy, January 2020); Silvia Colombo and Andrea Dessi, eds., *Fostering a New Security Architecture in the Middle East* (Brussels/Rome: Foundation for European Progressive Studies/Institute for International Affairs, 2020); and International Crisis Group, "The Middle East Between Collective Security and Collective Breakdown," *Middle East Report No. 212* (April 2020).

NORMATIVE OBJECTIVES OF A FUTURE WORLD ORDER

Even within the constraints discussed earlier in the paper, it is possible to imagine a number of distinct future orders. Some orders will perform better than others in furthering the normative objectives that we would like a future global order to achieve. We believe the meta-regime we have outlined above aligns well with those objectives and that it would facilitate their fulfillment. In this section, we clarify these normative goals and how they relate to our approach.

1. *Preserving Conditions for Sustained Human Existence.* A *sine qua non* for any desirable world order is that it help preserve the conditions necessary to sustain human life on Earth. Climate change is the most obvious near-term challenge to this objective, but it may also include other aspects of sustainability, such as adequate access to water or the need to protect humans against future pandemics. Such problems of the “global commons” are archetypal examples that would fit under our Category 4. No world order can guarantee that these goals will be reached, but it should at a minimum facilitate efforts to ensure that nearly all the areas of the planet that are currently inhabited by humans remain habitable for the foreseeable future.⁷³

2. *Minimizing the Risk of War.* It should be uncontroversial to prefer a future global order that reduced the danger of war, and especially conflicts involving weapons of mass destruction. The economic and political rise of China has called into question some features of the existing status quo, and rapid shifts in the distribution of power have fueled major conflicts in the past.⁷⁴ Avoiding what Graham Allison has called the “Thucydides trap” will require the U.S. and its allies to recognize and accept both the increased power and influence of China in certain domains and the fundamentally different nature of its political-economic regime, even as they seek to protect their own interests and limit Chinese influence in other ways. At the same time, China will have to recognize that using its greater power to undermine other countries’ core national and economic interests will inevitably trigger greater global opposition and increase the risk of violent conflict.

Our four-fold categorization of policies sets up “rules of the road” that could help states resolve differences when they disagree, as they inevitably will. It does so by clarifying certain “red lines” that each side would be wise to respect, encouraging mutual adjustments that leave everyone better off, incentivizing calibrated responses rather than escalatory steps, and recognizing that the interests of third parties will sometimes require a more multilateral

⁷³ This specific goal may be ambitious. Scientists at MIT recently warned that increased heat and humidity may render the North China plain, currently home to some 400 million people, uninhabitable by the end of this century. Similar problems could arise in the Persian Gulf and portions of South Asia. See Suchul Kang and Elfatih A. B. Eltahir, “North China Plain Threatened by Deadly Heatwaves due to Climate Change and Irrigation,” *Nature Communications* 9, no. 2894 (2018).

⁷⁴ See Stephen M. Walt, “Rising Powers and the Risks of War,” in Asle Toje, ed. *Will China’s Rise Be Peaceful?: The Rise of a Great Power in Theory, History, Politics, and the Future* (New York: Oxford University Press, 2018).

approach. Each of these features makes it less likely that tensions in one domain will spill into another.⁷⁵

3. *Managing the Movement of Goods, Capital, Information, and People.* Societies that cut themselves off from international intercourse do worse than countries that are open to trade, investment and other forms of exchange. A return to extensive protectionism would leave all countries worse off, as would an across-the-board effort to decouple the U.S. and Chinese economies. Limiting dense economic ties to regional trading blocs or other bounded orders would also sacrifice some of the gains that a more open system would produce.

It follows that a future world order should strive to maintain a high degree of international openness, while remaining sensitive to different national preferences and minimizing the disruptive effects produced by “hyper-globalization.”⁷⁶ In particular, human welfare will be improved if the international economic order facilitates cross-border trade and investment through arrangements that allow individual nations some latitude to control the pace of change and to preserve their own political values or “ways of life.”

A new global order must also address the economic, political, and social effects of the digital revolution. There is at present no global consensus or agreement regulating communications flows across borders, individual privacy, the malign use of cyberspace or digital infrastructure by governments, corporations, criminals, or political extremists, or the negative side-effects of more benign online activities. National and regional efforts to address these issues are diverging, raising the possibility that the digital world will divide along geographic or ideological lines.⁷⁷

As our discussion of the Huawei case suggest, our framework can 1) help states determine when its is permissible to ban certain activities, 2) help them figure out how to address potential disagreements thorough negotiation and adjustment, and provide a standard to distinguish legitimate independent actions from those that inflict unnecessary or excessive harms on others.

Lastly, a future global order must also manage movements of people.⁷⁸ In addition to regulating ordinary tourism or business travel, states also face the more challenging problems raised by legal and illegal immigration, refugee flows, and requests for asylum or extradition. Large-scale movements of people are beneficial in many circumstances and a source of serious disruption in others. Tourists can spread disease, criminal organizations profit daily from human trafficking, and extremist organizations sometimes recruit followers from many countries. Immigrants and

⁷⁵ With respect to the United States and China, the thrust of our meta-regime is similar to the goals set forth by Kevin Rudd in “Short of War: How to Keep U.S. China Confrontation from Ending in Catastrophe,” *Foreign Affairs* 100, no. 2 (March/April 2021).

⁷⁶ See Dani Rodrik, *Straight Talk on Trade: Ideas for a Sane World Economy* (Princeton: Princeton University Press, 2017).

⁷⁷ See Shira Ovide, “The Internet is Splintering,” *New York Times*, February 17, 2021, at <https://www.nytimes.com/2021/02/17/technology/the-internet-is-splintering.html?>

⁷⁸ For a useful discussion of present arrangements, see Rey Koslowski, ed., *Global Mobility Regimes* (New York: Palgrave, 2011).

refugees can trigger xenophobia in their host countries and increase support for nationalist and/or authoritarian movements. Although states still retain the ultimate right to determine the conditions under which foreigners can enter or remain in their territory, developing rules that preserve the benefits of allowing people to move while minimizing the negative consequences is clearly an imperative, and one that could become more important if climate change, labor shortages, demographic pressure, and civil conflicts in different regions encourage more people to seek greater security or economic welfare in another country. At present, rules to manage the movements of people are far less well-developed than the rules that manage movements of goods or money.

Our framework operationalizes the idea that it is possible to construct a world order that is substantially open to the flow of goods, people, ideas, and capital across borders without removing the ability of nations to protect their national regulations and standards when their preferences differ substantially from other nations. It is designed to preserve or expand the zone of cooperation in positive-sum areas by developing a new set of rules that are both more respectful of each nation's sovereignty—and which therefore allow countries greater autonomy in selecting economic and other policies that may have cross-border spillovers—while drawing clearer red lines around “beggar-thy-neighbor” policies or other particularly damaging actions that countries should strive to avoid.

4. Respecting human rights. National security and foreign economic policies cannot be completely separated from each nation's core political values, including its. The U.S. government has not been a consistent defender of human rights abroad and its claims to champion these values can be dismissed easily by others as hypocrisy. Nevertheless, human rights abuses and political repression in China, Iran, Saudi Arabia, Myanmar, and other countries are an important concern among Western publics, and rightfully so. A stable global order in which nations are able to reap mutual gains from economic and other interchange need not be indifferent to human rights. The question is: how and where should these values be reflected? Are there issues or domains where we should not seek a *modus vivendi* because doing so runs counter to the values we hold dear?

How human rights considerations should play into liberal regimes' dealings with China and other autocratic regimes is a question where obvious answers are elusive. The premise of our approach is that this is an unavoidable tension that nonetheless needs to be managed. A possibility suggested by our approach is that a critical line may be drawn between acts of cooperation that contribute directly to maintaining or upholding a repressive regime—and hence are directly contrary to a liberal nation's values—and acts of cooperation that do not. The U.S. would avoid the former, but not the latter.⁷⁹ For example, the United States might refuse to sell China, Russia, Myanmar, or Saudi Arabia riot gear or surveillance software, but not soybeans or commercial aircraft.

⁷⁹ This is akin to Avishai Margalit's definition of a “rotten compromise” as “an agreement to establish or maintain an inhumane regime.” Some arrangements with a human-rights violating regime are truly rotten in this sense, and therefore should be rejected. But an important implication is that not all compromises need to be rotten by this definition. Margalit, *On Compromise, and Rotten Compromises*, Princeton University Press, 2009.

States with different political values will also have to find ways to condemn specific policies that are at odds with their normative preference without implying a desire or intention to overturn or fundamentally alter other states' political systems. Needless to say, it is not at all clear how these distinctions can be implemented and maintained across the full range of potential bilateral relations. Nor should we forget that China and other important global actors will have their own red lines with regard to practices that are highly valued in Western or other nations. Managing that tension will be equally important in preserving a *modus vivendi* with them.

CONCLUDING REMARKS

Academics are sometimes accused of offering utopian solutions to recurring problems, prescriptions that might work in theory but are infeasible in practice. To avoid that pitfall, we have not tried to spell out detailed plans for addressing issues such as climate change, the competing territorial claims in the South China Sea, WTO reform, or the regulation of the Internet. It would be impossible to do justice to any of those issues in a single article; more importantly, whatever solutions eventually emerge will be determined not by any plan we might offer but through hard bargaining between the various interested parties.

Instead, our purpose has been to lay out a way for these actors—and especially those with substantial power to influence outcomes—to structure their communications with each other and to achieve the best possible outcome within the constraints of a fragmented and competitive system where states are still dominant and differences in power and status loom large.

That said, we believe our meta-regime could be of considerable practical value. As noted earlier, it could provide a template for discussions between the United States and China, to help the two increasingly contentious rivals find points of agreement, mutually beneficial compromises, and to help keep their independent actions within safer limits. Proceeding in this fashion seems more promising than simply exchanging criticisms, issuing warnings, and rattling sabers in order to signal “toughness” or resolve, as seems to have occurred during recent meetings between top U.S. and Chinese officials.⁸⁰ The meta-regime could also be used to set the agenda for G7 meetings or the Summit of Democracies that the Biden administration reportedly seeks to convene. U.N. Secretary General Antonio Guterres could employ this approach to organize broader global conversations on any number of thorny issues as well.

A key virtue of the metaregime we have proposed is that it poses low entry costs. It does not require states to commit in advance to any particular substantive outcome. Nor does it require states to agree to use it across the full range of their relations with other states; it can be deployed in a piecemeal and sequential fashion in different domains. Nevertheless, and in part because the requirements are so minimal, the metaregime can help reveal whether rival powers are serious about attempting to create a more benign order or not. A state that rejected the metaregime from the start, or whose actions within it gradually revealed that its expressed commitment was insincere, would incur reputational costs and risk provoking greater international opposition over time. By contrast, states that embraced this framework and attempted to implement its principles in good faith would be regarded by others more favorably and would be likely to retain greater

⁸⁰ See Steven Lee Meyers, “Testy Exchange in Alaska Signals a More Confrontational China,” *New York Times*, March 19, 2019.

international support. In this way, popularizing this approach might incentivize good behavior all by itself.

Lastly, our meta-regime also invites participation by non-state actors, civil society organizations, academics, thought leaders, and anyone else with a stake in a particular issue-area. It encourages members of the global community to go beyond the stark antinomy of conflict versus cooperation and ask: 1) what actions should be prohibited outright?; 2) what compromises or adjustments seem feasible and mutually beneficial, and why?; 3) when is independent action to be expected and legitimate, and how can we distinguish between “well-calibrated” actions and those that are excessive?; and 4) when will preferred outcomes require multilateral agreement, to ensure that third parties are not adversely affected by agreements or actions undertaken by others? We do not expect such conversations to produce immediate or total consensus, but more structured exchanges on these questions could clarify trade-offs, elicit clearer explanations or justifications for competing positions, and increase the odds of reaching mutually beneficial outcomes.

Our framework is no guarantee of success, of course, and it is entirely possible (some would say likely) that mutual suspicion, incompetent leadership, ignorance, or sheer bad luck will combine to produce a future that is both poorer and more dangerous than might otherwise have been made. Nonetheless, we believe our approach would increase prospects for a more prosperous and secure world, if political leaders (and the nations they represent) have the desire and wisdom to create one.