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The Return of Geopolitical Hedging: Why Countries No Longer Want to Choose Sides

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Introduction

Great-power rivalry is often described as if the world were sorting itself into two neat camps. That picture is attractive because it is simple. It is also increasingly incomplete. Many governments are strengthening security ties with one power, trading heavily with another, joining overlapping diplomatic groupings, and refusing to treat cooperation in one field as a promise of loyalty in every other field. The result is not a disappearance of alignment, but a more selective form of it. In the international-relations literature, this pattern is usually discussed as hedging [1]

The strategy of hedging has been characterized either as indecision or an evolved form of neutrality, which is somewhat inaccurate. The reason is that a country employing hedging strategy does make some choices but tries to ensure that its options remain open instead of making one decision that would close all its options. Economic opportunities, security needs, technological connections, diplomacy, and political legitimacy do not always lead to the same outside partner. In such a situation, hedging might be a way to diversify the risks instead of being dependent on one partner.

That helps to understand why hedging strategy has been put into the limelight of contemporary debates of foreign policy. What has changed in the policymaking of small and medium countries is not just the need to choose one great power as an ally but to see how

[1] Darren J. Lim & Zack Cooper, Reassessing Hedging: The Logic of Alignment in East Asia, 24 Sec. Stud. 696, 696-727 (2015), https://doi.org/10.1080/09636412.2015.1103130.

much dependence can be afforded in one direction. Here the criticism of Haacke regarding hedging literature becomes very helpful. [2] The distinction matters: hedging is meaningful only when a state preserves alternatives while engaging competing powers.

Hedging is Not Neutrality

The modern discussion of hedging was inspired by dissatisfaction with the dichotomy of balancing and band wagoning. Kuik's analysis of Malaysia and Singapore indicated why the dichotomy may have been too rigid. Small states might gain from dealing with a rising state and, at the same time, adopt policies meant to alleviate the risk posed by over-reliance[3] Co-operation and prudence, thus, need not necessarily be mutually exclusive.

This simultaneity is the essence that distinguishes hedging from 'non-involvement.' Neutrality would imply non-participation or disengagement. But hedging can be more aggressive than that. It can involve conducting joint military training with one state, pursuing investment deals with another state, supporting regional organizations that embrace both, and still avoiding exclusivity. Lim and Cooper caution, however, against using the concept of hedging in a way that would mean diversifying foreign policy in general. They argue that hedging becomes analytically meaningful only when there are genuine trade-offs for states in aligning themselves with another country [4]

The first point to note is that this is easily forgotten since hedging usually appears in an apparently disorderly manner. The foreign policy that is based on alliance always comes out with a clear story, but the same cannot be said about hedging. Sometimes decisions can seem contradictory within one year or over successive years. Yet, those seeming contradictions can be at the heart of the whole thing. The second way of describing the smaller states is in terms of their ability to combine “returns-maximizing” and “risk-contingency” behaviours [5]

[2] Jürgen Haacke, The Concept of Hedging and Its Application to Southeast Asia: A Critique and a Proposal for a Modified Conceptual and Methodological Framework, 19 Int'l Rels. Asia-Pac. 375, 375-417 (2019), https://doi.org/10.1093/irap/lcz010.
[3] Cheng-Chwee Kuik, The Essence of Hedging: Malaysia and Singapore's Response to a Rising China, 30 Contemp. Se. Asia 159, 159-185 (2008), https://doi.org/10.1355/CS30-2A.
[4] Lim & Cooper, supra note 1
[5] Cheng-Chwee Kuik, How Do Weaker States Hedge? Unpacking ASEAN States' Alignment Behaviours Towards China, 25 J. Contemp. China 500, 500-514 (2016), https://doi.org/10.1080/10670564.2015.1132714.

Why Choosing One Side Has Become More Expensive

The most compelling reason to hedge starts with uncertainty. Uncertainty includes the issue of how resilient the commitment of a great power would turn out to be, how likely the rivalry is to go to extremes, and whether an economic partner is likely to become a future security threat. The problem with a premature alignment is that while it could lead to gaining security or better access, it may result in losing bargaining power and vulnerability to the policies of another country.

Contemporary interdependence makes the problem sharper. Trade, finance, energy, technology and defense do not fall into identical geopolitical maps. A country can depend on Chinese manufacturing networks, American security cooperation, Gulf energy supplies, European markets and regional institutions at the same time. Marston's analysis of Southeast Asian hedging emphasizes that external pressure is filtered through domestic preferences and constraints; states do not respond to great-power competition in a uniform way [6]. This makes a single, all-purpose alignment less attractive for some governments.

There is also a domestic political dimension. Leaders are expected to deliver growth and security while protecting sovereignty. A relationship that appears excessively dependent on an external patron can be politically costly even when it provides material benefits. Diversification can therefore serve both strategic and political purposes: it reduces external vulnerability and allows leaders to present foreign policy as an exercise of national choice rather than obedience.

Southeast Asia: The Clearest Laboratory

Southeast Asia seems to be the best example to observe this logic in action since all the countries of Southeast Asia are geographically close and economically dependent on China while simultaneously having a tendency to enlarge American strategic presence in the region. One cannot say that they have converging enough interests for a bloc to form.

[6] Hunter S. Marston, Navigating Great Power Competition: A Neoclassical Realist View of Hedging, 24 Int'l Rels. Asia-Pac. 29, 29-63 (2024), https://doi.org/10.1093/irap/lcad001.

The best example in this case would be Indonesia. According to Anwar, Indonesia's foreign policy always followed the strategy of "hedging plus", thus connecting the present-day foreign policy of the country to its traditional foreign policy strategy known as "free and active" foreign policy [7] However, the goal here is not equidistance from Washington and Beijing.

This differentiation is crucial. Hedging does not mean that the government should be located equidistantly between the players. On one issue it can be closer to one partner, to another – on another. The unifying factor here is not equidistance, but rejection of being fully dependent on one. That is the reason why the policy of the Southeast Asian states so irritates the outsiders expecting from them a definite choice of geopolitical side.

South Asia and India: Autonomy as a Strategic Asset

The examples of South Asia demonstrate how the same logic works in a different competitive environment. The study by Lim and Mukherjee of Sri Lanka and Maldives explores the conflict between tangible gains and the costs of autonomy that can arise because of close collaboration with powerful countries [8] A country may appreciate economic aid and support but still be afraid of becoming dependent.

In the case of India, the issue is even more complex since it does not constitute a weak state, but a state of its own with its military power, large economy and regional aspirations. Strategic autonomy nevertheless plays a crucial role in the conceptualization of India's actions, as stated by Kara in his analysis of the country's hedging approach in relation to both the USA, China and Russia [9]

What is important about the Indian example is the extent to which it expands the notion of hedging. Not only is hedging a means of survival for a weak state, but a bargaining tool for a rising state seeking to enter into various alliances without being limited in its foreign policy by one alliance alone. In other words, India can cooperate closely with the USA in the Indo-Pacific region while at the same time maintaining its relations with other states.

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[7] Dewi Fortuna Anwar, Indonesia's Hedging Plus Policy in the Face of China's Rise and the US-China Rivalry in the Indo-Pacific Region, 36 Pac. Rev. 351, 351-377 (2023), https://doi.org/10.1080/09512748.2022.2160794.
[8] Darren J. Lim & Rohan Mukherjee, Hedging in South Asia: Balancing Economic and Security Interests Amid Sino-Indian Competition, 19 Int'l Rels. Asia-Pac. 493, 493-522 (2019), https://doi.org/10.1093/irap/lcz006.
[9] Ali Bakir & Nayef Al-Shamari, The Art of Hedging: Qatar, Saudi Arabia, and the UAE Manoeuvres Amid US-China Great Power Competition, 46 Third World Q. 773, 773-794 (2025), https://doi.org/10.1080/01436597.2025.2509574.

The Gulf : Diversification Without Strategic Divorce

A similar example of hedging behaviour can be seen in the Gulf, although the initial basis is somewhat different from what was discussed above. Qatar, Saudi Arabia, and UAE had an existing security relationship with the US, but they started developing their economic links with China, which became stronger. In this respect, according to Bakir and Al-Shamari, such actions may be defined as hedging in the context of rivalry between the two countries [10] Examples from the Gulf illustrate this approach in a sense that in these cases, a country's security relationship with a patron does not have to be abandoned when it comes to hedging. A state may pursue a solid security relationship with the country that is its patron and still try to increase its freedom of choice in the realms of investments, technologies, energy, and foreign policy, for instance. Such an approach may look inconsistent for both sides, but for the hedging party itself, diversification is an insurance.

This is also why the return of hedging should not be confused with the return of classic non-alignment. Many of today's hedging states are deeply integrated into global markets and security networks. They are not withdrawing from major powers. They are trying to engage several of them without accepting that engagement in one domain must dictate policy in every other domain.

Where Hedging Reaches Its Limits

The strategy has limits, and those limits are becoming more important. Korolev argues that the room for smaller states to hedge can shrink as competition among major powers intensifies [11] This produces a paradox: uncertainty makes hedging attractive, but severe rivalry can eventually make it harder to sustain.

Technology is an obvious pressure point. Defence systems, telecommunications infrastructure, advanced semiconductors, intelligence sharing and sanctions regimes can create choices that are difficult to compartmentalize. The more rival systems become incompatible, the less room a government has to say yes to both sides. A crisis can compress that space even faster. What looks like sensible ambiguity in peacetime may be interpreted as unreliability once partners expect concrete support. There is a second problem: hedging requires credibility. A state that constantly shifts position for immediate advantage may

[10] Bakir and Shamari, supra note 1

[11] Alexander Korolev, Shrinking Room for Hedging: System-Unit Dynamics and Behaviours of Smaller Powers, 19 Int'l Rels. Asia-Pac. 419, 419-452 (2019), https://doi.org/10.1093/irap/lcz011.

eventually be treated as opportunistic rather than autonomous. Partners can begin to discount its commitments, while domestic institutions may struggle to sustain a highly flexible strategy across administrations. The warning against using ‘hedging’ too loosely is therefore more than a conceptual point. If every mixed foreign policy is called hedging, the term stops explaining which governments actually possess the capacity to preserve alternatives. For that reason, successful hedging depends on more than clever diplomacy. It requires economic resilience, diversified trade and investment, credible national institutions, and enough defence or diplomatic capacity to avoid having every disagreement become an existential threat. States with few alternatives may aspire to strategic autonomy but still find themselves constrained by structural dependence.

Conclusion

The return of geopolitical hedging says something important about the international system. Many countries are not rejecting great-power partnerships; they are rejecting the assumption that partnership must be exclusive. Their governments increasingly treat alignment as divisible. Security, trade, technology, infrastructure and diplomacy can be managed through different combinations of partners rather than bundled into a single geopolitical choice. The academic literature helps explain why. It shows how engagement can be paired with insurance; Haacke and Lim and Cooper remind us not to use the concept carelessly; studies of Indonesia, South Asia, India and the Gulf demonstrate how the logic travels across different regions and different levels of state power. The recurring concern is autonomy: governments want the benefits of cooperation without surrendering the ability to change course.

Still, hedging should not be romanticized as a permanent escape from geopolitical choice. If rivalry hardens into incompatible economic and security blocs, or if an acute crisis forces immediate commitments, the space for ambiguity can narrow quickly. The defining feature of the present moment is therefore not that countries have stopped choosing sides. It is that many are trying to keep those choices limited, issue-specific and reversible for as long as possible. That is what makes contemporary hedging less a sign of indecision than a strategy for surviving uncertainty.