Mondialisation.ca
Centre de recherche sur la mondialisation

Multipolar World Order, Economics versus Geopolitics: The Beijing-Moscow-Tehran « Triple Entente »

Par Federico Pieraccini
Mondialisation.ca, 21 août 2016
Strategic Culture Foundation 20 août 2016

Région : Asia, Russia and FSU, USA
Thème: Global Economy, US NATO War Agenda

International tensions have in recent years often led to conflicts between nations, leaving countries to face complicated choices. The world is under constant change, and the most direct results are political instability over vast areas of the globe combined with economic, cultural and often military confrontations. The economic priorities of cooperation and development are increasingly being sacrificed on the altar of protection of geopolitical interests. It is a return to the past where strategic interests prevailed over the economic model prescribed by modern capitalism.

Nations like Russia, China and Iran have in recent years accelerated their rise on the global arena, expanding vital aspects of this in such areas as energy supply, transit of goods, the type of currency used in trade, defense of national borders, the granting of use of airspace, military–industrial cooperation with other nations, the joint fight against terrorism, and a general defense of the principle of national sovereignty. Washington has tried in every way to prevent this growing multipolarity, desperately trying to prolong its two-decade-old unipolar world.

It is in this general climate that Beijing, Moscow and Tehran have had to engage with Western economic reactions in the process of defending their strategic interests. As a result, we have increasingly witnessed in recent years a conflict between economic convenience and politically driven policy decisions. The most difficult challenge faced by these challengers of the status quo lies increasingly in the complicated question of how to manage a situation where geopolitical interests have to fit into a global financial system largely managed and manipulated by Europeans and Americans.

Currently the international financial system, as I have written many times before, is an American affair. The dollar stands as the dominant currency in relation to other financial institutions, and the whole global economic system is mainly conducted through the American currency. But the paradigm is changing, especially in recent years, thanks to supra-national entities like the AIIB and BRICS. Inevitably the IMF's currency basket will have to incorporate the yuan, starting the process of the slow erosion of the dollar's dominance.

The IMF, after years of wasting time trying to delay this event, will welcome from the October 1st, 2016, Beijing as an integral part of the reserve-currency system. Of course one of the most critical aspects is still the private banking sector and how the SWIFT payment system will work, given that it currently lies within the Euro-American orbit. Altogether this

blend of public and private sector produces a situation where it is easy to see that the global economic system and its rules are often decided in Washington (IMF, World Bank), New York (Wall Street, FED), London (LSE), Basel (BIS) and Frankfurt (ECB), excluding all the other nations. The financial system is dominated by central banks, international bodies and the huge conglomerate of private banks, all strictly of a North Atlantic orientation.

It is easy to understand that nations not aligned with Western interests suffer retaliation, threats and damage from a financial system that is controlled by Euro-American interests.

The pressure imposed on nations like Iran, Russia and China in recent years has increased significantly, jeopardizing global stability. The real possibility of proposing an alternative economic system that is not so easily manipulable by the West has allowed not only Beijing, but especially Moscow and Tehran, to respond in a very effective manner to Western geopolitical intimidation. The Western reaction to the development of the Iranian nuclear program, as well as the Crimean issue, demonstrated clearly the consequences that come with defending strategic interests.

Initially it was Iran. With the acquired nuclear capability, Israel poses a direct strategic threat to the existence of the Islamic Republic. Tehran has decided to give priority to its own national interests by developing its own nuclear program. The objective is the production of a nuclear device to use as a deterrent, effectively creating a balance of power. Of course the decision sparked a vehement response from the West, and once the military option was discarded, an economic strangulation of the country commenced. Iran's expulsion from the global banking system (SWIFT), as well as international sanctions, especially in 2007-2013, have had serious repercussions for the Iranian state in terms of profits from imports and exports, especially in the area of oil and gas.

The economic burden has been high, the country facing difficulties financing internal growth. This pushed Tehran to try and change the situation to their advantage by bypassing impediments and penalties. This decision forged important partnerships, especially with Russia, China and India, and strongly contributed to the implementation of an alternative economic channel. Tehran's move was strongly appreciated in the region by small countries seeking opportunities for mutual gains. Important Chinese and Indian investments in the Islamic Republic, Moscow's constant military exports to Iran, and the selling and buying of gas and oil in different currencies rather than the dollar created a context in which, for the first time, the international economic pressure fueled by Washington was not able to change the course of events.

Iran, thanks to the assistance and financial support of its main allies, managed to render irrelevant the sanctions and banking restrictions imposed on it. It is this aspect more than any other that led to the nuclear negotiation process initiated by the West. Iran was found in the revolutionary situation of being able to pursue its strategic objectives (nuclear weapons as a deterrent to a nuclear Israel) without succumbing to economic pressure. The importance of this outcome can never be stressed enough. For the first time in a long time, a nation not aligned with Western wishes was able to defend its strategic interests without suffering the negative effects of an adverse international system, with its arsenal of speculation, penalties, or simply illegal actions like the removal from the SWIFT system.

When confronting geopolitical and economic interests, it is hard not to mention the two giants such as China and Russia. Both countries, as global superpowers, necessarily need to constantly balance strategic objectives, often geopolitical, with international economic

cooperation. The Ukrainian coup, with the reunification of Crimea, or the construction on the "Spratly Islands" in the South China Sea, are two forward-looking examples of how geopolitical interests have become a main priority for Beijing and Moscow. The power that China has accumulated in economic terms gives it a great advantage: Western nations are unable to apply economic aggression. This leaves China free to pursue its main political objectives, such as establishing security on its maritime boundaries, enforcing national integrity, and expanding its influence and commercial facilities across the continent, without fear of incurring economic punishment. The West is already unable to sanction China let alone apply any vetoes from the private banking sector, or even worse, a possible embargo. China is the factory of the world, and any economic pressure would end up producing unacceptable losses for the West.

After years of disagreements over Chinese territorial claims in the South China Sea, all that Washington managed to do was obtain an irrelevant judgment from an international tribunal thousands of miles away from the disputed area. China pursues its claims without much caring for the actions and rhetoric of the West, focusing instead on ensuring its strategic focal points.

The coup in Ukraine, and the subsequent reunification of Crimea, showed unequivocally how Russia's nuclear weapons deter American aggression. The possibility of NATO actively participating in the war Kiev started against the east of the country amounted to zero, due to the conventional military power of the Russian Federation. Nevertheless in such a scenario, we cannot overlook the effect of sanctions, and the attempts of international isolation, that Russia is subjected to. Moscow, during the Ukrainian crisis, took the difficult but necessary decision to preserve its geopolitical interests at the expense of its economic interests. The stakes were too high to be able to give preference to financial calculations. Sevastopol and the Black Sea Fleet are fully part of the strategic deterrent that has saved the world from a possible confrontation between NATO and Russia in Ukraine. In such a scenario, even the collapse in oil prices has not affected Moscow's decisions even as it is damaging to the Russian economy.

Like with Iran, for Russia the choice to defend at all costs its national interests has forced a policy of "looking towards the east". The multiple, all-encompassing agreements with Beijing have proven that Western economic power is increasingly frail and can be ignored.

The events involving Iran, China and Russia are an epilogue in international relations. They convey an uplifting message to countries with less capacity to resist Western military aggression or withstand financial aggression. It is still too early to appreciate the effects of this change on small nations and their policies, since they are still reliant on assistance from their strong allies. In scenarios like this, the economic impact is not negligible and is often the decisive factor in balancing priorities. It is difficult to imagine a country that places geopolitical interest ahead of the nation's economy.

Some recent examples of this Western arrogance can be seen in energy transit through pipelines. The Middle East suffered untold death and destruction in Iraq and Syria because of plans to disrupt the construction of a pipeline connecting Iran and Europe that passed through Syria and Iraq. A similar situation was seen in the discussed links between South Stream, North Stream or Turkish Stream. In this case all the transit countries (Bulgaria, Greece, Hungary, Serbia and Slovenia) had enormous problems fulfilling their agreements. Unfortunately, it is in such circumstances that Western economic blackmail reaches its peak, often managing to block or slow down such strategically important gas or

oil corridors. Smaller countries are forced to give up important sources of development in order to avoid running the gamut of economic restrictions or even international sanctions.

One way to resist international finance is through a national economic system that is in many respects highly independent. This is how the world should view the alternative international systems of the likes of the BRICS Bank and the Asian Infrastructure Investment Bank (AIIB). In the near future, countries vulnerable to international speculative attacks will be able to embark on politically favorable projects through the AIIB or BRICS Bank. The multipolar future is not just for superpowers like China and Russia but also represents a huge opportunity to raise Third World countries up from unacceptable levels of poverty. The aim of Sino-Russian relations is nothing less than providing the necessary tools to other nations to resist international pressures from traditional financial channels (World Bank, IMF). Allowing these nations to pursue their own national strategic interests opens possibilities that only a multipolar world can offer.

The transition from a unipolar to a multipolar reality has already changed many aspects of international relations. Military options for superpowers against one another have become a less viable option thanks to economic ties and the nuclear balance. Some of the ultimate tools to influence events, namely manipulation and financial terrorism, have less and less effect on superpowers and tend to actually favor the creation of an alternative economic system.

The evolution of these events is easily predictable. With more integration of the world's nations, the dollar's influence will gradually be reduced, but the decline of the United States' unipolar moment will accelerate. The effects will be increasing international cooperation and a transformation that will guide our world toward a full multipolar age.

A revolution that will change everything like nothing in recent history is taking place, forever altering the delicate balance upon which international relations hitherto rested.

La source originale de cet article est Strategic Culture Foundation
Copyright © Federico Pieraccini, Strategic Culture Foundation, 2016

Articles Par : Federico Pieraccini

Avis de non-responsabilité : Les opinions exprimées dans cet article n'engagent que le ou les auteurs. Le Centre de recherche sur la mondialisation se dégage de toute responsabilité concernant le contenu de cet article et ne sera pas tenu responsable pour des erreurs ou informations incorrectes ou inexactes.

Le Centre de recherche sur la mondialisation (CRM) accorde la permission de reproduire la version intégrale ou des extraits d'articles du site Mondialisation.ca sur des sites de médias alternatifs. La source de l'article, l'adresse url ainsi qu'un hyperlien vers l'article original du CRM doivent être indiqués. Une note de droit d'auteur (copyright) doit également être indiquée.

Pour publier des articles de Mondialisation.ca en format papier ou autre, y compris les sites Internet commerciaux, contactez: media@globalresearch.ca

Mondialisation.ca contient du matériel protégé par le droit d'auteur, dont le détenteur n'a pas toujours autorisé l'utilisation. Nous mettons ce matériel à la disposition de nos lecteurs en vertu du principe "d'utilisation équitable", dans le but d'améliorer la compréhension des enjeux politiques, économiques et sociaux. Tout le matériel mis en ligne sur ce site est à but non lucratif. Il est mis à la disposition de tous ceux qui s'y intéressent dans le but de faire de la recherche ainsi qu'à des fins éducatives. Si

vous désirez utiliser du matériel protégé par le droit d'auteur pour des raisons autres que "l'utilisation équitable", vous devez demander la permission au détenteur du droit d'auteur.

Contact média: media@globalresearch.ca