

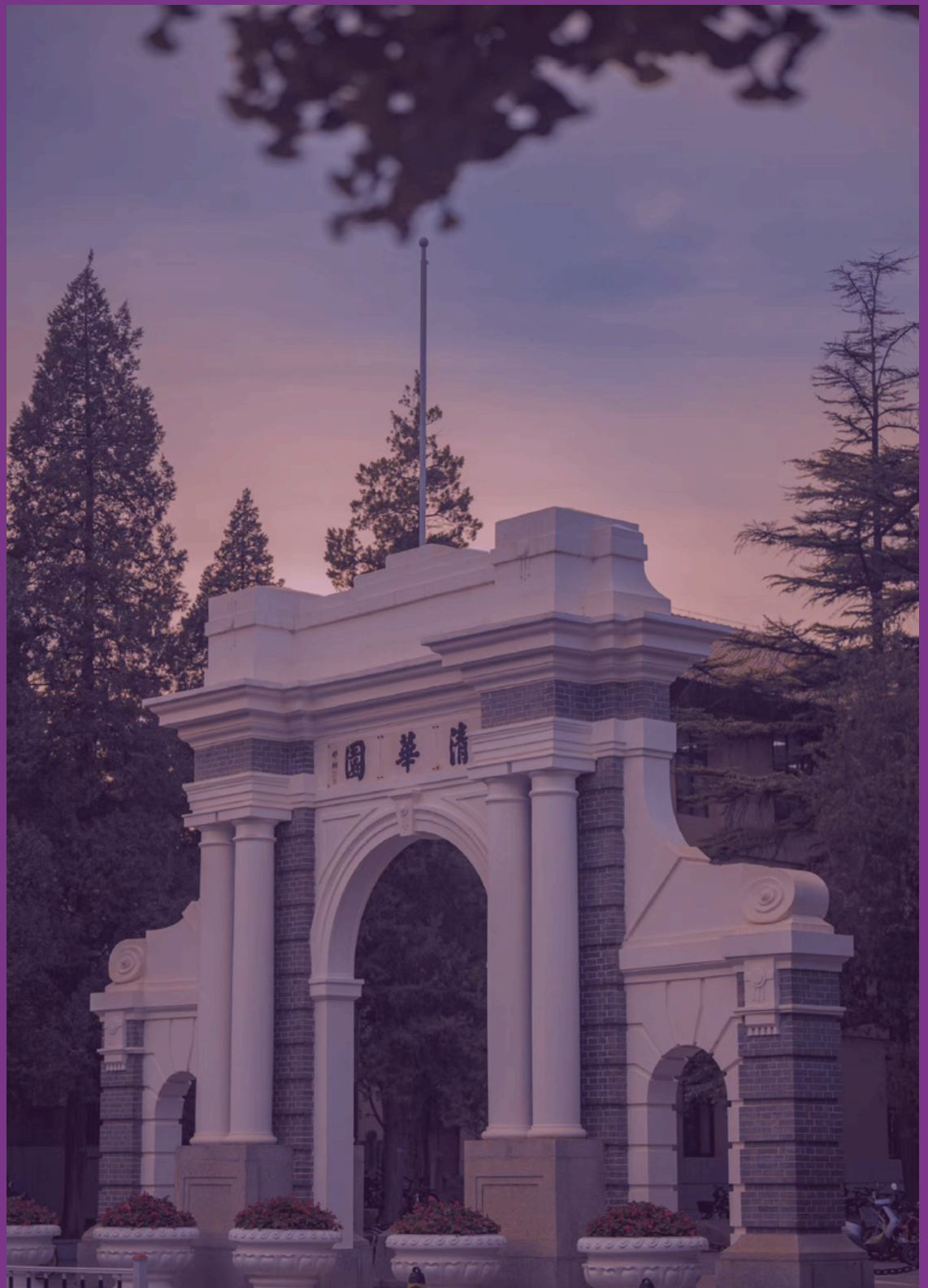
SPRING 2026

# TSINGHUA

INTERNATIONAL  
RELATIONS  
REVIEW

VOLUME VI  
ISSUE I

20  
26



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# **Tsinghua International Relations Review (TIRR)**

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## Preface

The Tsinghua International Relations Review has become a pillar of the International Relations department and an invaluable resource for its students. Our mission has always been to help prepare our peers for the process of academic publishing and enhance their skills of producing high-quality and relevant research. For this edition, our team has endeavored to take this mission to a higher level; we have been focused on getting the best out of each author's piece, honing their frameworks, and encouraging them to fully lay out their policy implications. Therefore, readers may expect more policy and action-oriented articles in this edition, which sought to further include this aspect into TIRR. This edition also incorporates pieces from students outside the department, of different degree levels, and independent submissions.

Recently, TIRR has undergone important changes, and we are still in a period of transition. After a successful rebranding and restructuring, TIRR has gone from a department-wide project to a more focused and streamlined operation working to steadily upgrade the quality of its research. We are indebted to previous teams and editors for laying the groundwork for this. As always, putting together this edition was not an easy task, and many challenges are likely to remain ahead for our team and TIRR.

I would like to thank our team and authors for their hard work in producing this edition. Furthermore, we thank the professors for recommending pieces for publication. The outstanding community that is our department continues to be the bedrock for TIRR, and we look forward to continuing to contribute to it.

Álvaro Tejero  
Editor-in-Chief



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## The Weaponization of Digital Dependency

How Small States Can Protect their Digital Sovereignty amid Geopolitical Conflict

**Ben Norton**

Ph.D. student, International Relations Department, Tsinghua University

**Abstract:** This paper addresses the critical challenge faced by small countries in the Global South, and particularly Latin America, that seek to protect their digital sovereignty in an era of increasing technological dependence, geopolitical conflict, and great power rivalry between the United States and China. Recent infrastructure disruptions and documented cyber operations by major powers demonstrate that digital infrastructure has become a domain of economic, political, and military vulnerability. This article proposes a multi-pronged approach centered on diversifying technology partnerships, reducing dependency on US technological infrastructure, strengthening regional cooperation, and building domestic technical capacity to preserve independence, ensure strategic autonomy, and protect national security.

**Keywords:** *Digital sovereignty, technology, national security, Global South, South-South cooperation, Latin America*

## The Problem of Digital Dependency

In the 21st century, state institutions, military installations, communications systems, private enterprises, healthcare systems, educational facilities, and other critical infrastructure rely on digital systems for daily operations. Government ministries in many countries use cloud computing services for data storage and processing that are provided primarily by US companies. Banks and other financial firms depend on US-dominated payment networks and data centers. Telecommunications networks route through infrastructure controlled mostly by US entities. This digital architecture, while necessary for fueling economic growth and administrative efficiency, has created significant strategic vulnerabilities.

The US government has increasingly weaponized non-military systems and used them as tools to serve its geopolitical interests.<sup>1</sup> Scholars have focused extensively on the weaponization of the international financial system, which is based on the dollar as the global reserve currency.<sup>2</sup> The United States has imposed unilateral coercive measures, commonly known as sanctions, on dozens of countries. This has led to a fragmentation of the financial system and a gradual move toward dedollarization, as sanctioned states like Russia build alternative institutions.<sup>3</sup>

There has also been extensive research on the vulnerabilities posed by the supply chain for critical minerals.<sup>4</sup> Nations are often left dependent on a single country, such as China, which processes the majority of many critical minerals. The trade war launched by the United States against China in 2018 illustrated how this can be a strategic vulnerability, as China restricted the export of rare earth elements in response to unilateral US tariffs.

Little academic research has, however, been published on Washington's weaponization of digital dependencies, despite the fact that many foreign countries rely on digital infrastructure provided by US technology firms.

The concept of digital sovereignty is relatively new in Western discourse. In the 2010s, the term was used primarily by the Chinese government, which has long recognized how US technology firms could be used to advance Washington's political interests and interfere in the internal affairs of foreign nations.<sup>5</sup> As great power competition has intensified, some Western countries have made digital sovereignty a priority.

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<sup>1</sup> Nicholas Mulder, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War*, Yale University Press, 2024.

<sup>2</sup> Edward Fishman, *Chokepoints: American Power in the Age of Economic Warfare*, Penguin Random House, 2025.

<sup>3</sup> Daniel McDowell, *Bucking the Buck: US Financial Sanctions and the International Backlash against the Dollar*, Oxford University Press, 2023 and Agathe Demarais, *Backfire: How Sanctions Reshape the World Against U.S. Interests*, Columbia University Press, 2024.

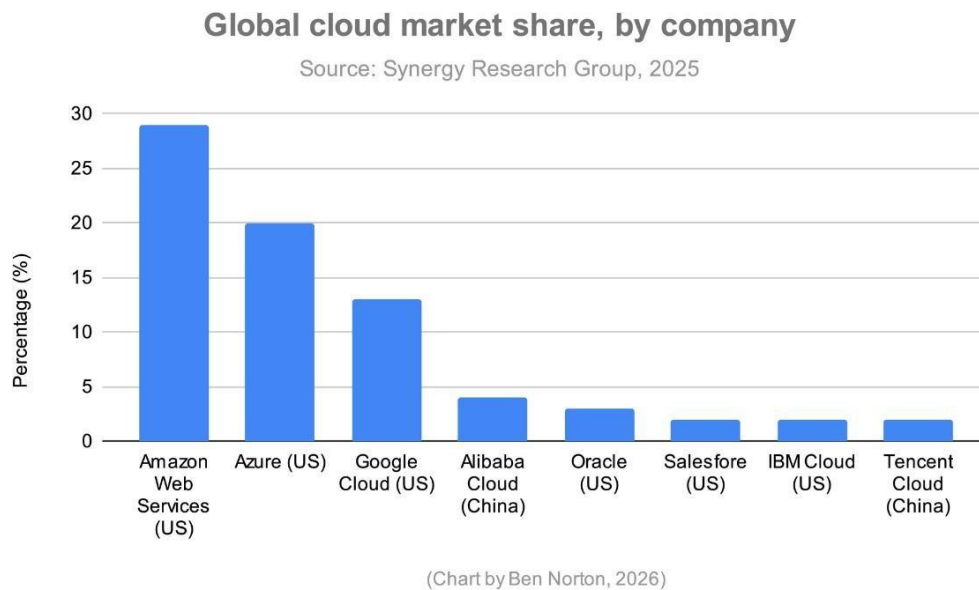
<sup>4</sup> International Energy Agency (IEA). *Energy Technology Perspectives 2023*. <https://www.iea.org/reports/energy-technology-perspectives-2023>

<sup>5</sup> Jiang Min, "Models of State Digital Sovereignty from the Global South: Diverging Experiences from China, India and South Africa", *Policy & Internet*, Volume 16, Issue 4, December 2024 and Liao Fan, "Digital Sovereignty and Global Digital Governance", *Jinan Journal*, Volume 46, Issue 7, 2024.

In 2021, the heads of state of Germany, Denmark, Estonia, and Finland issued a call for a digital sovereignty initiative in Europe. The World Economic Forum even published a policy paper on digital sovereignty in 2025.<sup>6</sup>

The present article focuses specifically on the problems faced by small states in the Global South, with an emphasis on Latin America. Their national security concerns vis-à-vis technology have become particularly acute, amid heated US-China rivalry. Brazil's President Luiz Inácio Lula da Silva, in particular, has criticized US Big Tech corporations, accusing them of meddling in his country's internal affairs and violating its sovereignty.<sup>7</sup>

Most countries on Earth are extremely dependent on US digital infrastructure. Just three US "hyperscaler" companies control 62% of the global market for cloud computing infrastructure: Amazon Web Services (AWS) has a 29% market share, Microsoft's Azure has 20%, and Google Cloud has 13%, as of the third fiscal quarter of 2025 (Figure 1).<sup>8</sup>



The world saw a clear example of how overreliance on firms from a single country can cause serious economic harm and political instability in October 2025, when there were global blackouts of cloud services provided by both AWS and Azure. Forbes magazine described this as a "wake-up call" that "raises questions" for the world.<sup>9</sup> British state media platform the BBC asked, "Are we relying too much on US big tech?"<sup>10</sup>

<sup>6</sup> Sean Fleming, "What is digital sovereignty and how are countries approaching it?", World Economic Forum, 10 January 2025, <https://www.weforum.org/stories/2025/01/europe-digital-sovereignty/>

<sup>7</sup> EFE, "Lula afirma que las 'big tech' de EE.UU. deberán respetar las leyes brasileñas", 26 August 2025, <https://es-us.noticias.yahoo.com/lula-afirma-big-tech-ee-135801242.html>

<sup>8</sup> Synergy Research Group, via Statista, "Cloud Market Share Trends - Big Three Together Hold 63% while Oracle and the Neoclouds Inch Higher", 19 November 2025, <https://www.srgresearch.com/articles/cloud-market-share-trends-big-three-together-hold-63-while-oracle-and-the-neoclouds-inch-higher>

<sup>9</sup> Sanjit Singh Dang, "AWS And Azure Failures Raise Questions About Cloud Reliability", Forbes, 27 November 2025, <https://www.forbes.com/sites/sanjitsinghdang/2025/11/27/aws-and-azure-failures-raise-questions-about-cloud-reliability/>

<sup>10</sup> Liv McMahon, "AWS outage: Are we relying too much on US big tech?", BBC, 22 October 2025, <https://www.bbc.com/news/articles/c0jdp6n45po>

While those incidents were unintentional technical failures, they caused significant disruption across multiple countries, and illustrated how concentrated control over digital infrastructure creates systemic risk. Service interruptions affected government operations, obstructed financial transactions, and disrupted essential services, including healthcare systems. At least a dozen medical sites used by the UK's National Health Service (NHS), for instance, were impacted by the AWS outage.<sup>11</sup>

This is not just a hypothetical concern. In 2024, the International Criminal Court (ICC) issued an arrest warrant for Israel's Prime Minister Benjamin Netanyahu and Defense Minister Yoav Gallant, charging them with having committed war crimes and crimes against humanity against the Palestinian people in Gaza. In response, the US government imposed sanctions on ICC officials in 2025. This led ICC staff, including the chief prosecutor of the court, Karim Khan, to lose access to their official email accounts, which were provided by Microsoft.<sup>12</sup>

Similarly, the US government imposed unilateral sanctions against the sitting president of Colombia, Gustavo Petro, as well as the United Nations special rapporteur on the situation of human rights in the Palestinian territories occupied since 1967, Francesca Albanese. This meant that these prominent public figures cannot use services provided by US technology companies, and were blocked from accessing their bank accounts and from working with universities.<sup>13</sup>

Many US firms have likewise ceased operations in countries due to sanctions imposed by Washington, such as China, Russia, and Iran.<sup>14</sup> As the United States weaponizes the financial system, trade arrangements, and supply chains, it is likely that it will also increasingly use its dominance of digital technologies as a tool to serve its political interests.

In Latin America in particular, public and private institutions rely overwhelmingly on US cloud infrastructure.<sup>15</sup> This is a region that has also long suffered from US interventions. Researchers at the Congressional Research Service found that the US military has carried out operations in nearly all of the

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<sup>11</sup> Jordan Sollof, "AWS outage causes disruption to patient care across NHS sites Cyber Security", Digital Health, 21 October 2025, <https://www.digitalhealth.net/2025/10/aws-outage-causes-disruption-to-patient-care-across-nhs-sites/>

<sup>12</sup> Molly Quell, "Trump's sanctions on ICC prosecutor have halted tribunal's work", Associated Press, 15 May 2025, <https://apnews.com/article/icc-trump-sanctions-karim-khan-court-a4b4c02751ab84c09718b1b95cbd5db3>

<sup>13</sup> El Heraldo, "Cuentas bancarias del presidente Petro, su familia y del ministro Benedetti serán congeladas por decisión de EE. UU.", 25 October 2025, <https://www.elheraldo.co/colombia/2025/10/24/cuentas-bancarias-del-presidente-petro-su-familia-y-del-ministro-benedetti-seran-congeladas-por-decision-de-ee-uu/>; and Gabriele Barbati, "UN rapporteur Albanese's family sues US officials over sanctions", 27 February 2026, Euronews, <https://www.euronews.com/2026/02/27/un-rapporteur-albaneses-family-sues-us-officials-over-sanctions>

<sup>14</sup> Yale School of Management, "Over 1,000 Companies Have Curtailed Operations in Russia—But Some Remain", 28 January 2024, <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

<sup>15</sup> Cecilia Rikap, "South America's sovereignty is being lost in Big Tech's clouds", OpenDemocracy, 30 July 2025, <https://www.opendemocracy.net/en/south-america-big-tech-brazil-chile-data-centres-united-states/>

countries in Latin America.<sup>16</sup> In January 2026, the US military bombed Venezuela, invaded its territory, and abducted its internationally recognized President Nicolás Maduro. Just a few weeks later, in February, the US military imposed a naval blockade on Cuba, preventing the country from importing oil in an attempt to collapse its economy and overthrow its government.

If Washington decided to intentionally weaponize the digital infrastructure provided by US tech companies by cutting off a Latin American nation's access to cloud services, it could cause severe instability.

## **Geopolitical dimensions of digital infrastructure, and resource limitations**

The strategic importance of digital infrastructure extends beyond technical considerations. This is not just a hypothetical fear. The United States has already demonstrated willingness to use digital systems as instruments of foreign policy. The New York Times reported that the US government launched cyber-attacks on Russia's power grid.<sup>17</sup> Washington has reportedly infiltrated Russian electrical infrastructure since at least 2012, inserting what the Times called "crippling malware". The newspaper described this operation as part of a "digital Cold War". Moreover, the United States and Israel developed the Stuxnet virus in order to destroy Iran's nuclear infrastructure.<sup>18</sup> Then, in February 2026, Washington and Tel Aviv launched a war against Tehran, and President Donald Trump publicly threatened to destroy Iran's electrical infrastructure.<sup>19</sup>

It is becoming clear that digital infrastructure is a sector that will be weaponized in the wars of the 21st century. This makes it extremely important for states to formulate policies to preserve their digital sovereignty and security, before it is too late.

For small countries in the Global South that have limited domestic technology sectors, this reality creates a fundamental policy dilemma. Dependency on foreign technology providers – especially those headquartered in the United States, which has a long history of intervening in foreign countries and violating their sovereignty – exposes national systems to potential disruption. In particular, Latin America's historical experience with foreign intervention compounds these concerns and necessitates careful consideration of technology sourcing decisions. Unlike large economies capable of developing comprehensive domestic technology ecosystems, most developing countries face resource constraints that make technological self-sufficiency impossible.

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<sup>16</sup> Barbara Salazar and Sofia Plagakis, "Instances of Use of United States Armed Forces Abroad, 1798-2023", US Congressional Research Service, 7 June 2023, <https://sgp.fas.org/crs/natsec/R42738.pdf>

<sup>17</sup> David E. Sanger and Nicole Perloth, "U.S. Escalates Online Attacks on Russia's Power Grid", New York Times, 15 June 2019, <https://www.nytimes.com/2019/06/15/us/politics/trump-cyber-russia-grid.html>

<sup>18</sup> David E. Sanger, "Obama Order Sped Up Wave of Cyberattacks Against Iran", 1 June 2012, New York Times, <https://www.nytimes.com/2012/06/01/world/middleeast/obama-ordered-wave-of-cyberattacks-against-iran.html>

<sup>19</sup> Lim Hui Jie and Victor Loh, "Trump threatens to destroy Iranian infrastructure, saying its government 'knows what has to be done'", 3 April 2026, CNBC, <https://www.cnbc.com/2026/04/03/trump-iran-threats-un-resolution-blocked-strait-of-hormuz-f35-shot-down.html>

They lack the size, capital, technical workforce, and market scale necessary to replicate the innovation capacity of major technology powers. This reality requires strategies that acknowledge these limitations while still reducing vulnerability and preserving sovereign decision-making over critical systems.

## **Evaluating technology partnership options**

The current landscape of technology partnerships presents trade-offs requiring careful assessment. Continued reliance on US providers maintains current operational continuity but perpetuates dependency relationships with associated vulnerabilities. Alternative partnership configurations offer potential benefits but introduce their own considerations.

### **Option A: Diversification through alternative partnerships**

Latin America can consider engaging alternative technology providers, especially those from nations without histories of unilateral intervention in the region. Principal among the options is China. China has a proven track record of respecting the sovereignty of Latin American nations and refraining from meddling in their internal affairs. East Asia is far away from the region, and thus far Beijing has shown respect for Latin American nations' sovereignty – certainly much more so than the United States, which has constantly intervened in Latin America and has invaded most of the countries in the region.

In their foreign policy, some Latin American states have sought to lean closer to China as a counterbalance against the United States. This was apparent in Cuba, Nicaragua, Venezuela, Brazil under the Workers' Party, Argentina under the left-wing Peronists, Bolivia under President Evo Morales, Honduras under the Libre Party, and Ecuador under President Rafael Correa. Countries should consider the same kind of diversification in the technological realm. Chinese technology firms offer mature cloud computing platforms, telecommunications infrastructure, and digital payment systems that could serve as alternatives or complements to US providers. Moreover, Chinese firms tend to provide services at a lower price point than their US competitors.<sup>20</sup> This could therefore help reduce government outlays, and soften the financial burden on private companies, which also need such infrastructure.

This option is not only realistic; it could be implemented immediately, given that Chinese firms already have the technological infrastructure necessary to at least diversify reliance on US technology, if not replace it.

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<sup>20</sup> US-China Business Council, "Competition with Chinese Firms Tops Challenges for American Companies in China", 26 September 2014, <https://www.uschina.org/articles/competition-with-chinese-firms-tops-challenges-for-american-companies-in-china/>

However, this strategy requires careful implementation. Simply substituting one dependency for another would not guarantee digital sovereignty. To date, China has not aggressively interfered in Latin America's internal affairs, and in the short to medium term this does not seem likely. However, if there are unforeseen changes in the future, Beijing could also potentially weaponize the region's dependency on Chinese technology, just as Washington has demonstrated a willingness to weaponize foreign nations' dependency on US technology. Nevertheless, this hypothetical future concern pales in comparison to the tangible present threat posed by belligerent US policy.

Implementation of alternative technology infrastructure requires substantial capital investment. Development financing from international sources offers a potential mechanism for funding these initiatives. Many Global South states are members of the Belt and Road Initiative (BRI), and Chinese policy banks have provided infrastructure financing to many developing countries at concessional rates, often with flexible repayment terms suited to countries with limited fiscal space. However, financial arrangements warrant careful evaluation. All external financing creates obligations that must be weighed against benefits. Terms should be transparent, sustainable relative to government revenues, and structured to avoid creating new dependencies that undermine sovereignty objectives.

### **Option B: Regional cooperation framework**

Another option could be to coordinate with neighboring nations to develop shared technological infrastructure. This offers the potential for building capacity that exceeds what any individual small country could achieve. Regional cooperation could enable joint investment in data centers, shared development of certain technological capabilities, and collective bargaining power when negotiating with technology providers. This approach aligns with broader regional integration objectives and creates opportunities for South-South cooperation. It requires sustained diplomatic coordination, harmonization of technical standards, and mechanisms for equitable cost-sharing among participating nations with varying economic capacities.

This option does present its own series of problems. Not all regions have the scale, capital, and technical expertise necessary to implement such a proposal. The ASEAN nations in Southeast Asia, to take one case, are much more integrated than the states of the African Union or the members of the Community of Latin America and Caribbean States (CELAC).<sup>21</sup> Even within regions, there are contradictions. In Latin America, Brazilian and Mexican firms may offer some flexibility and reduce technological dependency, but their sophistication and quality is still significantly lower than that of Chinese firms.

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<sup>21</sup> Felipe Larraín B. and Carmen Cifuentes V., "To Rethink Latin American Integration, Look to ASEAN", 23 June 2025, *Americas Quarterly*, <https://americasquarterly.org/article/to-rethink-latin-american-integration-look-to-asean/>

The United States and China are the only two countries that have companies with the most advanced technologies. A look at the global cloud computing market, for instance, shows it is dominated by US and Chinese companies. For cloud computing, Chinese firms may be a more realistic option. But for servers, hosting providers, and telecommunications equipment, there are companies in Latin America that can offer some of these services. This option, therefore, is something to consider in the medium to the long term. If Latin American states can work together to promote digital sovereignty, it is possible to develop these capacities in the upcoming decade or two. But it would be difficult to transition in the short term.

Regardless of which technology providers are engaged, reducing dependency further requires developing domestic technical expertise. Current gaps in the technology workforce in many developing countries limit their ability to operate, maintain, and make informed decisions about complex digital systems. Without strengthening domestic capacity, technology partnerships will necessarily remain dependent relationships regardless of which foreign partners are involved.

Building technical capacity requires sustained government investment in education, training programs for IT personnel, and the cultivation of career pathways that retain skilled professionals in public service. This represents a multi-year commitment, but it is essential for any meaningful sovereignty enhancement. It would also generate positive externalities for the economy, promoting higher rates of growth and formal employment.

**Option C: Status quo maintenance**

Maintaining current technological dependence on US firms would be the easiest option, with the lowest cost, as countries would not have to transition to any new infrastructure. However, this approach leaves fundamental vulnerabilities unaddressed and fails to reduce exposure to external disruptions. The October 2025 blackout incidents demonstrated that even unintentional failures can cause significant harm under current arrangements. Moreover, the Donald Trump administration’s attacks against Venezuela, Iran, and Cuba, as well as threats to impose high tariffs on many countries, suggest an intensification of US pressure in the near future, so protecting digital sovereignty must be a priority in the short term.

The following table (Figure 2) outlines potential options:

**Digital sovereignty proposals**

<p><b>Option A: Diversification through alternative partnerships</b></p> <p>Engage alternative providers, primarily Chinese technology firms</p>	<ul style="list-style-type: none"> <li>• Reduces dependencies on the US</li> <li>• Engages providers from China, which does not have a history of interventionism in Latin America</li> <li>• Chinese firms offer competitive, lower cost platforms, for cloud computing, telecoms, and payments</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of substituting one dependency for another</li> <li>• Significant transition costs and technical migration challenges</li> <li>• Requires retraining workers on new platforms and systems</li> <li>• Potential interoperability issues</li> </ul>
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	<ul style="list-style-type: none"> <li>• Decreases US leverage over Latin America</li> <li>• Access to concessional financing through Chinese policy banks</li> <li>• Creates competitive pressure that may improve terms with all providers</li> </ul>	<p>between different technology ecosystems</p> <ul style="list-style-type: none"> <li>• Need for careful evaluation of new providers' security practices</li> <li>• Financing arrangements require scrutiny to ensure sustainable terms</li> </ul>
<p><b>Option B: Regional cooperation framework</b></p> <p>Coordinate with Latin American partners to develop shared infrastructure</p>	<ul style="list-style-type: none"> <li>• Pools resources beyond what individual small countries can achieve</li> <li>• Enables joint data centers and shared technological capabilities</li> <li>• Creates collective bargaining power with technology providers</li> <li>• Aligns with broader regional integration objectives</li> <li>• Facilitates South-South cooperation and knowledge sharing</li> <li>• Distributes infrastructure across multiple countries, reducing single points of failure <ul style="list-style-type: none"> <li>• Builds regional technical capacity and expertise</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Requires sustained diplomatic coordination across multiple governments</li> <li>• Necessitates harmonization of technical standards and regulatory frameworks</li> <li>• Complex mechanisms needed for equitable cost-sharing among countries with varying capacities</li> <li>• Slower decision-making due to need for multi-country consensus</li> <li>• Success depends on continued commitment from partner nations</li> <li>• Requires significant upfront investment before benefits materialize</li> </ul>
<p><b>Option C: Status quo maintenance</b></p> <p>Continue current reliance on existing US technology providers</p>	<ul style="list-style-type: none"> <li>• Operational continuity with minimal disruption</li> <li>• Established vendor relationships</li> <li>• No immediate transition costs</li> </ul>	<ul style="list-style-type: none"> <li>• Perpetuates strategic vulnerabilities to external disruption</li> <li>• Maintains dependency on providers from the US, with a history of aggressive interventionism</li> <li>• Leaves infrastructure exposed to potential weaponization</li> <li>• October 2025 blackout incidents demonstrated fragility of concentrated dependencies</li> <li>• Fails to address underlying sovereignty concerns</li> </ul>

## Policy Recommendations

Based on the analysis above, this article recommends a phased, multi-component strategy that balances near-term operational needs with long-term sovereignty objectives.

### Recommendation 1: Implement gradual technology diversification

States should establish a Technology Diversification Working Group within national ministries or institutes of technology, with representatives from relevant ministries, institutes, regulatory agencies, and technical experts.

This process can be implemented gradually, in phases. Governments can start by transitioning state institutions that rely on cloud computing services provided by US firms (such as AWS, Azure, Google Cloud, and Oracle), and instead sign contracts with Chinese competitors like Alibaba Cloud and Tencent Cloud. After public institutions have transitioned, state authorities can encourage private enterprises to do the same, by offering incentives like small tax breaks and technical assistance.

This working group should conduct a comprehensive audit of current digital infrastructure dependencies, mapping which systems rely on which US providers and identifying critical single points of failure. It should then develop a prioritization framework that identifies which systems should be diversified first, based on strategic importance. It should then create a phased migration plan that gradually introduces alternative providers for non-critical systems initially, building experience before transitioning to more sensitive infrastructure.

### **Recommendation 2: Strengthen regional technology cooperation**

Global South countries should pursue bilateral and multilateral technology cooperation agreements with neighboring countries through existing regional mechanisms.

For Latin America, specific actions include proposing a Digital Infrastructure Initiative within the Community of Latin American and Caribbean States (CELAC) and sub-regional bodies like the Union of South American Nations (UNASUR) and Central American Integration System (SICA). States in the region could also negotiate bilateral agreements with friendly countries outside of Latin America, like China, Russia, Iran, Vietnam, and South Africa, which share similar concerns about digital sovereignty.

### **Recommendation 3: Develop domestic technical capacity**

Launch a National Digital Sovereignty Capacity Building Program that focuses on expanding computer science and cybersecurity programs at national universities, with generous stipends for students who commit to public sector service upon graduation. The government could also establish a program that recruits technology professionals into government roles, offering competitive salaries and professional development opportunities.

### **Recommendation 4: Establish a governance framework for technology sovereignty**

Create formal institutional structures and policies that embed sovereignty considerations in technology decision-making. This could include enacting a Digital Sovereignty Act that establishes a legal framework for technology procurement decisions, data localization requirements for sensitive government information, and security standards for critical infrastructure. States could also establish a National Digital Sovereign Council,

with membership from relevant ministries, that reviews major technology procurement decisions and strategic technology partnerships.

## **Conclusion**

Digital sovereignty represents a complex policy challenge for small countries. Complete technological independence is not possible. However, current dependency arrangements on US firms create unacceptable vulnerabilities that compromise national security and sovereign decision-making. The recommended strategy acknowledges these constraints while charting a pragmatic path forward. The geopolitical environment makes these efforts urgent. US intervention in the internal affairs of Latin American countries is likely to increase in the near future, especially as US-China tensions grow. Digital infrastructure has become a domain of strategic competition, and countries that fail to address vulnerabilities will find their sovereignty increasingly constrained. Small states have the imperative to act decisively in protecting their digital future.

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## The European Union's Position in an Increasingly Weaponized Outer Space Environment

**Emma Datema**

Master's student, International Relations Department, Tsinghua University

**Abstract:** Outer space is increasingly evolving into a contested strategic domain. This raises new challenges for the European Union's security and governance role. This paper examines how the EU can position itself amid growing militarization, technological competition, and reliance on transatlantic partnerships. It draws on an analytical framework combining strategic autonomy, alliance dependence, and norm diffusion. This paper argues that the EU cannot achieve full independence in space. Instead, it should act as a norm-setting, capability-complementing actor within an alliance framework. The EU can shape governance by leveraging regulatory strengths and selective capability development. This way, the EU can contribute to stability in an increasingly contested space environment.

**Keywords:** *European Union; space security; strategic autonomy; alliance dependence; norm diffusion*

## Introduction

Outer space is rapidly transforming from a largely cooperative domain into a contested strategic environment.<sup>1</sup> Major spacefaring powers, including the United States, China, and Russia, are developing counter-space capabilities. This includes integrating space into missile-defence architectures and expanding dual-use satellite systems at an unprecedented pace.<sup>2</sup> These developments are unfolding in a context characterized by limited transparency, weak normative constraints, and increasing risks of miscalculation. As space-based assets become indispensable for civilian infrastructure, economic activity, and military operations, the consequences of disruption are growing significantly.<sup>3</sup>

Recent initiatives such as the proposed United States “Golden Dome” missile-defence architecture illustrate a shift toward the integration of space into broader deterrence and defense strategies.<sup>4</sup> For the European Union (EU), this evolution presents a complex strategic dilemma. While close alignment with the United States offers security and technological advantages, it also risks deepening strategic dependence and limiting the EU’s influence over emerging norms governing space activities. At the same time, the EU has begun to strengthen its internal space governance and regulatory capacity, positioning itself as a potential leader in shaping responsible behavior in orbit.<sup>5</sup>

This paper asks: *How should the European Union position itself in an increasingly weaponized outer space environment while balancing strategic autonomy and alliance dependence?* It argues that the EU should position itself as a norm-setting and capability-complementing actor, leveraging its regulatory power, selective technological sovereignty, and structured transatlantic engagement. The paper first reviews the relevant literature, then develops an analytical framework based on strategic autonomy and norm diffusion, before analyzing EU capabilities and proposing policy recommendations.

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<sup>1</sup> Clayton Swope, “The Future of Military Power Is Space Power,” *Aerospace Security - Center for Strategic and International Studies*, 10 April 2025, <https://aerospace.csis.org/the-future-of-military-power-is-space-power/>.

<sup>2</sup> Victoria Samson and Brian Weeden. *2023 Global Counterspace Capabilities Report*. Washington, DC: Secure World Foundation, 2023. <https://www.swfound.org/publications-and-reports/2023-global-counterspace-capabilities-report>

<sup>3</sup> Ely Sandler, “Governing Outer Space: A Conference of the Parties for the Outer Space Treaty,” *Belfer Center for Science and International Affairs*, December 8, 2025. <https://www.belfercenter.org/research-analysis/space-cop-governance>

<sup>4</sup> Kari A. Bingen, “Why Golden Dome for America: The Case the Administration Should Make,” *Center for Strategic and International Studies*, 30 January 2026, <https://www.csis.org/analysis/why-golden-dome-america-case-administration-should-make>

<sup>5</sup> Steven Blockmans and Daniel Fiott, “European Defence Projects of Common Interest: From concept to practice,” *European Union - External Policies Analysis and Support Unit - Directorate-General for External Policies of the Union*, January 2026, [https://www.europarl.europa.eu/RegData/etudes/STUD/2026/775284/EXAS\\_STU\(2026\)775284\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2026/775284/EXAS_STU(2026)775284_EN.pdf)

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## Literature Review

The evolving role of outer space in international security has attracted growing scholarly attention, particularly in light of intensifying geopolitical competition. A first strand of literature emphasizes the transformation of space into a contested strategic domain. Policy-oriented analyses by Victoria Samson and Laetitia Cesari highlight the proliferation of counterspace capabilities. This includes anti-satellite weapons, cyber operations, and electronic warfare. Together such counterspace capabilities are reshaping the security environment and increasing the risks of escalation and miscalculation.<sup>6</sup> Similarly, in their 2025 Space Threat Assessment, Clayton Swope, Kari A. Bingen, Makena Young, and Kendra LaFave underline the growing strategic importance of space systems and the vulnerabilities associated with military integration of such new capabilities. Additionally, they also emphasize that the increasing reliance on space-based infrastructure for both civilian and military purposes has reinforced the dual-use nature of space systems. This further complicates governance.<sup>7</sup> As a result, the traditional perception of space as a cooperative domain is increasingly challenged by dynamics of strategic rivalry. Overall, this literature converges on the view that outer space is evolving into a contested strategic domain characterized by military competition, technological interdependence, and heightened escalation risks.

A second strand of literature focuses on the European Union's pursuit of strategic autonomy in space. Daniel Fiott argues that space capabilities are central to the EU's broader ambition to act independently in security and defense, suggesting that strategic autonomy on Earth is inseparable from autonomy in space.<sup>8</sup> However, other scholars point to significant structural constraints. Clara Portela and Raúl González Muñoz highlight the institutional fragmentation and capability gaps that hinder the development of a coherent European space security policy.<sup>9</sup> Similarly, Chiara Cellerino underscores the legal and governance complexities arising from the division of competences between the EU, its member states, and actors such as the European Space Agency.<sup>10</sup> These analyses suggest that while strategic autonomy has become a guiding objective, its practical realization remains contested and uneven. Taken together, the literature indicates that EU space policy is increasingly driven by the pursuit of strategic autonomy, but that it simultaneously remains constrained by institutional fragmentation, external dependencies, and alliance dynamics.

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<sup>6</sup> Victoria Samson and Laetitia Cesari. *2025 Global Counterspace Capabilities Report*. Washington, DC: Secure World Foundation, 2025. <https://www.swfound.org/publications-and-reports/2025-global-counterspace-capabilities-report>

<sup>7</sup> Clayton Swope, Kari A. Bingen, Makena Young, and Kendra LaFave, "Space Threat Assessment 2025," *Center for Strategic and International Studies* (CSIS), April 2025, <https://www.csis.org/analysis/space-threat-assessment-2025>.

<sup>8</sup> Daniel Fiott, "The European Space Sector as an Enabler of EU Strategic Autonomy," *European Union Institute for Security Studies*, December 2020, <https://www.iss.europa.eu/publications/reports/european-space-sector-enabler-eu-strategic-autonomy>.

<sup>9</sup> Clara Portela and Raúl González Muñoz, "The EU Space Strategy for Security and Defence: Towards Strategic Autonomy?," *Stockholm International Peace Research Institute* (SIPRI), June 2023, <https://www.sipri.org/publications/2023/eu-non-proliferation-and-disarmament-papers/eu-space-strategy-security-and-defence-towards-strategic-autonomy>.

<sup>10</sup> Chiara Cellerino, "EU Space Policy and Strategic Autonomy: Tackling Legal Complexities in the Enhancement of the 'Security and Defence Dimension of the Union in Space'," *European Papers*, Vol. 8, No. 2, 2023, <https://www.europeanpapers.eu/europeanforum/eu-space-policy-and-strategic-autonomy>

A third strand examines the EU's potential role as a regulator and norm entrepreneur in global space governance. Scholars such as Philip De Man and Jan Wouters argue that the EU is transitioning from a primarily regulatory actor to a more strategic player in space governance. The EU is building on its experience in shaping international norms in other domains.<sup>11</sup> Similarly, Gabor Zsolt Pataki highlights the EU's ambition to extend its regulatory influence into the security and defense dimensions of space, while also noting the challenges posed by geopolitical competition.<sup>12</sup> As space becomes more militarized, regulatory approaches must contend with geopolitical realities that limit consensus-building and compliance. Consequently, while the EU demonstrates a clear ambition to shape norms in outer space, its ability to do so, especially in the security domain, remains uncertain.

Taken together, these strands of literature provide important insights into the strategic, institutional, and normative dimensions of EU space policy. However, *limited attention has been paid to how the EU can simultaneously balance strategic autonomy, alliance dependence, and norm leadership in an increasingly weaponized space environment.* This paper addresses this gap by analyzing how these dynamics interact and what this implies for the EU's strategic positioning in outer space.

## Analytical Framework

This paper adopts an analytical framework that conceptualizes the European Union's positioning in outer space as shaped by the interaction of three structural dynamics: 1) the pursuit of strategic autonomy; 2) the constraints of alliance dependence; and 3) the ambition to exercise norm-setting influence. This framework draws on existing debates in European security studies and international relations, combining insights from strategic autonomy literature with elements of norm diffusion theory.

Strategic autonomy has emerged as a central concept in EU security policy. Though there are many political and academic debates about what strategic autonomy means for the EU, at its most basic 'strategic autonomy' refers to the capacity of the Union to act independently in key strategic domains while reducing critical dependencies on external actors.<sup>13</sup> As Fiott argues, space capabilities are increasingly seen as essential to this objective, given their role in enabling both civilian and military functions.<sup>14</sup> However, strategic autonomy is inherently relative and constrained by existing institutional and geopolitical realities.

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<sup>11</sup> Philip De Man and Jan Wouters, "The European Union's Role in Global Space Governance: Between Regulation and Security," *Global Policy*, early view article, <https://www.globalpolicyjournal.com/articles/global-commons-and-environment/early-view-article-eu-space-governance-threshold-new-era>

<sup>12</sup> Gabor Zsolt Pataki, "First EU Space Strategy for Security and Defence: What Implications for EU Strategic Autonomy?," *European Parliament Research Service*, August 2023, [https://www.europarl.europa.eu/thinktank/en/document/EPRS\\_ATA%282023%29747448](https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA%282023%29747448)

<sup>13</sup> Charlotte Beaucillon, "Strategic Autonomy: A New Identity for the EU as a Global Actor," *European Papers*, Vol. 8, No 1, European Forum, 27 (2023), pp. 417-428, doi: 10.15166/2499-8249/664.

<sup>14</sup> Daniel Fiott, "The European Space Sector as an Enabler of EU Strategic Autonomy," *European Union Institute for Security Studies*, December 2020, <https://www.iss.europa.eu/publications/reports/european-space-sector-enabler-eu-strategic-autonomy>

A key constraint is the EU's structural alliance dependence, particularly within the transatlantic security architecture. The EU remains deeply embedded in NATO and reliant on the United States for advanced military and space-based capabilities, including missile defense and early-warning systems.<sup>15</sup> Rather than representing a temporary limitation, this dependence constitutes a defining feature of European security, shaping both the scope and direction of EU space policy.

At the same time, the EU seeks to leverage its comparative advantage as a regulatory and normative actor. Drawing on norm diffusion theory, the Union can be understood as a "norm entrepreneur" that aims to shape international rules and standards.<sup>16</sup> This can also be applied in emerging domains such as outer space.

Taken together, this paper conceptualizes EU positioning in space as the outcome of a three-way strategic tension between autonomy, dependence, and norm leadership. This framework provides the basis for analyzing EU capabilities, external partnerships, and governance initiatives in the empirical sections that follow.

## Empirical Analysis

### Strategic Autonomy: Ambition & Constraints

The European Union has increasingly sought to strengthen its strategic autonomy in the space domain, recognizing space infrastructure as critical to both civilian and security functions. Programs such as Galileo, Copernicus, and the planned IRIS<sup>2</sup> constellation illustrate the EU's ambition to ensure independent access to positioning, Earth observation, and secure communications capabilities.<sup>17</sup> These initiatives are complemented by efforts to enhance industrial capacity and reduce reliance on external suppliers, particularly in sensitive technological components. At the policy level, the EU Space Strategy for Security and Defence explicitly frames space as a strategic domain in which autonomy is necessary to safeguard European interests.<sup>18</sup>

However, the EU's pursuit of strategic autonomy is constrained by persistent structural limitations. Institutional fragmentation remains a key challenge, with responsibilities divided among the European Commission, the European External Action Service (EEAS), the European Union Agency for the Space

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<sup>15</sup> Jeffrey Anderson and Federico Steinberg, "The Unbalanced Transatlantic Relationship: Understanding US Influence in Europe," *Journal of European Integration*, Vol. 47, No. 6 (2025): 885–903. doi:10.1080/07036337.2025.2537377.

<sup>16</sup> Katharine Vadura, "The EU as 'Norm Entrepreneur' in the Asian Region: Exploring the Digital Diplomacy Aspect of the Human Rights Toolbox," *Asia Europe Journal*, Vol. 13, No. 3 (2015): 349–360, <https://doi.org/10.1007/s10308-015-0420-3>.

<sup>17</sup> Siniša Vuković, "Peace Mediators as Norm Entrepreneurs: The EU's Norm Diffusion Strategy in Montenegro's Referendum on Independence," *Swiss Political Science Review*, Vol. 26, No. 3 (2020): 1–20, <https://doi.org/10.1111/spsr.12424>. European Commission, "IRIS<sup>2</sup> Secure Connectivity Programme," 16 December 2024, retrieved on 18 March 2026, [https://defence-industry-space.ec.europa.eu/eu-space/iris2\\_en](https://defence-industry-space.ec.europa.eu/eu-space/iris2_en).

<sup>18</sup> European Commission, "EU Space Strategy for Security and Defence," 2023, retrieved on 18 March 2026, [https://defence-industry-space.ec.europa.eu/eu-space-strategy-security-and-defence\\_en](https://defence-industry-space.ec.europa.eu/eu-space-strategy-security-and-defence_en)

Programme (EUSPA), and the European Space Agency (ESA).<sup>19</sup> This complex governance structure complicates coordination and slows decision-making. In addition, the EU continues to depend on non-European technologies in critical supply chains. This ensures that the EU's military space capabilities remain comparatively underdeveloped.<sup>20</sup> Compared to the United States and China, the EU lacks integrated space defense systems and faces difficulties in translating civilian space strengths into security capabilities.

These constraints suggest that while the EU has made significant progress in developing space capabilities, its autonomy remains partial and uneven. While the EU has significantly expanded its space capabilities, its pursuit of strategic autonomy remains constrained by institutional fragmentation and technological dependencies, limiting its ability to act independently in a security-driven space environment.

### **Alliance Dependence: the EU within Transatlantic Space Security**

Despite its ambition to enhance autonomy, the EU remains deeply embedded in transatlantic security structures, particularly through NATO. Space has been formally recognized as an operational domain by NATO, and the alliance increasingly integrates space-based capabilities into its deterrence and defense posture.<sup>21</sup> The United States continues to dominate in key areas such as missile defense, early warning systems, and advanced military satellite technologies,<sup>22</sup> making it an indispensable partner for European security.

Recent developments, including proposals for integrated missile defense architectures such as the so-called "Golden Dome," further illustrate the centrality of US capabilities in shaping the strategic environment.<sup>23</sup> For many EU member states alignment with the United States is seen as essential for security, reinforcing transatlantic dependence. At the same time, this reliance creates strategic asymmetries, limiting the EU's ability to independently define priorities in space security.<sup>24</sup>

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<sup>19</sup> Chiara Cellerino, "EU Space Policy and Strategic Autonomy: Tackling Legal Complexities in the Enhancement of the 'Security and Defence Dimension of the Union in Space,'" *European Papers*, Vol. 8, No. 2 (2023), <https://www.europeanpapers.eu/europeanforum/eu-space-policy-and-strategic-autonomy>

<sup>20</sup> Daniel Fiott, "The European Space Sector as an Enabler of EU Strategic Autonomy," *European Union Institute for Security Studies*, December 2020, <https://www.iss.europa.eu/publications/reports/european-space-sector-enabler-eu-strategic-autonomy>

<sup>21</sup> North Atlantic Treaty Organization, "NATO's approach to space," 30 July 2025, retrieved 18 March 2026, <https://www.nato.int/en/what-we-do/deterrence-and-defence/natos-approach-to-space>

<sup>22</sup> Clayton Swope, Kari A. Bingen, Makena Young, Madeleine Chang, Stephanie Songer, and Jeremy Tammelleo, "Space Threat Assessment 2024," Center for Strategic and International Studies (CSIS), April 2024, <https://www.csis.org/analysis/space-threat-assessment-2024>

<sup>23</sup> Clayton Swope, Kari A. Bingen, Makena Young, and Kendra LaFave, "Space Threat Assessment 2025," *Center for Strategic and International Studies* (CSIS), April 2025, <https://www.csis.org/analysis/space-threat-assessment-2025>

<sup>24</sup> Clara Portela and Raúl González Muñoz, "The EU Space Strategy for Security and Defence: Towards Strategic Autonomy?," *Stockholm International Peace Research Institute* (SIPRI), June 2023, <https://www.sipri.org/publications/2023/eu-non-proliferation-and-disarmament-papers/eu-space-strategy-security-and-defence-towards-strategic-autonomy>

Importantly, alliance dependence should not be understood solely as a constraint. Participation in NATO provides access to advanced capabilities, intelligence-sharing mechanisms, and collective defense guarantees that would be difficult for the EU to replicate independently.<sup>25</sup> This suggests that alliance dependence is not merely a constraint but a structural condition shaping EU choices, requiring a careful balance between integration and autonomy.

### Norm Leadership: the EU as a Space Governance Actor

Alongside its capability development and alliance integration, the EU has sought to position itself as a promoter of rules-based governance in outer space. The EU has a lot of experience as a regulatory power in other domains. The EU builds on this experience to support international efforts to enhance transparency, sustainability, and responsible behavior in orbit.<sup>26</sup> Its engagement within the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) and its earlier initiative to develop an International Code of Conduct for Outer Space Activities reflect this ambition.<sup>27</sup>

More recently, the EU has focused on emerging governance challenges such as space traffic management, orbital debris mitigation, and the protection of critical infrastructure.<sup>28</sup> These areas align with the Union's strengths in regulation and standard-setting, offering an opportunity to shape global norms in a domain where formal legal frameworks remain limited. At the same time, the EU has sought to work through multilateral institutions and coalition-building rather than unilateral initiatives.<sup>29</sup>

However, the increasingly contested nature of space complicates this approach. Competing governance models, including US-led initiatives such as the Artemis Accords and alternative approaches promoted by China and Russia, reflect diverging strategic interests.<sup>30</sup> In this context, the EU's ability to act as a norm entrepreneur depends not only on its regulatory capacity but also on its geopolitical influence.

<sup>25</sup> European Commission, "EU Space Strategy for Security and Defence," 2023, retrieved on 18 March 2026, [https://defence-industry-space.ec.europa.eu/eu-space-strategy-security-and-defence\\_en](https://defence-industry-space.ec.europa.eu/eu-space-strategy-security-and-defence_en)

<sup>26</sup> Delegation of the European Union to the United Nations in New York, "EU Statement – UN General Assembly 4th Committee: Peaceful uses of outer space," *European External Action Service*, 29 October 2025, [https://www.eeas.europa.eu/delegations/un-new-york/eu-statement-%E2%80%93-un-general-assembly-4th-committee-peaceful-uses-outer-space-1\\_en](https://www.eeas.europa.eu/delegations/un-new-york/eu-statement-%E2%80%93-un-general-assembly-4th-committee-peaceful-uses-outer-space-1_en)

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<sup>30</sup> Victoria Samson and Laetitia Cesari. *2025 Global Counterspace Capabilities Report*. Washington, DC: Secure World Foundation, 2025. <https://www.swfound.org/publications-and-reports/2025-global-counterspace-capabilities-report>

## **Positioning under Structural Tension**

The analysis demonstrates that the European Union's position in outer space is shaped by the interaction of three structural dynamics. The pursuit of strategic autonomy drives investments in capabilities and governance. Still, these efforts remain constrained by institutional fragmentation and enduring alliance dependence on the United States and NATO. At the same time, the EU seeks to leverage its comparative advantage as a norm entrepreneur. It aims to contribute to shaping global space governance, particularly in areas related to sustainability and responsible behavior.

Taken together, these dynamics create a structural tension that defines the EU's strategic room for maneuver. The Union is neither able to act as a fully autonomous space power nor confined to a purely subordinate role within transatlantic structures. Instead, its positioning is characterized by the need to balance independence, cooperation, and influence across different dimensions of space policy. This tension forms the basis for assessing how the EU can most effectively position itself in an increasingly contested space environment.

## **Discussion**

The findings of this paper have important implications for how the European Union should position itself in an increasingly weaponized outer space environment. The analysis suggests that the EU cannot realistically pursue full strategic autonomy in space. The EU has a structural dependence on the United States, especially for critical security capabilities. Attempts to replicate the comprehensive military space capabilities of major powers such as the United States or China would require huge amounts of resources. Though there is a call for strategic autonomy, there does not appear to be any commitment for the EU to operate completely outside of the American space capabilities.

The EU is not without agency. Its established strengths as a regulatory actor and its experience in shaping international norms provide a viable pathway for strategic positioning. Rather than seeking to compete directly in the militarization of space, the EU is better positioned to act as a norm-setting and capability-complementing actor within an alliance framework. This involves leveraging its regulatory power to promote responsible behavior, transparency, and sustainability in orbit. The EU can simultaneously strengthen selective technological capabilities that reduce critical dependencies.

Such a hybrid approach allows the EU to mitigate the risks associated with overdependence without undermining transatlantic cooperation. It also enables the Union to exert influence in areas where military power alone is insufficient to shape outcomes. In this way, the EU's strategic value lies not in matching the capabilities of other space powers, but rather in shaping the rules and structures that govern an increasingly contested domain.

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## **Policy Recommendations**

Building on the analysis, the European Union should pursue a strategic approach to outer space that balances autonomy, alliance integration, and norm leadership. These recommendations follow from the three structural dynamics identified in the analysis: strategic autonomy, alliance dependence, and norm leadership. Rather than seeking full-spectrum independence, EU policy should focus on three mutually reinforcing priorities.

First, the EU should strengthen internal coherence and selectively enhance strategic capabilities. This includes improving coordination between institutional actors such as the European Commission, ESA, and EUSPA. Additionally, this also includes prioritizing investments in critical infrastructure and technologies that reduce key dependencies. A clearer strategic doctrine for space security would help align member state positions and enable more effective collective action.

Second, the EU should institutionalize structured engagement with the United States and NATO in the space domain. Given the structural nature of alliance dependence, the objective should not be to decouple from transatlantic frameworks, but to shape them. Establishing dedicated EU–US and EU–NATO dialogues on space security would allow the EU to influence emerging architectures. This could for instance include missile defense integration. This enables the EU to safeguard its strategic interests.

Third, the EU should consolidate its role as a norm entrepreneur in global space governance. It can contribute by advancing initiatives on space traffic management, debris mitigation, and responsible behavior. This allows the EU to leverage its regulatory strengths to shape international standards. Building coalitions with like-minded partners will be essential to ensure that these norms gain global traction in an increasingly contested domain.

## **Conclusion**

Outer space is rapidly emerging as a contested strategic domain. It is characterized by increasing militarization, technological competition, and weak governance structures. For the European Union, this evolving environment presents a complex strategic dilemma: how to enhance its role in space while balancing ambitions for autonomy with enduring alliance dependence. This paper has argued that the EU's positioning is shaped by the interaction of these constraints and opportunities. This limits the EU's ability to act as a fully autonomous space power, but also opens space for alternative forms of influence. In this context, the EU should act as a norm-setting, capability-complementing actor within an alliance framework. By leveraging its regulatory strengths, selectively enhancing critical capabilities, and actively shaping transatlantic engagement, the EU can contribute meaningfully to stability and governance in an increasingly contested domain.

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## Institutional Dynamics and Policy Outcomes in China's Belt and Road Initiative

Evidence from Central Asia (2013-2025)

**Aziza Husanova**

Master's student, School of Social Sciences, Tsinghua University

**Abstract:** This paper develops a contingent asymmetry framework to explain variation in Belt and Road Initiative (BRI) across Central Asia between 2013-2025. Leaving binary dependency/mutual-gain accounts behind, it demonstrates that the identity of creditors is not the defining factor of vulnerability, but instead, the effects are co-created by the domestic institutional capacity, revenue channels and legally established diplomatic status. In 2025, total China-Central Asia trade amounted to \$106.3 billion - 116% higher than in 2013 - but Chinese debt exposure was only 21% of foreign debt in Kazakhstan, and 52% in Tajikistan. Turkmenistan brings in a unique setup: recognized Positive Neutrality in the UN, high hydrocarbon revenues, believed to have debt-to-GDP of 4%-11% and the absence of publicly documented asset transfers in the restructuring of their debts to be broadly known. The key mediating variable is that of institutional mediation on a domestic level: states that have diversified their funding sources and those that have sovereign sources of revenue and have internationally based regimes of neutrality are more likely to maintain flexibility in their policies. Combining constructivist and materialist approaches to debt architecture with a view of the formation of regional security complexes, this paper hypothesizes the potential existence of portfolio diversification functional complements in diplomatic-legal status and export capacity.

**Keywords:** *Belt and Road Initiative, Central Asia, institutional capacity, development finance*

## Beyond Binary Narratives

The Belt and Road Initiative (BRI) has generated a long-lasting academic debate in between dependency-based readings emphasize structural constraints and institutionalist accounts of mutual gain.<sup>1</sup> Both models do not have full explanations of observable deviation throughout Central Asia where Kazakhstan is a policy flexible state with heavy Chinese involvement, while Tajikistan exhibits markedly higher exposure. This variance is an adaptation in the national institutional arrangements intermediating external funding system.

Central Asia provides a valuable comparative setting for examining BRI- related institutional variation. The first articulation of the Silk Road Economic Belt took place in the region in 2013 and is still referred to as “a pioneer in quality Belt and Road co-operation.”<sup>2</sup> All five republics have signed cooperation documents with China under the BRI framework, and the Second China-Central Asia Summit (June 2025) further reinforced regional cooperation. The summit identifies priority areas including trade facilitation, green minerals, digital transformation, and connectivity development. The interaction of financing structures and domestic governance capacity and diplomatic posture provides a useful comparative framework for assessing this institutional landscape.

Turkmenistan occupies a unique place in the comparative sphere. Its permanent neutrality is codified in the United Nations General Assembly resolutions A/RES/50/80 (December 12, 1995) and officially institutionalized in its own internal structure under the name ‘Positive Neutrality’ imposing legal, diplomatic as well as strategic on its external economic engagement.<sup>3</sup> In contrast to Kazakhstan’s diversified portfolio or Tajikistan’s more limited financing framework, the neutrality framework of Turkmenistan offers an internationally-based institutional buffer that could serve to lessen asymmetric dependencies. Beyond its legal and diplomatic dimensions, Positive Neutrality may also be understood as a form of strategic positioning that facilitates engagement with multiple external partners while preserving flexibility in external economic relations.

This arrangement has started to be conceptualized by recent scholarship. As Lemon and Jardine argue in *Seeing China’s Belt and Road*, it is a set of different forms of hierarchical coordination in the form of infrastructure corridors, and they are mediated by the local political economies.<sup>4</sup> A combination of oil revenues

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<sup>1</sup> Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*. 4th ed. (Boston: Longman, 2011); Sebastian Horn, Carmen M. Reinhart, and Christoph Trebesch, “China’s Overseas Lending,” *Journal of International Economics* 147 (2021): 103–28.

<sup>2</sup> China Ministry of Commerce, “China-Central Asia Trade Reaches \$106.3 Billion in 2025,” press release, January 20, 2026.

<sup>3</sup> United Nations General Assembly, “Permanent Neutrality of Turkmenistan,” Resolution A/RES/50/80, December 12, 1995.

<sup>4</sup> Edward Lemon and Bradley Jardine, “Securing the Belt and Road and Establishing Hierarchy in Central Asia,” in *Seeing China’s Belt and Road*, ed. Edward Schatz and Rachel Silvey (Oxford: Oxford University Press, 2025), 87–112.

and a neutrality policy enabling engagement with diverse external actors, including Russia, China, Turkey, and Western economies, shapes Turkmenistan's domestic political economy.

The lack of transparency in its data has left Turkmenistan remaining underrepresented in comparative BRI scholarship. The absence of standardized fiscal reporting, including limited public access to external debt figures and project-level financing terms, has produced an empirical vacuum. This article addresses the gap by triangulating across the existing data sources such as IMF Article IV Consultation reports, World Bank estimates, AidData project records, official bilateral communications in the China-Turkmenistan gas partnership that has been established in 2007.<sup>5</sup>

## **Turkmenistan's Position within China's Central Asian Partnerships**

Out of the five republics of Central Asia, Turkmenistan occupies a strategically important position in the energy and infrastructure relationship between China and the region as far as the energy and infrastructure correlation between China and the region is concerned. Turkmenistan is unique in three ways as compared to its neighbors.

First, energy cooperation as Turkmenistan exports approximately 40 billion cubic meters per year of natural gas into China through the system of Central Asia-China pipeline (Lines A, B, C, with Line D in progress) with about 15-20 percent of the entire gas imports into China being through this overland route, an important supplement to maritime options. Comparatively, the energy sales that Kazakhstan exports to China are mainly oil oriented with a higher fluctuating outflow, whereas Tajikistan and Kyrgyzstan lack significant hydrocarbon export capacity.

Second is performance on a contract basis. Turkmenistan has demonstrated consistent contractual performance with Chinese financial institutions. Despite significant volatility in global energy markets between 2020-2023, Turkmenistan maintained continuous debt service to the China Development Bank and Exim Bank. No public record indicates default, rescheduling, or asset transfer in connection with this obligation.

Third, Turkmenistan's UN recognized Neutrality shapes its geopolitical positioning. It means that Turkmenistan does not participate in formal military alliances or bloc-based economic integration. This status contributes to a stable and predictable economic cooperation, as neutrality reduces the likelihood that external security competitions will disrupt bilateral agreements. In this regard, neutrality functions as a framework that supports continuity and predictability in external economic relations.

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<sup>5</sup> AidData, *Global Chinese Development Finance Dataset Version 2.0* (Williamsburg, VA: AidData at William & Mary, 2021); International Monetary Fund, "Turkmenistan: 2023 Article IV Consultation," IMF Country Report No. 23/124 (Washington, DC: International Monetary Fund, 2023).

According to the estimates published by the Chinese Ministry of Commerce (2025), Turkmenistan has adhered to long-term contracts regarding supplying natural gas, which demonstrates high contractual reliability of regional partners.<sup>6</sup> The Second China-Central Asia Summit (June 2025) further strengthened this bond by establishing a China-Central Asia energy development partnership where Turkmenistan has been regarded as one of the main partners in natural gas relations.<sup>7</sup>

There are three contributions from this article. First, it operationalizes a contingent asymmetry framework in which institutional mediation serves as the primary mechanism linking external financing to policy outcomes. Second, the article provides new comparative evidence from Central Asia including a relatively unstudied case of Turkmenistan while acknowledging existing data constraints. Third, it combines both material and ideational perspectives in showing how the structure of neutrality interrelates with revenue structures to determine the bargaining ability.

## Research Design and Hypotheses

This study employs a diverse-case-study approach examining the five Central Asian republics between 2013-2025 with methodological control on the exposure of the regions to Chinese financing of infrastructure, the geographic location to the west of China and the commonness of the past institutional heritage in the region after the collapse of the Soviet Union. The institutional capacity, revenue diversification, and diplomatic-legal status have systematic variations in cases, allowing evaluation of the possible mediating role of these variables in the connections between the two variables of debt exposure and policy autonomy. Although Kazakhstan and Turkmenistan both display relatively low levels of debt exposure, they achieve these outcomes through different institutional and economic mechanisms.

**H1 (Structural Exposure Hypothesis):** Where institutional capacity is comparatively limited, export structures remain less diversified, and external policy buffers are narrower, large-scale external financing may contribute to higher level of financial concentration and increase refinancing sensitivity over time.

**H2 (Contingent Opportunity Hypothesis):** Developmental performance depends on effectiveness of governance, sovereign revenue generation ability, portfolio structure, and-in the case of Turkmenistan-internationally recognized Positive Neutrality as a strategic and institutional framework.

The contingent asymmetry framework incorporates the material and the ideational variables in a complementary form. Relying on constructivist theory of regional security complex formation, this paper states the results are determined by the combination of external funding framework, nationwide mediating institutions, as well as legal diplomatic framework of permanent neutrality.<sup>8</sup>

<sup>6</sup> China Ministry of Commerce, "Assessment of Central Asian Energy Partnerships: Turkmenistan Performance Review," internal report, summary released March 15, 2025.

<sup>7</sup> Second China-Central Asia Summit, "Astana Declaration"

<sup>8</sup> Timur Dadabaev and A. A. Umarov, "A Constructivist Framework for the Central Asian Regional Security Complex: Identity, Interests and Security Dynamics," *International Affairs* 101, no. 4 (2025): 1237–58.

## Empirical Landscape: Trade, Investment, and Debt (2013-2025)

The trade between China and the Central Asian countries has grown significantly since the establishment of the BRI. Goods trade has also attained its highest level to date, increasing year-on-year by 12 percent to reach a total of \$106.3 billion in 2025, five years after making successive yearly gains. All the five Central Asian states have turned into major trading partners with China.

Table 1: China–Central Asia Trade Growth (2013–2025)

Year	Trade volume (USD, billions)	Annual Growth Rate (%)
2013	43.5	-
2021	49.6	-
2024	94.0	-
2025	106.3	12.0

Trade Composition in terms of trade structure is also distinctive. Exports rose to \$71.2 billion (up 11 percent) led by the machinery, electrical equipment and high-technology products in electric cars, lithium-ion batteries and photovoltaic parts. Imports amounted to 35.1 billion (increased 14 percent) and broadening economic exchange beyond traditional energy cooperation to include chemicals, steel, agriculture goods, and food products. China-Central Asia trade experienced sustained growth of 51.8% by road transport as compared to 19.9% in 2020.<sup>9</sup>

In the case of Turkmenistan, the bilateral trade relationship is focused on natural gas export. A pipeline connecting China and Turkmenistan gas flows, has remained operational since 2009, moves approximately 40 billion cubic meters annually according to long-term supply agreements. This source of income, which is estimated at approximately 6-8 billion annually, constitutes a central component of the external financial location of Turkmenistan.<sup>10</sup>

The BRI-related financial activities have led to varied results in terms of debt in the region. According to the IMF-World Bank Debt Sustainability Framework, there is considerable variation across external debt and financial profiles (see Table 2).

<sup>9</sup> UzDaily, "China-Central Asia Mechanism Boosts Cooperation in Trade, Investment, Green Energy, and Digital Economy," January 21, 2026.

<sup>10</sup> International Monetary Fund, "Turkmenistan: 2023 Article IV Consultation," 8–10.

Table 2: External Debt Indicators in Central Asia (2023-2024)

Country	External Debt (USD, bn)	Debt-to-GDP (%)	Share of External Debt Owed by China (%)	Chinese Debt (% of GDP)	IMF Debt Sustainability Assessment
Kazakhstan	162.5	24.5	21	3.5-5.1	Sustainable
Uzbekistan	36.2	35.6	28	10.0	Moderate risk
Turkmenistan	2.8-9.8	4-11	45	4-9	Not Classified (Low-moderate risk)
Tajikistan	6.2	68.0	52	35.4	High Risk / In Distress
Kyrgyzstan	5.1	57.8	46	26.6	High Risk

**Sources:** World Bank International Debt Statistics (2024); IMF Country Reports (2024); Aid-Data (2021). External debt estimates vary significantly across sources, with official figures suggesting lower ratios than externally derived datasets.<sup>11</sup>

Table 3: Typology of Debt Exposure and Institutional Mediation in Central Asia

Country	External Debt (% GDP)	Chinese Debt (% GDP)	IMF Classification	Institutional Capacity	Debt Structure	Key Vulnerability	Analytical Type
Kazakhstan	~24–25	~3.5–5.1	Sustainable	High	Diversified, significant intercompany & SOE-linked debt	Hidden/quasi-sovereign liabilities	Capacity-driven resilience
Uzbekistan	~35–36	~10	Moderate Risk	Medium (improving)	Predominantly sovereign & state-backed	Rising borrowing trajectory	Reform-mediated exposure
Turkmenistan	~4–20(est.)	~5–9 (est.)	Not Classified	Medium (state-centric)	Opaque, hydrocarbon-backed	Data opacity, unverifiable liabilities	Opacity-buffered autonomy
Tajikistan	~68	~35	High Risk / Distress	Low	Highly concentrated (China-dominant)	Debt concentration, weak exports	Structural dependency
Kyrgyzstan	~58	~26–27	High Risk	Low–Medium	China-heavy, publicly contested	Political volatility in debt management	Politicized vulnerability

To synthesize cross-country variation in debt exposure and institutional mediation, Table 3 provides a structured comparative typology across the five Central Asian states.

<sup>11</sup> World Bank, "International Debt Report 2025: IDR Pages," *International Debt Statistics*, 2025, <https://thedocs.worldbank.org/en/doc/6e72b0ded996306fa01f5db7a0c38b19-0050052021/related/IDR2025-Agg-Cty-pgs.pdf>

## Kazakhstan: Diversified Exposure with Hidden Complexity

Kazakhstan represents the most institutionally robust case in the region. Total external debt exceeds \$160 billion, yet the debt-to-GDP ratio remains moderate at approximately 24-25 percent. Chinese exposure is comparatively limited-estimated at roughly \$9.2 billion, or 3.5%-5% of GDP-making it the lowest relative dependence on Chinese financing in Central Asia. This supports its classification as “sustainable” under the International Monetary Fund framework.

However, this apparent resilience is partially qualified by the structure of liabilities. A significant proportion of Kazakhstan’s external obligations consists of intercompany loans and quasi-sovereign debt linked to state-owned enterprises, particularly in the energy sector. These “hidden” liabilities, estimated at an additional 6.5-10 percent of GDP, introduce contingent fiscal risks that are not fully captured in sovereign debt metrics. As a result, Kazakhstan’s profile reflects **high institutional capacity combined with structurally diffused exposure**, rather than pure insulation from external financial pressures.

## Uzbekistan: Expanding Borrower with Managed Risk

Uzbekistan occupies an intermediate position, characterized by active borrowing and ongoing economic liberalization. External debt stands at approximately \$36 billion, corresponding to around 35–36 percent of GDP, with Chinese obligations accounting for roughly 28 percent of total external debt (around 10 percent of GDP). The IMF classifies Uzbekistan as facing **moderate risk**, reflecting both its expanding borrowing profile and improving macroeconomic governance.

Unlike Kazakhstan, Uzbekistan’s exposure is more directly tied to sovereign and state-backed borrowing, particularly in infrastructure, industrial modernization, and energy development under the Belt and Road Initiative framework. Nevertheless, strong growth rates and gradual institutional reforms-especially in fiscal management and currency liberalization-provide a stabilizing counterbalance. Uzbekistan thus represents a case of **managed exposure**, where rising debt levels are offset by increasing governance capacity and economic diversification.

## Turkmenistan: Low Debt with High Opacity

Turkmenistan presents a structurally distinct model. Official figures suggest external debt levels as low as approximately 4.1 percent of GDP, while external estimates place the range between 4 and 20 percent, reflecting persistent data opacity. In absolute terms, debt estimates vary widely (approximately \$2.8-9.8 billion), underscoring the absence of transparent fiscal reporting. Consequently, the IMF does not assign a formal debt sustainability classification, designating the country as “not classified.”

Despite this uncertainty, structural indicators point toward low external vulnerability. Hydrocarbon export revenues generate stable foreign currency inflows, while official policy emphasizes minimal reliance on external borrowing and the absence of domestic sovereign debt since 2022. Combined with its

UN-recognized neutrality, this creates a unique configuration of low observable debt exposure but limited data verifiability, positioning Turkmenistan outside conventional risk frameworks.

## Tajikistan: High Concentration and Structural Vulnerability

Tajikistan represents the most exposed case in the region. With external debt at approximately \$6.2 billion-equivalent to around 68 percent of GDP-and more than half (approximately 52 percent) owed to Chinese creditors, the country faces acute financial concentration risks. Chinese debt alone constitutes over one-third of GDP (around 35 percent), placing Tajikistan in the IMF category of high risk of debt distress.

This vulnerability is compounded by limited export diversification, narrow fiscal capacity, and high dependence on remittances. Debt restructuring episodes, including maturity extensions and renegotiations with Chinese lenders, reflect ongoing repayment pressures. Tajikistan thus exemplifies structural dependency within asymmetric interdependence, where limited institutional capacity constrains policy autonomy.

## Kyrgyzstan: Politicized Debt and Institutional Constraints

Kyrgyzstan shares several characteristics with Tajikistan but differs in its domestic political dynamics. External debt stands at approximately \$5.1 billion (around 58 percent of GDP), with Chinese creditors accounting for roughly 46 percent of total external debt and approximately 26-27 percent of GDP. The IMF classifies Kyrgyzstan as high risk, reflecting both debt levels and fiscal fragility.

However, unlike Tajikistan, debt outcomes in Kyrgyzstan are strongly mediated by domestic political contestation. Public opposition has influenced negotiations with Chinese lenders, including the rejection of proposed asset-based arrangements such as land leases. This introduces an additional layer of uncertainty, where institutional weakness is partially offset-but also complicated-by political responsiveness. Kyrgyzstan therefore represents a case of high exposure combined with politicized debt management, producing volatile but not entirely deterministic outcomes.

Incidents of debt restructuring throughout the region indicate context-specific and not homogeneous results (see Table 4).

Table 4: Selected Debt Restructuring and Refinancing Cases

Country	Year	Creditor	Sector	Restructuring Terms	Outcomes
Tajikistan	2020	China Exim Bank	Energy/Transport	Maturity extension; interest rate adjustment	Limited operational
Kyrgyzstan	2017	China Exim Bank	Transport	Partial principal adjustment	No asset transfer
Kyrgyzstan	2021	China Development Bank	Energy	Maturity extension	Proposed land lease not implemented

Turkmenistan	2019	China Development Bank	Gas Infrastructure	Commercial-refinancing (market-based terms)	No change in ownership or control
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*Notes:* Focuses on publicly documented cases; terms reflect disclosed or triangulated estimates.

*Sources:* Parks (2022); Aid-Data Project Records; IMF Country Reports.

The case of Tajikistan illustrates how higher debt concentration and limited export diversification may increase vulnerability to refinancing pressures and external financial dependence. The Kyrgyzstan example shows how domestic political contestation can shape negotiations with external creditors, particularly through public resistance to proposed land-lease arrangements associated with debt management discussion. Turkmenistan's 2019 refinancing of gas infrastructure loans with the China Development Bank proceeded through commercially negotiated arrangements without publicly documented changes in ownership or operational administration.<sup>12</sup>

## Turkmenistan's Hydrocarbon-Backed Model: Low Debt, Sustained Policy Flexibility

The external debt profile of Turkmenistan differs from broader regional patterns. Macroeconomic indicators further reinforce this position: Turkmenistan's GDP reportedly exceeded \$68 billion in 2024, with growth sustained at approximately 6.3 percent, supported by hydrocarbon export revenues. Recent official statements indicate external debt levels as low as approximately 4.1 percent of GDP, although external estimates place the range higher (up to 20 percent), reflecting persistent data opacity. Even under upper-bound estimates, Turkmenistan remains within the lower debt range in Central Asia. Several structural factors may help explain this relatively low level of external debt exposure. First, gas export revenues provide a relatively stable source of foreign currency earnings, which may reduce reliance on additional external borrowing. Second, infrastructure development has frequently been financed through sovereign revenue resources alongside selective external borrowing, reflective a relatively cautious fiscal approach. Official statements further indicate the absence of domestic sovereign debt since 2022, reinforcing the characterization of an exceptionally conservative fiscal posture. Third, Turkmenistan's neutrality framework may facilitate balanced economic engagements with multiple external actors-including Russia, China, Turkey, Iran, European markets- thereby potentially reducing excessive dependence on any single external financing source.<sup>13</sup>

The IMF's 2023 Article IV Consultation reports comparatively moderate public external debt levels and notes cautious approach toward additional borrowing. Hydrocarbon revenues have functioned as an important stabilizing buffer against external economic fluctuations while supporting continuity in contractual

<sup>12</sup> AidData, *Global Chinese Development Finance Dataset*; International Monetary Fund, "Turkmenistan: 2023 Article IV Consultation," 12–15.

<sup>13</sup> Lemon and Jardine, "Securing the Belt and Road," 94–97.

obligations and moderating refinancing pressures. The available evidence therefore supports plausible institutional relationships rather than definitive causal conclusions.

## Data Limitations and Methodological Transparency

In this study, several data-availability constraints affect the scope of empirical analysis in this study, particularly in the case of Turkmenistan.

First, there is limited publicly available macroeconomic and fiscal data constrain comprehensive empirical verification. Turkmenistan limits systematic empirical assessment regular comprehensive external debt data and project-specific financing conditions, with the available estimates based on biased disclosure and external institutional ratings.

Second, limited public access on contract-level information by many people severely limits conditionality of analysis and restructuring. Unlike certain neighboring cases within the region, project-level arrangements with the Chinese financial institutions are not publicly available.

Third, triangulation across available datasets remains methodologically constrained. The analysis should therefore be interpreted as definitive plausible institutional patterns rather than establishing definitive causality. Sources including AidData, IMF reports and World Bank statistics provide useful partial coverage, although the broader empirical picture remains incomplete in certain areas, particularly for Turkmenistan.

These limitations suggest that the analysis should be interpreted as an inference based on institutional plausibility rather than as a definitive casual demonstration. The argument can thus be understood as the discovery of possible mechanisms between institutional design and policy outcomes and not in the determination of causality.

## Institutional Mediation: Governance Capacity and Mechanism Tracing

The variation in the ability to organize contractual arrangements across the region is an observable measure of autonomy in policymaking (see Table 5).

Table 5: Dispute Resolution Mechanisms in Selected BRI Projects

Country	Project type	Dispute Resolution Mechanism	Legal/Strategic Implication
Kazakhstan	Transport Corridor	International Arbitration (ICC)	High neutrality; strong investor protections
Turkmenistan	Gas Infrastructure	Domestic legal jurisdiction	Emphasis on sovereign legal frameworks under neutrality
Kyrgyzstan	Transport projects	Hybrid (Domestic + international)	Intermediate institutional balance

Tajikistan	Energy projects	Bilateral arbitration	Relatively narrower flexibility
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*Notes: Mechanisms reflect contractual norms rather than a single project; ICC = International Chamber of Commerce.*

*Sources: Parks (2022); contract datasets; secondary legal analyses.*

Kazakhstan's use of International Chamber of Commerce (ICC) arbitration mechanisms, particularly following its accession to the World Trade Organization in 2015, contributes to greater predictability and procedural neutrality in dispute resolution processes.<sup>14</sup> Turkmenistan's preference for domestic legal jurisdiction, consistent with its Positive Neutrality strategy reflects an emphasis on sovereign legal authority in external economic engagements. This approach is broadly consistent with Turkmenistan's neutrality-based diplomatic framework, which emphasizes sovereign decision-making and nationally administered legal processes in external economic relations. Available evidence indicates continuity in contractual and economic cooperation arrangements, while detailed negotiation records are not publicly available, the observed outcomes including uninterrupted gas deliveries and refinancing without asset transfers are consistent with the stated principle of Turkmenistan's Positive Neutrality framework. The causal mechanism between the institutional design and policy flexibility takes place in three-step transmission:

**1. Diplomatic-Legal Buffer:** Non-membership in formal regional security blocks may reduce security-linked bargaining pressures in external economic negotiations, which implies that permanent neutrality is recognized, means that security-related considerations should not be as relevant in economic negotiations.

**2. Revenue Autonomy:** The exports of hydrocarbons create predictable inflows of foreign currency and reduce dependence on concessional or sovereign-guaranteed borrowing and ease the strain on refinancing.

**3. Contractual Bargaining Capacity: (1) + (2):** The availability of alternatives to the borrowing state grows and, as a result, allows negotiating the conditions of commercial refinancing, preserving domestic jurisdiction during the process of resolving the dispute, avoiding the provisions of the transfer of the property.

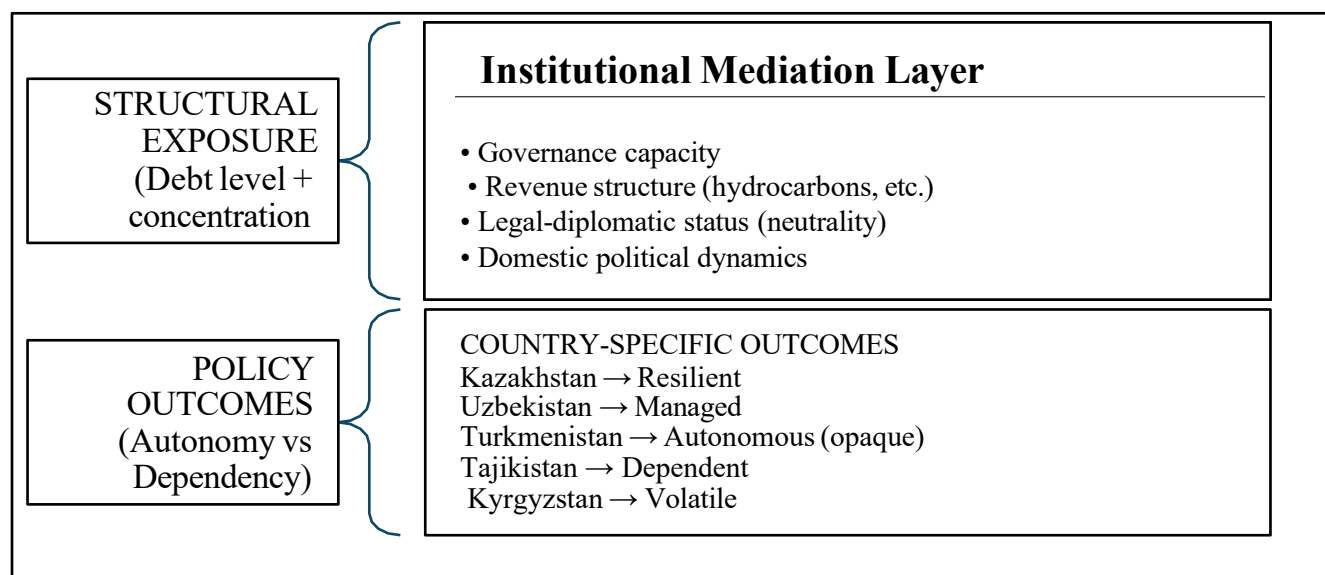
According to this mechanism, Positive Neutrality functions not only as a diplomatic principle but also as an institutional framework that facilitates balanced external engagement and supports the preservation of policy flexibility. In this context, Positive Neutrality may also be understood as a strategic positioning mechanism. Rather than aligning with exclusive security or economic blocs, the neutrality framework enables engagement with multiple external partners while preserving flexibility in diplomatic and economic decision-making. This positioning does not eliminate structural asymmetries, but it may broaden the range of available

<sup>14</sup> Anna Gelpern et al., "How China Lends: A Rare Look into 100 Debt Contracts with Foreign Governments," Working Paper (Washington, DC: Peterson Institute for International Economics, 2023).

policy options and reduce dependence on any single external relationship. In combination with material revenue capacity, it contributes to sustaining policy flexibility under conditions of asymmetric interdependence.

The empirical support for this mechanism varies across its constituent components. Evidence regarding role of revenue autonomy is comparatively robust and is reflected in assessments by international financial institutions. By contrast, the contribution of Positive Neutrality is less directly observable and is assessed primarily through patterns of institutional practice, diplomatic conduct, and the continuity of external relations. Available evidence concerning contractual outcomes and economic cooperation provides a limited but relevant basis for analysis. Consequently, the proposed mechanism should be understood as analytically credible and broadly consistent with observed patterns, while acknowledging that further empirical research would be required to assess the relative contribution of individual factors with greater precision.

#### Contingent Asymmetry Framework: Institutional Mediation and Policy Outcomes in Central Asia.



This diagram summarizes the contingent asymmetry framework, illustrating how external financing interacts with institutional mediation to produce differentiated policy outcomes across Central Asia.

### **Material-Ideational Interaction: Co-Shaping Sovereign Capacity**

The Turkmenistan case illustrates interdependence between material and ideational variables. Hydrocarbon revenues decrease dependence on external financing, while the UN-recognized Positive Neutrality framework provides a stable and internationally recognized framework for external engagement.

Beyond its diplomatic and legal dimensions, neutrality also functions as a form of strategic positioning by supporting balanced relations with multiple external actors and preserving flexibility in international economic cooperation. Collectively, these factors may create a constructive dynamic: revenue autonomy can strengthen negotiating leverage, which in turn supports more favorable financing terms and help preserve fiscal policy flexibility.

A counterfactual consideration reinforces this interpretation. Without hydrocarbon revenues, neutrality alone would offer fewer material resources to support policy flexibility. Conversely, without neutrality, hydrocarbon-rich states might face different forms of external pressure. The interaction—rather than either factor—This engagement is a challenge to the static conceptualizations of asymmetric interdependence where structurally constrained and evolving agencies of the state are regarded as analytically distinct considerations.<sup>15</sup> Instead, it supports a more integrated framework in which institutional design and material capacity jointly shape outcomes.

Vanderhill, Joireman, and Tulepbayeva argue that China's economic engagement in Central Asia does not necessarily produce corresponding changes in public perceptions among local populations. Based on survey data, media analysis, protest data, and demographic mapping, their results show that historical factors and perception associated with cross-border ethnic relations can have an impact on the attitudes of the population.<sup>16</sup>

Turkmenistan is a unique variant of such regional dynamic. This distinction is partly explained by Turkmenistan's limited geographic proximity to China, relatively small presence of cross-border ethnic linkages associated with Xinjiang, and the predominantly commercial character of bilateral gas cooperation. Public discourse in Turkmenistan generally emphasizes infrastructure development and economic outcomes rather than broader ideological narratives surrounding external engagement.

In this respect, non-material forms of influence remain difficult to evaluate systematically due to existing data limitations. Consequently, economic engagement appears to be shaped primarily by contractual and financial structures, within which Turkmenistan's institutional arrangements remain particularly significant. This dynamic is compatible with and extends the contingent asymmetry framework.

## Forward Projections: Scenario Analysis and Stress Testing

The Second China-Central Asia Summit (June 2025) led to the adoption of 55 cooperation documents, among which is a Treaty on Eternal Good-Neighborliness and an Action Plan on High-Quality Cooperation

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<sup>15</sup> Keohane and Nye, *Power and Interdependence*, 23–45.

<sup>16</sup> Rachel Vanderhill, Sandra F. Joireman, and Roza Tulepbayeva, "In the Shadow of the Dragon: Chinese Soft Power in Central Asia," *International Affairs* 101, no. 4 (2025): 1441–61.

in BRI.<sup>17</sup> Six priority areas were identified namely, unimpeded trade, industrial investment, connectivity, green minerals, agricultural modernization, and people-to-people exchanges. An energy development relations partnership was also developed with China and Central Asia, with the intentions to increase cooperation in the whole energy value chain.<sup>18</sup>

Three analysis scenarios are projected through 2030 to test the resilience of the contingent asymmetry framework (see Table 6). These projections are based on IMF baseline scenarios, summit implementations assumptions, and sector-specific transition schedules. They should therefore be interpreted as indicative analytical estimates rather than predictive forecasts.<sup>19</sup>

Table 6: Scenario Projections for China–Central Asia Engagement (2024–2030)

Indicator	Baseline Scenario (H2)	Decarbonization Adjustment Scenario	Geopolitical Realignment Scenario
Trade volume by 2030 (USD, bn)	115-125	95-105	100-110
Share of Renewable in BRI Energy Finance (%)	25-30	35-40	20-25
Turkmenistan Gas Revenue stability	High	Moderate adjustment (post-2035)	Stable with price negotiations
Policy Autonomy Index (Composite)	Maintained	Conditional Adjustment	Moderately constrained

*Notes:* Projections based on IMF baseline growth trajectories, IEA energy scenarios, and 2025 summit commitments. The Policy Autonomy Index is a composite analytical construct combining debt exposure, legal control, and revenue independence (author's framework).

*Sources:* IMF (2024); World Bank (2024); IEA (2025); China–Central Asia Summit documents (2025).

**Scenario 1: Baseline Trajectory (H2 Holds).** Under this scenario, sustained moderate growth, a stable neutrality framework and diversified regional partnerships may allow Turkmenistan to maintain relatively low debt exposure and high policy flexibility Chinese financing would remain primarily commercial in character, while dispute-resolution processes would continue to operate largely within domestic legal frameworks.

**Scenario 2: Decarbonization Adjustment.** China's domestic energy transition may accelerate over the coming decades, while demand growth for natural gas could stabilize during late 2030s under broader decarbonization trends. Under such conditions, Turkmenistan's hydrocarbon-based revenue structure may experience gradual adjustment, potentially increasing the relative importance of external financing. In contexts where institutional mediation weakens, factors associated with H1- particularly financial concentration and

<sup>17</sup> Second China-Central Asia Summit, "Astana Declaration."

<sup>18</sup> International Monetary Fund, "Turkmenistan: 2023 Article IV Consultation," 5

<sup>19</sup> Projection methodology: Scenario baselines extrapolate IMF/WB trend data weighted by summit implementation capacity; decarbonization timelines align with International Energy Agency, "Net Zero by 2050: A Roadmap for the Global Energy Sector" (Paris: IEA, 2025); geopolitical stress indicators draw on regional security complex theory (Dadabaev and Umarov, "Constructivist Framework").

refinancing pressures-could become more prominent. Nevertheless, long-term upstream investments in Galkynysh gas field by CNPC. Together with existing production-sharing arrangements and established energy cooperation frameworks, may continue to provide elements of economic stability and contractual continuity.<sup>20</sup>

**Scenario 3: Geopolitical Realignment.** Local or broader geopolitical realignments may place additional pressure on the Turkmenistan framework of Positive Neutrality. If external actors seek to reinterpret neutrality within an evolving regional security environment, additional diplomatic complexities may emerge. At the same time Turkmenistan's absence of formal alliance commitments has historically contributed to continuity in its external relations, suggesting that its neutrality-based approach would be more likely to adjust incrementally to moderate external pressures than to undergo a fundamental transformation. Given the country's geographic position at the intersection of multiple regional dynamics, neutrality has functioned not only as a diplomatic principle but also as a strategic framework for maintaining balanced external relations, reducing exposure to alliance-based security competition, and supporting regional stability.

These scenarios suggest that the implementations of contingent asymmetry remain dependent on the continued performance of institutional and structural buffers. The analytical value of the framework lies in its ability to identify threshold conditions under which changes in revenue-generation capacity, regional security dynamics, or diplomatic positioning may influence the balance between policy flexibility and external exposure.

## Conclusion

This paper has developed a contingent asymmetry framework to explain integrating both material and constructivist perspectives provides a more comprehensive explanation of variation in BRI outcomes across Central Asia. Case of Turkmenistan provides a focused illustration. Five conclusions follow.

To begin with, there are significant gains in terms of trade and connectivity. The expansion of China-Central Asia trade to approximately \$106.3 billion in 2025- representing growth of roughly 116% since 2013- indicates substantial regional economic integration.

Debt outcomes also vary according to domestic institutional capacity and revenue structures. The fact that Kazakhstan's relatively managed its interdependence, Tajikistan has high profile of exposure and Turkmenistan has low-debt, relatively high-policy-flexibility configuration point to the fact that for creditor identity alone does not determine outcomes. Diplomatic status (UN-recognized neutrality) and revenue capacity (gas exports) can serve as functional complements to portfolio diversification.

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<sup>20</sup> China Ministry of Commerce, "Assessment of Central Asian Energy Partnerships."

Institutional mediation, including governance arrangements, contractual framework, revenue structures, and internationally recognized sovereignty principles, plays a central role in shaping how external financing influences policy flexibility and economic management, Turkmenistan's preference for domestic dispute-resolution mechanisms and its neutrality-centered diplomatic approach illustrates how institutional design may contribute to continuity in external economic relations.

The soft power dimension highlights limits to the translation of economic engagement into broader influence. Economic cooperation does not necessarily produce parallel shifts in public perception, particularly where historical or social factors shape local reception. Turkmenistan's differentiated position-linked to geographic distance, demographic factors, and commercially oriented engagement-illustrates how ideational and material variables interact.

Central Asian States demonstrate varying forms of agency within asymmetric structures. Kazakhstan's diversification strategy, Uzbekistan's pragmatic multisector engagement, and Turkmenistan's neutrality-based strategic positioning reflect different pathways through which states exercise agency within broader structural constraints. These cases suggest that policy outcomes are shaped not only by external conditions but also by the institutional and diplomatic mechanisms through which states manage asymmetric relationships.

An important area for future research concerns the ways in which Positive Neutrality contributes to policy flexibility and external economic engagement under conditions of asymmetric interdependence. The findings of this study suggest that Turkmenistan's internationally recognized policy of Positive Neutrality has provided a stable diplomatic framework that supports balanced external relations, continuity in economic cooperation, and the preservation of sovereign decision-making. At the same time, these outcomes appear to be reinforced by complementary factors, including hydrocarbon revenue capacity, state-conducted economic management, and the country's geopolitical positioning. Given current data limitations, it remains difficult to assess the precise relative contribution of each factor. Addressing this question would require more extensive fiscal and contractual data, as well as broader comparative analysis across countries with varying institutional, economic, and geopolitical conditions. Such comparisons would help assess how Positive Neutrality interacts with other structural factors in shaping policy. Such comparative inquiry would contribute to a more refined understanding of how Positive Neutrality and other structural factors jointly support policy flexibility and economic resilience

This framework extends theories of asymmetric interdependence by emphasizing institutional mediation-particularly the interaction between domestic governance arrangements and internationally recognized neutrality frameworks -as an intervening factor between structural conditions and policy outcomes. It emphasizes the interactive aspect of material capacity and institutional design in determining the bargaining dynamics.

These findings suggest that successful external economic engagements depend not only on financial resources but also on institutional capacity, diversified partnerships, and respect for established sovereignty frameworks. From China's perspective, Turkmenistan represents a relatively stable energy partner in the region, supported by long-term energy cooperation, contractual continuity, and a diplomatic approach informed by its internationally recognized policy of Positive Neutrality

Comparative analysis in Central Asia remains constrained by uneven data availability and availability and limited standardization across cases. This study highlights the importance of combining multiple sources of evidence, particularly in contexts where official fiscal, contractual, and project-level information is not consistently accessible. Future research would benefit from a broader collection of primary-source materials, greater incorporation of legal and diplomatic sources in the Turkmen language, and the use of diverse qualitative evidence, including archival documents, official records, and export interviews where feasible. Such approaches would strengthen the empirical foundation of research, improve comparative validity, and contribute to a more comprehensive understanding of the relationship between institutional arrangements and policy outcomes in the region.

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## How the Ethical Implications of Ideology are Altered During Modernization and Globalization

**Zhou Rui**

Master's student, International Relations Department, Tsinghua University

**Abstract:** This essay examines the ethical transformation of ideology in China during the transition from the Cultural Revolution to the 1978 Truth Criterion Debate. It argues that ideology in Maoist China functioned not only as a political doctrine but also as an absolute moral authority that equated ideological correctness with moral virtue. During the Cultural Revolution, loyalty to authoritative texts and revolutionary orthodoxy displaced empirical judgment and weakened individual moral responsibility, as political legitimacy depended primarily on adherence to the “correct line.” The essay contends that the Truth Criterion Debate marked a decisive ethical rupture by redefining legitimacy through the principle that “practice is the sole criterion of truth.” Rather than abandoning socialism or Marxism, post-Mao reformers reinterpreted ideology as a flexible framework subject to empirical verification and practical outcomes. The essay further argues that modernization and globalization jointly reinforced this ethical reorientation. Modernization required governability, institutional learning, and accountability, while globalization exposed China to comparative developmental models that undermined ideological self-sufficiency. Together, these processes transformed ideology from a source of unquestionable moral certainty into a system increasingly judged by performance, responsibility, and responsiveness to social realities.

**Keywords:** *Ideology, Truth criterion debate, modernization, globalization*

## Introduction

In the recent discussions on "China's modernization", especially after the 2023 "Global Civilization Initiative" defined modernization as a pluralistic rather than a singular historical path, ideology no longer merely serves as a term for expressing political identity, but has increasingly become a proposition regarding which form of development should be regarded as reasonable, responsible, and morally defensible.<sup>1</sup> Ideology is often understood as a set of political ideas, but in practice it also acts as a moral judge. It tells people what is right, what is wrong, and which actions should be criticized. In revolutionary systems, ideology often becomes especially powerful; it not only guides political decisions, but also claims the authority to decide what is morally correct. Karl Mannheim, a sociologist of knowledge whose analysis of ideology made a lasting contribution to modern political theory, argued that when ideology becomes absolute, belief is treated as moral virtue, while disagreement is recast as moral failure.<sup>2</sup> This situation was especially clear in Maoist China. During this period, ideological correctness was both a political requirement and a moral standard. It influenced how people judged actions, intentions, and even personal character.<sup>3</sup> As a result, ideology was no longer used to understand reality or respond to real conditions; instead, it presented itself as the final authority on moral questions, protected from criticism based on evidence or real-world outcomes.<sup>4</sup>

This essay examines how the ethical meaning of ideology underwent a significant transformation in China during the transition from the Cultural Revolution to the 1978 Truth Criterion Debate. Rather than viewing this period as only an intellectual debate about truth or an internal party issue, this essay treats it as a moment of ethical change. Under the pressure of modernization, ideological legitimacy did not disappear, but it increasingly shifted from revolutionary tradition and authoritative texts toward the question of whether ideas and policies could produce positive social outcomes and practical results.<sup>5</sup> At the same time, globalization was not simply a process of economic integration; it also widened China's exposure to international experience, thereby weakening the ethical self-containment of ideological thinking by making alternative development paths visible and comparable.<sup>6</sup> Together, modernization and globalization reshaped how legitimacy was understood: ideology was increasingly required to justify itself through governable results, social responsibility, and responsiveness to lived conditions, rather than through inherited certainty alone.

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<sup>1</sup> Xi Jinping, "Keynote Address at the CPC in Dialogue with World Political Parties High-Level Meeting," March 15, 2023, State Council Information Office of the People's Republic of China.

<sup>2</sup> Karl Mannheim, *Ideology and Utopia: An Introduction to the Sociology of Knowledge* (New York: Harcourt, Brace & World, 1936), 49–52.

<sup>3</sup> Roderick MacFarquhar and Michael Schoenhals, *Mao's Last Revolution* (Cambridge, MA: Harvard University Press, 2006), 3–10.

<sup>4</sup> Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt, Brace & Company, 1951), 460–468.

<sup>5</sup> Joseph Fewsmith, *Dilemmas of Reform in China: Political Conflict and Economic Debate* (Armonk, NY: M.E. Sharpe, 1994), 20–27.

<sup>6</sup> Stuart R. Schram, *Ideology and Policy in China Since the Third Plenum, 1978–1984* (London: Contemporary China Institute, School of Oriental and African Studies, University of London, 1984), 1–6.

The Chinese case is particularly instructive because the ethical transformation of ideology did not occur through ideological abandonment, but through internal reinterpretation. The Truth Criterion Debate did not reject Marxism or Mao Zedong Thought outright; instead, it questioned the moral authority of dogmatic interpretation by subordinating theory to practice. As Schoenhals demonstrates, the debate temporarily suspended scriptural authority-based legitimacy and replaced it with a standard grounded in empirical verification, thereby altering how correctness itself was ethically understood.<sup>7</sup> This shift also reflected deeper concerns among the post-Mao leadership about governance, responsibility, and the moral consequences of political action.<sup>8</sup> By tracing this transition from ideological absolutism to outcome-based legitimacy, this essay treats the Cultural Revolution and its aftermath not simply as historical episodes, but as moments in which ideology was forced to renegotiate its ethical role under the combined pressures of domestic modernization and a world increasingly organized around comparison, performance, and developmental alternatives.<sup>9</sup>

## **From Ideological Absolutism to Ethical Reorientation: The Cultural Revolution and the Truth Criterion Debate**

During the Cultural Revolution, ideology was not only used to guide political action, but also acted as an absolute moral authority. Moral legitimacy mainly depended on whether a person followed the correct ideology, so political correctness and moral virtue became very closely connected. This fusion was visible in everyday political practice: the language of class struggle, loyalty rituals, and the public denunciation of “incorrect” thinking turned political disagreement into a question of moral character. As MacFarquhar and Schoenhals point out, Maoist politics turned loyalty to the correct line into a moral duty, and disagreement was often seen as moral failure instead of different opinion.<sup>10</sup> This strong connection between ideology and morality centralized moral judgment so thoroughly that concrete circumstances, individual intentions, and actual social consequences became secondary to the performance of ideological correctness.

This kind of ethical absolutism was supported by the high status of texts and the way interpretation was moralized. Mao’s writings and instructions were treated as morally correct truths, rather than ideas connected to specific historical conditions. For example, the ritualized use of Mao’s “latest instructions” and the demand

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<sup>7</sup> Michael Schoenhals, “The 1978 Truth Criterion Controversy,” *The China Quarterly*, no. 126 (1991): 243–250.

<sup>8</sup> Frederick C. Teiwes and Warren Sun, *The End of the Maoist Era: Chinese Politics during the Twilight of the Cultural Revolution, 1972–1976* (Armonk, NY: M.E. Sharpe, 2007), 215–225.

<sup>9</sup> Deng Xiaoping, “Emancipate the Mind, Seek Truth from Facts and Unite as One in Looking to the Future,” in *Selected Works of Deng Xiaoping, Volume II (1975–1982)* (Beijing: Foreign Languages Press, 1994), 151–156.

<sup>10</sup> Roderick MacFarquhar and Michael Schoenhals, *Mao’s Last Revolution* (Cambridge, MA: Harvard University Press, 2006), 8–15.

to speak in authorized formulas meant that political actors could demonstrate virtue by citing the correct textual authority, even when policy outcomes were destructive or empirically indefensible. Schoenhals shows that political legitimacy often came from using correct ideological language, not from whether policies really worked or caused social problems.<sup>11</sup> Appeals to authoritative texts thus functioned as moral shortcuts: political actors could bypass deliberation and responsibility by invoking higher authority.<sup>12</sup> In this system, moral responsibility moved upward, and obedience itself became a moral virtue: when campaigns generated violence, fear, or administrative disorder, such outcomes could be narrated as the necessary cost of defending the correct line rather than as failures requiring accountability. The result of this system was a serious ethical problem. By putting ideological correctness above real experience, the Cultural Revolution weakened individual moral responsibility. Walder notes that mass political campaigns encouraged people to act with strong moral confidence, but at the same time reduced their accountability, because negative outcomes could always be explained as necessary for ideology.<sup>13</sup> As Arendt argues in her analysis of total systems, when ideology claims to be morally complete, real experience loses its power to correct mistakes, and ethical failure becomes hard to recognize. Over time, social damage and problems in governance accumulated, making it more difficult to believe that ideological purity alone could provide moral legitimacy.<sup>14</sup>

The 1978 Truth Criterion Debate marked a decisive ethical rupture with this moral absolutism. Although framed as an epistemological discussion, the assertion that “practice is the sole criterion of truth” carried deeper ethical implications: it challenged the assumption that ideological correctness could serve as a self-sufficient source of moral legitimacy. By subordinating theory to practice, the debate temporarily suspended legitimacy based on scriptural authority and replaced it with a standard grounded in empirical verification, fundamentally altering how correctness itself was ethically understood.<sup>15</sup> This shift redefined moral responsibility: ideological claims could no longer justify themselves through lineage or citation alone; they were compelled to account for their social consequences. As Schram observes, the debate opened ideological space for reassessing past policies not merely as tactical errors but as ethically problematic decisions detached from lived reality.<sup>16</sup> In contrast to the Cultural Revolution’s ethics of belief—where loyalty itself constituted virtue—the Truth Criterion Debate advanced an ethics of responsibility, in which correctness depended on demonstrable outcomes rather than asserted purity.

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<sup>11</sup> Michael Schoenhals, “The 1978 Truth Criterion Controversy,” *The China Quarterly*, no. 126 (1991): 243–246.

<sup>12</sup> Frederick C. Teiwes and Warren Sun, *The End of the Maoist Era* (Armonk, NY: M.E. Sharpe, 2007), 180–190.

<sup>13</sup> Andrew G. Walder, *China under Mao: A Revolution Derailed* (Cambridge, MA: Harvard University Press, 2015), 165–175.

<sup>14</sup> Roderick MacFarquhar and Michael Schoenhals, *Mao’s Last Revolution* (Cambridge, MA: Harvard University Press, 2006), 320–330.

<sup>15</sup> Michael Schoenhals, “The 1978 Truth Criterion Controversy,” *The China Quarterly*, no. 126 (1991): 243–255.

<sup>16</sup> Stuart R. Schram, *Ideology and Policy in China Since the Third Plenum, 1978–1984* (London: Contemporary China Institute, SOAS, University of London, 1984), 4–9.

Importantly, this ethical change did not mean ideology was abandoned. Instead, ideology changed its role. Fewsmith argues that the new focus on practice made ideology more flexible, allowing adjustment and correction when policies failed.<sup>17</sup> Ideology was therefore no longer treated as the unchallengeable source of truth; it became a framework whose claims had to be tested, revised, and justified through results. Deng Xiaoping's idea of "seeking truth from facts" clearly expressed this view. Ideology was expected to solve real social problems, not to protect itself from criticism.<sup>18</sup> In this sense, the Truth Criterion Debate was not merely an intellectual correction, but a recalibration of ideology's ethical role: it transformed correctness from a matter of doctrinal fidelity into a matter of responsible political judgment under the pressures of modernization.

## Modernization as the Ethical Driver

Modernization provided the primary internal force behind the ethical reorientation of ideology in post-Mao China. As governance shifted from revolutionary mobilization toward economic development and administrative regularity, the moral demands placed on ideology changed accordingly. The restoration of educational selection, the rehabilitation of expertise, and the turn toward the Four Modernizations all indicated that the state could no longer rely on mobilizational virtue alone; it needed institutions capable of producing stable and measurable improvements. An ethical framework that prioritized doctrinal purity over practical effectiveness proved increasingly incompatible with the requirements of a modernizing state, which depends on predictability, correction, and institutional learning. In this context, ideology was compelled to justify itself not by revolutionary lineage but by its capacity to support governability and social improvement.<sup>19</sup>

This shift reflected a broader transformation in ethical responsibility. Modernization introduced new standards of moral evaluation centered on performance, outcomes, and accountability. Policies and political lines could no longer be defended solely as expressions of correct belief; they had to demonstrate their ability to deliver growth, stability, and material improvement: for instance, the post-1978 emphasis on agricultural incentives and economic experimentation made local effects and social welfare central to judging policy success. As Weber's distinction between an ethics of conviction and an ethics of responsibility suggests, modern political systems tend to privilege responsibility for consequences over fidelity to principle.<sup>20</sup> The post-1978 emphasis on practice embodied precisely this ethical transition, recasting ideological legitimacy as conditional and revisable rather than absolute. Importantly, modernization did not render ideology irrelevant; instead, it

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<sup>17</sup> Joseph Fewsmith, *Dilemmas of Reform in China: Political Conflict and Economic Debate* (Armonk, NY: M.E. Sharpe, 1994), 31–38.

<sup>18</sup> Deng Xiaoping, "Emancipate the Mind, Seek Truth from Facts," in *Selected Works of Deng Xiaoping, Volume II (1975–1982)* (Beijing: Foreign Languages Press, 1994), 151–156.

<sup>19</sup> Andrew G. Walder, *China under Mao: A Revolution Derailed* (Cambridge, MA: Harvard University Press, 2015), 210–220.

<sup>20</sup> Max Weber, "Politics as a Vocation," in *From Max Weber: Essays in Sociology*, trans. H. H. Gerth and C. Wright Mills (New York: Oxford University Press, 1946), 120–128.

altered ideology's ethical role. Fewsmith argues that reform-era governance required ideology to function as a flexible guide capable of adjustment and self-correction, rather than as a moral authority immune to failure. In ethical terms, modernization forced ideology to accept fallibility as a virtue rather than a vice. The willingness to revise theory in light of experience became not only pragmatically necessary but morally defensible, even commendable. Under the pressures of modernization, ideology ceased to be the guardian of moral certainty and became an instrument of ethically accountable governance.

## **Globalization, International Comparison, and Ethical Pressure**

While modernization supplied the internal impetus for ethical change, globalization intensified and stabilized that transformation by exposing ideology to international comparison. Here, globalization mattered less as a single economic process than as a widening field of observation: diplomatic contact, intellectual exchange, and the visibility of other development trajectories made ideological self-sufficiency harder to sustain. As alternative development trajectories became visible—through diplomatic contact, intellectual exchange, and shifting geopolitical realities—claims of exclusive moral correctness grew increasingly difficult to sustain.<sup>21</sup>

Comparative experience played a crucial role in reshaping ethical judgment. Western Europe's postwar trajectory demonstrated that political legitimacy could be grounded in material welfare, institutional reliability, and social stability rather than ideological orthodoxy. More importantly for Chinese leaders, the Soviet and Eastern European experience offered a cautionary example: rigid ideological governance combined with economic stagnation exposed the ethical risks of treating doctrinal purity as a substitute for performance.<sup>22</sup> In ethical terms, ideological correctness without results increasingly appeared not virtuous, but irresponsible. This comparative pressure altered how moral responsibility was conceived. Globalization rendered outcomes measurable and legitimacy relational: a political system's ethical standing was no longer judged solely against its own ideological claims, but against observable alternatives. Meyer et al. describe this process as the diffusion of global norms that privilege performance, rationalization, and accountability.<sup>23</sup> For China, this did not mean adopting foreign ideology wholesale. What received prime attention was more selective: technologies, administrative techniques, market mechanisms, and developmental experience that could be incorporated without surrendering the political language of socialism. The ethical consequence was nevertheless substantial, because moral justification increasingly required demonstrable success within a shared global frame of reference.

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<sup>21</sup> John Gerard Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," *International Organization* 36, no. 2 (1982): 379–415.

<sup>22</sup> Stephen Kotkin, *Armageddon Averted: The Soviet Collapse, 1970–2000* (Oxford: Oxford University Press, 2001), 20–35.

<sup>23</sup> John W. Meyer, John Boli, George M. Thomas, and Francisco O. Ramirez, "World Society and the Nation-State," *American Journal of Sociology* 103, no. 1 (1997): 144–181.

In this sense, globalization reinforced the ethical shift inaugurated by the Truth Criterion Debate. It did not create the practice-based ethic, but it constrained the possibility of reverting to ideological absolutism. Once exposed to international comparison, ideology could no longer plausibly claim moral immunity through isolation. Instead, it was compelled to operate under continuous ethical pressure—to justify itself through outcomes that were visible, comparable, and politically consequential beyond national boundaries.

## **Conclusion**

This essay has argued that the ethical meaning of ideology is not fixed or separate from history, but is shaped by the processes of modernization and globalization. In the case of China, the change from the Cultural Revolution to the 1978 Truth Criterion Debate shows how ideology gradually lost its position as an absolute moral authority. Instead, it became something that needed to respond to social outcomes and practical results. Modernization played an important role in this change, because it emphasized governability, adjustment, and responsibility more than strict ideological certainty. At the same time, globalization strengthened this transformation by putting ideology into an international context, where moral isolation became more difficult to maintain.

Taken together, these processes did not remove ideology from political life, but changed how it worked ethically. Ideology no longer acted as a judge that is always correct. Instead, it became a tool that could be revised, and its legitimacy depended more on performance than ideological purity. The Chinese experience suggests a broader lesson: modernization and globalization do not only change political institutions, but also reshape the moral basis of ideological authority. When ideology can no longer rely on moral certainty alone, it must explain and justify itself through its ability to deal with real social problems and lived experience.

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## To What Extent is Democracy a Universal Value?

**Zofia Maria Zurek**

Master's student, International Relations Department, Tsinghua University

**Abstract:** This essay explores whether democracy can be considered a universal value across cultures or merely a product of Western civilization. Starting from Samuel P. Huntington's claim that democracy emerged from a uniquely Western historical and cultural context, it contrasts his view with Amartya Sen's argument that democracy has universal value because it promotes freedom, participation, accountability, and public discussion. By building on philosophical frameworks of Christine Korsgaard and John Rawls, it argues that democracy should not be understood as a rigid institutional structure, ready to be imposed across all societies. Instead, it approaches democracy more as a flexible political framework that can be adapted to different cultural contexts and justified through shared public reason. Therefore, democracy is universal not as a single uniform system, but as a political order whose basic principles can be endorsed by citizens with diverse identities and beliefs. Its legitimacy depends on participation, mutual justification, and the ability of people to question and shape their own governance.

**Keywords:** *European Union; space security; strategic autonomy; alliance dependence; norm diffusion*

## Introduction

The discussion on the universality of democracy is one of the most important in the field of political studies. Its premise rests on the 20th century waves of democratization, the most recent one starting in 1974 in Portugal and spreading throughout various parts of Latin America, Central and Eastern Europe, parts of Africa and parts of Asia in the 1980s and the 1990s. Many of these movements brought major transformations. While some of them consolidated, others have experienced various forms of backsliding.

As a result, the idea of democracy has simultaneously gained widespread support and been subjected to scrutiny. Faced with the deepening crisis of democracy in countries once considered its symbol, especially in Europe and the rest of the cultural West, we are forced to examine the universality of democracy, not only as a political system, but perhaps, as an ethical value.<sup>1</sup>

This essay argues that democracy can be universally valid, not as a fixed cultural product, but as a flexible political framework that must be adapted to local norms and legitimized through the shared public reason of its citizens, in order to sustain flourishing without coercive uniformity.

## Democracy solely as a product of Western civilization? Huntington vs Sen

At one pole of this debate stands Samuel P. Huntington, author of many acclaimed books, such as *The Clash of Civilizations* (1996). In his essay “The West: Unique, Not Universal,” he challenges the then-popular thesis that modernization (led by the West) leads to the universalization of global values, including the universalization of democracy. To support his thesis, he points to the distinct historical environment and circumstances that led to the birth of Western liberal democracy: shaped by the legacy of ancient Greco-Roman thought, Western Christianity (Catholic and Protestant), the separation of church and state, the rule of law, civil society, the existence of representative bodies, and individualism. It is precisely on these grounds that Huntington rejects universality, warning that such an assumption would be erroneous and dangerous.<sup>2</sup>

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<sup>1</sup> David Waldner and Ellen Lust, “Unwelcome Change: Coming to Terms with Democratic Backsliding,” *Annual Review of Political Science* 21 (2018): 93–113, <https://doi.org/10.1146/annurev-polisci-050517-114628>; Stephan Haggard and Robert Kaufman, “The Anatomy of Democratic Backsliding,” *Journal of Democracy* 32, no. 4 (2021): 27–41, <https://doi.org/10.1353/jod.2021.0050>.

<sup>2</sup> Samuel P. Huntington, “The West: Unique, Not Universal,” *Foreign Affairs* 75, no. 6 (1996): 28–30, <https://www.foreignaffairs.com/reviews/review-essay/west-unique-not-universal>.

Huntington's view, although based on empirical observations, rests on assumptions that have faced frequent criticism ever since the publication of his essay in 1996.<sup>3</sup> One of the most prominent critics is Amartya Sen. In his essay “Democracy as a Universal Value” (1999), Sen argues that while not every society has achieved democratic practice, its underlying premises, political freedom, accountability, open discussion, and participation, provide arguments for legitimacy that are applicable across cultures. Universality does not imply identical institutions everywhere. Sen’s enthusiasm should not be confused with advocacy for Western imperialism: the universal value of democracy rests on its instrumental benefits (more inclusive governance and responsive politics) and its intrinsic value (freedom and participation), not on elements of Western culture.<sup>4</sup>

In this light, the debates about universality of democracy become debates about whether a given political arrangement could be integrated into people’s self-understanding as a legitimate governing norm – one that they can endorse as laws for themselves.

## Framework for universality: Rawls and Korsgaard

The debate between Huntington and Sen raises the question of whether it is possible to adapt democracy to culturally varying identities while avoiding coercive universalism. Philosophically, this debate reflects the tension Christine Korsgaard identifies in her book *The Sources of Normativity*. Sen’s functional argument appeals to our universal, “reflective humanity”, which must value its own capacity for reason.<sup>5</sup> Huntington’s cultural argument, however, highlights the empirical power of our particular “practical identities”.<sup>6</sup> This creates the central question: how to establish a stable political system on a universal norm (humanity) in a world driven by particular identities (culture)? This is the question John Rawls's framework answers.

Rawls provides the institutional and structural answer to this problem. His solution hinges on the crucial distinction between a “comprehensive doctrine” and a “political conception”. A comprehensive doctrine (religious, philosophical, or moral) covers all aspects of life.<sup>7</sup> Huntington's fear of 'westernization', through the Rawlsian lens, can be read as fear of one such comprehensive doctrine being imposed on others.<sup>8</sup>

<sup>3</sup> Fouad Ajami, “The Summoning,” *Foreign Affairs* 72, no. 4 (1993): 2–9, <https://doi.org/10.2307/20045708>; Edward W. Said, “The Clash of Ignorance,” *The Nation*, October 4, 2001, <https://www.thenation.com/article/archive/clash-ignorance/>.

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<sup>5</sup> Christine M. Korsgaard, “Morality and Identity,” in *The Sources of Normativity* (Cambridge: Cambridge University Press, 1996), 79–81, <https://doi.org/10.1017/CBO9780511554476>.

<sup>6</sup> Christine M. Korsgaard, “Realism and Constructivism in Twentieth-Century Moral Philosophy,” in *The Sources of Normativity* (Cambridge: Cambridge University Press, 1996), 91, <https://doi.org/10.1017/CBO9780511554476>.

<sup>7</sup> John Rawls, “The Idea of an Overlapping Consensus,” *Oxford Journal of Legal Studies* 7, no. 1 (1987): 14, <https://www.jstor.org/stable/764257>; John Rawls, “The Priority of Right and Ideas of the Good,” *Philosophy & Public Affairs* 17, no. 4 (1988): 252–253, <https://www.jstor.org/stable/2265400>.

<sup>8</sup> Michel Seymour, “John Rawls against the Clash of Civilizations,” in *Cosmopolitanism and Its Discontents: Rethinking Politics in the Age of Brexit and Trump*, ed. Lee Ward (Lexington Books, 2020), 145–162.

Rawls avoids this by arguing that a stable democracy must be established *not* on a shared comprehensive doctrine, but on a “political conception” of justice.<sup>9</sup>

This political conception is a “freestanding” framework that deals only with the basic structure of society (the “Right”), not with ultimate questions of the meaning of life (the “Good”). This is what makes an “overlapping consensus” possible. Citizens are not asked to abandon their deep cultural or religious beliefs (their “doctrines” or, in Korsgaard’s terms, their “practical identities”). Instead, they can endorse the neutral “political conception” from *within* their own comprehensive doctrines, for their own reasons.<sup>10</sup>

This is also where Rawls’s framework provides the mechanism for Sen’s “constructive role”.<sup>11</sup> For Sen, democracy’s value is that public discussion (his “constructive role”) forms a society’s values. For Huntington, this very process creates a “democracy paradox”: the specific mechanism of elections, in his view, does not lead to liberal consensus but instead unleashes and brings to power nativist and anti-Western political movements.<sup>12</sup> Rawls’s concept of “public reason” solves this. Public reason is the procedural discipline that allows the “constructive role” to function without descending into a “clash of civilizations”. It requires citizens to frame their arguments in terms of the “political conception” they share, rather than appealing to their irreconcilable “comprehensive doctrines”. It is the institutional form of Sen’s “government by discussion,” or rather, as he frames it: “public discussion,” made functional for a pluralistic world.<sup>13</sup>

This framework directly answers the problem of “universalism” through what Rawls calls the “priority of right over the good”. This principle states that the “Right” (the shared, neutral political principles) sets the limits, while the “Good” (the diverse cultural and personal values) points to the purpose. As long as a culture or way of life respects the basic rights and liberties of all (the “Right”), it is free to flourish within those boundaries.<sup>14</sup> Thus, in their respective frameworks, democracy is achieved not by imposition, but through mutual endorsement and shared reasoning, regardless of one’s political, cultural, religious, geographical, or any other background.

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<sup>9</sup> John Rawls, “The Idea of an Overlapping Consensus,” *Oxford Journal of Legal Studies* 7, no. 1 (1987): 1–3, 6, <https://www.jstor.org/stable/764257>.

<sup>10</sup> Rawls, “The Idea of an Overlapping Consensus,” 1–3, 16–18.

<sup>11</sup> Amartya Sen, “Democracy as a Universal Value,” *Journal of Democracy* 10, no. 3 (1999): 9–11, <https://www.journalofdemocracy.org/articles/democracy-as-a-universal-value/>.

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## **Conclusion**

To explain the extent to which democracy can be considered a universal value, this essay juxtaposes diverging and yet complementary perspectives. Taken together, these perspectives suggest that universality of democracy is achieved not where it is merely imposed or considered traditional, but where citizens, regardless of their culture and contexts, can participate in public reasoning, identify with its basic principles and see their agency reflected in shared institutions.

Understood in such a manner, democracy is not a rigid template that can be seamlessly replicated in different contexts without adjustments, but rather a continuous, justified and flexible project. Its legitimacy depends on whether people can question, endorse, or improve their own governance.

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## The Unfinished Ethics of Nationalism

**Noé Liénard**

Master's student, International Relations Department, Tsinghua University

**Abstract:** This essay examines the ethical significance of nationalism in the context of globalization, arguing that nationalism should be understood as a constitutive condition of modern political selfhood. Drawing on Benedict Anderson's concept of imagined communities, the essay contends that nationalism enables collective self-determination by allowing societies to imagine themselves as sovereign political agents. Its ethical grounding lies in the universal recognition of each community's right to define its own historical and political identity. At the same time, nationalism contains an inherent paradox: the aspiration for self-rule exists within a global order marked by imperialism, inequality, and competing national claims. Through an analysis of the 1978 Truth Criterion Controversy in the People's Republic of China, the essay illustrates how nationalism can function as a dynamic process of collective self-legislation rather than rigid ideological dogma. Ultimately, the essay argues that ethical nationalism is sustained through continuous self-critique and mutual recognition, seeking a world in which the self-determination of one people does not negate that of another.

**Keywords:** *Nationalism, globalization, self-determination, Imagined Communities*

## Introduction

The ethical evaluation of nationalism appears to be an interesting but complex one in today's globalized world. The question of whether or not nationalism is ethically valid is not one of whether nationalism is natural or ancient—there is obvious evidence of its modernity—but is one of whether there is a moral weight to the idea of self-determination that is able to reconcile both particularism as well as universalism. So, the argument is that nationalism's ethical status is not in any way reliant on one particular doctrine of exclusion or sovereignty. Everything lies on its contradictions as both an inevitable and constitutive project of modern political imagination. We really see that its ethical grounding is not located in how particular instances of it might play out uniformly in practice, but is instead located in how it inherently demands that imagined communities find an identity for themselves in the world.

First, we need to acknowledge that modern nationalism is not a rival ideology to many others in the world of politics, but rather a condition for the possibility of the projects of modernity to express the value and agency of the collective. Most of us do not first imagine ourselves as full members of a global civic community and then, as an afterthought, choose national affiliations. Instead, the possibility of imagining ourselves as part of a limited and sovereign community that evolves in a homogeneous flow of time is the condition of the modern political subject. And this act of imagination, as Benedict Anderson has so effectively argued, was a historical result of the “explosive interaction” of print capitalism, the roughness of linguistic diversity and the decline of sacred imagined communities.<sup>1</sup> The newspaper reader in Caracas or the pilgrim creole functionary in Latin America began to sense a “deep, horizontal comradeship” that was entirely new. This imagining of the nation is the first act of the modern project of political autonomy; it enables the collective “we” to deliberate about its collective should and ought. Behind this line of reasoning lies a highly resonant, though tacit, moral assertion: the right of self-determination. When a society starts forming a vision of itself as a nation, it embodies a principle of collective self-legislation: respecting the integrity of our own imagined community (of its own history, language, and right of self-definition) will necessarily lead us toward a respect for the integrity of others. In the universality of its moral message, nationalism reveals its essence: the recognition of a politicized self-consciousness presupposing a world of selves because of the very logic of nationalism as a particular ideological vision. The American and Latin American creoles, in opposition to the metropolitan centers of their cities, began engaging in this constitutive project, claiming the right of their own interpretation of their reality.

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<sup>1</sup> Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. Verso, 1983.

## Ethics and Nationalism

However, this ethical framework of nationalism, which finds political normativity within the self-proclaimed community, is faced with a fundamental challenge: the existence of other communities. While it is possible to imagine a world where nations coexist without conflict, it is clearly not a world we live in. It is a world which reflects imperialism, arbitrary boundaries, “Russifying” colonial education systems, and violence.<sup>2</sup> The distance between the sovereign ideals of self-determination and the world order based on hierarchical global politics is a profound challenge—a paradox at the foundations of nationalism.

It is exactly at this moment that a critical interpretation of historical cases such as the 1978 Truth Criterion Controversy in the PRC becomes very important. According to Michael Schoenhals’s account, the debate over whether “practice is the sole criterion of truth” involved much more than an epistemological dispute and represented instead an important political struggle over the source of legitimacy.<sup>3</sup> The “two whatevers” camp, who argued for the scripturalist primacy of Mao’s words, represented in fact an ideological dogma that brought together truth with canonical texts.<sup>4</sup> The goal of Hu Yaobang and his supporters, through the advocacy of practice, was instead to move in the opposite direction, grounding legitimacy in living, collective experience rather than in the heavenly “inheritance” of the past. And in this sense, of course, they launched a nationalist project—to affirm the right of the contemporary political community to evaluate at any given time its own path in accordance with present reality rather than remaining eternally bound to the instructions of a kind of sacred founder. The “practice criterion” actually became a tool for the nation to re-legislate for itself, to escape what the article itself called “obscurantism, idealism and cultural despotism.”<sup>5</sup>

This vision transforms the ways in which we think about the ethical dilemmas of nationalism in this era of globalization. Nationalism is no longer a sort of static identity to be defended or a chauvinistic impulse to be denounced. Rather, it is a continuous, questioning project. It is the paradox that prevents the national project from becoming a new dogmatism. If there existed a resolution to the tension between a self-contained national identity and a globally interconnected world, it seems to me that we would run the danger of imposing a tyrannizing global homogenization, a totalitarian “ethic of globalization,” or a totalized, aggressive ethno-nationalism. In the end, this difficult problem—of how to be a particular “we” in a world of other “we’s”—actually keeps the ethical project of nationalism alive and self-correcting. So, the ethical integrity of nationalism in the context of globalization cannot be based on the premise of being the universal example of isolation or supremacy. Indeed, the idea of exporting the politicized notion of the nation-state as a norm is nothing short of political imperialism, which clearly fails to understand its own nature. Real ethical nationalism is the right to

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<sup>2</sup> Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. Verso, 1983, p. 140.

<sup>3</sup> Michael Schoenhals, “The 1978 Truth Criterion Controversy”, *The China Quarterly*, No. 126 (1991), pp. 243-268. This article is an answer to “Practice Is the Sole Criterion of Truth”, written in 1978 by several Chinese authors but wrongly attributed only to Hu Fuming (Michael Schoenhals himself claims in his article: “Hu was to play a minor role in the writing of “Practice is the sole criterion of truth” entirely by accident”, see footnotes page 254).

<sup>4</sup> Michael Schoenhals, “The 1978 Truth Criterion Controversy”, *The China Quarterly*, No. 126 (1991), p. 249.

<sup>5</sup> “Practice Is the Sole Criterion of Truth”, *Chinese Studies in Philosophy*, (1993) 25:2, p.41.

access the dynamic process of collective self-definition. It is the political commitment to the process of creating the political and social conditions in which the community can express its so-called practical identity without diminishing the same right in another community. Therefore, the ideal application of nationalism will differ whether it involves the linguistic solidarity made possible through the process of print capitalism, the anti-colonial solidarity of the bilingual intelligentsia, or the civic solidarity of multi-ethnic states. Nonetheless, the guiding principle of ethics will be the same: no external authority, no immutable rule, no economic system will have the legitimate right over the people unless it can be made compatible with the people's collectively imagined and practiced concept of self-determination. In conclusion, nationalism is ethically significant as a condition of modern politics rather than a shadow of the past. But the meaning of nationalism originates from within—the imaginative structure of contemporary consciousness according to which we must imagine ourselves as part of a sovereign, historic community. And yet its practice has to be external, exercised in a global field of power we did not create and that is interconnected and often hostile to closed particularisms. If indeed nationalism had already been realized as a sort of harmonious global order of equal nations, the ethics of nationalism would only be a simple fact rather than a compelling problem under consideration. It is rather the continued tension between the dream of self-rule and the reality of inequalities, between the imagined community and the global other that transforms nationalism from a static identity. Through successive acts of critique, this project seeks to create a global order in which the self-determination of each is the condition for the self-determination of all. Its ethical meaning, therefore, resides not in its achieved purity but in its perpetual and demanding self-awareness.

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