

Shifting World Order? How "Dangerous" Is the "Friendship" Between Putin and Xi?

By Marc Vandepitte

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During a visit by the Chinese president to Russia, both countries deepened their "no limits" partnership. The visit comes at a time when the West and Russia are involved in a proxy war in Ukraine and when Washington has launched a Cold War against China. How dangerous is this 'friendship' between Putin and Xi?

No-limits partnership

Chinese President Xi Jinping concluded a three-day visit to Russia on March 22. Both countries signed several agreements for economic, technological and cultural cooperation. They want to deepen their 'no limits' partnership.

Russia and China have also stated their desire to strengthen their strategic relationship. They call for more mutual cooperation on international platforms with the aim of challenging hegemonic practices and creating a multipolar world.

Xi has also invited Russian President Vladimir Putin to visit China in the coming months.

Last year, a few weeks before the Russian invasion of Ukraine, Putin and Xi had <u>already met</u> and issued a similar <u>joint statement</u> on international relations and cooperation between the two countries.

This visit comes at a time when the West, led by the United States, is waging a proxy war against Russia and when Washington has launched a Cold War against China. In that context, it is no coincidence that both countries are calling for a new world order in which the US and its allies no longer hold sway, but strive for a multipolar world.

U.S. supremacy

Looking back in recent history is helpful in understanding the scope and stakes of this

'friendship' between Putin and Xi.

After the Second World War, the US emerged as the great victor. In Washington they dreamed of a new world order in which only they were in charge. Unfortunately, those plans were thwarted by the rapid rebuilding of the Soviet Union and the breaking of the nuclear monopoly.

Half a century later, the American dream came true indeed with the fall of the Berlin Wall in 1989 and the dismantling of the SU two years later. The US finally became the undisputed leader of world politics and wanted to keep it that way.

Washington no longer held back. The invasion of Panama at the end of 1989 was a test for what would follow. Shortly afterwards it was Iraq, Yugoslavia and Somalia's turn. Afghanistan, Yemen, Libya and Syria would follow later.

Besides overt military interventions, the US also increasingly waged 'hybrid wars' or 'color revolutions' to implement regime changes, which did not succeed everywhere. They tried this in Brazil, Bolivia, Venezuela, Cuba, Honduras, Nicaragua, Georgia, Ukraine, Kyrgyzstan, Lebanon and Belarus. In addition, more than twenty countries were subjected to economic sanctions.

NATO, was created as a force to contain communism in Europe. Today, it entrenches the military supremacy of the US. After the dismantling of the SU, the organization also steadily expanded. Since the 1990s, 14 states on the European continent have joined the treaty organization. Other countries such as Colombia became 'partners' of NATO.

Shifting world order

So, after the Cold War, the US seemed to have the world to itself. But that was counted without China. For the first time in recent history, a poor, underdeveloped country rose to become an economic superpower in no time.

Since joining the WTO in 2001, China's economy has grown more than <u>four times</u>. A few years ago, China's economy has surpassed that of the US to become the largest in the world when based on purchasing power parity. The leap forward is not only economic, but also technological.

China has also developed a new dynamic in which alliances are forged with emerging countries and countries from the South. First there is the BRICS. This is a partnership between five major emerging countries: Brazil, Russia, India, China and South Africa. There is now talk of expanding this group further, with countries that have traditional been allies of the West such as Egypt, Saudi Arabia and Turkey.

Beijing is also the pacesetter of the Shanghai Organization for Cooperation (SCO), a Eurasian political, economic and security alliance. In addition to Russia and China, India and Pakistan are also members.

China also recently joined the world's largest economic partnership, the Regional Comprehensive Economic Partnership (RCEP). This Southeast Asian partnership reaches 30 per cent of the world's population.

And then of course there is the Belt and Road Initiative, the new Silk Road. It accounts for

hundreds of investments, loans, trade agreements and dozens of Special Economic Zones, worth \$900 billion. They are spread over 72 countries, representing a population of about 5 billion people or 65 percent of the world's population.

Russia too is forging alliances. The country is a member of <u>several regional and multinational alliances</u>. One of them, a military alliance, is the <u>Collective Security Treaty Organization</u> (CSTO), which is currently involved in 'peacekeeping' operations in Kazakhstan. Another is the Shanghai Organization for Cooperation, which we have mentioned above.

Moscow also maintains friendly relations on the <u>African continent</u> and with some <u>Latin</u> American countries.

The war in Ukraine has shown that the countries of the South, where the vast majority of the world's population lives, are not marching along with the war-mongering of the West. According to former Prime Minister of Malaysia Mahathir Mohamad, 'the present war between Ukraine and Russia is caused by the Europeans' love of war, of hegemony, of dominance'.

De-dollarization

A very important but misunderstood aspect of the shifting world order is de-dollarization. Indeed, the dominant position of the United States is largely based on the dollar as the world currency.

On the one hand, this gives the US unlimited possibilities to pay its government deficits by printing money and, on the other hand, the US can freeze or confiscate assets of other countries in political disputes, as happened with Iran, Venezuela, Afghanistan and now Russia.

This outrageous advantage and this financial power stand and fall with paying the trade in dollars. And that is exactly what is being questioned more and more.

Russia and China already pay part of their trade no longer in dollars but in their own currency. Russia is already asking to no longer pay for gas in dollars but in rubles. China has so-called 'currency swaps' with various other countries, which ensure that trade no longer has to be done in dollars.

Countries such as Venezuela and Iran have long wanted to trade their oil in currencies other than the dollar. Other major oil exporting countries such as Iraq and Libya have already considered this in the past. If countries like Saudi Arabia join this, then the reign of the dollar will be over, which means that the US will lose a lot of power and influence.

The war in Ukraine and heavy economic and financial sanctions against Russia will only accelerate this process of de-dollarization. If that process continues, the dollar will lose its status as a key currency. Or, as <u>a director</u> of the Institute for Analysis of Global Security told *The Wall Street Journal*, 'If that block is taken out of the wall, the wall will begin to collapse.'

With their trade outside the dollar, Russia and China are setting a trend that could have farreaching consequences for the financial architecture that has been dominated by the US since WWII.

Dangerous to whom or what?

Is this 'friendship' or 'partnership' between Putin and Xi dangerous? That depends to whom or what.

In any case, the alliance between the two countries forms an important counterweight to the supremacy of the US. According to <u>The Guardian</u>, 'The birth of this Sino-Russian axis, conceived in opposition to the US-led western democracies, is the most globally significant strategic development since the Soviet Union collapsed 30 years ago. It will define the coming age'.

In other words, for the hegemony of the US and of the West, this 'friendship' is dangerous.

For countries in the South that want to steer their own course, free from the stifling straitjacket imposed by the West, this 'friendship' is a step forward.

In any case, a <u>recent study</u> has made it clear that a large majority of the population in the South has a positive attitude towards both China (70 percent) and Russia (66 percent).

China recently succeeded in reconciling the two arch-rivals Iran and Saudi Arabia. I brokered an agreement that offers peace prospects for the entire Middle East. That is in stark contrast to the war-making efforts of the US and the West in this region. In the last 15 years, the US or its allies have besieged or bombed eight countries: Afghanistan, Pakistan, Yemen, Somalia, Libya, Mali, Iraq and Syria.

While the US and UK are <u>preventing</u> peace negotiations between Ukraine and Russia, China has now also formulated a peace proposal to stop this war. This proposal was brushed aside by the West, but it was well received by Russia, and at least Ukraine has not rejected it.

The alliance between Russia and China certainly offers better opportunities for the conflict in Ukraine and for world peace in general than the current attitude of the West.

If the newly formed alliance between Russia and China consolidates and other countries join, we may be entering a new era. An era where power in the world is more decentralized and more balanced. It remains to be seen whether the West will tolerate that.

As I <u>wrote earlier</u>, these times promise to be exciting, but also dangerous. We need a strong peace movement more than ever.

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