

Risk 5: Axis of rogues

EURASIA GROUP'S 2024 TOP RISKS REPORT

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Russia, North Korea, and Iran are the world's most powerful rogue states. And they have been working to strengthen their cooperation since Russia invaded Ukraine in February 2022, united by the draconian sanctions levied against them, their shared hatred of the US, and their willingness to violate international law to disrupt a global status quo they believe serves Western interests at their expense. They are agents of chaos in today's geopolitical order, bent on undermining existing institutions and the governments and principles that uphold them.

Once seen by Russia as a nuisance at best and a liability at worst, North Korea has become an

essential resource for Vladimir Putin's war effort in Ukraine thanks to its pariah status, militarized economy, and large stocks of Soviet-standard artillery ammunition. Meeting in Russia's Far East in September 2023, Kim Jong-un and Putin struck a deal that sends North Korean artillery shells, rockets, and ballistic missiles to Russia in exchange for Russian food, energy, and—most importantly— technological assistance, especially on satellite development and deployment.

Russia and Iran, longtime partners in a bid to protect Bashar Assad's regime in Syria, have also upgraded their relationship from a limited tactical alliance to a more comprehensive and strategic military and economic partnership. Tehran has supplied Moscow with kamikaze drones to terrorize Ukrainian cities—now also being built in Russia—and drawn on its decades of experience to help Moscow evade Western sanctions. For its part, Russia has become Iran's chief external weapons supplier, its top source of foreign investment, and a key trading partner. Moscow also provides diplomatic cover for Tehran's nuclear program at the UN Security Council and has developed warm relations with Iranian proxies at war with the US and Israel in the Middle East.

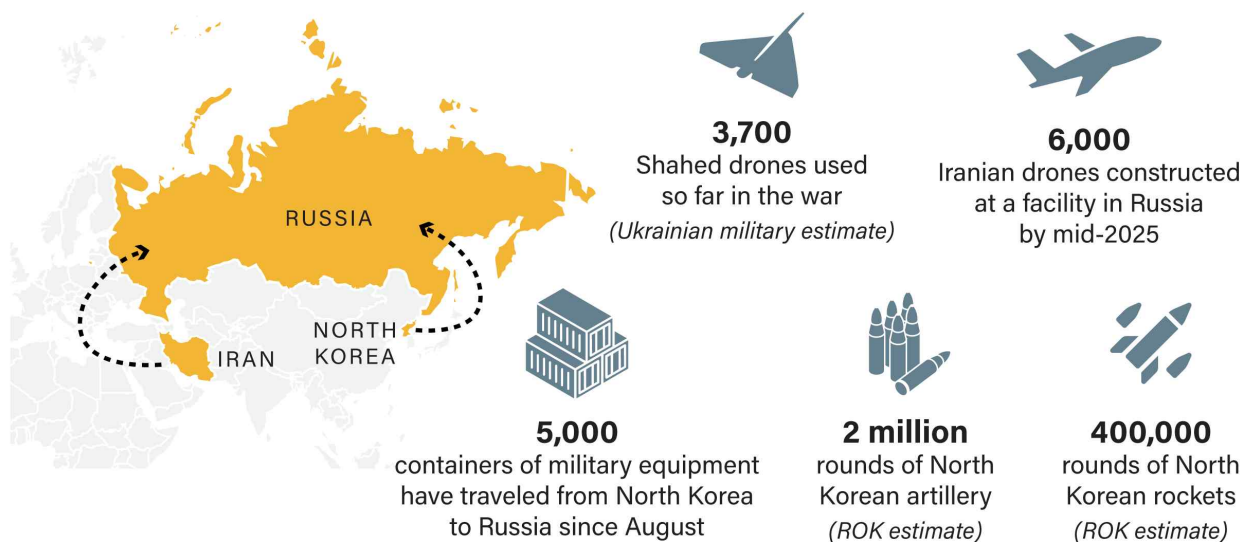
While less prominent than Russia's bilateral ties within the axis, North Korea and Iran have a decades-long history of cooperation on nuclear and ballistic missile development. This cooperation has reportedly extended to North Korea supplying weapons and missile designs to Hamas, the Houthis, and other Iranian-backed militant groups.

In 2024, deeper alignment and mutual support among these rogue states will pose a growing threat to global stability as they boost one another's capabilities and act in increasingly coordinated and disruptive ways on the global stage.

Russia will be the primary driver of risk as it seeks to bolster its warfighting capabilities in Ukraine while working to deflect Western attention elsewhere. In exchange for North Korean artillery shells and rockets to sustain its war of attrition, Moscow will provide Pyongyang with technologies and know-how to advance its missile, submarine, and satellite programs, with major repercussions for Northeast Asian security. And in exchange for stepped-up provision of Iranian drones, munitions, sanctions relief, and ballistic missiles with which to strike Ukrainian cities, Moscow is poised to supply Tehran with fighter jets and advanced weapons technology. Along with growing Russian support for Iran's proxies, this will alter the regional balance of power in Iran's favor at a time when Tehran and its proxies represent a much more direct security challenge to the West (please see Top Risk #2). Both bilateral deals would strengthen Russia's hand in Ukraine and increase the war's damage and costs (please see Top Risk #3).

Aiding and abetting

TOP RISKS 2024



Source: YonhapNews, CNBC, Washington Post, Reuters

The severity of existing Western sanctions against all three rogue states and the close cooperation among them means they will not be deterred by fear of further sanctions and isolation. This will unleash them to wage asymmetric warfare short of direct military attacks on the US and Europe, including via cyberattacks, support for terrorism, and disinformation campaigns designed to disrupt elections and sow chaos. More generally, the axis's coordinated sanctions-busting and rule-breaking will undermine the compelling and deterrent power of Western sanctions, emboldening other would-be rogues.

It bears noting that China is not a member of the axis of rogues. Beijing did not openly condemn Russian aggression in Ukraine, but neither did it endorse the invasion or do much to help Putin's war effort beyond purchasing discounted oil and allowing flows of dual-use goods to continue. (If India and the UAE were less friendly to the United States, analysts would be likening their Russia policies to China's.) Beijing has looked on warily at the deepening security cooperation between Moscow and Pyongyang—indeed, Chinese officials didn't know Kim was going to Russia until after it was publicly announced ... and they were piqued by it. And while it has ramped up oil imports from and diplomatic support for Tehran, Beijing has no desire to jeopardize its more strategically important interests in the Gulf (particularly its ties with Saudi Arabia and the United Arab

Emirates) by helping Iran make regional trouble.

That said, China is often well-served by the three rogues' anti-Western operations and maintains a de facto policy of pro-axis neutrality. Indeed, without active acquiescence from China, the axis's rogue activities would be less impactful. Short of violating international sanctions or jeopardizing its own interests, expect Beijing to continue to do business with and legitimize the axis as it undermines the US and its allies this year.

Three caveats are in order. First, Russia, Iran, and North Korea leaning on each other is a sign of their desperation and weakness on the global stage. When your best (and near only) friends are two rogue states, you're in trouble. Second, all of them seek to avoid an active shooting war with the West, which means continued caution when escalating direct attacks on the United States or its core allies. And third, despite their common interest in sowing chaos, dictators have trouble trusting each other, making the entente a fragile one. This axis is a marriage of convenience and opportunity; its members are neither strategic nor ideological bedfellows—they are focused primarily on regime survival and geopolitical gain. As such, their relationships will remain largely transactional.

Still, the disruptive potential of their growing cooperation—especially with a boost or at the very least a blind eye from Beijing—should not be underestimated.

AMERICA'S DANGEROUS FRIENDS

America's enemies are becoming more dangerous, but even its friends could drag it into expanded conflicts this year.

Volodymyr Zelensky. President Joe Biden has been Ukraine's staunchest supporter since Russia's invasion in February 2022. Having pledged to stay by Kyiv's side “as long as it takes,” he has shepherded \$113 billion in military and other aid that has proven vital to Ukrainians' ability to defend themselves. Biden has done this even though he neither likes nor trusts President Zelensky. However, political support for Ukraine within the US has wavered as the war has dragged on, seriously undermining Biden's ability to keep the aid coming past this year. And if Donald Trump—who considers Zelensky a personal adversary—wins in November, Ukrainians can wave goodbye to their biggest backer (please see Top Risk #1). Cracks have also emerged within Ukraine, where

infighting between Zelensky and Chief of the Armed Forces Valery Zaluzhny (over military strategy) as well as Kyiv Mayor Vitali Klitschko (over Zelensky's allegedly authoritarian leadership) has spilled into the open, threatening Ukrainian political unity and fueling more skepticism among Kyiv's friends.

Under pressure domestically and frustrated with both diminishing US support and increasing difficulties on the battlefield, a desperate Zelensky will be willing to take bigger risks to turn the war around and maintain his political standing before Trump potentially takes office (please see Top Risk #3). This includes more aggressive attacks against targets in Russia, Crimea, and the Black Sea, threatening a response from Russia and potentially forcing the United States to become more directly involved in the war.

Benjamin Netanyahu. Israel is America's closest ally in the Middle East, the only democracy in the region, and the largest cumulative recipient of US foreign aid. It is no surprise that Biden—a self-described Zionist and longtime Israel supporter—strongly backed Israel's initial response to Hamas's 7 October attacks, despite his complicated relationship with Prime Minister Benjamin Netanyahu. Since then, however, a public rift has opened between the two over the conduct and endgame of the war in Gaza. They are also at odds about the role the Palestinian Authority should play in Gaza's postwar governance as well as the viability of a two-state solution. Fundamentally, Biden wants to see the war end, while Netanyahu has political and personal reasons to keep it going or even escalate it.

Determined to stay in power and out of jail and emboldened by the possibility that his friend Trump returns to power in January 2025, Netanyahu will push back against pressure from Biden to end the war. He will ignore calls for restraint in Gaza while eyeing more conflict with Hezbollah in the north (please see Top Risk #2). He will also continue to inflame tensions in the West Bank and thwart any efforts to create a Palestinian state in the future. As a result, the United States will be inextricably tied to an intensifying conflict over which it has limited influence—one that will further strain US relations with the Arab world, the Global South, and even some allies, as well as create political challenges for Biden at home. Should Netanyahu decide to preemptively strike Hezbollah or even Iran itself, the US would find itself drawn into a much broader Middle East war.

William Lai. Washington's long-standing “one China” policy and its security cooperation with Taiwan have been critical to deterring both a Chinese invasion and a declaration of independence from Taipei. Although Biden has repeatedly said the US would defend Taiwan against a Chinese attack, “strategic ambiguity” remains the official stance, and the president has no desire to risk a

crisis with Beijing over the island. But the uneasy status quo in the Taiwan Strait will soon be tested if Taiwan elects Vice President William Lai, the ruling party candidate whom China views as the most pro-independence Taiwanese leader in a generation, as president (and his running mate Hsiao Bi-khim, Taiwan's former representative to the US, as vice president).

While Biden will oppose any de jure independence moves from Lai, the domestic politics of the Taiwan issue will prevent the US president from objecting to the smaller, symbolic steps toward de facto autonomy Lai is likely to take. Yet even these will be enough to provoke a beyond-precedent military response from Beijing, such as violating Taiwan's airspace or waters or conducting ship inspections. Biden will be forced to respond to Chinese aggression with a show of resolve in support for Taipei that could jeopardize the US-China thaw and risk a dangerous cycle of escalation.

Ukraine, Israel, and Taiwan will all continue to be major US allies. But their leaders' pursuit of their national—and, occasionally, personal—interests will further entangle Washington in growing conflicts.

RISK 6: NO CHINA RECOVERY

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