

GLOBAL SOUTH DOES NOT BUY WESTERN STANCE ON UKRAINE

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Viewed from the United States and Europe, Vladimir Putin's war is a unique event that requires a unique response. As western countries see it, the conflict in Ukraine is very unusual because it is not about boundary disputes, it is about territorial annexation. The conflict is all the more serious because Russia is a nuclear-weapons state and a permanent member of the UN Security Council.



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The **unprecedented economic sanctions** the West has enacted against Vladimir Putin's regime have failed to lead to Russia's economic collapse because China, India, Brazil, South Africa and other countries from the Global South have kept trading with it. For them, the war is regrettable but has to be managed by ceasefires and compromises. India's foreign minister put the view of these countries in a nutshell when he said that Europe thinks that "Europe's problems are the world's problems, but that the world's problems are not Europe's problems".

These words have surprised many western leaders and commentators who have concluded, probably correctly, that if the United States cannot persuade or browbeat the world into agreeing, its own global influence and power is weakening. There is little doubt that the war has had a huge impact on food and energy prices. The freezing of Russian assets was applauded in the West but sent a chilling message about keeping your assets in US dollars. It undermined the dollar's credibility as a safe haven at a time when China has become the largest trading nation. US behaviour is accelerating the use of the Yuan as a currency in bilateral trade. Last summer, Algeria introduced a clause in the contracts it signed with foreign partners to sell gas allowing it to choose, every six months, the currency it wishes to be paid in. Similar changes are occurring across the world and speak of a slow decline of the US dollar which does not mean that the Yuan is not about to replace the US currency any time soon.

For a large part of the world – it is worth remembering that OECD countries account for 18% of the world population, Washington's reaction to the Russian invasion is as problematic as the invasion itself. The Global South does back the existing frontiers of Ukraine. Despite being faced with the implacable hostility of the US over decades, the foreign minister of Iran, Hossein Amir-Abdollahian made clear his country did "not recognise the separating of Crimea from Ukraine" but he is unlikely to view Russia's invasion in the same light as his western counterparts. The vast majority of people in southern rim Mediterranean countries, which

have geographical and economic relations with the EU and the broader Arab world dismiss what they see as the hypocrisy and double standards of the rules-based international order so beloved of the West. These rules are sacrosanct when the US and the EU chose to make them so. As long as oil is not involved as when Saddam Hussein invaded Kuwait in 1991, the West turned a blind eye.

Comparisons are by nature imperfect but Israel's constant taking of Palestinian territories occupied after the 1967 war has been indulged by the US, the UK and the EU. America and Europe's inability, or unwillingness, to put pressure on Israel is the cancer which has slowly and surely destroyed whatever credibility they had. High flown moral preaching about democracy emanating from Washington, Paris and London cut no ice. Western diplomats often acknowledge in private they are unconvinced by the words they use.

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The loss of moral authority of the US accelerated after the political misjudgements which followed 9/11, it was compounded by the fallout of 2008 financial crisis which badly damaged the world economy. The country's broken domestic politics and society hardly offer an example to follow.

Since the collapse of the Soviet Union in 1991, the EU has failed to offer its immediate neighbours to the south, let alone Africa, economic partnerships which have serious content. The Barcelona Process could have offered an interesting policy framework but it was never seen in European capitals as remotely equivalent to the ambitious policy Brussels constructed to integrate Eastern European countries. European corporations do not speak the language of Brussels and defend their interests with bare knuckles, often giving support to authoritarian regimes and helping to scupper local politicians and policies seen to harm their investments. The EU has often veered in the same direction because it fears change and the uncertainty more democratic politics would bring to the ease of speaking to one strong man at the top. The counterrevolution that followed very quickly in the steps of the Arab revolts in 2011 – and which is finally engulfing Tunisia, will not bring long term stability to the region. The revolts of 2011 will occur again, albeit in different form. A slow-moving revolutionary fuse was then lit in the Arab world but the EU persist in its refusal to think strategically. It is little wonder its influence is declining.

China is appealing to this Global South constituency which is far from united – just think India versus China – but whose economic heist grows every year. China's economy is worth \$15 trillion, India's \$3tr and Brazil's

\$2tr. During the Cold War, the West's embargoes only worked because its economic strength allowed misbehaving countries fewer trading partners. Sanctions do not work and only serve to enrich the well-connected – think of lawyers in London and diamond cutters in Antwerp, the criminal and the corrupt. These factors explain the resilience of the Russian economy.

Dollar hegemony is closely linked to US military hegemony and the security of some Global South countries depend on the US for their security. But it is worth remembering that the US won the Cold War because Russia and China were at loggerheads.

The first hard geopolitical question to ask today is whether unconditional western support for Ukraine is not handing Russia to China, as a future vassal maybe. The second relates to China's capacity to mediate between Russia and Ukraine as it has done recently between Saudi Arabia and Iran. Most observers remain unconvinced but China unhappiness with Russia's threat to station tactical nuclear weapons in Belarus might offer an opening. The third relates to the cost of rebuilding Ukraine – estimated at \$500bn. Will the EU which will have to pay higher prices for energy and raw materials and whose population is ageing find the necessary cash? To the first questions I have no answer but to the third one the answer is a resounding "no".