

Democracy Under Stress and the Transformation of the Global Order



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A convergence of forces is currently transforming the global environment, posing grave risks to democracy, prosperity and security. In a [poll by Latinobarometro](#), half of those surveyed in Latin America said they would support a leader who could deliver results, even if it were necessary to adopt nondemocratic solutions to do so. In the Americas, and in other parts of the world, there is a rising threat to both democracy and to order and prosperity.

Democratic societies have throughout history have become disillusioned with the inadequate performance of their governments, particularly with respect to their material needs and insecurity. Recent elections in [Chile](#), [Colombia](#), Ecuador, and [Peru](#) were dominated by these issues, especially insecurity. Corruption, fueled partly by

transnational criminal activities, undermines hope that democratic institutions can make things better.

The hyperconnectivity of the internet and social media has expanded the interchange of perceptions and discourse among people but also distorted and atomized it. AI has also greatly expanded content and facilitated information gathering, yet it has also fed public cynicism by making the fabrication or distortion of content commonplace.

If technology has done more to erode than to promote the community discourse that is vital for democracy, its application in practice has arguably also empowered state control at the expense of the individual. Nowhere is this more visible than in the People's Republic of China (PRC), where cameras with facial recognition—linked to citizen financial and other data, internet controls, and public transportation—have all made reality of what philosopher Jeremy Bentham called the Panopticon. Such technology has enabled levels of state control over society that the government of the former Soviet Union only aspired to.

The combination of these technologies gives the state unprecedented knowledge over individual activities, including the ability to identify undesirable behaviors of persons and groups. It also gives the state the ability to punish those people through its control over their access to the digital world, which is fundamental for communication, transportation, medical care, buying food, and nearly every other aspect of modern life. This includes architectures in China and in authoritarian allies that have received Chinese systems, including the Fatherland ID Card in Venezuela, the ECU-911 integrated security system in Ecuador, and the BOL-110 integrated command, control, and citizen security system in Bolivia.

The rise of the PRC has arguably also impacted attitudes toward democracy. During the Cold War, the contrast between the United States, with its cultural vibrancy and economic and technological achievements, versus the oppression of the Soviet Union and Mao's China, were self-evident. Today, by contrast, "Communist China," seen through the lens of YouTube influencers, is a world of shiny skyscrapers; fast, clean trains; and digital payment systems. That positive impression often contrasts unfavorably with the aging, graffiti-covered infrastructure of U.S. cities, and a U.S. political system that appears polarized and dysfunctional.

A recently released survey by AMLAT Radar shows that for the first time, Latin Americans see China, not the United States, as the best model for development: 36 percent of respondents chose the PRC, an increase of 7 percentage points over the prior 2022 survey. Meanwhile, those choosing the United States fell 13 percentage points, causing it to finish in third place, behind Japan.

Changes in the Global Environment Negatively Impacting Order, Security and Prosperity

Massive changes are arising in tandem to compliment the forces weakening democracy and pose risks to the global order: the rise of China, its mutually beneficial interactions with an array of other illiberal governments, the changing posture of the United States, the impact of technology developments on the global economy, military affairs, the balance of power between China and the United States, and the likelihood of one or more major global shocks.

First, the rules-based international order is now unraveling at an accelerating rate, driven by the unplanned, but increasingly important, synergy between an increasingly powerful PRC and a disparate group of illiberal states, including Iran, Venezuela, and North Korea. For these states, commercial and other engagement with the PRC provides alternatives to the rules and constraints of the dominant Western system. Reciprocally, working with illiberal regimes advances PRC commercial, technological, and other strategic objectives. It also helps those regimes survive in ways that distract and undermine China's rivals, such as the United States.

The current U.S. move away from underwriting the institutions of the rules-based order, as well as a new focus on self-interested actions such as the current National Security Strategy rather than on shared norms and rules, is also accelerating the deterioration of that order.

Second, new technologies, in addition to bolstering the power of the state over its own population, have given smaller states and nonstate actors unprecedented ability to disrupt much larger actors. This dynamic can be seen in Iran's use of drones to keep the Strait of Hormuz unstable, the Houthis in the Bab-al-Mandeb strait, Ukraine's

fight against Russia, and even with criminal organizations operating in Mexico and Colombia.

The expanded, technology-enabled options for small states and nonstate actors to wield control go far beyond drones. Criminal groups and others can now threaten companies and states through cyber warfare. This occurred, for example, with the Conti ransomware attack in Costa Rica. More recently, in July 2026, hackers breached the system of the Colombian state petroleum firm Ecopetrol, stealing data from more than 3,300 accounts.

The proliferation of PRC open-source AI models such as Kimi and Deep Seek, with the capability to rapidly exploit vulnerabilities in commercial and government architectures and even disable physical systems, will give even more options to small state and criminal extortionists.

Third, mutually reinforcing revolutions in connectivity-enabled big data, AI, and robotics are transforming the global economy, with enormous political and societal consequences. The expanding capability of AI-empowered robots by companies such as Tesla, Unitree, and UBTech is stunning: They are already deployed on factory floors, in homes, and even to do police patrols in the PRC. The cost per hour of a factory robot, financed over its five-year life, is already less than the salary of a human factory worker in most advanced countries.

Microsoft CEO Satya Nadella has suggested that new jobs will be created to adapt to these shockwaves, likely to involve human beings delegating to and supervising robots and nonphysical AI. Yet such advances will likely not fully compensate for the scope and rapidity of jobs rendered obsolete. As AI and robotics become cheaper than human labor in areas including programming, legal technical tasks, assembly lines, and housework, they will likely eliminate jobs for humans in such categories far faster than the market and governments can generate new positions and train people for them. This mass displacement will create political shocks and fundamental questions about the adequacy of market-based economic systems to accommodate the human suffering generated. In the process, the tension will fuel even more populist and authoritarian alternatives to democracies under stress.

Fourth, as a complement to economic displacement, the synergies between big data, AI, and robotics will enable a new revolution in military affairs. The wars unleashed by the economic and social displacement described above may very well be the demonstration ground for the new military capabilities.

In addition to the swarms of autonomous systems already seen today in the air, on the ground, at sea, undersea, and underground are two emerging layers of AI-empowered autonomy that will add to the chaos and unpredictability. First, autonomous battle management systems will analyze developments and take lethal action faster than humans can monitor them. Second, information warfare on all sides will seek to corrupt or spoof those platforms and management systems. Unexpected highly adverse outcomes will occur faster than humans can recognize and respond. Many smart people in and outside of government are doubtlessly thinking through such possibilities and risks. As in the wars in Ukraine and the Persian Gulf, however, much of the reality will be shown in real conflicts that expose unforeseen interactions, at great cost of human lives, treasure, and governments.

Fifth, in the coming decades, the PRC will likely overtake the United States, through some combination of its advances in economic, technological, and military capabilities and strategic influence. PRC-based firms may come to dominate AI through the widespread adaptation of their open-source models, commercially deploying them at scale in markets including Latin America, Africa, and developing Asia. Something similar is already occurring with Chinese companies in the renewable energy, telecommunications, and electric vehicle (EV) sectors, among others. PRC advances in quantum computers could also be revolutionary.

Beyond AI and quantum computing, PRC-based companies such as Unitree and UBTECH may come to dominate the global robotics industry. As in AI, this would likely involve deploying government-subsidized, initially mediocre products at scale, bringing down costs and bringing up quality until Western rivals are marginalized in the market. This is arguably already happening to Tesla vis-à-vis BYD in EVs, including in Latin America where Chinese EVs have captured 85 percent of the market in some countries. The recent ban of PRC-built robots from the U.S. market illustrates the U.S. government is already concerned. In this new struggle over AI and robotics, the

developing world is likely to be an arena of strategic competition. PRC-based companies, blocked from access to the U.S. and European markets, will likely focus on developing economies to build volume and corner markets, just as they did with manufactured products including EVs, solar panels, and other technologies.

The PRC is very conscious of the opportunities and risks of managing the global power transition it sees itself in with the United States. As such, it is proceeding with caution, albeit also with confidence. Such attitudes are already fueling PRC assertiveness around the globe, such as in the Pacific, where the PRC is making maritime claims and turning reefs and shoals into militarized islands. In the Western Hemisphere, PRC coercion against Panama over its decision to remove Hong Kong-based Hutchison from two ports illustrates China's growing boldness. It is not hard to imagine a confident PRC, not many years from now, seeking military bases and formal military cooperation agreements with Latin America's next generation of anti-United States populist regimes.

Beyond Latin America, that same growing confidence will also likely lead the Chinese Communist Party to act decisively to end the autonomy of Taiwan. Doing so would allow PRC leadership to assert China's "national rejuvenation" in time for the 2049 celebration of the 100th anniversary of the takeover of the mainland. Such end of Taiwan's autonomy would mark a "before" and "after" in the PRC's transition to global dominance.

Sixth, in the next decade or so, global dynamics will be transformed by one or more shocks. These could include a major war arising from a PRC move against Taiwan, an escalation of Russia's fight with Ukraine and Europe, or dynamics in the Middle East. Nuclear deterrence has been weakened by complacency, China's nuclear buildup, Russian and U.S. abrogation of past nuclear treaties such as START, and the expanding number of global nuclear actors, making the chances of a nuclear exchange more likely.

Additionally, the institutions and channels for medical collaboration in the international system have been debilitated by distrust and defunding. A new pandemic could particularly devastate Latin America and the Caribbean, which suffered the highest per capita death rate from Covid-19. The world may also face a

significant escalation of AI-enabled cyberattacks, impacting not only the global financial system and other critical infrastructure, but also the new automation that will increasingly be vital for daily life.

Conclusion

There are no easy solutions for the challenges facing the United States, Latin America, and the rest of the democratic world. It is vital for the U.S. and allied governments to build more resilience into their political and economic infrastructure. While the world can hope to avoid the shocks to come, it must prepare to endure to endure sea change in the global operating environment without economic collapse or breakdown of democratic governance.

Imperative to this endurance will be both greater transparency and technical capacity, as well as education, the cornerstone of both economic adaptation and the defense against populism. A new generation of multilateral institutions and partnerships will also be needed, focused on strengthening the ability to coordinate against shared threats and challenges. In both bilateral and multilateral affairs, the United States must rebuild partnerships, which are key to the struggle against aggression and authoritarianism. This should include respectful collaboration with Europe, particularly NATO, as well as working constructively with (and avoiding unnecessary threats toward) democratic partners in Asia, Latin America and elsewhere. Such partnership also requires defending Taiwan as the last line against the PRC.

Beyond technical and institutional actions, it will be important to demonstrate and clearly articulate the value of ideals such as democracy, individual liberty, and the rule of law. Governments in crisis may be tempted to look to authoritarian solutions to respond to economic displacement, social unrest, and other threats. As they do so, it is imperative to remind them of history's consistent lesson: Empowering the state at the expense of the individual predictably leads to oppression and misery. Liberty is eventually regained only at tremendous costs.

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